

**KAPA CAPITAL INC.**

**Interim Condensed Financial Statements**

**Six months ended October 31, 2021, and 2020  
(Expressed in Canadian Dollars)**

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Section 4.3(3)(a) of the National Instrument 51-102, Continuous Disclosure Obligations, provides that if an auditor has not performed a review of the interim condensed financial statements, the interim financial statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The Company's external auditor, Saturna Group Chartered Professional Accountants LLP, have not performed a review of these interim condensed financial statements of Kapa Capital Inc. for the three-month period ended October 31, 2021.

December 16, 2021

**KAPA CAPITAL INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**(EXPRESSED IN CANADIAN DOLLARS)**

	Note	(Unaudited) October 31, 2021 - \$ -	(Audited) April 30, 2021 - \$ -
<b>ASSETS</b>			
Current Assets			
Cash		<b>145,754</b>	168,984
Taxes Receivable		<b>815</b>	-
<b>Total assets</b>		<b>146,569</b>	168,984
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payables and accrued liabilities		<b>10,422</b>	13,697
<b>Total liabilities</b>		<b>10,422</b>	13,697
<b>SHAREHOLDERS' EQUITY</b>			
Share Capital	3	<b>355,861</b>	355,861
Share-based payment reserve	3	<b>44,909</b>	44,909
Warrant reserve	3	<b>4,526</b>	4,526
Deficit		<b>(269,149)</b>	(250,009)
<b>Total shareholders' equity</b>		<b>136,147</b>	155,287
<b>Total liabilities and shareholders' equity</b>		<b>146,569</b>	168,984

Nature of business and continuance of operations (Note 1)

Approved and authorized for issuance by the Board of Directors on December 16, 2021:

"Charalambos Katevatis"  
Charalambos Katevatis, Director

"Vivian Katsuris"  
Vivian Katsuris, Director

**KAPA CAPITAL INC.****STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

(Unaudited - Prepared by Management)

(EXPRESSED IN CANADIAN DOLLARS)

	<b>Six months ended</b>		<b>Three months ended</b>	
	<b>October 31, 2021</b>	October 31, 2020	<b>October 31, 2021</b>	October 31, 2020
	<b>- \$ -</b>	- \$ -	<b>- \$ -</b>	- \$ -
<b>EXPENSES</b>				
Professional fees	<b>14,415</b>	24,316	<b>5,622</b>	7,489
Transfer agent and filing fees	<b>3,861</b>	12,240	<b>3,064</b>	1,445
General and administrative	<b>864</b>	4,014	<b>71</b>	856
Total Expenses	<b>19,140</b>	(40,570)	<b>(8,757)</b>	(9,790)
<b>NET LOSS BEFORE INCOME TAXES</b>	<b>(19,140)</b>	(40,570)	<b>(8,757)</b>	(9,790)
Net loss and comprehensive loss	<b>(19,140)</b>	(40,570)	<b>(8,757)</b>	(9,790)
Loss per share, basic and diluted	<b>(0.00)</b>	(0.01)	<b>(0.00)</b>	(0.00)
Weighted average number of shares outstanding	<b>5,113,271</b>	5,026,565	<b>5,113,271</b>	5,053,128

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

**KAPA CAPITAL INC.**  
**STATEMENTS OF CHANGES IN EQUITY**  
(Unaudited - Prepared by Management)  
(EXPRESSED IN CANADIAN DOLLARS)

	Share Capital		Share-based payment reserve	Warrant reserve	Deficit	Total
	Number of shares	Amount -\$ -				
<b>Balance, April 30, 2020</b>	<b>5,000,001</b>	<b>338,622</b>	<b>44,909</b>	<b>10,438</b>	<b>(167,045)</b>	<b>226,924</b>
Shares issued for warrants exercised	113,270	11,327	-	-	-	11,327
Fair value of warrants exercised	-	5,912	-	(5,912)	-	-
Net loss for the period	-	-	-	-	(40,570)	(40,570)
<b>Balance, Oct 31, 2020</b>	<b>5,113,271</b>	<b>355,861</b>	<b>44,909</b>	<b>4,526</b>	<b>(207,615)</b>	<b>197,681</b>
<b>Balance, April 30, 2021</b>	<b>5,113,271</b>	<b>355,861</b>	<b>44,909</b>	<b>4,526</b>	<b>(250,009)</b>	<b>155,287</b>
Net loss for the period	-	-	-	-	(19,140)	(19,140)
<b>Balance, Oct 31, 2021</b>	<b>5,113,271</b>	<b>355,861</b>	<b>44,909</b>	<b>4,526</b>	<b>(269,149)</b>	<b>136,147</b>

**KAPA CAPITAL INC.**  
**STATEMENTS OF CASH FLOWS**  
(Unaudited - Prepared by Management)  
(EXPRESSED IN CANADIAN DOLLARS)

	<b>Six months ended</b>	
	<b>October 31, 2021</b>	<b>October 31, 2020</b>
<b>Operating Activities</b>		
Net loss	\$ (19,140)	\$ (40,570)
Changes in non-cash working capital:		
Taxes recoverable	(815)	-
Accounts payable and accrued liabilities	(3,275)	(6,511)
Net cash used in operating activities	(23,230)	(47,081)
<b>Decrease in cash</b>	<b>(23,230)</b>	<b>(35,754)</b>
<b>Cash, beginning of the period</b>	<b>168,984</b>	<b>235,681</b>
<b>Cash, end of the period</b>	<b>\$ 145,754</b>	<b>\$ 199,927</b>

Supplemental cash flow information (Note 5)

## **KAPA CAPITAL INC.**

### **Notes to the Interim Condensed Financial statements**

As at and for the period ended October 31, 2021 and 2020

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

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#### **1. NATURE OF BUSINESS AND CONTINUANCE OF OPERATIONS**

Kapa Capital Inc. (the “Kapa” or “Company”) was incorporated under the British Columbia Business Corporations Act on January 29, 2018. The Company was formed for the primary purpose of completing an Initial Public Offering (“IPO”) on the TSX Venture Exchange (“Exchange”) as a Capital Pool Company (“CPC”) as defined in Policy 2.4 of the Exchange. As a CPC, the Company’s principal business would be to identify, evaluate and acquire assets, properties or businesses which would constitute a qualifying transaction in accordance with Policy 2.4 of the Exchange (“Qualifying Transaction”). A CPC has 24 months from when the shares are listed on the Exchange (September 27, 2018) to complete a Qualifying Transaction. The Company has filed the documents for the Qualifying Transaction dated September 22, 2020 with the Exchange which are in process of obtaining approval. Such a transaction will be subject to shareholder and regulatory approval. Until completion of the Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction.

The Company’s registered office is located at 2475 Queens Avenue, West Vancouver, BC, V7V 2Y9. The trading of the Company’s common shares has been halted on the Exchange since May 5, 2020.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company is not currently determinable, but management continues to monitor the situation.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As of October 31, 2021, the Company has no business or revenues, and has an accumulated deficit of \$269,149. During the six months ended October 31, 2021, the Company incurred a net loss of \$19,140 and used cash of \$145,754 for operating activities. The proposed business of the Company involves a high degree of risk. Although the Company has already completed its IPO and has identified the business for acquisition or investment, additional funds may be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms which are satisfactory to it, particularly in the current economic environment. Furthermore, there is no assurance that the business will be profitable. Those factors raise doubt as to the Company’s ability to continue as a going concern.

#### **Qualifying transaction**

On May 4, 2020, as amended on September 22, 2020, pursuant to the Letter of intent signed by the Company with Quantus Resource Corp., the Company has entered into an acquisition agreement pursuant to which Kapa has agreed to acquire all the issued and outstanding common shares of Quantus (“the Qualifying Transaction”). Under the Arrangement, Quantus shall make a final payment of 750,000 common shares completing all option payment obligations and in doing so, earn a 100% interest in the Blackhawk Property subject to certain royalties upon production.

Under the terms of the Arrangement Agreement, each shareholder of Quantus will receive one (1) common share in the capital of Kapa in exchange for one (1) Quantus common share. Assuming completion, Kapa will issue a total of up to 53,402,273 Kapa shares to the shareholders of Quantus. Following the completion of the Qualifying Transaction, the resulting issuer will have 59,402,274 issued and outstanding shares.

The completion of the Qualifying Transaction is subject to the satisfaction of certain conditions being met including but not limited to: (i) the filing of the draft completed TSX Venture Form 3B2 (Information Required in a Filing Statement for a Qualifying Transaction); (ii) public filing of the NI 43-101F1 Report on the Blackhawk Property; (iii) public filing of the Fairness Opinion; (iv) conditional approval of the TSX Venture in respect of the Arrangement Agreement; (v) the completion of a non-brokered private placement by Quantus (the “Concurrent Financing”).

**KAPA CAPITAL INC.**

**Notes to the Interim Condensed Financial statements**

As at and for the period ended October 31, 2021 and 2020

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(Expressed in Canadian Dollars)

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**1. NATURE OF BUSINESS AND CONTINUANCE OF OPERATIONS (CONTINUED)**

***Qualifying transaction*** (continued)

Concurrent with the Qualifying Transaction, Quantus is proposing to complete the Concurrent Financing of up to 14,000,000 Quantus common shares for aggregate gross proceeds of up to \$2,800,000. Assuming the Concurrent Financing is completed, subscribers to the Concurrent Financing will hold, as a group, approximately 23.6% of the Resulting Issuer's common shares.

The Arrangement Agreement is subject to final approval of the Supreme Court of British Columbia and is conditional upon the Resulting Issuer receiving approval for listing on the TSX Venture Exchange.

**2. SIGNIFICANT ACCOUNTING POLICIES**

a) Statement of Compliance and Basis of Presentation

***Statement of compliance***

The condensed interim consolidated financial statements of the Company, including comparative disclosure, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), and in accordance with the same accounting policies and methods of computation as compared with the most recent annual financial statements, being for the year ended April 30, 2021.

***Basis of measurement***

The accompanying Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The Financial Statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the Company's functional currency.

Approval of the interim condensed financial statements

The Financial Statements of the Company as at and for the six months ended October 31, 2021, were authorized for issue on December 16, 2021, by the Board of Directors of the Company.

b) Use of Estimates and Judgments

The preparation of these Financial Statements in conformity with IFRS requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the year. It also requires management to exercise its judgment in the processing of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The impacts of such estimates and judgments are pervasive throughout the Financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates and judgments are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. Actual results could differ from these estimates.

Significant areas requiring the use of estimates include the fair value of share-based compensation and unrecognized deferred income tax assets. The Company's assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

**KAPA CAPITAL INC.**

**Notes to the Interim Condensed Financial statements**

As at and for the period ended October 31, 2021 and 2020

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

c) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to a known amount of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

d) Financial Instruments

The Company does not have any derivative financial instruments.

Financial assets

The Company recognizes financial assets at fair value net of transaction costs directly attributable to the acquisition of the financial asset. After initial recognition, the Company classifies financial assets as either: (i) amortized cost; (ii) fair value through other comprehensive income; or (iii) fair value through profit or loss. The classification depends on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial asset. Management determines the classification of financial assets at initial recognition.

A financial asset is classified as amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

A financial asset is classified as fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is classified as fair value through profit or loss unless it is measured at amortized cost or as fair value through other comprehensive income. Upon initial recognition, a financial asset can be irrevocably designated as fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains or losses on the financial asset on different bases.

The Company's cash is classified as amortized cost. The Company does not have any financial assets classified as fair value through profit or loss or fair value through other comprehensive income.

Financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expired. Financial assets and liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

The Company's accounts payable and accrued liabilities are classified as amortized cost.

**KAPA CAPITAL INC.**

**Notes to the Interim Condensed Financial statements**

As at and for the period ended October 31, 2021 and 2020

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

d) Financial Instruments (Continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the assets have been impacted. Factors that could indicate impairment include significant financial difficulty, default or delinquency in payment, bankruptcy, or financial reorganization.

At each reporting date, the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. The Company will recognize a loss allowance for expected credit loss for a financial instrument equal to the lifetime expected credit loss if the credit risk on that financial instrument has increased significantly since initial recognition. Conversely, if the credit risk on a financial instrument has not increased significantly since initial recognition, the Company shall measure the loss allowance for that financial instrument at an amount equal to the expected credit losses for the next twelve months. The expected credit loss shall be measured in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions.

e) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period 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, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

f) Loss Per Share

Basic loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period. Diluted loss per share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. Potentially dilutive securities are excluded from the calculation of dilutive loss per share as they are anti-dilutive. As of October 31, 2021, and April 30, 2021, the Company had 500,000 potentially dilutive shares outstanding.

**KAPA CAPITAL INC.****Notes to the Interim Condensed Financial statements**

As at and for the period ended October 31, 2021 and 2020

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

## g) Share-Based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of operations over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted.

As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of operations and comprehensive loss over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of operations and comprehensive loss except where these are issued to consultants directly involved in the sourcing of finance in which case they are measured at the fair value of the equity instruments granted. Options or warrants granted related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. All equity-settled share-based payments are reflected in share-based payments reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

## h) Share Capital

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in a private placement is determined to be the more easily measurable component and are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as warrant reserve. If the warrants are exercised, the related amount is reclassified as share capital.

If the warrants are issued as share issuance costs, the fair value will be recorded as share-based payment reserve using the Black-Scholes option pricing model. If the warrants are exercised, the related amount is reclassified as share capital. If the warrants expire unexercised, the related amount remains in share-based payment reserve.

**KAPA CAPITAL INC.****Notes to the Interim Condensed Financial statements**

As at and for the period ended October 31, 2021 and 2020

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

## i) Comprehensive Income (Loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events, and circumstances from sources other than the Company's shareholders and includes items that are not included in the statement of operations. The Company does not have any items affecting comprehensive income or loss.

## j) Accounting Standards Issued but Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended October 31, 2021 and have not been applied in preparing these Financial Statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's Financial Statements.

## h) Financial Instruments and Risk Management

The Company is exposed in varying degrees to a variety of financial instruments and related risks. Those risks and management's approach to mitigating those risks are as follows:

## a. Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- i. Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- ii. 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); and
- iii. Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which includes cash, and accounts payable and accrued liabilities, approximates their carrying values due to the relatively short-term maturity of these instruments.

## b. Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure of credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

## c. Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

## d. 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 plans on settling its financial obligations out of cash. The ability to do this relies on the Company raising debt and equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. There is no assurance that financing will be available or, if available, that such financing will be on terms acceptable to the Company.

**KAPA CAPITAL INC.****Notes to the Interim Condensed Financial statements**

As at and for the period ended October 31, 2021 and 2020

(Unaudited – Prepared by Management)

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**3. SHARE CAPITAL**

Authorized: unlimited common shares without par value

**Stock Options**

The Company adopted a stock option plan (the “Share Option Plan”) under which it may grant options to employees, officers, directors, or consultants for up to 10% of the issued and outstanding common shares. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee in a twelve-month period is limited to 5% of the issued shares of the Company. Under the plan, the exercise price of an option may not be less than the discounted market price. The options can be granted for a maximum term of 5 years and vest at the discretion of the board of directors.

On September 24, 2018, the Company granted 500,000 stock options to its directors and officers, at an exercise price of \$0.10 per share expiring on September 24, 2023 (Note 5). The fair value of the stock options granted was \$44,909, calculated using the Black-Scholes pricing model assuming volatility of 143.7%, expected life of 5 years, risk-free rate of 2.34%, and no expected dividends or forfeitures. The weighted average fair value of stock options on the date of grant was \$0.09.

	Number of options	Weighted average exercise price
Outstanding, April 30, 2020	500,000	\$ 0.10
Granted	-	-
Outstanding, April 30, and October 31, 2021	500,000	\$ 0.10

Additional information regarding stock options outstanding as of October 31, 2021, is as follows:

Range of exercise price	Stock options outstanding	Weighted average contracted life remaining
\$ 0.10	500,000	2.15

**Agent’s Warrants**

During the period ended October 31, 2021, No warrants were issued and there are no outstanding warrants.

	Number of warrants	Weighted average exercise price
Outstanding, April 30, 2020	200,000	\$ 0.10
Exercised	113,270	0.10
Expired	86,730	0.10
Outstanding, April 30, and October 31, 2021	-	-

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**Notes to the Interim Condensed Financial statements**

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**4. RELATED PARTY TRANSACTIONS**

The Company has identified its directors and officers as its key management personnel. The remuneration of key management was as follows:

During the six months ended October 31, 2021 and 2020, the Company was not a party to any related party transactions.

As at October 31 and April 30, 2021, no amounts are due to or from any other of the Company's directors, officers, and related entities.

**5. SUPPLEMENTAL CASH FLOW INFORMATION**

During the six months ended October 31, 2021 and April 30 2021, the Company had \$Nil supplemental cash flows.

**6. CAPITAL MANAGEMENT**

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash, share capital, and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is not subject to externally imposed capital requirements.

The Company is subject to externally imposed capital requirements under Policy 2.4 of the TSX-V for Capital Pool Companies and the Company's overall strategy with respect to capital risk management remains unchanged from the period ended October 31, 2021.

**7. SEGMENTED INFORMATION**

The Company has one segment. All assets of the Company are located in Canada.

**8. SUBSEQUENT EVENTS**

No subsequent event has been observed.