

# **1329300 B.C. Ltd.**

## **Financial Statements**

**For period from October 20, 2021 (date of incorporation)  
to December 31, 2021**

**(Expressed in Canadian Dollars)**

---

## Independent Auditor's Report

---

To the Shareholders of **1329300 B.C. Ltd.**

### Opinion

We have audited the financial statements of **1329300 B.C. Ltd.** ("the Company"), which comprise the statement of financial position as at December 31, 2021 and the statement of loss and comprehensive loss, statement of changes in equity (deficiency) and statement of cash flow for the period from October 20, 2021 (date of incorporation) to December 31, 2021 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **1329300 B.C. Ltd.** as at December 31, 2021 and its financial performance and its cash flows for the period from October 20, 2021 (date of incorporation) to December 31, 2021 in accordance with International Financial Reporting Standards.

### 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 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 financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the company has accumulated losses of \$817 since its incorporation and is dependent upon obtaining necessary financing to meet its ongoing operational levels of corporate overhead. As stated in Note 1, these factors, 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.

### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for other information. Other information comprises the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions. Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report. We have nothing to report in this regard.

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

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

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

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

---

## Independent Auditor's Report

---

To the Shareholders of 1329300 B.C. Ltd. (Continued)

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as a 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 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 financial statements, including the disclosures, and whether the 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 audit.

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

The engagement partner on the audit resulting in this independent auditor's report is Wayne O'Connell.

*Jones & O'Connell LLP*

Jones & O'Connell LLP  
Chartered Professional Accountants  
Licensed Public Accountants  
St. Catharines, Ontario  
April 25, 2022

# 1329300 B.C. Ltd.

## Statement of Financial Position

(Expressed in Canadian Dollars)

December 31,  
2021

<b>Assets</b>	
<b>Current Assets</b>	
Cash	\$ 1
<b>Total assets</b>	<b>\$ 1</b>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Due to parent company (Note 8)	\$ 817
<b>Total liabilities</b>	<b>817</b>
<b>Shareholder's deficiency</b>	
Share capital (Note 6)	1
Deficit	(817)
<b>Total shareholder's deficiency</b>	<b>(816)</b>
<b>Total liabilities and shareholder's deficiency</b>	<b>\$ 1</b>

Nature of Operations and Going Concern (Note 1)  
Subsequent Event (Note 9)

Approved on behalf of the Board of Directors on April 25, 2022

"Riccardo Forno" (signed)

Director

"Daniel Nauth" (signed)

Director

The accompanying notes are an integral part of these financial statements

**1329300 B.C. Ltd.****Statement of Loss and Comprehensive Loss****For period from October 20, 2021 (date of incorporation) to December 31, 2021****(Expressed in Canadian Dollars)****For period from  
October 20, 2021  
(date of incorporation)  
to December 31, 2021**

---

<b>Expenses</b>		
Professional fees	\$	817
<b>Net loss and comprehensive loss</b>	\$	<b>(817)</b>
Basic and diluted loss per share	\$	<b>(0.00)</b>
Weighted average number of shares outstanding:		
Basic and diluted (see Note 6)		<b>22,590,750</b>

---

---

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

## 1329300 B.C. Ltd.

### Statement of Changes in Equity (Deficiency)

For period from October 20, 2021 (date of incorporation) to December 31, 2021

(Expressed in Canadian Dollars)

	Share Capital		Deficit	Total Shareholder's Deficiency
	Shares	Amount		
Issued at incorporation on October 20, 2021 (Note 6)	22,590,750	\$ 1	\$ -	1
Net loss and comprehensive loss for the period	-	-	(817)	(817)
Balance, December 31, 2021	22,590,750	\$ 1	(817)	(816)

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

**1329300 B.C. Ltd.****Statement of Cash Flow****For The period from October 20, 2021 (date of incorporation) to December 31, 2021****(Expressed in Canadian Dollars)**

	<b>For period from October 20, 2021 (date of incorporation) to December 31, 2021</b>
<hr/>	
<b>Operating activities</b>	
Net loss for the year	\$ (817)
<hr/>	
<b>Cash flows used in operating activities</b>	<b>(817)</b>
<hr/>	
<b>Financing activities</b>	
Proceeds from share issuance, net of costs	1
Advances from parent company	817
<hr/>	
<b>Cash flows from investing activities</b>	<b>818</b>
<hr/>	
<b>Net change in cash</b>	<b>1</b>
Cash, beginning of year	-
<hr/>	
<b>Cash, end of year</b>	<b>\$ 1</b>
<hr/>	

---

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

# 1329300 B.C. Ltd.

## Notes to the Financial Statements

For the period from October 20, 2021 (date of incorporation) to December 31, 2021

(Expressed in Canadian dollars)

---

### 1. NATURE OF OPERATIONS AND GOING CONCERN

1329300 B.C. Ltd. (the “Company”), was incorporated on October 20, 2021 under the *Business Corporations Act* (British Columbia). Its principal business is to effect mergers, arrangements, reverse takeover transactions and other corporate transactions with other entities with a view to providing liquidity in connection with “go public” transactions. The Company’s head office is located at 890 Pender Street, Suite 600, Vancouver, British Columbia V6C 1J9.

The Company was a wholly-owned subsidiary of Veta Resources Inc. (“Veta”) until a plan of arrangement was completed on February 18, 2022 under which the Company’s common shares were distributed to shareholders of Veta on a pro-rata basis (refer to Note 9).

These financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and discharge of liabilities in the normal course of business. As at December 31, 2021, the Company had accumulated a loss of \$817 since its incorporation. The continuation of the Company is dependent upon obtaining necessary financing to meet its ongoing operational levels of corporate overhead. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern and, therefore, that it may be unable to discharge its liabilities in the normal course of business. Additional funds will be required to enable the Company to continue its operations and there can be no assurance that financing will be available on terms which are acceptable to the Company. These financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern.

In addition, the Company began operations after the World Health Organization categorized COVID-19 as a pandemic. Financial markets around the world have been extremely volatile due to events and conditions resulting from this pandemic and as a result, the volatility could also impact the Company’s ability to continue its operations as a going concern.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

The Company’s Financial Statements have been prepared in accordance with and using accounting policies in full compliance with the IFRS and International Accounting Standards (“IAS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These financial statements were authorized by the Board of Directors of the Company on April 25, 2022.

#### 2.2 Basis of presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

# 1329300 B.C. Ltd.

## Notes to the Financial Statements

For the period from October 20, 2021 (date of incorporation) to December 31, 2021

(Expressed in Canadian dollars)

---

## 2. BASIS OF PREPARATION (continued)

### 2.3 Use of management estimates, judgments and measurement uncertainty

The preparation of these financial statements using accounting policies in accordance with IFRS requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. Significant estimates and judgments made by management in the preparation of these financial statements are outlined below:

#### ***Calculation of share-based payments and warrants***

The Black-Scholes option pricing model is used to determine the fair value for the share-based payments and warrants and utilizes subjective assumptions such as expected price volatility and expected life of the option or warrant. Discrepancies in these input assumptions can significantly affect the fair value estimate.

#### ***Income, value added, withholding and other taxes***

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Taxation

Income tax expense represents the sum of tax currently payable and deferred income tax.

#### ***Current income tax***

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

#### ***Deferred income tax***

Deferred income tax is provided using the liability method on temporary differences at the date of the statement of financial position between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

# 1329300 B.C. Ltd.

## Notes to the Financial Statements

For the period from October 20, 2021 (date of incorporation) to December 31, 2021

(Expressed in Canadian dollars)

---

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.1 Taxation (continued)

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each statement of financial position date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of loss and comprehensive loss.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

#### 3.2 Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. Diluted loss per share assumes that the proceeds upon the exercise of the options and warrants are used to purchase common shares at the average market price during the year.

# 1329300 B.C. Ltd.

## Notes to the Financial Statements

For the period from October 20, 2021 (date of incorporation) to December 31, 2021

(Expressed in Canadian dollars)

---

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.3 Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following categories: fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") or amortized cost.

Financial assets classified as FVTPL are measured at fair value with realized and unrealized gains and losses recognized through net loss. The Company did not have any assets classified as FVTPL.

Financial assets classified as amortized cost are initially measured at fair value. Subsequently they are measured at amortized cost. The Company's cash is classified at amortized cost.

Financial assets classified as FVOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income except for losses in value that are considered other than temporary, in which case the losses are recognized in the statement of loss. As at December 31, 2021, the Company had no assets classified as FVOCI.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the settlement date.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

#### 3.4 Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or amortized cost.

Financial liabilities classified as amortized cost are initially recognized at fair value less directly attributable transaction costs. After initial recognition, they are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, where appropriate, a shorter period. The Company's due to parent company is measured at amortized cost.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive income. At December 31, 2021, the Company has no financial liabilities classified as FVTPL.

#### 3.5 Impairment of financial assets

The Company assesses at each statement of financial position date whether a financial asset is impaired.

##### ***Assets carried at amortized cost***

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in the statement of loss and comprehensive loss.

# 1329300 B.C. Ltd.

## Notes to the Financial Statements

For the period from October 20, 2021 (date of incorporation) to December 31, 2021

(Expressed in Canadian dollars)

---

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.5 Impairment of financial assets (continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the statement of loss and comprehensive loss.

In relation to trade receivables, a provision for impairment is made and an impairment loss is recognized in the statement of loss and comprehensive loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

#### *FVOCI*

If an FVOCI asset is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in net income or loss, is transferred from equity to the statement of loss and comprehensive loss.

#### 3.6 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense. As at December 31, 2021, the Company has no obligations that require provisions.

#### 3.7 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, which includes key management and family of key management. Parties are also considered to be related if they are subject to common control or common significant influence, and related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the fair value.

# 1329300 B.C. Ltd.

## Notes to the Financial Statements

For the period from October 20, 2021 (date of incorporation) to December 31, 2021

(Expressed in Canadian dollars)

---

### 4. CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- To maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and the industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital and deficit which at December 31, 2021 totaled \$(816).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating and capital expenditures, and other investing and financing activities. Selected information is provided to the Board of Directors of the Company. The Company is not subject to any capital requirements.

### 5. FINANCIAL INSTRUMENTS

#### Fair value hierarchy and fair value

Financial instruments recorded at fair value on the statement 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* - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

*Level 3* - valuation techniques using inputs for the asset or liability that are not based on observable market data.

As at December 31, 2021 the Company did not have any financial instruments measured at fair value and that classification within the fair value hierarchy. As at December 31, 2021, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to the relatively short periods to maturity of these instruments.

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment, and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

# 1329300 B.C. Ltd.

## Notes to the Financial Statements

For the period from October 20, 2021 (date of incorporation) to December 31, 2021

(Expressed in Canadian dollars)

### 5. FINANCIAL INSTRUMENTS (continued)

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

#### i) Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is attributable to various financial instruments, as noted below. The credit risk is limited to the carrying value amount carried on the statement of financial position.

- a. **Cash** – Cash is held on-site and the risk of loss is minimal.

The Company's maximum exposure to credit risk as at December 31, is the carrying value of cash.

#### ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. At December 31, 2021 the Company had a working capital deficiency of \$816. Working capital deficiency as at December 31, 2021 consisted of: cash of \$1, and due to parent company of \$817. The Company had not yet achieved profitable operations, has losses of \$817 and expects to incur further losses in the development of its business.

#### iii) Interest rate risk

The Company is not exposed to significant interest rate risk due to the short-term nature of its monetary assets and liabilities. Cash not required in the short term, is invested in short-term guaranteed investment certificates, as appropriate.

### 6. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares without par value. The issued and outstanding common shares consist of the following:

	No. of Shares	Amount
Issued at incorporation on October 20, 2021	<b>22,590,750</b>	<b>1</b>
Balance at December 31, 2021	<b>22,590,750</b>	<b>\$ 1</b>

On October 20, 2021, the company issued 1 common share upon incorporation for proceeds of \$1.

On February 18, 2022, as described in Note 9, under a statutory plan of arrangement, the Company cancelled the 1 outstanding common share issued upon incorporation and issued 22,590,750 new common shares from treasury for no additional consideration. The number of shares issued during the period and outstanding at the end of the period have been adjusted to reflect these transactions occurring under the statutory plan of arrangement that occurred subsequent to year end.

# 1329300 B.C. Ltd.

## Notes to the Financial Statements

For the period from October 20, 2021 (date of incorporation) to December 31, 2021

(Expressed in Canadian dollars)

### 7. INCOME TAXES

#### Income Tax Provision

The Company's income tax provision differs from the amount resulting from the application of the Canadian statutory income tax rate. A reconciliation of the combined Canadian federal and provincial income tax rates with the Company's effective tax rates for the year ended December 31, 2021 is as follows:

	<u>2021</u>
Combined statutory income tax rate	27%
Income tax recovery at statutory rates	\$ (220)
Tax benefits of losses and temporary differences not recognized	220
<u>Income tax provision</u>	<u>\$ -</u>

The Canadian statutory income tax rate of 27% is comprised of the federal income tax rate at approximately 15% and the provincial income tax rate of approximately 12%.

#### Deferred Income Tax

The primary differences which give rise to the deferred income tax assets and liabilities using the deferred tax rate of 27% at December 31, 2021 are as follows:

	<u>2021</u>
<b><i>Deferred tax assets</i></b>	<b>\$</b>
Non-capital losses carried forward	220
	220
Less: deferred tax asset not recognized	(220)
<u>Net deferred tax assets</u>	<u>-</u>
<b><i>Deferred tax liabilities</i></b>	<b>-</b>
<u>Net deferred tax liabilities</u>	<u>-</u>

The Company has available for carry forward non-capital losses in Canada of \$817 to offset future taxable income. As at December 31, 2021, the non-capital loss carry forwards expire as follows:

2041	\$ 817
<u>Total non-capital losses available for</u>	<u>\$ 817</u>

# **1329300 B.C. Ltd.**

## **Notes to the Financial Statements**

**For the period from October 20, 2021 (date of incorporation) to December 31, 2021**

**(Expressed in Canadian dollars)**

---

### **8. RELATED PARTY TRANSACTIONS**

An amount of \$817 is included in liabilities as reimbursement for expenses incurred on behalf of the Company by its parent, Veta Resources Inc. The amount is non-interest bearing with no fixed terms of repayment, payable on demand and unsecured.

### **9. SUBSEQUENT EVENT**

On February 18, 2022, the Company became a reporting issuer at the completion of the statutory plan of arrangement (the "Arrangement"). Under the Arrangement, each shareholder of Veta received one common share of the Company for each one outstanding common share of Veta. The Company issued 22,590,750 common shares out of treasury to the shareholders of Veta for no additional consideration and cancelled the 1 outstanding common share issued upon incorporation to Veta.