

**VOYAGEUR PHARMACEUTICALS LTD.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2022**  
**AND 2021**

**(Unaudited – Expressed in Canadian Dollars)**

**Notice of No Auditor Review**

These unaudited consolidated interim financial statements of Voyageur Pharmaceuticals Ltd. (the “Corporation”) have not been reviewed by the auditors of the Corporation. This notice is being provided in accordance with Section 4.3 (3) (a) of National Instrument 51-102 – Continuous Disclosure Obligations.

**VOYAGEUR PHARMACEUTICALS LTD.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars)

As at,	August 31, 2022	November 30, 2021
	\$	\$
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	264,537	812,967
Deposits	5,952	5,952
Amounts receivable and other assets	24,810	41,543
Inventory	9,714	9,714
Prepaid expenses	127,954	17,147
	432,967	887,323
Reclamation deposits (note 8)	14,000	14,000
Equipment (note 5)	25,289	29,720
Exploration and evaluation assets (note 6)	1,877,063	1,635,776
<b>Total assets</b>	<b>2,349,319</b>	<b>2,566,818</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	341,674	584,660
Current portion of finance lease obligation (note 14)	8,764	16,557
Due to shareholders	-	19,899
	350,438	621,117
Long-term liabilities		
Provision for reclamation obligations (note 8)	14,000	14,000
CEBA loan (note 15)	25,520	25,520
<b>Total liabilities</b>	<b>389,958</b>	<b>660,637</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (note 9)	7,505,022	6,272,726
Contributed surplus	1,607,887	1,607,887
Deficit	(7,153,547)	(5,974,432)
<b>Total shareholders' equity</b>	<b>1,959,361</b>	<b>1,906,181</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,349,319</b>	<b>2,566,818</b>

Nature of operations and going concern (note 1)

Commitments and contingencies (note 12)

Approved on behalf of the Board:

Director (signed) "Ron Sifton"  
Director

(signed) "Ralph Hesji"  
Director

*See accompanying notes to the consolidated financial statements*

**VOYAGEUR PHARMACEUTICALS LTD.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
(Expressed in Canadian Dollars)

	For the three months ended August 31		For the nine-months ended August 31	
	2022	2021	2022	2021
<b>EXPENSES</b>				
General and administrative (note 7)	\$ 4,425	\$ 26,976	\$ 94,880	\$ 104,687
Market and product development	141,189	166,742	431,409	338,900
Consulting fees	79,187	-	99,869	-
Professional fees (note 7)	7,526	53,845	35,146	73,063
Investor relations, transfer agent, filing fees	24,787	21,929	45,325	54,663
Share-based compensation (note 9)	60,815	18,000	110,404	757,375
Wages, benefits, director fees (note 7)	108,168	81,596	359,902	204,954
Depreciation	727	-	2,181	-
Net and comprehensive loss	(426,824)	(369,088)	(1,179,115)	(1,533,642)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.02)
Weighted average number of common shares outstanding	114,538,357	88,912,821	106,551,522	88,912,821

*See accompanying notes to the consolidated financial statements*

**VOYAGEUR PHARMACEUTICALS LTD.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(Expressed in Canadian Dollars)

	Number of Shares	Share capital \$	Contributed surplus \$	Deficit \$	Total Equity \$
Balance, November 30, 2020	71,366,166	3,437,650	791,094	(3,922,409)	306,335
Shares issued on private placements	14,053,731	1,520,060	-	-	1,520,060
Flow-through shares issued on private placeme	11,417,264	785,008	-	-	785,008
Exercise of warrants	3,435,013	524,516	-	-	524,516
Exercise of options	480,000	48,000	-	-	48,000
Share issue costs	-	(157,287)	(947)	-	(158,234)
Unit Warrants	-	(82,256)	82,256	-	-
Net and comprehensive loss	-	-	-	(412,218)	(412,218)
<b>Balance, August 31, 2021</b>	<b>100,752,174</b>	<b>6,075,691</b>	<b>872,404</b>	<b>(4,334,627)</b>	<b>2,613,468</b>
Balance, November 30, 2021	101,820,174	6,272,726	1,607,887	(5,974,432)	1,906,181
Issued on private placement	11,570,000	1,157,000	-	-	1,157,000
Exercise of warrants	300,000	31,000	-	-	31,000
Exercise of options	100,000	10,000	-	-	10,000
Share issue costs	-	(59,004)	-	-	(59,004)
Shares for Debt	848,183	93,300	-	-	93,300
Net and comprehensive loss	-	-	-	(1,179,115)	(1,179,115)
<b>Balance, August 31, 2022</b>	<b>114,638,357</b>	<b>7,505,022</b>	<b>1,607,887</b>	<b>(7,153,547)</b>	<b>1,959,361</b>

*See accompanying notes to the consolidated financial statements*

**VOYAGEUR PHARMACEUTICALS LTD.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian Dollars)

<b>For the nine-months ended August 31</b>	2022	2021
	\$	\$
Cash provided by (used in):		
<b>Operating activities</b>		
Net and comprehensive loss for the year	(1,179,115)	(1,533,642)
Add item not involving cash:		
Depreciation	2,181	-
Share based compensation	110,404	757,375
Change in non-cash operating working capital		
Deposits	-	(14,450)
GST input tax credits	-	(20,514)
Amounts receivable and other assets	16,733	-
Inventory	-	291
Prepaid expenses	(110,807)	(23,432)
Accounts payable and accrued liabilities	(375,764)	(145,681)
Loans and interest payable (note 7)	-	(208,979)
<b>Net cash (used in) operating activities</b>	<b>(1,536,369)</b>	<b>(1,189,031)</b>
<b>Financing activities</b>		
Finance lease payments (note 14)	(7,793)	(9,501)
Issuance of share capital (note 9)	1,157,000	2,305,068
Exercise of warrants (note 9)	31,000	738,116
Exercise of options (note 9)	10,000	48,000
Shares exchanged for debt	93,300	-
Share issue costs (note 9)	(59,004)	(175,970)
<b>Net cash provided by financing activities</b>	<b>1,224,503</b>	<b>2,905,712</b>
<b>Investing activities</b>		
Exploration and evaluation expenditures (note 6)	(234,088)	(247,647)
Equipment expenditures (note 5)	(2,475)	(14,107)
Accounts payable and accrued liabilities	-	9,122
<b>Net cash (used in) investing activities</b>	<b>(236,563)</b>	<b>(252,633)</b>
<b>Change in cash and cash equivalents during the periods</b>	<b>(548,429)</b>	<b>1,464,048</b>
<b>Cash and cash equivalents, beginning of the period</b>	<b>812,967</b>	<b>2,967</b>
<b>Cash and cash equivalents, end of the period</b>	<b>264,538</b>	<b>1,467,016</b>

Supplemental cash flow information (note 13)

*See accompanying notes to the consolidated financial statements*

# **VOYAGEUR PHARMACEUTICALS LTD.**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*AS AT AND FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2022 AND 2021*

*(Expressed in Canadian Dollars)*

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### **1. Nature of operations and going concern**

Voyageur Pharmaceuticals Ltd., formerly Voyageur Minerals Ltd., (“Voyageur” or the “Corporation”) was incorporated under the Business Corporations Act (Alberta) on July 23, 2008 and is listed on the TSX Venture Exchange (“the Exchange”), trading under the symbol VM. Voyageur, through its wholly owned subsidiaries, Voyageur Industrial Minerals Ltd. and Voyageur Minerals Inc., is in the business of acquiring, exploring and developing raw materials for pharmaceutical products, primarily in the province of British Columbia, Canada and the state of Utah, USA.

On November 12, 2019, the Corporation passed a special resolution to change its name to Voyageur Pharmaceuticals Ltd.

The address of the Corporation’s registered and records office is 800 Dome Tower 333 – 7 Avenue S.W., Calgary, Alberta, T2P 2Z1. The head office of the Corporation is located at 4103B Center Street NW, Calgary, Alberta, T2E2Y6.

These consolidated financial statements have been prepared on the assumption that the Corporation will continue as a going concern and realize its assets and discharge its liabilities in the normal course of business.

The Corporation is in the process of exploring for and developing its mineral properties for pharmaceutical products and has not yet determined whether these properties contain mineral reserves that are economically recoverable. Recovery of the capitalized costs shown for mineral properties will likely require the establishment of economically recoverable reserves, the securing of development financing and profitable production.

As at August 31, 2022, the Corporation had not yet achieved profitable operations, has accumulated losses of \$7,153,547 (Nov 30, 2021 - \$5,974,432) since inception, positive working capital of \$82,529 (November 30, 2021 – positive working capital of \$266,206) and expects to incur further losses in the development of its business. The Corporation has relied on support from various creditors and related party lenders to finance its operations. The continued volatility in global commodity and equity markets caused in part by the COVID-19 pandemic (Note 2) create significant uncertainties which impact the Corporation’s ability to access the capital necessary to execute on its business plans. These material uncertainties may cast significant doubt on the Corporation’s ability to continue as a going concern.

The future operations of the Corporation are dependent on the continued support from creditors and lenders and the Corporation’s ability to raise additional capital through equity financings or by selling or optioning its mineral properties. While the Corporation has been successful in securing financings in the past and has completed private placement and other equity financing, there is no assurance that it will be able to continue to do so in the future. Accordingly, these consolidated financial statements do not give effect to adjustments, if any, that would be necessary should the Corporation be unable to continue as a going concern. If the going concern assumption was not appropriate, then the adjustments required to report the Corporation’s assets and liabilities on a liquidation basis could be material to these consolidated financial statements.

### **2. Impact of COVID-19**

The duration and impact of the COVID-19 pandemic is unknown at this time, as is the efficacy of any government monetary and fiscal interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operations in future periods. The outbreak and subsequent measures intended to limit the pandemic have contributed to significant declines and volatility in financial markets, which has caused significant liquidity challenges for the Corporation.

## **VOYAGEUR PHARMACEUTICALS LTD.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*AS AT AND FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2022 AND 2021*

*(Expressed in Canadian Dollars)*

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Management has taken the following steps to address and limit the impact on the Corporation and its financial condition:

- The Corporation has implemented and followed health and safety procedures in accordance with provincial and federal health guidelines; and
- The Corporation has focused on achieving key milestones and preparing for additional financing to advance its business plan.

The following estimates and judgements made by management in the preparation of these consolidated financial statements are increasingly difficult and subject to a higher degree of measurement uncertainty:

- Appropriateness of the going concern assumption
- Impairment of exploration and evaluation assets

### **3. Basis of presentation**

#### **Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the presentation of interim financial statements and International Accounting Standards ("IAS") 34 Interim Financial Reporting, as the accounting policies applied in these Financial Statements are based on IFRS as issued, outstanding and effective July 26, 2022

Certain disclosures that are normally required to be included in the notes to the annual audited financial statements have been condensed or omitted. These financial statements should be read in conjunction with the audited financial statements and notes thereto for the year ended November 30, 2021.

#### **Approval of consolidated financial statements**

These consolidated financial statements were authorized for issue on October 27, 2022 by the directors of the Corporation.

#### **Basis of consolidation**

These consolidated financial statements include the accounts of the Corporation, its wholly owned Canadian subsidiary, Voyageur Industrial Minerals Ltd. and its wholly owned United States subsidiary, Voyageur Minerals Inc. All significant inter-company transactions and balances have been eliminated upon consolidation.

#### **Basis of measurement**

The consolidated financial statements of the Corporation have been prepared on an accrual basis and are based on historical costs, modified where applicable. The policies applied in these consolidated financial statements are based on IFRS as issued by the IASB and interpretations of the IFRIC issued and effective as of December 31, 2020. These consolidated financial statements are presented in Canadian Dollars, which is the functional currency of the Corporation. The functional currency of the Corporation's Canadian subsidiary and United States subsidiary is the Canadian and United States dollar, respectively.

## VOYAGEUR PHARMACEUTICALS LTD.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2022 AND 2021

(Expressed in Canadian Dollars)

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#### 4. Summary of significant accounting policies

##### (a) Significant accounting judgement and estimates

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements may include estimates which, by their nature, are uncertain. The impacts of such estimates could be pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and the revision affects both current and future periods.

Significant assumptions management has made could result in a material adjustment to the carrying amounts of assets and liabilities including the determination of fair value of share-based payments using the expected volatility, in the event that actual results differ from assumptions.

The Corporation's accounting policy for exploration costs results in certain items being capitalized according to the expected recoverability of the projects. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalized the costs, a judgment is made that recovery of the costs is unlikely, the relevant capitalized amount will be written off to earnings.

##### (b) Future accounting standards and pronouncements

###### *Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)*

The amendments to IAS 37 specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

These amendments are effective for reporting periods beginning on or after January 1, 2022.

###### *Classification of Liabilities as Current or Non-current (Amendments to IAS 1)*

The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date.

These amendments are effective for reporting periods beginning on or after January 1, 2023.

##### (c) Deferred Share Unit Plan ("DSU")

The Corporation has adopted a Deferred Share Unit plan ("DSU") that is focused on compensating the Directors of the Corporation for their annual retainers. DSU's are notional common shares of the Corporation that do not settle until the recipient leaves the Corporation. The Corporation's DSU plan allows for the participants to receive cash-settled DSU's or common shares at the discretion of the Corporation. When Deferred Share Units become payable, the Participant issued such Deferred Share Units shall be entitled to receive payment from the Corporation in settlement of such Deferred Share Units: (i) in a number of Shares (issued from treasury or purchased in the market by the Corporation) equal to the number of Deferred Share

## VOYAGEUR PHARMACEUTICALS LTD.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Units being settled, (ii) an amount in cash equivalent to the number of the outstanding Deferred Share Units held by such Participant multiplied by the FMV as at the applicable settlement date or Termination Date, (iii) in some combination thereof, or (iv) in any other form, all as determined by the Committee at its sole discretion, subject to the policies of the Exchange..

The fair value of the DSU's is recognized as Share Based Compensation expense, with a corresponding increase in accrued liabilities over the vesting period. The amount recognized as an expense is based on the compensation earned during each period and the number of DSU units is calculated based on the weighted average share price during the entire period in which it is earned.

#### 5. Equipment

<b>Cost</b>	<b>Total</b>
	<b>\$</b>
Balance, November 30, 2021	84,344
Additions	2,475
<b>Balance, August 31, 2022</b>	<b>86,819</b>
<b>Accumulated depreciation and impairments</b>	
Balance, November 30, 2021	54,624
Depreciation	6,906
<b>Balance, August 31, 2022</b>	<b>61,531</b>
<b>Carrying Amount</b>	
Balance, November 30, 2021	<b>29,719</b>
<b>Balance, August 31, 2022</b>	<b>25,289</b>

#### 6. Exploration and evaluation assets

The Corporation has interests in four mineral properties located in British Columbia, Canada and Utah, USA as at August 31, 2022. These are Frances Creek, Jubilee Mountain, Pedley Mountain and Paradox Basin.

A summary of the capitalized acquisition and exploration expenditures on the Corporation's exploration and evaluation assets for the periods ending August 31, 2022 and November 30, 2021 are as follows:

**VOYAGEUR PHARMACEUTICALS LTD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

AS AT AND FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2022 AND 2021

*(Expressed in Canadian Dollars)*

	Canada			USA		Total
	Frances Creek	Jubilee Mountain	Pedley Mountain	Paradox Basin	Falcon	
	\$	\$	\$	\$	\$	\$
<b>Balance, November 30, 2020</b>	862,190	118,562	45,804	192,825	-	1,219,381
Claims fees	-	-	-	19,504	-	19,504
Geological and consulting	261,339	-	-	-	-	261,339
Site expenses	2,464	1,669	-	-	-	4,133
Insurance	7,187	-	-	-	-	7,187
Salaries and wages	118,253	-	-	-	-	118,253
Depreciation of exploration equipment	5,979	-	-	-	-	5,979
<b>Balance, November 30 2021</b>	1,257,412	120,231	45,804	212,329	-	1,635,776
Claims fees	-	-	-	18,901	2,404	21,305
Geological and consulting	110,280	-	-	-	-	110,280
Site expenses	-	143	-	-	-	143
Insurance	4,042	-	-	-	-	4,042
Salaries and wages	100,790	-	-	-	-	100,790
Depreciation of exploration equipment	4,727	-	-	-	-	4,727
<b>Balance, August 31, 2022</b>	1,477,251	120,374	45,804	231,230	2,404	1,877,063

**Frances Creek, Jubilee Mountain, Pedley Mountain and Falcon – Canada**

In fiscal 2013, the Corporation was granted the exclusive option to purchase a 100% undivided interest in certain mineral properties located in the province of British Columbia referred to as “Pedley Mountain”, “Jubilee Mountain” and “Frances Creek” (together, the “claims”) from Tiger Ridge Resources Ltd. (the “Vendor”), a related party.

The Vendor has reserved a 3.5% gross milled sales return royalty on the production of barite and other industrial minerals and a 3.5% net smelter return royalty on the production of base and precious metals on all the claims. In addition, the claims are burdened by a previously existing royalty of \$2.00/tonne on finished barite and \$2.00/tonne on metals concentrate production.

The Corporation and the Vendor are related by virtue of the directors, officers and shareholders of the Vendor also being directors, officers and shareholders of the Corporation.

On January 1, 2022, the Corporation staked new claims on the Falcon property (\$2,404) and on July 21, 2022 paid an \$18,901 claim fee on the Paradox Basin ULI Utah property.

**Paradox Basin – USA**

In July 2016, the Corporation entered into an agreement to acquire, from the owner, a 100% interest in 89 mineral claims covering approximately 720 hectares in a lithium brine property located in the Paradox Basin of Utah, USA (the “ULI Project”). The claims have been staked by the owner and have been transferred to Voyageur’s wholly owned United States subsidiary.

On September 14, 2016, the Corporation entered into a Standstill Agreement with Anson Resources Ltd. (“Anson”). Under the terms of the agreement, Anson paid Voyageur a non-refundable deposit of US\$75,000 (CDN\$98,753) in exchange for the exclusive right to conduct due diligence on Voyageur’s ULI Project for a period of 45 days and, based on its due diligence findings, earn into the project.

## VOYAGEUR PHARMACEUTICALS LTD.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2022 AND 2021

(Expressed in Canadian Dollars)

On March 27, 2017 the Corporation signed a formal joint venture agreement with Anson whereby Anson may earn up to 70% of the ULI Project by undertaking exploration activities on the project. Anson earned a 10% interest in the ULI Project upon signing of the formal joint venture agreement and can earn further interests upon completing the following:

- 40% by defining the location(s) for one or more drill holes, issuing a NI 43-101 technical report, and incurring US\$666,000 in qualifying expenditures; and
- a further 20% by drilling and logging one or more holes, issuing an updated NI 43-101 technical report, and incurring US \$2,330,000 in qualifying expenditures.

In fiscal 2018, Anson provided the Corporation with notice advising that Anson had completed the 40% earn-in and they are disputing the amounts owing to Voyageur. Discussions are continuing between the parties.

#### 7. Related party transactions and balances

Transactions with related parties are incurred in the normal course of business and are initially measured at fair value. Related party transactions are disclosed below, unless they have been disclosed elsewhere in the financial statements.

(a)

Amounts Due to Related Parties			
As At Aug 31	2022	2021	
	\$	\$	
Accounts payable & accrued liabilities	8,503	-	
Due to shareholders	-	3,743	
<b>Total</b>	<b>8,503</b>	<b>3,743</b>	

The amount of \$208,979 shown as loans and interest payable on the Statement of Cash Flows for 2021 represents the repayment of loans and interest to officers and directors.

(b) Key Management

The Corporation has determined key management personnel to be the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, and the Board of Directors. Compensation expense for key management personnel was:

Nine Months August 31			
	2022	2021	
	\$	\$	
Management compensation 1	324,025	290,258	
Director fees	105,949	32,640	
Share based compensation	110,404	757,375	
<b>TOTAL</b>	<b>540,377</b>	<b>-</b>	<b>1,080,273</b>

1 Includes Salaries Capitalized to Frances Creek

#### 8. Reclamation deposits

Prior to commencement of exploration of a pharmaceutical development property in British Columbia, Canada, a company is required to post a reclamation bond against any potential land restoration costs that may be incurred in the future, which is refunded upon completion of reclamation to the satisfaction of the Inspector of Mines. The Corporation has posted reclamation bonds of \$14,000 (2020 - \$14,000) with the Province of British Columbia, Canada.

## VOYAGEUR PHARMACEUTICALS LTD.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in Canadian Dollars)

Based on the Corporation being in the early stages of exploration and the nature and extent of exploration activities to date, minimal reclamation obligations exist. Management has recorded a provision of \$14,000 (2020 - \$14,000), which is the best estimate of the Corporation's future reclamation obligations resulting from the exploration activities conducted.

#### 9. Share capital

##### (a) Authorized

Unlimited number of Class A shares

Unlimited number of Class B and Class C preferred shares

##### (b) Issued and outstanding Class A common shares

	August 31, 2022		November 30, 2021	
	Number	Amount \$	Number	Amount \$
<b>Balance, beginning of year</b>	101,820,174	6,272,726	71,366,166	3,437,650
Issued on private placement	11,570,000	1,157,000	14,053,731	1,520,060
Issued to retire debt obligations	-	-	-	-
Flow-through shares issued on private placement	-	-	11,417,264	785,008
Exercise of warrants	300,000	31,000	4,503,013	738,116
Exercise of stock options	100,000	10,000	480,000	48,000
Share issue costs	-	(59,004)	-	(175,970)
Shares from Debt	848,183	93,300	-	-
<b>Value assigned to unit warrants</b>	-	-	-	(80,138)
<b>Balance, end of period</b>	<b>114,638,357</b>	<b>7,505,022</b>	<b>101,820,174</b>	<b>6,272,726</b>

#### 2021

On December 31, 2020, the Corporation closed a private placement raising total gross proceeds of \$567,500 through the sale of 11,350,000 Common and Flow-Through units. This raise was comprised of 9,770,000 Flow-Through Units at \$0.05 per unit for total gross proceeds of \$488,500 with each unit comprised of one (1) common share and one-half (1/2) of one common share purchase warrant. Each whole warrant is exercisable at \$0.12 for a period of two years from the closing date. The value assessed to the warrant units was \$nil.

This raise was also comprised of 1,580,000 common share units at \$0.05 per unit for total gross proceeds of \$79,000. Each Common unit was comprised of one (1) common share and one (1) common share purchase warrant, exercisable at \$0.10 for a period of two years from the closing date. The value assessed to the warrant units was \$nil. In connection with the Offering, the Corporation paid aggregate cash commissions of \$16,400 and issued 328,000 broker warrants exercisable at a price of \$0.12 per Common for a period which was valued using the Black Scholes option pricing model of two years from the date of issuance. The value of these brokered warrants was \$13,594.

On January 15, 2021, the Corporation issued 4,300,000 Common Units at \$0.05 per unit. Each Unit was comprised of one (1) common share and one (1) common share purchase warrant, exercisable at \$0.10 for a period of two years from the closing date. The value assessed to the warrant units was \$nil. In connection with the Offering, the Corporation paid aggregate cash commissions of \$8,000 and issued

## **VOYAGEUR PHARMACEUTICALS LTD.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*AS AT AND FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2022 AND 2021*

*(Expressed in Canadian Dollars)*

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160,000 broker warrants exercisable at a price of \$0.10 per common share for a period of two years from the date of issuance. The value of these brokered warrants is \$7,632.

On May 5, 2021, the Corporation closed a private placement raising total gross proceeds of \$1,431,278 through the sale of 9,217,995 Common and Flow-Through units. The raise was comprised of \$1,139,810 through the sale of 7,598,731 Common units at \$0.15 per unit with each unit comprised of one (1) common share and one (1) common share purchase warrant, exercisable at \$0.30 for a period of two years from the closing date. In addition, \$291,468 was raised through the sale of 1,619,264 Flow-Through Units at \$0.18 per unit with each unit comprised of one (1) common share and one (1) common share purchase warrant, with each whole warrant being exercisable at \$0.40 for a period of two years from the closing date. The value assessed to the warrant units was \$nil.

In connection with this Offering, Voyageur paid aggregate cash commissions of \$41,396, and issued 345,173 broker warrants exercisable at price of \$0.15 per Common Share and 36,000 broker warrants exercisable at a price of \$0.18 per Common Share, for a period of two years from the date of issuance. The value of these brokered warrants is \$56,021.

On May 28, 2021, the Corporation closed a second tranche of financing raising total proceeds of \$91,290 through the sale of 603,000 Common and Flow-Through units. The raise was comprised of \$86,250 through the sale of 575,000 Common units at \$0.15 per unit with each unit comprised of one (1) common share and one (1) common share purchase warrant, exercisable at \$0.30 for a period of two years from the closing date. The value assessed to the warrant units was \$nil. In addition, \$5,040 was raised through the sale of 28,000 Flow-Through Units at \$0.18 per unit with each unit comprised of one (1) common share and one (1) common share purchase warrant, with each whole warrant being exercisable at \$0.40 for a period of two years from the closing date. The value assessed to the warrant units was \$nil.

In connection with this Offering, Voyageur paid aggregate cash commissions of \$3,780, and issued 28,000 broker warrants exercisable at price of \$0.15 per Common Share, for a period of two years from the date of issuance. The value of these brokered warrants is \$2,891.

During the year-to-date period ended August 31, 2021, the Corporation received a total of \$738,116 through the exercise of 4,503,013 share purchase and broker warrants into common shares. In addition, the Corporation received a total of \$48,000 through the exercise of 480,000 stock options into common shares.

Due to share prices at the time of issuing the flow-through shares in the current year, no flow-through premium liability has been recorded to recognize the sale of tax deductions. During the year ended November 30, 2020, the Corporation incurred qualifying flow-through expenditures resulting in other income of \$3,725.

On June 16, 2022, the Company completed a non-brokered private placement of units of the Company ("Units") at a price of \$0.10 per Unit, issuing 11,570,000 Unites for aggregate gross proceeds of \$1,157,000 (the "Offering"). Each Unit is comprised of one (1) common share ("Common Share") and one (1) share purchase warrant ("Warrant") of Voyageur. Each whole warrant entitles the holder thereof to purchase one Common Share for \$0.20 expiring two (2) years from the date of closing the Offering. The Warrants include an acceleration provision whereby if the Common Shares trade at a price equal to or greater than \$0.30 per Common Share for a period of 10 consecutive trading days, Voyageur may accelerate the expiry of the Warrants.

The net proceeds of the Offering will be used for general working capital and preparing for the launch of our Barium products. Pursuant to the closing of the Offering, Voyageur paid cash commissions to qualified non-related parties in the aggregate amount of \$37,825 and issued an aggregate of 378,250 broker warrants entitling the holder to acquire one Common Share at a price of \$0.10 per share for a period of one (1) year from the date of issuance.

**VOYAGEUR PHARMACEUTICALS LTD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

AS AT AND FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2022 AND 2021

*(Expressed in Canadian Dollars)***(c) Warrants**

Details of common share purchase warrants outstanding at August 31, 2022 are as follows:

	<b>August 31 2022</b>		<b>November 30, 2021</b>	
	<b>Number of Warrants</b>	<b>Weighted average exercise price \$</b>	<b>Number of Warrants</b>	<b>Weighted average exercise price \$</b>
Outstanding - beginning of year	23,973,656	0.21	21,457,826	0.17
Issued on private placements	11,570,000	0.20	19,505,995	0.21
Issued on debt retirement	-	-	-	-
Issued to brokers on private placements	378,250	0.00	897,173	0.22
Exercised	(300,000)	(0.10)	(4,503,013)	(0.16)
Expired	(3,610,488)	(0.20)	(13,384,325)	(0.16)
Outstanding - end of period	32,011,418	0.21	23,973,656	0.22

As at August 31, 2022, the following share purchase warrants were outstanding:

<b>Number of Warrants</b>	<b>Exercise Price \$</b>	<b>Expiry Date</b>
1,340,000	0.10	December 31, 2022
5,163,000	0.12	December 31, 2022
3,330,000	0.10	January 15, 2023
7,943,904	0.30	May 5, 2023
1,655,264	0.40	May 5, 2023
603,000	0.30	May 28, 2023
28,000	0.40	May 28, 2023
11,570,000	0.20	June 16, 2024
378,250	0.10	June 16, 2024
32,011,418		

The weighted average remaining contractual life of the issued and outstanding warrants at August 31, 2022 was 1.6 years (November 30, 2021 – 1.1 years).

**(d) Stock options**

The Corporation has adopted an incentive stock option plan which provides that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable up to ten years from the date of grant. The fair value of each option grant will be estimated on the date of grant using the Black-Scholes option pricing model. Stock options issued and outstanding are as follows;

**VOYAGEUR PHARMACEUTICALS LTD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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*(Expressed in Canadian Dollars)*

	Aug 31 2022		November 30, 2021	
	Number of Options	Weighted average exercise price \$	Number of Options	Weighted average exercise price \$
Outstanding - beginning of year	8,165,000	0.10	4,970,000	0.10
Issued	-	0.10	4,225,000	0.10
Exercised	(100,000)	0.10	- 480,000	(0.10)
Expired/Forfeited	-	(0.10)	- 550,000	0.10
Outstanding - end of period	8,065,000	0.10	8,165,000	0.10

Details of the share options outstanding and exercisable as at August 31, 2022 are as follows:

Expiry Date	Number of Options Outstanding	Number of Options Vested	Number of Options Unvested	Exercise Price \$	Weighted Average Remaining Life Years
December 5, 2022	840,000	840,000	-	0.10	0.26
May 31, 2023	250,000	250,000	-	0.10	0.75
January 20, 2030	2,700,000	2,700,000	-	0.10	7.39
February 24, 2030	350,000	350,000	-	0.10	7.49
March 18, 2031	1,400,000	1,400,000	-	0.20	8.55
April 1, 2031	2,325,000	2,325,000	-	0.18	8.59
July 28, 2031	200,000	200,000	-	0.09	8.91
	8,065,000	8,065,000			7.03

On March 18, 2021, the Corporation issued 1,400,000 incentive stock options to a consultant. These options were all immediately vested and are exercisable at \$0.20 per share for a period of ten years or 90 days following the termination of his contract. The fair value of the options was calculated using the Black-scholes model based on the following assumptions: Risk-free interest rate of 1.51%, expected life of 10 years, no annual dividend, expected volatility of 149% and a forfeiture rate of 0%.

On April 1, 2021, the Corporation issued 2,625,000 incentive stock options to directors, officers, employees and consultants. These options were all immediately vested and are exercisable at \$0.175 per share for a period of ten years. The fair value of the options was calculated using the Black-scholes model based on the following assumptions: Risk-free interest rate of 1.51%, expected life of 10 years, no annual dividend, expected volatility of 149% and a forfeiture rate of 0%.

On July 28, 2021, the Corporation issued 200,000 incentive stock options to two new directors that vest immediately and are exercisable at \$0.09 per share for a period of ten years. The fair value of the options was calculated using the Black-scholes model based on the following assumptions; Risk-free interest

## VOYAGEUR PHARMACEUTICALS LTD.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2022 AND 2021

(Expressed in Canadian Dollars)

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rate of 1.17%, expected life of 10 years, no annual dividend, expected volatility of 147% and a forfeiture rate of 0%.

As at August 31, 2022, stock options outstanding had a weighted average remaining life of 7.03 years (Nov 30, 2021 – 7.78 years). The weighted fair value of stock options granted during the year was \$Nil (2021 – \$0.18).

#### (e) Deferred Share Units

The Corporation has adopted a Deferred Share Unit plan (“DSU”) that is focused on compensating the Directors of the Corporation for their annual retainers. The DSU’s are calculated each quarter based on the weighted average share price for the entire quarter. The DSU’s only vest upon a director resigning, retiring or not being re-elected to the board. As at August 31, 2022 a total of 1,583,196 DSU units have been awarded for a total value of \$ 150,404 (adjusted to the closing stock price at August 31 of .095 cents per share).

## 10. Financial instruments

As at August 31, 2022 and 2021, the Corporation’s financial instruments consist of cash and cash equivalents, amounts receivable, reclamation deposits, accounts payable and accrued liabilities, due to shareholders, finance lease obligations, loans and interest payable and CEBA loan. The amounts reflected in the statement of financial position are carrying amounts and approximate their fair values due to the short-term nature and negligible credit losses.

The Corporation does not use derivative instruments or hedges to manage risks because the Corporation’s exposure to credit risk, interest rate risk and currency risk is low.

#### *Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation’s cash and cash equivalents is exposed to credit risk, however the risk is deemed small because the counterparty is a highly rated banks.

#### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation’s cash and cash equivalents are exposed to interest rate risk as the Corporation invests cash and cash equivalents at floating rates of interest in highly liquid instruments. Fluctuations in interest rates impact the value of cash and cash equivalents. All of the Corporation’s other interest-bearing financial instruments are subject to fixed rates of interest.

#### *Currency risk*

Currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation is exposed to foreign currency risk as certain monetary financial instruments are denominated in United States dollars. At August 31, 2022, total assets include cash of US\$ 21,496 (Nov 30, 2021 - US\$14,083) and total liabilities include accounts payable and accrued liabilities of US\$58,497 (Nov 30, 2021 – US\$142,693). The Corporation has not entered into any foreign currency contracts to mitigate this risk. The Corporation’s sensitivity analysis suggests that a change in the absolute rate of exchange in the United States dollar by 10% would increase or decrease net loss by \$8,000(Nov 30, 2021 - \$15,678) in these consolidated financial statements.

## **VOYAGEUR PHARMACEUTICALS LTD.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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*(Expressed in Canadian Dollars)*

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#### *Liquidity risk*

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation experienced significant liquidity challenges during the year as a result of the factors discussed in Notes 1 and 2. In order to address these issues, management reduced expenditures to the extent possible and negotiated share-for-debt arrangements with various creditors and lenders. The majority of the Corporation's financial liabilities are short term in nature and given the working capital deficiency at the reporting period date, the Corporation's ability to meet its obligations when they become due is uncertain. In order to further address current liquidity issues, the Corporation raised \$1,157,000 of equity financing on June 16, 2022 and intends to pursue additional equity offerings as well as the extinguishment of obligations through share-for-debt settlements. Management believes the efforts and actions taken will address the Corporation's liquidity challenges and allow the entity to meet its short-term financial obligations.

#### **11. Capital management**

The Corporation's objectives when managing capital are:

- To safeguard the Corporation's ability to continue as a going concern.
- To maintain appropriate cash reserves on hand to meet ongoing operating costs.
- To invest cash on hand in highly liquid and highly rated financial instruments.

In the management of capital, the Corporation includes shareholders' equity and cash and cash equivalents in the definition of capital. The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

There have been no changes with respect to the overall capital management strategy or risk assessments during the three and nine months ended August 31, 2022 and 2021.

#### **12. Commitments and contingencies**

##### **Flow-through shares**

As a result of the issuance of flow-through shares during the year ended November 30, 2021, the Corporation had a commitment to incur the following qualifying expenditures;

\$488,500 in qualifying expenditures on or before December 31, 2022

\$291,468 in qualifying expenditures on or before May 5, 2023

\$5,040 in qualifying expenditures on or before May 28, 2023

As of August 31, 2022, the Corporation incurred a total of \$429,767 in qualifying expenditures towards these commitments.

#### **13. Supplemental cash flow information**

The following outlines the supplemental cash flow details during the nine months ending August 31, 2022 and 2021:

**VOYAGEUR PHARMACEUTICALS LTD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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*(Expressed in Canadian Dollars)*

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	August 31, 2022	August 31, 2021
	\$	\$
<b>Non-cash transactions:</b>		
Value assigned to unit warrants (note 9)	-	82,255
Depreciation capitalized to exploration and evaluation assets (note 6)	4,727	4,793

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**14. Finance lease obligation**

The Corporation entered into an agreement for the lease of equipment. This lease agreement transferred substantially all the risks and rewards incidental to the ownership of the equipment to the Corporation and the Corporation considered it as a purchase and finance agreement. Accordingly, at the commencement of the lease term, the Corporation recognized this agreement as the acquisition of an asset and liability at amounts equal to the present value of the minimum lease payments. The equipment under finance lease was recognized in property and equipment. The lease is for a period of five years with payments of \$888 due monthly. The discount rate used in calculating the present value of the minimum lease payments was the interest rate implicit in the finance lease of 5.475%. The lease expires August 1, 2022 and as a result the entire obligation remaining is considered current.

	August 31 2021	November 30, 2021
	\$	\$
Present value lease payments outstanding	8,764	16,557
Less current portion	(8,764)	(16,557)
Long-term portion	-	-

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At August 31, 2022, the net carrying amount of the leased equipment was \$8,764 (Nov 30, 2021 \$29,720).

**15. CEBA loan**

The Corporation received the Canada Emergency Business Account (“CEBA”) loan from the Government of Canada in the amount of \$40,000, which bears interest at 0% per annum until December 31, 2022. Interest will accrue at 5% per annum commencing on January 1, 2023. The loan matures on December 31, 2025. If the loan is repaid at or before the December 31, 2023 then \$10,000 of the loan balance will be forgiven. The portion of the loan that is expected to be forgiven is taken into profit and loss in the year the loan is received and is included in other income on the consolidated statement of comprehensive loss.