

**REBEL CAPITAL 2.0 CORP.**

**INTERIM CONDENSED FINANCIAL STATEMENTS**  
**(UNAUDITED)**

**SEPTEMBER 30, 2022**

**NOTICE OF NO AUDITORS' REVIEW OF INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited interim condensed financial statements of Rebel Capital 2.0 Corp. have been prepared by and are the responsibility of the Corporation's management. The Corporation's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditors.

# REBEL CAPITAL 2.0 CORP.

## INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION

| <i>(Expressed in Canadian Dollars)</i> | <b>September 30, 2022</b> | <b>December 31, 2021</b> |
|--|---------------------------|--------------------------|
|  | <i>(Unaudited)</i>        | <i>(Audited)</i>         |
| <b>Assets</b>                          |                           |                          |
| Current assets                         |                           |                          |
| Cash                                   | 4,465                     | 797                      |
|  | <b>4,465</b>              | <b>797</b>               |
| <b>Liabilities</b>                     |                           |                          |
| Current liabilities                    |                           |                          |
| Accounts payable and accruals          | 158,713                   | 48,837                   |
| Promissory notes (Note 6)              | 35,600                    | -                        |
|  | 194,313                   | 48,837                   |
| <b>Shareholders' equity</b>            |                           |                          |
| Share capital (Note 4)                 | 240,330                   | 240,330                  |
| Contributed surplus                    | 25,625                    | 25,625                   |
| Deficit                                | (455,803)                 | (313,995)                |
|  | <b>(189,848)</b>          | <b>(48,040)</b>          |
|  | <b>4,465</b>              | <b>797</b>               |

### Reporting Entity and Going Concern (Note 1)

*See accompanying notes to the interim condensed financial statements.*

### Approved by the Board of Directors:

*(signed) "Doug Bachman"*  
Director

*(signed) "Charles Malette"*  
Director

## REBEL CAPITAL 2.0 CORP.

### INTERIM CONDENSED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the periods ended September 30

| <i>(Unaudited, expressed in Canadian Dollars)</i>                           | <b>Three months ended</b> |                | <b>Nine months ended</b> |                 |
|---|---------------------------|----------------|--------------------------|-----------------|
|   | <b>2022</b>               | <b>2021</b>    | <b>2022</b>              | <b>2021</b>     |
| <b>Expenses:</b>  |                           |                |                          |                 |
| Legal and professional fees   | 27,626                    | 4,962          | 141,664                  | 39,475          |
| Finance costs   | 25                        | 18             | 144                      | 54              |
| <b>Loss and comprehensive loss for the period</b>                           | <b>(27,651)</b>           | <b>(4,980)</b> | <b>(141,808)</b>         | <b>(39,529)</b> |
| <b>Loss per share – basic and diluted</b>                                   | <b>(0.01)</b>             | <b>(0.00)</b>  | <b>(0.04)</b>            | <b>(0.01)</b>   |
| Weighted average number of common shares<br>outstanding - basic and diluted | 4,013,329                 | 4,013,329      | 4,013,329                | 3,091,475       |

*See accompanying notes to the interim condensed financial statements.*

## REBEL CAPITAL 2.0 CORP.

### INTERIM CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

| <i>(Unaudited, expressed in Canadian Dollars)</i> | Number of<br>common shares | Share capital  | Contributed<br>surplus | Deficit          | Total            |
|---|----------------------------|----------------|------------------------|------------------|------------------|
| Balance at December 31, 2021                      | 4,013,329                  | 240,330        | 25,625                 | (313,995)        | (48,040)         |
| Loss for the period                               | -                          | -              | -                      | (141,808)        | (141,808)        |
| <b>Balance at September 30, 2022</b>              | <b>4,013,329</b>           | <b>240,330</b> | <b>25,625</b>          | <b>(455,803)</b> | <b>(189,848)</b> |
| <hr/>   |                            |                |                        |                  |                  |
| Balance at December 31, 2020                      | 4,013,329                  | 240,330        | 25,625                 | (245,800)        | 20,155           |
| Loss for the period                               | -                          | -              | -                      | (39,529)         | (39,529)         |
| <b>Balance at September 30, 2021</b>              | <b>4,013,329</b>           | <b>240,330</b> | <b>25,625</b>          | <b>(285,329)</b> | <b>(19,374)</b>  |

*See accompanying notes to the interim condensed financial statements.*

## REBEL CAPITAL 2.0 CORP.

### INTERIM CONDENSED STATEMENTS OF CASH FLOWS

For the nine months ended September 30

*(Unaudited, expressed in Canadian Dollars)*

**2022**

**2021**

#### Cash flows related to the following activities:

##### Operating activities

|                                    |                 |                 |
|------------------------------------|-----------------|-----------------|
| Loss for the period                | (141,808)       | (39,529)        |
| Change in non-cash working capital | 103,209         | 7,330           |
|                                    | <u>(38,599)</u> | <u>(32,199)</u> |

##### Financing activities

|   |               |          |
|---|---------------|----------|
| Proceeds from promissory notes (Note 6)       | 35,600        | -        |
| Proceeds from stock option exercises (Note 5) | 6,667         | -        |
|   | <u>42,267</u> | <u>-</u> |

##### Net change in cash

|                            |              |              |
|----------------------------|--------------|--------------|
| Net change in cash         | 3,668        | (32,199)     |
| Cash, beginning of period  | 797          | 34,963       |
| <b>Cash, end of period</b> | <u>4,465</u> | <u>2,764</u> |

*See accompanying notes to the interim condensed financial statements.*

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Notes to the Interim Condensed Financial Statements  
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## 1. REPORTING ENTITY AND GOING CONCERN

Rebel Capital 2.0 Corp. (the "Corporation" or "Rebel") was incorporated under the laws of the Province of British Columbia on October 19, 2017. The Corporation was formed for the primary purpose of completing an Initial Public Offering ("IPO") on the TSX Venture Exchange ("Exchange" or "TSXV") as a Capital Pool Corporation ("CPC") as defined in Policy 2.4 of the Exchange. The principal business of the Corporation will be to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising an option or by any concomitant transaction. The purpose of such an acquisition is to satisfy the related conditions of a qualifying transaction under the Exchange rules. The address of the registered office is 1900, 885 West Georgia Street, Vancouver, BC.

These interim condensed financial statements have been prepared on the basis of a going concern which assumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business. The Corporation's ability to continue as a going concern and fund its potential future operations and commitments is dependent upon the ability of the Corporation to obtain additional financing and complete a qualifying transaction. The Corporation has incurred losses since inception and as at September 30, 2022 has a working capital deficiency of \$189,848 (working capital deficiency of \$48,040 as of December 31, 2021) and an accumulated deficit of \$455,803 (December 31, 2021 - \$313,995). There is no assurance that additional funding will be available on a timely basis or on terms acceptable to the Corporation. If the Corporation is unable to obtain sufficient funding, the ability of the Corporation to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles as a going concern will be in doubt. These uncertainties may cast significant doubt upon the Corporation's ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of assets and liabilities which might be necessary should the Corporation be unable to continue in existence.

On November 19, 2020, the Corporation entered into a binding letter of intent in respect of a proposed qualifying transaction, and subsequently entered into a definitive agreement effective November 3, 2021 (see Note 3). Consequently, the Exchange has suspended trading of the Corporation's shares pending the completion of this transaction. As at the date hereof, the Corporation continues to remain suspended from trading on the Exchange pending the outcome of the qualifying transaction.

Under the terms of the new CPC regulations under Policy 2.4 of the Exchange (the "New CPC Policy"), which were approved by the shareholders of the Corporation for adoption during its annual general and special meeting of shareholders held on May 6, 2021 (the "AGM"), the previous consequences to a CPC if a qualifying transaction is not completed within 24 months from the date of listing have now been removed. Such consequences included the delisting of the Corporation by the Exchange or, alternatively, the Corporation applying for a listing on NEX, a separate trading platform of the Exchange intended for companies which have become inactive or have low levels of activity.

### COVID-19 Pandemic

More than two years after being declared a global pandemic by the World Health Organization in March 2020, COVID-19 continues to impact global economic conditions. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Corporation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may, in general, cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the Corporation's financial condition and the timing for the completion of a qualifying transaction.

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## **2. BASIS OF PREPARATION**

### **Statement of compliance**

These interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" under International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These interim condensed financial statements follow the same accounting policies and method of computation as the Corporation's audited financial statements for the year ended December 31, 2021 (the "Audited Financial Statements"), with the exception of certain disclosures that are normally required to be included in audited financial statements which have been condensed or omitted. These interim condensed financial statements should be read in conjunction with the Corporation's Audited Financial Statements.

These interim condensed financial statements have been prepared on a going concern basis, under the historical cost convention, are stated in Canadian dollars, and were authorized for issue by the Board of Directors on November 29, 2022.

### **Use of estimates and judgments**

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future periods could require a material change in the financial statements. Accordingly, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Given the early stage of the Corporation there were no significant estimates or judgments made by management in the preparation of these interim condensed financial statements.

## **3. PROPOSED QUALIFYING TRANSACTION**

Effective November 3, 2021, and subsequently amended on November 14, 2022, the Corporation entered into a definitive agreement (the "Agreement") pursuant to which it will acquire the mineral property option (the "Option") to the Wedge Lake Property in Saskatchewan, Canada and an amount of cash not less than \$400,000 from 1271332 B.C. Ltd. (the "Vendor") (the "Transaction") in exchange for 15,100,000 common shares of the Corporation. As a condition of the Agreement, the Corporation is also required to complete an equity financing for gross proceeds of \$760,000 (the "Concurrent Financing"), comprised of proceeds from the sale of 2,000,000 flow-through shares at \$0.125 each and 4,080,000 non flow-through units at \$0.125 each. Each non flow-through unit will be comprised of one common share and one warrant, exercisable at a price of \$0.20 to acquire one common share until the date that is 24 months following the closing of the Transaction. Finder's fees consisting of up to a 7% cash commission and 7% finder's warrants may be paid to qualified finders in connection with \$85,000 of the proceeds from the non flow-through units in the Concurrent Financing. The Agreement, which originally was set to expire on April 30, 2022, was subsequently extended until April 30, 2023 for closing conditions to be completed.

The Transaction will constitute the Corporation's qualifying transaction under the policies of the Exchange. Approval of the qualifying transaction by the shareholders of Rebel will not be required by the Exchange since it is an "arm's length transaction" pursuant to the policies of the Exchange.

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#### 4. SHARE CAPITAL

##### Common shares

The Corporation has authorized an unlimited number of common shares to be issued. As of September 30, 2022 and December 31, 2021, the Corporation had 4,013,329 common shares outstanding for a share capital balance of \$240,330.

During 2017, the Corporation issued 2,013,329 common shares to Directors and Officers of the Corporation at a price of \$0.05 per share for total consideration of \$100,666.

Pursuant to a prospectus dated August 21, 2018 filed with the securities regulatory authorities in each of the Provinces of British Columbia, Alberta and Ontario and the Exchange and an agency agreement (the "Agency Agreement") with Mackie Research Capital Corporation (the "Agent"), the Corporation completed the IPO of 2,000,000 common shares at \$0.10 per common share for gross proceeds of \$200,000 (before share issue costs) in November 2018.

Under the Agency Agreement, the Agent was granted options (the "Agent's Options") to acquire an additional number of common shares up to 10% of the number of common shares sold at a price of \$0.10 per share, exercisable for a period of 2 years from the date the common shares were first listed for trading on the Exchange. The value of the options was included in share issue costs. The Agent's Options expired in November 2020.

Upon closing of the IPO, the 2,013,329 issued common shares are subject to a CPC escrow agreement pursuant to the requirements of the Exchange (the "Escrowed Shares"). Under the New CPC Policy of the Exchange which was approved by the shareholders of the Corporation for adoption at the AGM, the escrow agreement permits 25% of the escrowed shares to be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 25% will be released on the dates 6 months, 12 months, and 18 months following the Initial Release. The escrow agreement provides that holders of escrowed common shares shall not sell, transfer, assign, mortgage, enter into a derivative transaction concerning or otherwise deal in any way with their escrowed shares.

##### Loss per share

The basic loss per share is calculated by dividing the net loss by the weighted average number of common shares outstanding during the year. Prior to the adoption of the New CPC Policy, with the completion of the IPO, Escrowed Shares were subject to the Escrow Agreement and could have been cancelled in the event that the Corporation was unable to complete a qualifying transaction within the required time limits. Accordingly, these shares were accounted for as contingently returnable shares and excluded from the calculation of basic and diluted loss per share. With the adoption of the New CPC Policy, such Escrowed Shares are no longer subject to cancellation, and are therefore now included in the calculation of basic and diluted loss per share. For the three and nine months ended September 30, 2022, the weighted average number of common shares outstanding for purposes of calculating basic and diluted loss per share was 4,013,329 (September 30, 2021 – 4,013,329 and 3,091,475) common shares. For purposes of the loss per share calculations for the periods ended September 30, 2022 and 2021, there is no difference between the basic loss per share and the diluted loss per share amounts as all instruments are anti-dilutive.

#### 5. SHARE-BASED PAYMENTS

##### Stock Options

On January 25, 2018, the Corporation adopted a stock option plan, further amended on May 6, 2021, pursuant to which the board of directors of the Corporation may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, and employees of and consultants to the Corporation, non-

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transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares at the time of grant. Due to the terms of the New CPC Policy adopted by shareholders at the AGM, there no longer exists the restriction that for so long as the Corporation is a CPC under the policies of the Exchange, the aggregate number of common shares issuable upon exercise of all options granted under the stock option plan shall not exceed 10% of the common shares of the Corporation issued and outstanding at the closing of the Corporation's initial public offering.

Options granted under the option plan may be exercisable for periods of up to 10 years from the date of grant. As well, due to the New CPC Policy adopted by shareholders at the AGM, the number of common shares reserved for issuance to any individual director or officer will not exceed 5% and to all technical consultants will not exceed 2% of the common shares of the Corporation issued and outstanding at the time of grant. Options granted to the directors and officers of the Corporation while it is a CPC may be exercised during the greater of 12 months after the completion of the qualifying transaction and 90 days following cessation of the optionee's position with the Corporation, provided that if the cessation of office, directorship, or technical consulting arrangement is by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Any common shares acquired pursuant to the exercise of options prior to the completion of the qualifying transaction must be deposited in escrow and will be subject to the requirements of the Exchange under a CPC escrow agreement, as described previously.

On June 20, 2018, the Corporation granted options to its directors and officers entitling the purchase of 199,998 common shares at a per share price of \$0.10 per common share. The options are for a five-year term, expiring on June 20, 2023.

On October 23, 2019, a cumulative total of 133,332 options from the aforementioned option grant forfeited due to the resignation of certain directors of the Corporation. On July 4, 2022, a certain director of the Corporation provided notice of exercise of 66,666 options in anticipation of the closing of the Transaction, which will constitute the Corporation's qualifying transaction under the policies of the Exchange. As of September 30, 2022, no options remain outstanding (December 31, 2021 – 66,666 options) due to the aforementioned option exercise, which is contingent upon the closing of the Transaction. As of September 30, 2022, proceeds of \$6,667 received on account of the aforementioned option exercise remain as a liability within accounts payable until such time that the Transaction closes.

Options granted were allocated an estimated fair value using the Black-Scholes option pricing model to estimate the fair value using the weighted average assumptions of an expected forfeiture rate of 0%, a risk-free interest rate of 2.03%, an expected dividend yield of 0%, an expected stock price volatility of 100%, and an expected option life of five years. This resulted in a calculated fair value per stock option of \$0.075.

During the periods ended September 30, 2022, the Corporation recognized \$nil of stock-based compensation expense (September 30, 2021 - \$nil).

### **Agent's Options**

The fair value of the Agent's Options is estimated using the Black-Scholes option pricing model using the following weighted average assumptions of an expected forfeiture rate of 0%, a risk-free interest rate of 2.23%, an expected dividend yield of 0%, an expected stock price volatility of 100%, and an expected option life of two years. This resulted in a calculated fair value per Agent Option of \$0.053.

The share-based payment amount of \$10,630 for Agent's Options was included within share issue costs in association with the Offering finalized in November 2018 (Note 4), with the offset being included as contributed surplus. The Agent's Options expired in November 2020.

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## 6. PROMISSORY NOTES

In February and March of 2022, the Corporation received loans from 1271332 B.C. Ltd. in the form of promissory notes in the amounts of \$25,000 and \$10,600, respectively. Each loan bears interest at 0% per annum and must be repaid in full within one year of the date of execution of each promissory note. As at September 30, 2022, the principal balance of \$35,600 remains outstanding, held at amortized cost and included as a current liability in the interim condensed statement of financial position.

## 7. CAPITAL DISCLOSURES

The Corporation's capital consists of share capital. The Corporation's objective for managing capital is to maintain sufficient capital to identify, evaluate and complete an acquisition or other transaction as disclosed in Note 1.

The Corporation sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

The Corporation's objectives when managing capital are:

- i. to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk; and
- ii. to maintain investor, creditor and market confidence in order to sustain the future development of the business.

Prior to the adoption of the New CPC Policy, the TSXV Policy 2.4, Capital Pool Companies required that proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that certain expenditures, in the case of the Corporation, not to exceed \$90,000, may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Corporation up to a prescribed limit determined under the TSXV policy.

Pursuant to the New CPC Policy, the prescribed limit on administrative and general expenses was amended whereby the proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that certain expenditures, in the case of the Corporation, not exceeding \$3,000 per month, may be used to cover reasonable general and administrative expenses of the Corporation. These restrictions apply until completion of a qualifying transaction by the Corporation.

The Corporation is not subject to any other externally or internally imposed capital requirements at period end, other than the expenditure limits set under the New CPC Policy stated above.

## 8. FINANCIAL INSTRUMENTS

The Corporation, as part of its operations, carries financial instruments consisting of cash, accounts payable and accruals, and promissory notes. It is management's opinion that the Corporation is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

### Fair value

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. Certain of the Corporation's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The Corporation's fair value measurements are classified as one of the following levels of the fair value hierarchy:

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Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The carrying value of cash, accounts payable and accruals, and promissory notes approximates their fair value due to the short-term maturities of these items.

**Credit risk**

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations, which arises principally from the Corporation's cash. The carrying amount of cash represent the maximum credit exposure to the Corporation. The Corporation held cash of \$4,465 at September 30, 2022 (December 31, 2021 - \$797). The Corporation manages credit exposure related to cash by selecting financial institution counterparties with high credit ratings.

**Liquidity risk**

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Corporation has accounts payable and accruals of \$158,713 as at September 30, 2022 (December 31, 2021 - \$48,837) and promissory notes of \$35,600 as at September 30, 2022 (December 31, 2021 - \$nil) that are considered payable within the next year.

**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 Corporation does not have significant exposure to these risks.

**9. RELATED PARTY TRANSACTIONS**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation, directly or indirectly. Key management personnel include the Corporation's executive officers and directors.

There have been no transactions with related parties and no remuneration was paid to key management personnel during the three and nine months ended September 30, 2022 and 2021.