

ISON MINING PTE LTD.

CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2022
(Expressed in United States Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Directors of
ISON Mining Pte Ltd.

Opinion

We have audited the accompanying consolidated financial statements of ISON Mining Pte Ltd. (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2022 and December 31, 2020, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency), and cash flows for the fifteen-month period ended March 31, 2022 and the twelve-month period ended December 31, 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2022 and December 31, 2020, and its financial performance and its cash flows for the fifteen-month period ended March 31, 2022 and the twelve-month period ended December 31, 2020 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 consolidated 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 in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company has not achieved profitable operations and has accumulated losses since inception. As stated in Note 1, there is material uncertainty that may cast significant doubt on the ability of the Company 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 obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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.



We obtained Management's Discussion and Analysis prior to the date of this auditor's report. 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.
- 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.

Davidson & Caspary LLP

Vancouver, Canada

Chartered Professional Accountants

July 27, 2022

ISON MINING PTE LTD.Consolidated Statements of Financial Position
(Expressed in United States Dollars)

	March 31 2022	December 31 2020
ASSETS		
Current assets		
Cash	\$ 7,573	\$ 10,252
Receivables (Note 7)	23,886	1,361
Total current assets	31,459	11,613
Non-current assets		
Equipment	991	-
Exploration and evaluation assets (Note 3)	759,207	-
Total non-current assets	760,198	-
TOTAL ASSETS	\$ 791,657	\$ 11,613
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 4 and 7)	\$ 396,696	\$ 28,859
Loan payable (Note 5)	152,486	-
Due to related party (Note 7)	245,970	142,080
TOTAL LIABILITIES	795,152	170,939
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (Note 6)	1,290,761	515,761
Deficit	(1,294,256)	(675,087)
Total shareholders' equity (deficiency)	(3,495)	(159,326)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)	\$ 791,657	\$ 11,613

Nature of operations and ability to continue as a going concern (Note 1)**Proposed transaction** (Note 12)**Event after reporting date** (Note 13)

These consolidated financial statements were authorized for issuance by the Board of Directors on July 27, 2022.

Approved by the Board of Directors"Christopher Eager" , Director"Huan Fong Koh" , Director

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

ISON MINING PTE LTD.Consolidated Statements of Loss and Comprehensive Loss
(Expressed in United States Dollars)

	Fifteen months ended March 31 2022	Twelve months ended December 31 2020
Exploration and evaluation expenditures (Note 3)	\$ 306,941	\$ 95,349
General and administrative		
Consulting (Note 7)	155,842	4,822
Foreign exchange loss	28,948	160
Office and administrative expenses	3,441	10,711
Professional fees	114,996	17,203
Travel and related expenses	6,515	31,229
Loss from operations	(616,683)	(159,474)
Interest on loan payable (Note 5)	2,486	-
Impairment on deposit	-	15,233
Impairment on advance on mineral properties (Note 3)	-	116,500
Loss and comprehensive loss for the period	\$ (619,169)	\$ (291,207)
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)
Weighted average number of shares outstanding	55,818,627	33,247,377

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

ISON MINING PTE LTD.Consolidated Statements of Cash Flows
(Expressed in United States Dollars)

	Fifteen months ended March 31 2022	Twelve months ended December 31 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (619,169)	\$ (291,207)
Item not affecting cash:		
Unrealized foreign exchange gain	28,948	-
Accrued interest	2,486	
Impairment on deposit	-	15,233
Impairment of advance on mineral property	-	116,500
Changes in non-cash operating working capital items:		
Receivables	(22,525)	(1,361)
Accounts payable and accrued liabilities	338,889	28,859
Net cash used in operating activities	(271,371)	(131,976)
CASH FLOWS FROM INVESTING ACTIVITIES		
Equipment	(991)	-
Exploration and evaluation assets	(759,207)	-
Net cash used in investing activities	(760,198)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan payable	150,000	-
Related party financing	103,890	142,080
Shares issued for cash	775,000	-
Net cash provided by financing activities	1,028,890	142,080
Change in cash	(2,679)	10,104
Cash, beginning of period	10,252	148
Cash, end of period	\$ 7,573	\$ 10,252

Supplemental disclosure with respect to cash flows (Note 8)

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

ISON MINING PTE LTD.Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in United States Dollars)

	Number of shares	Share capital	Deficit	Total equity (deficiency)
Balance as at December 31, 2019	200	\$ 148	\$ (383,880)	\$ (383,732)
Shares issued for debt (Note 6)	51,561,300	515,613	-	515,613
Loss for the period	-	-	(291,207)	(291,207)
Balance as at December 31, 2020	51,561,500	\$ 515,761	\$ (675,087)	\$ (159,326)
Shares issued for cash (Note 6)	7,750,000	775,000	-	775,000
Loss for the period	-	-	(619,169)	(619,169)
Balance as at March 31, 2022	59,311,500	\$ 1,290,761	\$ (1,294,256)	\$ (3,495)

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

ISON MINING PTE LTD.

Notes to the Consolidated Financial Statements
(Expressed in United States Dollars)
For the fifteen month period ended March 31, 2022

1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

Ison Mining Pte Ltd. (the "Company") was incorporated under the laws of Singapore on March 21, 2012. The Company's principal business activities are the acquisition, and exploration, of mineral properties in Brazil. The Company's head office, registered, and records office address is 151 Chin Swee Road, Manhattan House #02-24, Singapore 169876.

These consolidated financial statements are presented for a period of fifteen months ending March 31, 2022. The Company changed its fiscal year end from December 31 to March 31 effective for the period ending December 31, 2021. The change in the fiscal year end is made for the purpose of streamlining the Company's financial reporting.

The Company is in the process of exploring its exploration and evaluation assets and has not yet determined whether they contain reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete their exploration and development, confirmation of the Company's interest in the underlying claims and leases, ability to obtain the necessary permits to mine, and future profitable production or proceeds from the disposition of these assets.

These consolidated financial statements are prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from the carrying values shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. The Company's continuing operations and the ability of the Company to meet mineral property and other commitments are dependent upon the ability of the Company to continue to raise additional equity or debt financing and to seek joint venture partners. At the date of these consolidated financial statements, the Company has entered into option agreements to acquire material property rights, but has not identified a known body of commercial-grade mineral on any of its properties. The Company has not achieved profitable operations and has accumulated losses since inception. The Company estimates it does not have sufficient resources to fund its exploration programs and administrative expenses beyond the next twelve months. There is material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern.

The Company has entered into a proposed transaction to obtain a public listing through a reverse takeover transaction (Note 12), which has been completed subsequently (Note 13).

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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").

Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. The preparation of these consolidated financial statements requires management to make judgments, estimates, and assumptions that affect the application of the policies and reported amounts of assets, liabilities, revenue, and expenses. Actual results may differ from these estimates. The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

ISON MINING PTE LTD.

Notes to the Consolidated Financial Statements
(Expressed in United States Dollars)
For the fifteen month period ended March 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Basis of consolidation

These consolidated financial statements comprise the accounts of the parent company, and its subsidiary, after the elimination of all material intercompany balances and transactions.

Subsidiaries

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. The Company has one wholly owned subsidiary, Ison Do Brasil Mineração, which is incorporated in Brazil.

Foreign currencies

The functional and presentation currency of the Company is the United States ("US") dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the period-end exchange rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. The Company has determined that the functional currency of its foreign subsidiaries is the US dollar. Exchange differences arising from the translation of the net investment in its subsidiaries are recorded as a gain or loss on foreign currency translation in profit or loss.

Financial instruments

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: amortized cost; fair value through other comprehensive income ("FVTOCI"); or fair value through profit or loss ("FVTPL"). The classification of financial assets depends on the purpose for which the financial assets were acquired and is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Financial assets are measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVTOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. The classification determines the method by which the financial assets are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. Financial assets are classified as current assets or non-current assets based on their maturity date.

The Company's financial assets consist of cash and receivables classified at amortized cost.

Financial liabilities

Financial liabilities are designated as either: fair value through profit or loss; or amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded.

The Company's financial liabilities consist of accounts payable and accrued liabilities, loan payable and due to related party classified at amortized cost.

ISON MINING PTE LTD.

Notes to the Consolidated Financial Statements
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For the fifteen month period ended March 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments (cont'd...)

Impairment of financial assets

An expected credit loss ("ECL") model applies to financial assets measured at amortized cost, contract assets and debt investments at FVTOCI, but not to investments in equity instruments. The ECL model requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period. In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. The Company's financial assets measured at amortized cost are subject to the ECL model.

Cash

Cash in the consolidated statements of financial position is comprised of cash at banks and on-hand.

Exploration and evaluation assets and expenditures

Acquisition costs for exploration and evaluation assets, net of recoveries, are capitalized on a property-by-property basis. Acquisition costs include cash consideration and the value of common shares, based on recent issue prices, issued for mineral properties pursuant to the terms of the agreement. Exploration expenditures, net of recoveries, are recorded in profit or loss as incurred.

After an exploration and evaluation asset is determined by management to be commercially viable and technically feasible, exploration and evaluation expenditures on the property will first be assessed for impairment before being transferred to property under development. Thereafter, all costs will be capitalized to the property.

Option payments to acquire an exploration and evaluation asset, made at the sole discretion of the Company under an option agreement, are capitalized at the time of payment. Option payments received are treated as a reduction of the carrying value of the related acquisition cost for the mineral property until the payments are in excess of acquisition costs, at which time they are then credited to profit or loss. Option payments are at the discretion of the optionee and, accordingly, are accounted for when receipt is reasonably assured.

Capitalized acquisition costs are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount. When there is little prospect of further work being carried out by the Company or its partners on a property, when a property is abandoned or when the capitalized costs are no longer considered recoverable, the related property costs are written down to management's estimate of their net recoverable amount. The recoverability of the carrying amount of mineral properties is dependent on the successful development and commercial exploitation or the sale of the respective areas of interest.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable regarding previous years. Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting or taxable profit; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

ISON MINING PTE LTD.

Notes to the Consolidated Financial Statements
(Expressed in United States Dollars)
For the fifteen month period ended March 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Income taxes (cont'd...)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to the offset of current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Share capital

Common shares issued for non-monetary consideration are recorded at their fair value on the measurement date and classified as equity. The measurement date is defined as the earliest of the date at which the commitment for performance by the counterparty to earn the common shares is reached or the date at which the counterparty's performance is complete.

Earnings (loss) per share

Basic earnings (loss) per share ("EPS") is calculated using the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated by adjusting the loss attributable to equity shareholders, and the weighted average number of common shares outstanding for the effects of all potentially dilutive instruments. 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 year. In years where a loss is reported, diluted loss per share is the same as basic loss per share because the effects of potentially dilutive common shares would be anti-dilutive.

Critical accounting estimates and judgments

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Information about significant areas of estimation uncertainty and judgments made by management in preparing the financial statements are described below. The preparation of financial statements in conformance with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

Functional currency

The Company applied judgment in determining its functional currency and the functional currency of its subsidiaries. The functional currency was determined based on the currency in which funds are sourced and the degree of dependence on the Company for financial support.

Mineral properties under exploration

The carrying amount of the Company's exploration and evaluation assets does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

ISON MINING PTE LTD.

Notes to the Consolidated Financial Statements
(Expressed in United States Dollars)
For the fifteen month period ended March 31, 2022

3. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES

	December 31					March 31
	2020		Additions	Reductions		2022
Brazil						
Buracão	\$	-	\$ 100,000	\$	-	\$ 100,000
Novo Mundo		-	543,484		-	543,484
Pernambuco		-	17,788		-	17,788
Santa Angela		-	97,935		-	97,935
	\$	-	\$ 759,207	\$	-	\$ 759,207

Buracão Gold project

In February 2021, the Company entered into an option agreement with a private owner to acquire 100% interest in mineral rights on the Buracão Gold project, located at the border between the States of Tocantins and Goias, Brazil. The Company agreed to make the following payments over the term of the agreement:

- \$10,000 on the date of signing (paid);
- \$90,000 within 25 days after the date of signing (paid);
- \$250,000 in cash or common shares of the Company by May 24, 2022 (paid subsequently);
- \$450,000 in cash or common shares of the Company by February 26, 2023;
- \$750,000 in cash or common shares of the Company by February 26, 2024; and
- \$1,050,000 in cash or common shares of the Company by February 26, 2025.

The seller will retain a 1.25% net smelter return ("NSR") royalty on the mineral rights, where the Company can exercise buyback after commencement of production for 80% of the fair value.

Novo Mondo project

In May 2021, the Company entered into an agreement with NEXA Recursos Minerais S.A. ("NEXA") for the rights to conduct exploration work for up to three years (the "Exploration Period") on the Novo Mundo project located in the State of Mato Grosso, Brazil. The Company agreed to pay \$350,000 (paid).

By the end of the Exploration Period, if the identified resource target is predominately precious metals, the Company shall have the first right to develop and solely fund the project and NEXA will retain a 1.5% NSR.

By the end of the Exploration Period, if the identified resource target is predominately base metals (including copper, zinc, and/lod lead and its by-products):

- NEXA shall have the first right to develop and solely fund the project and the Company will retain a 1.5% NSR; and
- if NEXA does not wish to proceed, the Company may elect to develop the project and NEXA will retain a 1.5% NSR.

Either party has the option to buyback the NSR from the counterparty for:

- \$2,000,000 for the full 1.5% NSR (can be adjusted proportionately for partial buyback) before May 11, 2023; and
- \$5,000,000 for the full 1.5% NSR (can be adjusted proportionately for partial buyback) between May 11, 2021 to May 11, 2026.

In addition, the Company agreed to assume all of NEXA's obligations under specific agreements payable as follows:

- R\$840,000 (\$158,640) in September 2021 (paid);
- R\$193,333 (\$34,844) in November 2021 (paid);
- R\$580,000 (approximately \$118,283) in May 2022 (paid subsequently);
- R\$193,333 (approximately \$39,428) in May 2022 (paid subsequently); and
- R\$193,333 (approximately \$39,428) in May 2022 (paid subsequently).

ISON MINING PTE LTD.

Notes to the Consolidated Financial Statements
(Expressed in United States Dollars)
For the fifteen month period ended March 31, 2022

3. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (cont'd...)

Pernambuco project

In December 2021, the Company acquired certain mineral exploration rights from the Brazilian department of mines Agência Nacional de Mineração ("ANM") to conduct exploration work on the Pernambuco project in the State of Pernambuco, Brazil. Total consideration was \$17,788 (paid).

Santa Angela project

In December 2021, the Company acquired certain mineral exploration rights from the ANM to conduct mineral exploration work on the Santa Angela project in the State of Mato Grosso, Brazil. Total consideration for the exploration rights was \$97,935 (paid).

The Cururu project

In August 2019, the Company advanced \$100,000 to Havylah Companhia de Mineracao e Extracao De Minerios Ltda ("Havylah") for the right to complete the transfer of ownership for the Cururu tenements under its name. Upon the successful transfer, the Company would receive a 10% ownership interest on these tenements. In October 2019, the Company advanced a further \$16,500 to Havylah in return for exclusivity over evaluation and survey in the development of Cururu. The amount advanced is secured by real property located in Para' State, Brazil. Havylah received an unfavourable result on the transfer and the Company recognized an impairment charge on the aggregate advance for the year ended December 31, 2020.

Exploration and evaluation expenditures

For the fifteen months ended March 31, 2022	Other ¹	Buracão	Novo Mondo	Total
Consulting	\$ 15,216	\$ 45,353	\$ 171,441	\$ 232,010
Professional fees	12,095	17,172	17,301	46,568
Travel and related	4,735	6,509	17,119	28,363
	\$ 32,046	\$ 69,034	\$ 205,861	\$ 306,941

For the twelve months ended December 31, 2020	Other	Buracão	Novo Mondo	Total
Consulting	\$ 77,489	\$ -	\$ -	\$ 77,489
Professional fees	17,860	-	-	17,860
	\$ 95,349	\$ -	\$ -	\$ 95,349

¹Other relates to investigation costs, predominately for the Santa Angela and Pernambuco projects during the 15 months ended March 31, 2022.

4. ACCOUNTS PAYABLE

	March 31 2022	December 31 2020
Trade and other payables	\$ 367,487	\$ 28,859
Accrued liabilities	29,209	-
	\$ 396,696	\$ 28,859

ISON MINING PTE LTD.

Notes to the Consolidated Financial Statements
(Expressed in United States Dollars)
For the fifteen month period ended March 31, 2022

5. LOAN PAYABLE

In November 2021, the Company entered into a loan agreement with eShippers Management Ltd. ("eShippers") for \$150,000 bearing interest at 5% per annum calculated and payable monthly in arrears until the maturity date, which was the date of completion of the reverse take-over ("RTO") transaction (Note 12). The loan was guaranteed by the Company's subsidiary and a related company under common control. During the fifteen months ended March 31, 2022, the Company accrued interest of \$2,486 included with loan payable as at March 31, 2022.

6. SHARE CAPITAL

Authorized

As at March 31, 2022 and December 31, 2020, the authorized share capital of the Company was an unlimited number of common shares without par value.

Issued

During the fifteen months ended March 31, 2022, the Company issued 7,750,000 common shares at \$0.10 per share for gross proceeds of \$775,000.

During the year ended December 31, 2020, the Company issued 51,561,300 common shares at \$0.01 per share to settle \$515,613 owed to a company owned by a director of the Company.

7. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, which includes the directors. The aggregate value of transactions and outstanding balances relating to key management personnel are as follows:

	Salary or fees
For the fifteen months ended March 31, 2022	
Management	\$ 75,000
Directors	26,371
	\$ 101,371
For the twelve months ended December 31, 2020	
Management	\$ -
Directors	-
	\$ -

As at March 31, 2022, \$245,970 (December 31, 2020 - \$142,080) was due to a to a company owned by a director of the Company, such amounts were unsecured, interest-free, repayable on demand, and convertible into common shares after one year. During the year ended December 31, 2020, \$515,613 was converted into common shares (Note 6).

As at March 31, 2022, \$80,857 (December 31, 2020 - \$Nil) was due to companies owned by key management personnel for fees or reimbursable expenses and included in accounts payable and accrued liabilities.

As at March 31, 2022, \$22,828 (December 31, 2020 - \$Nil) was due from a company under common control included in receivables. The balance is unsecured and non-interest bearing.

8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the fifteen months ended March 31, 2022, there were no supplemental disclosures with respect to cash flows.

During the year ended December 31, 2020, the Company converted \$515,613 owed to a company owned by a director of the Company into 51,561,300 common shares of the Company.

ISON MINING PTE LTD.

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9. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

The Company classified its financial instruments as follows:

	March 31 2022	December 31 2020
Financial assets - amortized cost:		
Cash	\$ 7,573	\$ 10,252
Receivables	23,886	1,361
Financial liabilities - amortized cost:		
Accounts payable and accrued liabilities	396,696	28,859
Loan payable	152,486	-
Due to a related party	\$ 245,970	\$ 142,080

Fair value

Financial instruments recorded at fair value on the statements of financial position are classified using 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 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- Level 3 - Inputs for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. The carrying value of cash, receivables and deposits, accounts payable and accrued liabilities, and due to related party approximate their fair value because of the short-term nature of these instruments.

Capital risk management

Capital is comprised of the Company's components of shareholders' equity (deficiency). The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels. The Company is not subject to any capital restrictions and did not change its approach to capital management during the most recent period.

Credit risk

Credit risk is the risk of loss arising from a customer or third party to a financial instrument failing to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash, and receivables. The Company limits exposure to credit risk by maintaining its cash with large financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures there is sufficient capital to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash as well as anticipated proceeds from the proposed financing. All the Company's financial liabilities are to be settled within one year. The Company is exposed to liquidity risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's loan payable as at March 31, 2022 includes a fixed interest rate and therefore is not subject to significant risk due to fluctuations in market interest rates in the short-term.

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10. INCOME TAXES

Income tax expense differs from the amount that would result from applying Singaporean income tax rates to earnings before income taxes. These differences result from the following items:

	Fifteen months ended March 31 2022	Twelve months ended December 31 2020
Loss before income taxes	\$ (619,169)	\$ (291,207)
Singaporean income tax rates	17.00%	17.00%
Expected income tax recovery at statutory income tax rate	(105,000)	50,000
Changes in statutory, foreign tax, foreign exchange rates, and other	4,000	(3,000)
Changes in unrecognized deferred tax assets	101,000	(47,000)
Total income tax expense (recovery)	\$ -	\$ -

The composition of the Company's net deferred income tax asset (liability) that has been recognized is as follows:

	March 31 2022	December 31 2020
Deferred income tax assets		
Non-capital losses	65,000	13,000
Exploration and evaluation	126,000	77,000
Unrecognized deferred tax assets	(191,000)	(90,000)
Net deferred income tax asset	\$ -	\$ -

Significant components of the Company's deferred tax assets that have not been included in the statements of financial position are as follows:

	March 31 2022	Expiry date range	December 31 2020	Expiry date range
Non-capital losses	\$ 386,000	n/a	\$ 75,000	n/a
Exploration and evaluation	\$ 761,000	n/a	\$ 454,000	n/a

Tax attributes are subject to review and potential adjustments by tax authorities.

11. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment: the acquisition and exploration of mineral properties in Brazil.

12. PROPOSED TRANSACTION

In September 2021, the Company entered into a definitive share purchase agreement ("SPA"), subsequently amended, with eShippers for an arm's-length reverse takeover, wherein eShippers will acquire all of the outstanding shares of the Company from its shareholders in exchange for common shares of eShippers.

The SPA sets out the terms of the RTO, which will take the form of a share exchange, whereby, after a one new for two old common share consolidation (the "Share Consolidation") by eShippers, all of the outstanding shares of the Company will be acquired by eShippers in exchange for a total of 29,655,750 common shares of eShippers.

Shareholders of eShippers will obtain an approximate 20% ownership interest in the Company. Following the completion of the RTO, the Company will be a wholly-owned subsidiary of eShippers, and the business of the eShippers will be the business of the Company, the directors and management of the resulting issuer will be reconstituted, and it is expected that the resulting issuer will be listed on the Exchange as a Tier 2 mining issuer. The RTO was to be completed on or before May 31, 2022, subject to the approval of the TSX Venture Exchange and standard due diligence procedures.

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12. PROPOSED TRANSACTION (cont'd...)

Under the terms of the SPA, eShippers will undertake a non-brokered private placement of up to 7,288,127 units at a price of Canadian dollar ("C\$") C\$0.35 per unit (post Share Consolidation) for gross proceeds of approx. C\$2,550,000 (approx. \$2,040,000). The financing is expected to be completed concurrently with or immediately prior to the closing of the RTO. Each unit will consist of one common share and one-half of one warrant, where each full warrant will be exercisable to acquire one common share at an exercise price of C\$0.50 per share for 24 months from the date of issuance, subject to an acceleration clause.

13. EVENT AFTER REPORTING DATE

Subsequent to March 31, 2022, the Company completed the proposed transaction with eShippers outlined in Note 12.