

# **Bigstack Opportunities I Inc.**

## **Financial Statements**

**For the year ended December 31, 2021 and for  
the period from November 25, 2020 (date of  
incorporation) to December 31, 2020**

**(Expressed in Canadian Dollars)**



## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
**Bigstack Opportunities I Inc.**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Bigstack Opportunities I Inc. (the Company), which comprise the statements of financial position as at December 31, 2021 and 2020, and the statements of comprehensive loss, statements of changes in equity and statements of cash flows for the years then ended, 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 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.

#### 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 Responsibility for the Audit of Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material Uncertainty Relating to Going Concern

We draw your attention to Note 1 in the financial statements, which indicates the Company incurred a comprehensive loss of \$119,143 during the year ended December 31, 2021. 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.

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

Management is responsible for the other information. The other information comprises the annual management's discussion and analysis, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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, 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 Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable to 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 Entity'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 Entity 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 Responsibility 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 is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

*Clearhouse LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Mississauga, Ontario  
February 22, 2022



**Bigstack Opportunities I Inc.**  
**Statements of Loss and Comprehensive Loss**  
(Expressed in Canadian Dollars)

	Year ended December 31, 2021	From November 25, 2020 (Incorporation) to December 31, 2020
<b>Expenses</b>		
Share based payments (note 5 and 6)	\$ 55,167	\$ -
Professional fees (note 5)	44,620	5,502
Rent (note 5)	13,560	2,260
Office and general	5,796	45
<b>Net loss and comprehensive loss for the year</b>	<b>\$ (119,143)</b>	<b>\$ (7,807)</b>
<b>Net loss per share – basic and diluted</b>	<b>\$ (0.02)</b>	<b>\$ (0.00)</b>
<b>Weighted average shares outstanding- basic and diluted</b>	<b>6,475,890</b>	<b>2,345,000</b>

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

**Bigstack Opportunities I Inc.**  
**Statements of Cash Flows**  
(Expressed in Canadian Dollars)

	Year ended December 31, 2021	From November 25, 2020 (Incorporation) to December 31, 2020
<b>Cash provided by (used in)</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (119,143)	\$ (7,807)
Share based payments	55,167	-
Changes in non-cash working capital:		
Deposits and prepaids	(800)	-
Accounts payable and accrued liabilities	(1,241)	7,762
<b>Net cash used in operating activities</b>	<b>(66,017)</b>	<b>(45)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash proceeds on issuance of common shares	12,000	201,000
Proceeds from issuance of common shares pursuant to an Initial Public Offering ("IPO")	500,000	-
Share issue costs	(81,075)	-
<b>Cash flows provided by financing activities</b>	<b>430,925</b>	<b>201,000</b>
<b>Net change in cash</b>	<b>364,908</b>	<b>200,955</b>
<b>Cash, beginning of year</b>	<b>200,955</b>	<b>-</b>
<b>Cash, end of year</b>	<b>\$ 565,863</b>	<b>\$ 200,955</b>

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

## Bigstack Opportunities I Inc.

### Statement of Changes in Equity

For the Year ended December 31, 2021 and For the Period from November 25, 2020 (date of Incorporation) to December 31, 2020

(Expressed in Canadian Dollars)

	Share Capital		Reserves			Total
	Number of shares	Amount	Warrant Reserve	Option Reserve	Deficit	
<b>Balance, November 25, 2020</b>	1	\$ -	\$ -	\$ -	\$ -	\$ -
Private placements	4,020,000	201,000	-	-	-	201,000
Net loss for the period	-	-	-	-	(7,807)	(7,807)
<b>Balance, December 31, 2020</b>	<b>4,020,001</b>	<b>\$ 201,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (7,807)</b>	<b>\$ 193,193</b>
Common shares issued for cash	240,000	12,000	-	-	-	12,000
Common shares issued pursuant to IPO	5,000,000	500,000	-	-	-	500,000
Share issue costs	-	(81,075)	-	-	-	(81,075)
Broker warrants issued	-	(37,000)	37,000	-	-	-
Stock option issuance	-	-	-	55,167	-	55,167
Net loss for the year	-	-	-	-	(119,143)	(119,143)
<b>Balance, December 31, 2021</b>	<b>9,260,001</b>	<b>\$ 594,925</b>	<b>\$ 37,000</b>	<b>\$ 55,167</b>	<b>\$(126,950)</b>	<b>\$ 560,142</b>

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

# Bigstack Opportunities I Inc.

## Notes to Financial Statements

(Expressed in Canadian Dollars)

**For the year ended December 31, 2021 and for the period from November 25, 2020 (Date of Incorporation) to December 31, 2020**

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### 1. NATURE OF OPERATIONS AND GOING CONCERN

Bigstack Opportunities I Inc. (the “Corporation” or “Bigstack” of the “Company”) was incorporated under the Business Corporations Act (Ontario). The principal business of the Company is to complete an initial public offering (“IPO”) as a Capital Pool Company (as that term is defined in the policies of the TSX Venture Exchange (the “Exchange”)) (“CPC”) and to identify and evaluate assets or businesses with a view to completing a Qualifying Transaction (as that term is defined in the policies of the Exchange) (“QT”). The Corporation has not commenced commercial operations and has no assets other than cash. Given the nature of the activities, no separate segmented information is reported. The Corporation’s continuing operations as intended are dependent upon its ability to complete an IPO as a CPC and then identify, evaluate and negotiate an acquisition of a business, or an interest therein. Such an acquisition will be subject to the approval of the regulatory authorities concerned and, in the case of a non-arm’s length transaction, of the majority of the minority shareholders.

The head office and the registered head office of the Corporation is located at 18 King Street East, Suite 902, Toronto, Ontario M5C 1C4.

The Corporation completed its IPO on July 16, 2021 and the common shares of the Corporation commenced trading on the TSX Venture Exchange on July 23, 2021 under the symbol “STAK.P”.

There is no assurance that the Corporation will be able to identify a QT within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or delist the Corporation’s shares from trading. The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month may be expensed for general and administrative costs during the QT process. These restrictions apply until completion of a QT by the Corporation as defined under the policies of the Exchange. The Corporation is required to complete its QT on or before two years from the date of the listing of the Corporation’s common shares on the Exchange as a CPC.

The Company had no commercial operations and incurred a net loss and comprehensive loss of \$119,143 for year ended December 31, 2021, and as at December 31, 2021 the Company’s accumulated deficit was \$126,950. These circumstances indicate that material uncertainties exist that may cast significant doubt about the Company’s ability to continue as a going concern and, accordingly, the ultimate use of accounting principles applicable to a going concern.

These financial statements been prepared on a going concern basis which assumes that the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Realization values may be substantially different from carrying values as shown and the 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. These adjustments could be material.

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

# Bigstack Opportunities I Inc.

## Notes to Financial Statements

(Expressed in Canadian Dollars)

For the year ended December 31, 2021 and for the period from November 25, 2020 (Date of Incorporation) to December 31, 2020

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## 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

### Statement of Compliance

The significant accounting policies applied in the Corporation's financial statements are based on International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC") effective as of December 31, 2021.

The financial statements for the year ended December 31, 2021 were authorized for issue by the Board of Directors on February 22, 2022.

### Basis of Measurement

These financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss.

These financial statements are presented in Canadian dollars, which is also the Corporation's functional currency.

### Financial Instruments

IFRS 9 includes requirements for recognition and measurement, impairment, derecognition, and general hedge accounting. Financial assets within the scope of IFRS 9 are classified in the following measurement categories: amortized cost, fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVOCI"). Financial liabilities are classified in the following measurement categories: fair value through profit or loss, or amortized cost.

#### Financial assets

The Corporation's sole financial asset is cash. Cash is measured at amortized cost and changes to fair value subsequent to initial recognition are recorded in profit or loss for the period in which they occur.

#### *Amortized Cost*

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

#### *Fair value through profit or loss*

Financial assets classified as FVTPL are measured at fair value with changes in fair value recognized in net profit or loss.

#### *Classification*

The Corporation determines the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus or minus, in the case of financial assets not classified as FVTPL, directly attributable transaction costs.

## **Bigstack Opportunities I Inc.**

### **Notes to Financial Statements**

(Expressed in Canadian Dollars)

**For the year ended December 31, 2021 and for the period from November 25, 2020 (Date of Incorporation) to December 31, 2020**

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## **2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Financial Instruments (continued)**

#### *Impairment of financial assets*

Financial assets not measured at FVTPL are assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events that occurred after the initial recognition of the financial assets, have had a negative effect on the fair value or estimated future cash flows of an asset. Evidence of impairment could include: significant financial difficulty of the issuer or counterparty; default or delinquency in interest or principal payments; or the likelihood that the borrower will enter bankruptcy or financial reorganization. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

#### Financial liabilities

Financial liabilities comprise accounts payable and accrued liabilities and are classified at amortized cost. Under this classification, all cash flows from these instruments are discounted, where material, to their present value. Over time, this present value is accreted to the future value of remaining cash flows, and this accretion is recorded as interest expense.

The Corporation settles its accounts payable and accrued liabilities on a short-term basis and, therefore, the discounting and accretion of these financial liabilities are immaterial for the periods reported.

#### *Amortized Cost*

Financial liabilities measured at amortized cost, include borrowings, are initially measured at fair value, net of transaction costs. Financial liabilities measured at amortized cost are subsequent measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest costs over relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or to the net carrying amount on initial recognition.

#### *Derecognition of Financial Liabilities*

The Corporation de-recognizes financial liabilities when the obligations are discharged, cancelled, or expire.

## **Bigstack Opportunities I Inc.**

### **Notes to Financial Statements**

(Expressed in Canadian Dollars)

**For the year ended December 31, 2021 and for the period from November 25, 2020 (Date of Incorporation) to December 31, 2020**

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## **2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'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.

### **Share-based compensation**

The Corporation offers a share option plan for its directors, officers, employees and selected consultants. The stock option plan allows the Corporation's employees and consultants to acquire shares of the Corporation. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee.

The fair value is measured at the grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each period end, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

When stock options are exercised, the cash proceeds along with the amount previously recorded as equity reserves are recorded as share capital. When the right to receive options is forfeited before the options have vested, any expense previously recorded is reversed.

The fair value of warrants granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the warrants were granted.

### **Deferred taxes**

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous year.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the consumption of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net loss and comprehensive loss or in equity depending on the item to which the adjustment relates.

## **Bigstack Opportunities I Inc.**

### **Notes to Financial Statements**

(Expressed in Canadian Dollars)

**For the year ended December 31, 2021 and for the period from November 25, 2020 (Date of Incorporation) to December 31, 2020**

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## **2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Deferred taxes (continued)**

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### **Loss earnings per share**

Basic loss earnings per share is calculated by dividing net loss by the weighted average number of common shares outstanding during the period which excludes shares held in escrow.

Diluted loss per share is determined by adjusting the earnings or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments, which includes stock options, as if their dilutive effect was at the beginning of the period. The calculation of the diluted number of common shares assumes that proceeds received from the exercise of "in-the-money" stock options and common share purchase warrants are used to purchase common shares of the Corporation at their average market price for the period.

In periods that the Corporation reports a net loss, stock options are excluded from the calculation of diluted loss per share as their inclusion would be anti-dilutive.

### **Significant Accounting Judgements and Estimates**

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the measurements of assets, liabilities, revenues, expenses and certain disclosures reported in these financial statements. Significant estimates made by management include the following:

#### **Valuation of share-based compensation**

The Corporation uses the Black-Scholes option pricing model to determine the fair value of employee stock options and warrants. This model requires assumptions of the expected future price volatility of the Corporation's common shares, expected life of the instrument, future risk-free interest rates and the dividend yield of the Corporation's common shares.

#### **Going concern**

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its exploration projects and working capital requirements.

#### **Accounting standards and interpretations issued but not yet effective**

The Company has reviewed the accounting standards or amendments to existing accounting standards that have been issued but have future effective dates and determined that these are either not applicable or are not expected to have a significant impact on the Company's financial statements.

## Bigstack Opportunities I Inc.

### Notes to Financial Statements

(Expressed in Canadian Dollars)

For the year ended December 31, 2021 and for the period from November 25, 2020 (Date of Incorporation) to December 31, 2020

### 3. SHARE CAPITAL

- (a) **Authorized** - Unlimited common shares, with no par value  
(b) **Issued** – 9,260,001 common shares

	#	\$
Balance on November 25, 2020	1	-
Shares issued in seed round financing <sup>(i)</sup>	4,020,000	201,000
<b>Balance on December 31, 2020</b>	<b>4,020,001</b>	<b>201,000</b>
Common shares issued for cash <sup>(ii)</sup>	240,000	12,000
Common shares issued pursuant to the IPO <sup>(iii)</sup>	5,000,000	500,000
Share issue costs	-	(118,075)
<b>Balance, December 31, 2021</b>	<b>9,260,001</b>	<b>594,925</b>

- (i) On December 10, 2020, the Corporation closed by way of a non-brokered private placement offering (the "Offering") and issued 4,020,000 common shares in the capital of the Corporation at the price of \$0.05 per Common Share for gross proceeds of \$201,000.
- (ii) On May 10, 2021, the Corporation closed a private placement with a director of the Corporation for 240,000 common shares at \$0.05 per share for total proceeds of \$12,000.
- (iii) On July 16, 2021, the Corporation completed its IPO through its agent, Echelon Wealth Partners Inc. ("Echelon" or the "Agent") of 5,000,000 common shares at a price of \$0.10 per share, raising aggregate proceeds of \$500,000.

As consideration for its role as agent, the Corporation granted the agent's warrants comprising a non-transferable option to purchase up to 500,000 common shares at a price of \$0.10 per common share for a period of 60 months from the date the Corporation's common shares are listed on the Exchange. In addition, Echelon received a cash commission equal to 10% of the gross proceeds of the IPO. Other cash issuance costs in connection with the IPO totaled \$31,075.

#### Escrowed Shares

Subject to an Escrow Agreement pursuant to the requirements of the Exchange, 4,260,000 common shares issued on December 10, 2020 and May 10, 2021 will be held in escrow. Under the terms of the Escrow Agreement, these shares will be released as to 25% thereof on the completion of the Corporation's QT, as defined in the policies of the Exchange, and as to 25% thereof on each of the 6th, 12th, 18th months following the initial release.

All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a QT, must also be deposited in escrow until the final exchange bulletin is issued.

All common shares of the Corporation acquired in the secondary market prior to the completion of a QT by a Control Person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer will also be subject to escrow.

## **Bigstack Opportunities I Inc.**

### **Notes to Financial Statements**

(Expressed in Canadian Dollars)

**For the year ended December 31, 2021 and for the period from November 25, 2020 (Date of Incorporation) to December 31, 2020**

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#### **4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

##### **Capital Management**

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Corporation includes equity, comprised of issued common shares and reserves, in the definition of capital.

The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions.

To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

##### **Risk Disclosures and Fair Values**

The Corporation's financial instruments carried at amortized cost, consisting of accounts payable and accrued liabilities approximate fair value due to the relatively short-term maturity of the instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

#### **5. RELATED PARTY TRANSACTIONS AND BALANCES**

During the year ended December 31, 2021, the Corporation incurred legal fees for services and rent expense to a law firm whose partner is a director of the Corporation. The amounts of \$6,785 and \$13,560 (2020 - \$502 and \$2,260) have been included in professional fees and rent expenses, respectively. An amount is included in accounts payable and accrued liabilities of \$ nil (2020 - \$2,762) owing to this law firm.

During the year ended December 31, 2021, the Company recognized stock-based compensation of \$55,167 (2020 - \$nil) to directors and officers of the Company (note 6).

#### **6. STOCK OPTIONS**

The Corporation has established a stock option plan for its directors, officers and technical consultants under which the Corporation may grant options from time to time to acquire a maximum of 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 Corporation and, in the case of death, expire within one year thereafter.

Upon death, the options may be exercised by legal representation or designated beneficiaries of the holder of the option. Any shares issued upon exercise of the options prior to the Corporation entering into a QT will be subject to escrow restrictions. Unless otherwise stated, the options fully vest when granted.

## Bigstack Opportunities I Inc.

### Notes to Financial Statements

(Expressed in Canadian Dollars)

For the year ended December 31, 2021 and for the period from November 25, 2020 (Date of Incorporation) to December 31, 2020

	Number of Stock Options	Weighted Average Exercise Price
<b>Balance, December 31, 2020</b>	-	\$ -
Options granted - February 22, 2021	313,000	\$ 0.05
Options granted - July 16, 2021	589,000	\$ 0.10
<b>Options outstanding, December 31, 2021</b>	<b>902,000</b>	<b>\$ 0.08</b>
<b>Options exercisable, December 31, 2021</b>	<b>902,000</b>	<b>\$ 0.08</b>

On February 22, 2021, the Corporation granted incentive stock options to certain of its directors and officers to acquire and aggregate of 313,000 common shares. The incentive stock options may be exercised for a period of five years at a price of \$0.05 per share. The incentive stock options vested on the date of the grant.

The options were valued using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 100%, risk free return of 0.67% and an expected remaining life of 5 years. The Corporation has recorded a \$11,581 share based payment expense in connection with the issuance of the options.

On July 16, 2021, the Corporation granted incentive stock options to certain of its directors and officers and consultants to acquire and aggregate of 589,000 common shares. The incentive stock options may be exercised for a period of five years at a price of \$0.10 per share. The incentive stock options vested on the date of the grant.

The options were valued using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 100%, risk free return of 0.87% and an expected remaining life of 5 years. The Corporation has recorded a \$ 43,586 share based payment expense in connection with the issuance of the options.

The following are the options outstanding as at December 31, 2021:

Security Type	Number of Options Issued	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Expiry Date
Options	313,000	\$ 0.05	1.44	February 22, 2026
Options	589,000	\$ 0.10	2.97	July 16, 2026
<b>Total</b>	<b>902,000</b>	<b>\$ 0.08</b>	<b>4.41</b>	

## 7. WARRANTS

The following table reflects the continuity of warrants for the periods presented:

	Number of Warrants	Weighted Average Exercise Price
<b>Balance, December 31, 2020</b>	-	-
Issued (i)	500,000	\$ 0.10
<b>Balance, December 31, 2021</b>	<b>500,000</b>	<b>\$ 0.10</b>

## Bigstack Opportunities I Inc.

### Notes to Financial Statements

(Expressed in Canadian Dollars)

For the year ended December 31, 2021 and for the period from November 25, 2020 (Date of Incorporation) to December 31, 2020

(i) The warrants were valued using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 100%, risk free return of 0.87% and an expected remaining life of 5 years. The Corporation has recorded a \$ 37,000 share issuance cost within equity in the year ended December 31, 2021 in connection with the issuance of the warrants.

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

Security Type	Number of Warrants Outstanding	Exercise Price	Remaining Contractual Life (Years)	Expiry Date
Broker warrant	500,000	\$ 0.10	4.54	July 16, 2026
<b>Total</b>	<b>500,000</b>	<b>\$ 0.10</b>	<b>4.54</b>	

## 8. INCOME TAXES

A reconciliation of combined federal and provincial corporate income taxes at statutory rates of 26.5% (2020 – 26.5%) to the effective income tax expense is as follows:

	For the Year ended December 31, 2021	From November 25, 2020 (Date of Incorporation) to December 31, 2020
Loss before income tax	\$ (119,143)	\$ (7,807)
Expected tax (recovery) expenses at 26.5%	(31,573)	(2,069)
Adjustments for the following items:		
Share issue costs	(21,485)	-
Permanent differences and other	16,727	-
Change in unrecognized tax assets	36,331	2,069
<b>Total income tax expenses</b>	<b>\$ -</b>	<b>\$ -</b>

The significant component of the Company's deferred tax assets and liabilities are as follows:

	For the Year ended December 31, 2021	For the Year ended December 31, 2020
Non-capital losses	38,400	\$ 2,069
Valuation allowance	(38,400)	(2,069)
<b>Net deferred tax asset</b>		<b>\$ -</b>

The company has non-capital losses which are available to offset future taxable income for income tax purposes of \$80,191, which expire between 2040 and 2041.