

Meteorite Capital Inc.
Condensed Interim Financial Statements
September 30, 2022 and 2021

Meteorite Capital Inc.
Contents

For the three and nine-month periods ending September 30, 2022 and 2021

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NOTICE TO READER

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of the management of Meteorite Capital Inc.

The independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with the Standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Meteorite Capital Inc.
Condensed Interim Statement of Financial Position
(Unaudited - Expressed in Canadian dollars)
As at

	September 30, 2022	December 31, 2021
Assets		
Current assets		
Cash	5,137	2,254
Investment in short-term GIC (Note 4)	113,796	173,036
Loan receivable (Note 6)	-	-
Total assets	118,933	175,290
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities (Note 9)	30,287	47,269
Total liabilities	30,287	47,269
Shareholders' Equity		
Share capital (Note 8)	776,233	776,233
Contributed surplus (Note 8)	51,760	51,760
Deficit	(739,347)	(699,972)
Total shareholders' equity	88,646	128,021
Total liabilities and shareholders' equity	118,933	175,290

Approved on behalf of the Board

"signed"

Ivan Spector
Director

"signed"

Richard Yanofsky
Director

The accompanying notes are an integral part of these Condensed Interim Financial Statements

Meteorite Capital Inc.
Condensed Interim Statement of Loss and Comprehensive Loss
For the three and nine-month periods ended September 30, 2022 and 2021
(Unaudited – Expressed in Canadian dollars)

	2022		2021	
	<i>Three-months</i>	<i>Nine-months</i>	<i>Three-months</i>	<i>Nine-months</i>
Interest Income	285	896	131	3,373
Expenses				
Impairment Loss <i>(Note 6)</i>	-	-	-	173,926
Professional fees <i>(Note 9)</i>	3,518	28,814	2,349	164,965
Listing fees	-	10,635	575	8,680
Investor relations	91	751	-	1,012
Taxes and licenses	-	-	92	92
Bank charges	23	71	23	104
Total expenses	3,632	40,271	3,039	348,779
Net loss and comprehensive loss	(3,347)	(39,375)	(2,908)	(345,406)
Basic and fully diluted loss per share <i>(Note 8(c))</i>	(0.00)	(0.01)	(0.00)	(0.05)

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Meteorite Capital Inc.
Condensed Interim Statement of Changes in Shareholders' Equity
For the nine-month periods ended September 30, 2022 and 2021
(Unaudited – Expressed in Canadian dollars)

	<i>Number of shares</i>	<i>Share Capital</i>	<i>Contributed Surplus</i>	<i>Deficit</i>	<i>Total equity</i>
Balance – January 1, 2022	7,065,000	776,233	51,760	(699,972)	128,021
Net loss and comprehensive loss	-	-	-	(39,375)	(39,375)
Balance – September 30, 2022	7,065,000	776,233	51,760	(739,347)	88,646

	<i>Number of shares</i>	<i>Share Capital</i>	<i>Contributed Surplus</i>	<i>Deficit</i>	<i>Total equity</i>
Balance – January 1, 2021	7,065,000	776,233	51,760	(325,142)	502,851
Net loss and comprehensive loss	-	-	-	(345,406)	(345,406)
Balance – September 30, 2021	7,065,000	776,233	51,760	(670,548)	157,445

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Meteorite Capital Inc.
Condensed Interim Statement of Cash Flows
For the nine-month periods ended September 30, 2022 and 2021
(Unaudited – Expressed in Canadian dollars)

	9 Months September 30, 2022	9 Months September 30, 2021
Cash flows (used in) provided by		
Operating activities		
Net Loss	(39,375)	(345,406)
Adjustments for		
Impairment Loss (Note 6)	-	173,926
Deferred share issue costs	-	172,143
Net change in non-cash working capital items		
Accounts payable and accrued liabilities	(16,982)	(54,522)
	(56,357)	(53,859)
Investing activities		
Investment in short-term GIC (Note 4)	(158,102)	(200,129)
Proceeds from redemptions and accrued interest on GIC (Note 4)	217,342	245,772
	59,240	45,643
Net changes in cash	2,883	(8,216)
Cash and cash equivalents, beginning of period	2,254	12,142
Cash and cash equivalents, end of period	5,137	3,926
Supplemental disclosure of cash flow information		
Interest received	\$896	\$3,373

The accompanying notes are an integral part of these Condensed Interim Financial Statements

Meteorite Capital Inc.
Notes to the Condensed Interim Financial Statements

As at September 30, 2022 and 2021
(Unaudited – Expressed in Canadian dollars)

1. Nature of operations

Meteorite Capital Inc. (the “Company”) was incorporated pursuant to the provisions of the Canada Business Corporations Act on April 27, 2018. The Company carries on business as a “Capital Pool Corporation” (“CPC”), as such term is defined in TSX Venture Exchange Inc. (the “Exchange” or the “TSX-V”) Policy 2.4 - Capital Pool Companies (“Policy 2.4”). The Company’s principal purpose is the identification, evaluation and acquisition of assets, properties or businesses or participation therein subject, in certain cases, to shareholder approval and acceptance by the Exchange. The Company’s registered head office address is 1 Place Ville Marie, Suite 3900, Montreal, Québec H3B 4M7.

Where a Qualifying Transaction is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. As described in Note 5 below, the Company publicly announced on February 26, 2021, that it was no longer pursuing its previously announced Qualifying Transaction. At its annual and special meeting of the shareholders held on June 18, 2021, the shareholders voted to approve the following changes needed to transition to the TSX Venture Exchange Policy 2.4 – *Capital Pool Companies* effective January 1, 2021:

- (i) Ratifying certain amendments to the Company’s stock option plan;
- (ii) Removing the consequences associated with the Company not completing a Qualifying Transaction within 24 months of its listing date; and
- (iii) Authorizing the Company to make certain amendments to the Company’s escrow agreement.

The Company has generated a net loss and comprehensive loss of \$39,375 during the 9-month period ended September 30, 2022 and has accumulated a deficit in the amount of \$739,347 (December 31, 2021, annual loss and comprehensive loss of \$374,830 and deficit of \$699,972) and expects to incur further losses in the development of its business, all of which indicate the existence of a material uncertainty which may cast significant doubt about the soundness of the going concern assumption.

Given the experience of managing the operations since the beginning of the COVID-19 pandemic, management has not seen a material adverse effect on the financial results of the Company as a result of the pandemic and related government measures. Management continues to monitor the situation closely.

2. Basis of presentation

These condensed interim financial statements are prepared by the Company in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting as issued by the International Accounting Standards Board and using the accounting policies in the Company’s 2021 year ended financial statements disclosed in Note 3 to those financial statements. These condensed interim financial statements should be read in conjunction with those financial statements.

These condensed Interim Financial Statements for the nine-month period ended September 30, 2022 were authorized for issue by the Board of Directors on November 25, 2022

3. Significant accounting policies

Cash

Cash is comprised of cash held with a Canadian chartered bank and funds held in trust.

Financial assets and financial liabilities

Financial assets are classified and measured based on the business model in which assets are managed and their cash flow characteristics. The Company determines the classification of financial assets at initial recognition. Financial assets are classified and measured based on three categories: amortized cost, fair value through other comprehensive income (“FVOCI”) and fair

value through profit and loss (“FVTPL”). Financial liabilities are classified and measured on two categories: amortized cost or FVTPL.

Meteorite Capital Inc.
Notes to the Condensed Interim Financial Statements

As at September 30, 2022 and 2021
(Unaudited – Expressed in Canadian dollars)

3. **Significant accounting policies** *(Continued from previous page)*

The Company's financial assets are cash, investment in short-term GIC and loan receivable. Cash and investment in short-term GIC are classified and measured at fair value and the loan receivable is classified and measured at amortized cost.

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than financial assets measured at fair value through profit or loss. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions. The Company assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts and breaches of borrowing contracts such as default events or breaches of borrowing covenants. For financial assets assessed as credit-impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses.

For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the condensed interim statements of financial position as a deduction from the gross carrying amount of the financial asset.

The Company's financial liabilities are accounts payable and accrued liabilities which are classified and measured at amortized cost.

Additional fair value measurement disclosure includes classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements which are as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The Company's financial instruments measured at fair value on the condensed interim statement of financial position consist of cash and an investment in short-term GIC held in a Canadian chartered bank. Cash is measured at level 1 and the investment in short-term GIC is measured at level 2 of the fair value hierarchy.

Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the condensed interim financial statements. Deferred tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred share issue costs

Deferred share issue costs represent direct costs incurred for the issuance of share capital. Such costs will be classified as a reduction of share capital once the shares will be issued. However, if consummation of the equity offering is not probable or the offering is aborted, such costs will be expensed.

3. Significant accounting policies *(Continued from previous page)*

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from share capital, net of any tax effects.

Stock-based compensation

The Company grants stock options to purchase common shares of the Company to directors and officers. The Board of Directors grants such options for periods up to five years, with vesting periods determined at its sole discretion. The fair value of the options is measured at the grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period that the options are earned. The fair value is determined using the Company's share price on the date of the grant and is recognized as an expense with a corresponding increase in contributed surplus. The amount recognized as an expense is adjusted to reflect the number of options expected to vest. Where the terms of a stock option are modified, the minimum expense recognized is the expense as if the terms had not been modified. Cancellations of options are accounted for as an acceleration of vesting. An additional expense is recognized for any modifications which increases the total fair value of the stock-based compensation arrangement or is otherwise beneficial to the holder as measured at the date of modification over the remaining vesting period. If and when the stock options are exercised, the applicable fair value amounts charged to contributed surplus will be transferred to share capital.

Warrants

The Company engages in equity financing transactions which may involve the issuance of common shares or share purchase warrants ("Warrants"). Depending upon the terms and conditions of each equity financing agreement, the Warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants are valued based on their fair value using the Black-Scholes option pricing model and warrants that are issued as payment for an agency fee or other transaction cost may be accounted for as share based payments, depending on the terms of the issuance.

Functional currency

The Company's functional and presentation currency is the Canadian dollar, which represents the currency that is the primary economic environment of the Company.

Use of estimates, assumptions and judgments

The preparation of condensed interim financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the condensed interim financial statements and related notes to the condensed interim financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

The following areas require management's critical estimates:

Expected credit losses

Management determines expected credit losses by evaluating individual receivable balances and considering the counterparty's financial condition and current economic conditions. Receivable balances are written off when deemed uncollectible. Recoveries of receivable balances previously written off are recorded as income when received.

Stock based compensation

Management used the Black-Scholes model to estimate the fair value of stock options and warrants issued. The estimated life of the stock options and warrants at the grant date is based on the legal life of the equity instruments and the expected exercise pattern of the holders. The expected volatility used to calculate the grant date fair value is estimated taking into account the historical volatility of similar companies' share prices over the expected term of the stock options and warrants granted.

Accounting standards issued but not yet applied

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. In the current circumstances, it does not expect any of these to have a material impact on the financial statements.

Meteorite Capital Inc.
Notes to the Condensed Interim Financial Statements

As at September 30, 2022 and 2021
(Unaudited – Expressed in Canadian dollars)

4. Investment in short-term GIC

On March 20, 2019, the Company invested in a short-term GIC in the amount of \$625,000, earning interest at a rate of prime less 2.1% and maturing on March 20, 2020. Upon maturity, the remaining balance of \$616,060 including interest and net of partial redemptions was reinvested in a new one-year short-term GIC earning interest at a rate of 1.35% per annum. During the period from the reinvestment on March 20, 2020 to December 31, 2020, the Company partially redeemed \$398,940 of the short-term GIC, of which \$225,000 was advanced to Sparkit Media Inc. (“Sparkit”) against delivery of a promissory note (Note 6). Upon maturity on March 22, 2021, the remaining balance of \$200,129 including interest and net of partial redemptions was reinvested in a new one-year short-term GIC earning interest at a rate of 0.3% per annum. During the period from the reinvestment on March 22, 2021 to March 22, 2022, the Company partially redeemed \$42,500 of the short-term GIC. Upon maturity, the remaining balance of \$158,102 including interest and net of partial redemptions was reinvested in a new one-year short-term GIC earning interest at a rate of 1% per annum. During the period from the reinvestment on March 22, 2022 to September 30, 2022, the Company partially redeemed \$45,000 of the short-term GIC to pay outstanding professional and listing fees.

The Company earned interest income of \$285 and \$896 for the three and nine-month periods ended September 30, 2022 (September 30, 2021, \$131 and \$3,373).

5. Qualifying Transaction

On May 19, 2020, the Company announced that it had signed a binding letter agreement (the “Agreement”) with Sparkit, a privately held corporation existing under the laws of British Columbia, which outlined the general terms and conditions pursuant to which the Company and Sparkit had agreed to complete a transaction that will result in a reverse take-over of the Company by the shareholders of Sparkit (the “Transaction”). The Agreement was negotiated at arm’s length and was effective as of May 18, 2021. Concurrently with the Transaction, the Company had also intended to conduct a brokered private placement offering of common share units for gross proceeds to the Company of a minimum of \$1,755,000 and a maximum of \$2,250,000 (the “Offering”), in accordance with the policies of the Exchange.

On February 26, 2021, the Company publicly announced that it terminated the proposed Qualifying Transaction with Sparkit. On November 1, 2022, the Company announced that it had signed a new binding letter agreement with another corporation to complete its Qualifying Transaction (Note 11).

6. Loan receivable

During the year ended December 31, 2020, the Company advanced \$225,000 to Sparkit against delivery of a promissory note followed by a signed loan agreement from Sparkit. The loan bears interest at an annual rate of 6.5%, calculated and accrued monthly, is secured by a first charge on all of Sparkit’s assets and matured on October 15, 2020.

Interest and principal were payable on the maturity date. As a result of these overdue payments, as well as the termination of the Qualifying Transaction (Note 5) and other factors considered by management, the entire amount of the loan receivable was reflected as an increase in credit risk and considered credit-impaired. As at December 31, 2021, the Company had recognized provisions for expected credit losses totaling \$231,901 in Stage 3 related to this loan. No additional expected credit losses were recognized during the 9-month period ended September 30, 2022.

7. Financial instruments and risk management

Capital risk management

The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern and ensure sufficient liquidity in order to complete a Qualifying Transaction so that it can provide adequate returns for shareholders. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company’s management to sustain future development of the business. The Company defines capital as total equity. The Company is not subject to any externally imposed capital requirements.

7. **Financial instruments and risk management** *(continued from previous page)*

Fair values

At September 30, 2022, the Company's financial instruments consist of cash, investment in short-term GIC, loan receivable and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

The Company is exposed in varying degrees to a number of risks arising from financial instruments. Management's involvement in the operations allows for the identification of risks and variances from expectations. The Company does not participate in the use of financial instruments to mitigate these risks. The Board approves the risk management processes. The Board's main objectives for managing risks are to ensure liquidity, the fulfillment of obligations, the continuation of the Company's search for a Qualifying Transaction, and limited exposure to credit and market risks.

The types of risk exposure and the way in which such exposures are managed are as follows:

Credit risk

Credit risk is the risk of loss if a third party to a financial instrument fails to meet its commercial obligations. The Company attempts to reduce such exposure by investing in low risk investments and depositing cash with a Canadian chartered bank. The Company is exposed to credit risk on the loan receivable and as a result of the overdue payments by the counterparty and termination of the Qualifying Transaction (Note 5), as well as other factors considered by management, the full loan balance is considered credit-impaired and has been fully provided for.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms. The Company manages liquidity risk by maintaining a positive working capital position and sufficient cash balances to enable settlement of transactions on the due date. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices. The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institution is subject to a floating rate of interest. The interest rate risks on cash and on the Company's obligations are not considered significant. During the nine-month period ended September 30, 2022, the Company's short-term GIC matured and was re-invested in a new fixed rate short-term GIC. The loan receivable also carries interest at a fixed interest rate.

As at September 30, 2022, the Company did not have any accounts in foreign currencies and was not exposed to foreign currency risk.

8. **Share capital**

a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

Meteorite Capital Inc.
Notes to the Condensed Interim Financial Statements

As at September 30, 2022 and 2021
(Unaudited – Expressed in Canadian dollars)

8. **Share Capital** (continued from previous page)

b) Common shares issued

	<i>Number of common shares</i>	<i>Amount \$</i>
Shares issuance – founder shares	2,065,000	154,875
Shares issuance – public offering	5,000,000	621,358
Balance, December 31, 2021	7,065,000	776,233
Balance, September 30, 2022	7,065,000	776,233

c) Basic and diluted loss per share is calculated as follows:

	2022		2021	
	<i>Three-months</i>	<i>Nine-months</i>	<i>Three-months</i>	<i>Nine-months</i>
Net loss and comprehensive loss for the period	\$(3,347)	\$(39,375)	\$(2,908)	\$(345,406)
Weighted average shares outstanding (including contingently issuable shares)	7,065,000	7,065,000	7,065,000	7,065,000
Loss per share, basic and fully diluted (i)	\$(0.00)	\$(0.01)	\$(0.00)	\$(0.05)

(i) Diluted loss did not include the effect of options and warrants for the periods ended September 30, 2022 and 2021, as they are anti-dilutive

d) Stock options issued

The Company has adopted a stock option plan which provides that the Board of Directors may, from time to time, in its discretion and in accordance with the Exchange requirements, grant to directors, officers and technical consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the total issued and outstanding common shares of the Company, for a period of up to five years from the date of the grant. The number of common shares reserved for issuance to any individual director or officer of the Company will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants, if any, will not exceed 2% of the issued and outstanding common shares. The options may be exercised the earlier of the completion of the Qualifying Transaction and 24 months from the date the Company's shares were listed for trading on the Exchange. It is at this time that the options will vest in full.

The Company obtained shareholder approval at its annual general and special meeting of shareholders on June 18, 2021 to amend the Company's Stock Option Plan to enable the Company to reserve for issuance as options a total number of common shares of the Company up to 10% of the shares issued and outstanding as at the date of grant of such options, rather than 10% of the shares issued and outstanding as at the date of the Company's initial public offering.

The following is a summary of option transactions under the stock option plan for the relevant periods:

	September 30, 2022		December 31, 2021	
	<i>Number of options</i>	<i>Weighted average exercise price</i>	<i>Number of options</i>	<i>Weighted average exercise price</i>
Balance, beginning of year	565,200	\$0.15	565,200	\$0.15
Balance, end of period	565,200	\$0.15	565,200	\$0.15
Options exercisable	-	-	-	-

Meteorite Capital Inc.
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As at September 30, 2022 and 2021
(Unaudited – Expressed in Canadian dollars)

8. Share Capital *(continued from previous page)*

The options outstanding have a five-year term and expire on September 17, 2023 and vest at the earlier of the events listed above. During the three and nine-month periods ended September 30, 2022, no expenses (September 30, 2021 - \$NIL and \$NIL) related to stock-based compensation costs have been recorded and presented separately in the condensed interim statements of loss and comprehensive loss.

9. Related party transactions

Related parties include the Board of Directors, the President, the Chief Financial Officer, close family members and enterprises which are controlled by these individuals as well as persons performing similar functions.

During the three and nine-month periods ended September 30, 2022, a law firm of which an officer, director and shareholder of the Company is a partner, provided legal services in the amount of \$NIL and \$9,018 (September 30, 2021 - \$321 and \$12,763). As at September 30, 2022, accounts payable and accrued liabilities include an amount of \$24,540 (December 31, 2021 - \$30,522) related to legal services.

10. Comparative Figures

Certain of the comparative figures have been reclassified to conform to the presentation adopted in the current fiscal period.

11. Subsequent Events

- (i) On October 7, 2022, the Company partially redeemed \$10,000 of its short-term GIC and the remaining balance of \$103,718 was reinvested in a new short-term GIC.
- (ii) On November 1, 2022, the Company announced that it has signed a binding letter agreement (the "Letter Agreement") with Kobo Resources Inc. ("Kobo"), a privately held corporation existing under the laws of Québec, which outlines the general terms and conditions pursuant to which the Company and Kobo have agreed to complete a transaction that will result in a reverse take-over of the Company by the shareholders of Kobo (the "Transaction"). The Letter Agreement was negotiated at arm's length and is effective as of November 1, 2022.

The Transaction is then expected to proceed by way of a three-cornered amalgamation to which Kobo shall amalgamate with a wholly-owned subsidiary of the Company, and the Company will acquire all of the issued and outstanding common shares of Kobo, in exchange for the Company's common shares such that Kobo will be a wholly-owned subsidiary of the Company as it exists following the completion of the Transaction (the "Resulting Issuer"). As of the date hereof, the final valuation of Kobo and of the Resulting Issuer have not been finalized. At this stage, the parties have agreed that the valuation of the Company shall be \$282,600 at \$0.04/per share following a reverse split on a five-for-one basis. However, provided that Meteorite is successful in recuperating some of the advances made to Sparkit, the Company may be able to increase its pre-RTO Transaction value. The valuation of Kobo will be subject to an ongoing private placement currently being conducted by Kobo, priced at \$0.20 per share ("Private Placement I") and the final pricing of Private Placement II (as defined below) and the policies of the TSXV. The current estimate of the pre-money value of Kobo (as of October 31, 2022), is \$11,469,200 on a fully-diluted basis (outstanding Kobo Shares, options and warrants but excluding the ongoing Private Placement I).

It is anticipated that a private placement with aggregated gross proceeds of no less than \$3,000,000 ("Private Placement II" and together with Private Placement I, collectively the "Private Placements") will be undertaken by Kobo to be completed on or prior to the closing of the Transaction whereby securities of Kobo will be issued at a price to be determined by the parties hereto and any investment dealers assisting in the financing based on market conditions and in compliance with the applicable securities laws and policies of the TSXV. The final pricing, the type of securities to be issued including, without limitation, subscription receipts, the amount of Private Placement II as well as the terms and conditions shall be satisfactory to the parties hereto and all documentation in connection therewith shall be satisfactory to the respective legal counsels of Kobo and Meteorite. It is expected that, upon completion of Private Placement II, the funds raised will be used as follows: (i) approximately \$1,500,000 for exploration on the Kossou Permit (ii) approximately \$600,000 for exploration on the Bongouanou Permit, and (iii) the balance of approximately \$900,000 for operating and general corporate expenses, including those related to the Transaction.