



**Baselode Energy Corp.**

**Condensed Interim Financial Statements**

For the three and nine months ended September 30, 2022 and 2021

*(Unaudited - Expressed in Canadian Dollars)*

**Notice of No Auditor Review of Interim Financial Statements**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying condensed interim financial statements of the company have been prepared by and are the responsibility of the company's management. The company's independent auditor has not performed an audit or review of these condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants.

**Baselode Energy Corp.**  
**Condensed Interim Statements of Financial Position**  
(Unaudited - Expressed in Canadian dollars)

As at	Notes	September 30, 2022	December 31, 2021
<b>ASSETS</b>			
<b>Current</b>			
Cash		<b>\$5,520,293</b>	\$20,197,903
GST/HST receivable		<b>825,139</b>	98,310
Prepaid expenses and deposits		<b>97,766</b>	212,262
Due from related party	10	<b>57,951</b>	44,104
Total current assets		<b>6,501,149</b>	20,552,579
Equipment	5	<b>214,008</b>	204,315
<b>TOTAL ASSETS</b>		<b>\$6,715,157</b>	\$20,756,894
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities		<b>\$317,056</b>	\$206,560
<b>TOTAL LIABILITIES</b>		<b>317,056</b>	206,560
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	9	<b>\$25,421,594</b>	24,073,364
Reserves	9	<b>6,579,530</b>	6,175,045
Deficit		<b>(25,603,023)</b>	(9,698,075)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>6,398,101</b>	20,550,334
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$6,715,157</b>	\$20,756,894

Nature of operations (Note 1)  
Going concern (Note 2)  
Commitments and contingencies (Note 11)  
Subsequent events (Note 12)

Approved on behalf of the Board

"Stephen Stewart" Director

"James Sykes" Director

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

**Baselode Energy Corp.****Condensed Interim Statements of Loss and Comprehensive Loss**

(Unaudited - Expressed in Canadian dollars)

		Three months ended September 30		Nine months ended September 30	
	Notes	2022	2021	2022	2021
<b>EXPENSES</b>					
Exploration and evaluation expenditures	6	<b>\$2,797,717</b>	\$1,252,056	<b>\$14,506,540</b>	\$3,180,110
Share-based compensation	6	<b>291,113</b>	-	<b>720,279</b>	1,272,466
Management and consulting	10	<b>87,529</b>	177,002	<b>259,452</b>	299,658
Transfer agent, filing fees and shareholder communications		<b>116,228</b>	113,244	<b>327,681</b>	210,580
Professional fees		<b>2,367</b>	5,645	<b>45,582</b>	37,789
Office, general and administrative		<b>18,318</b>	5,497	<b>114,486</b>	16,185
Amortization	5	<b>11,305</b>	7,103	<b>33,918</b>	20,088
Interest expenses, (net of interest income)		<b>(45,061)</b>	-	<b>(102,990)</b>	-
<b>TOTAL EXPENSES</b>		<b>\$3,279,516</b>	\$1,560,547	<b>\$15,904,948</b>	\$5,036,876
<b>Loss from operations for the period</b>		<b>3,279,516</b>	1,560,547	<b>15,904,948</b>	5,036,876
<b>Deferred income tax recovery</b>					
Flow-through share premium liability renunciation		-	28,001	-	296,454
<b>NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b>\$3,279,516</b>	\$1,532,546	<b>\$15,904,948</b>	\$4,740,422
<b>Weighted average number of shares - basic and diluted</b>					
		<b>85,355,219</b>	53,786,695	<b>85,210,798</b>	53,786,695
<b>Loss per share – basic and diluted</b>		<b>\$0.04</b>	\$0.03	<b>\$0.19</b>	\$0.09

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

**Baselode Energy Corp.**
**Condensed Interim Statements of Changes in Shareholders' Equity (Deficit)**

(Expressed in Canadian dollars)

	Number of Shares	Amount	Share-based Reserve	Retained Earnings (Deficit)	Total Equity
<b>Balance at December 31, 2020</b>	50,250,809	\$7,134,493	\$1,473,041	\$(2,705,743)	\$5,901,791
Loss for the period	-	-	-	(4,740,422)	(4,740,422)
Shares issued on flow-through private placement	13,297,498	5,376,800	1,006,000	-	6,382,800
Shares issued on hard-dollar private placement	2,548,684	1,030,368	193,000	-	1,223,368
Shares issued for consulting expense	200,000	118,000	-	-	118,000
Finders' warrants issued	-	-	158,530	-	158,530
Shares issuance costs	-	(565,781)	(95,419)	-	(661,200)
Stock options exercised	350,000	48,588	(13,588)	-	35,000
Exercise of warrants	3,048,853	985,711	(159,635)	-	826,076
Share-based payments	-	-	1,272,466	-	1,272,466
<b>Balance at September 30, 2021</b>	69,695,844	\$14,128,179	\$3,834,395	\$(7,446,165)	\$10,516,409
Loss for the period	-	-	-	(2,251,910)	(2,251,910)
Shares issued on flow-through private placement	1	(183,000)	183,000	-	-
Shares issued on hard-dollar private placement	8,000,550	7,496,633	1,704,000	-	9,200,633
Shares issued for consulting expense	-	-	-	-	-
Finders' warrants issued	-	-	239,515	-	239,515
Shares issuance costs	-	(781,774)	(182,804)	-	(964,578)
Stock options exercised	775,000	473,483	(200,483)	-	273,000
Warrants exercised	5,162,471	2,939,843	(541,504)	-	2,398,339
Share-based payments	-	-	1,138,926	-	1,138,926
<b>Balance at December 31, 2021</b>	83,633,866	\$24,073,364	\$6,175,045	\$(9,698,075)	\$20,550,334
Loss for the period	-	-	-	(15,904,948)	(15,904,948)
Stock options exercised	225,000	221,435	(95,435)	-	126,000
Warrants exercised	2,642,079	1,126,795	(220,359)	-	906,436
Share-based payments	-	-	720,279	-	720,279
<b>Balance at September 30, 2022</b>	<b>86,500,945</b>	<b>\$25,421,594</b>	<b>\$6,579,530</b>	<b>\$(25,603,023)</b>	<b>\$6,398,101</b>

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

**Baselode Energy Corp.**  
**Condensed Interim Statements of Cash Flows**  
(Unaudited - Expressed in Canadian dollars)

<i>For the nine months ended</i>	<b>September 30, 2022</b>	<b>September 30, 2021</b>
<b>Operating activities</b>		
(Loss) for the period	\$(15,904,948)	\$(4,740,422)
Items not involving cash		
Amortization	33,918	20,088
Flow-through share premium renunciation	-	(296,454)
Share-based payments	720,279	1,272,466
Shares issued for consulting expenses	-	118,000
Changes in non-cash working capital items		
Accounts receivable	-	10,000
Prepaid expenses	114,496	(150,176)
GST/HST receivable	(726,829)	(205,974)
Accounts payable and accrued liabilities	110,496	802,074
<b>Net cash used in operating activities</b>	<b>\$(15,652,588)</b>	<b>\$(3,170,398)</b>
<b>Financing activities</b>		
Issue of common shares and warrants	-	7,606,168
Warrants exercised	906,436	826,076
Share issue costs	-	(502,670)
Stock options exercised	126,000	35,000
<b>Net cash provided by financing activities</b>	<b>\$1,032,436</b>	<b>\$7,964,574</b>
<b>Investing activities</b>		
Purchase of equipment	(43,611)	(12,490)
Due to/from related parties	(13,847)	(14,119)
<b>Net cash used in investing activities</b>	<b>\$(57,458)</b>	<b>\$(26,609)</b>
<b>Net (decrease)/increase in cash</b>	<b>(14,677,610)</b>	<b>4,767,567</b>
<b>Cash, beginning of period</b>	<b>20,197,903</b>	<b>6,240,023</b>
<b>Cash, end of period</b>	<b>\$5,520,293</b>	<b>\$11,007,590</b>

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

# **Baselode Energy Corp.**

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

**For the three and nine months ended September 30, 2022 and 2021**

(Unaudited - Expressed in Canadian dollars)

### **1. NATURE OF OPERATIONS**

Baselode Energy Corp. (Formerly Rider Investment Capital Corp.) (the “Company” or “Baselode”) was incorporated under the Alberta Business Corporations Act on January 30, 2018 and was a Capital Pool Company, as defined in the Policy 2.4 of the TSX Venture Exchange. On June 10, 2020, the Company closed an agreement to acquire the Mann Mine, began trading under the symbol “FIND” and concurrently changed its name to Baselode Energy Corp.

Baselode’s principal business is the acquisition and exploration of mineral properties. To date, the Company has not earned any revenue as it is in the exploration stage. The ability of the Company to carry out its business plan rests with its ability to secure equity and other financing. The Company’s head office is located at 55 University Avenue, Suite 1805, Toronto, Ontario, M5J 2H7.

### **2. GOING CONCERN**

The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain reserves that are economically recoverable. The business of mining and exploration involves a high degree of risk and there can be no assurance that the Company’s exploration programs will result in profitable mining operations. The Company’s continued existence is dependent upon the discovery of economically recoverable reserves and resources, securing and maintaining title and beneficial interest in its properties, making the required payments pursuant to mineral property option agreements and/or securing additional financing; all of which are uncertain.

Although the Company has taken steps to verify title to the properties on which it is conducting its exploration activities, these procedures do not guarantee the Company’s title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, social licensing requirements, aboriginal land claims and non-compliance with regulatory and environmental requirements. The Company’s property interests may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

The Company has raised funds in recent periods and will utilize these funds for its exploration programs and working capital requirements. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and existing shareholders may have their interest diluted. If adequate financing is not available, the Company may be required to relinquish rights to certain of its interests or terminate its operations.

As at September 30, 2022, the Company had working capital of \$6,184,093 (December 31, 2021 - \$20,346,019), and an accumulated deficit of \$25,603,023 (December 31, 2021 - \$9,698,075). The Company has no proven history of performance, earnings or success.

Management believes the Company has sufficient funds or access to sufficient funds to cover planned operations throughout the next twelve-month period. However, management plans on securing additional financing through the issue of new equity, among other things. Nevertheless, there is no assurance that these initiatives will be successful.

These interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Accordingly, it does not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than in the normal course of business and at amounts that may differ from those

## **Baselode Energy Corp.**

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

**For the three and nine months ended September 30, 2022 and 2021**

(Unaudited - Expressed in Canadian dollars)

shown in these interim financial statements. Such adjustments could be material.

### **3. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION**

#### **a) Statement of compliance and basis of measurement**

These unaudited condensed interim financial statements (“interim financial statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) with interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) which the Canadian Accounting Standards Board has approved for incorporation into Part I of the CPA Canada Handbook – Accounting, as applicable to the preparation of interim financial statements, including International Accounting Standard 34, “Interim Financial Reporting” (“IAS 34”). These interim financial statements should be read in conjunction with the December 31, 2021 annual financial statements. These interim financial statements were authorized for issuance by the Audit Committee on behalf of the Board of Directors on November 29, 2022.

These interim financial statements follow the same accounting principles and methods of application as disclosed in the financial statements as at and for the year ended December 31, 2021. The interim financial statements may condense or omit certain disclosures that otherwise would be present in annual financial statements prepared in accordance with IFRS.

#### **b) Significant accounting judgments and sources of estimation uncertainty**

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts and the valuation of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period reported.

Management uses its best estimates for these purposes, based on assumptions that it believes reflect the most probable set of economic conditions and planned courses of action. However, actual results could differ materially from these estimates.

The significant areas of estimation and uncertainty considered by management in preparing the condensed interim financial statements for the nine-month period ended September 30, 2022 are the same as those described in the Company’s annual financial statements for the year ended December 31, 2021.

#### **c) Significant accounting policies**

The Company’s accounting policies applied to all periods presented in these Financial Statements are the same as those applied by the Company in its annual financial statements as at and for the year ended December 31, 2021, except as detailed in note 4.

### **4. FUTURE ACCOUNTING PRONOUNCEMENTS**

At the date of authorization of these interim financial statements, the IASB has issued new and revised Standards and Interpretations which are not yet effective for the relevant reporting period. Many are not applicable or do not have a significant impact to the Company. Management is currently evaluating the impact of these pronouncements on the Company’s interim financial statements.

### **5. EQUIPMENT**

## Baselode Energy Corp.

### Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

	Automotive equipment	Computer Equipment	Mining equipment	Total
<b>Cost</b>				
Balance, January 1, 2021	\$12,185	\$3,263	\$119,421	\$134,869
Additions	62,980	4,074	57,937	124,991
Balance, December 31, 2021	75,165	7,337	177,358	259,860
Additions	43,611	-	-	43,611
<b>Balance, September 30, 2022</b>	<b>\$118,776</b>	<b>\$7,337</b>	<b>\$177,358</b>	<b>\$303,471</b>
<b>Accumulated amortization</b>				
Balance, January 1, 2021	\$1,828	\$489	\$11,942	\$14,259
Amortization	12,554	1,442	27,290	41,286
Balance, December 31, 2021	14,382	1,931	39,232	55,545
Amortization	12,388	811	20,719	33,918
<b>Balance, September 30, 2022</b>	<b>26,770</b>	<b>2,472</b>	<b>59,951</b>	<b>89,463</b>
Net book value, December 31, 2021	60,783	5,406	138,126	204,315
<b>Net book value, September 30, 2022</b>	<b>\$92,006</b>	<b>\$4,595</b>	<b>\$117,407</b>	<b>\$214,008</b>

## 6. EXPLORATION AND EVALUATION EXPENSES

The following are details of the Company's exploration and evaluation expenses for the periods ended:

	September 30, 2022	September 30, 2021	Accumulated From Property Inception
Mann project, Ontario	\$34,478	\$-	\$1,536,507
Shadow, Hook and Catharsis Project, Saskatchewan	14,472,062	3,180,109	18,771,234
	<b>\$14,506,540</b>	<b>\$3,180,109</b>	<b>\$20,307,741</b>

### Mann Project

The Company has 100% ownership of the Mann Silver-Cobalt Mine Project which is in the Shining Tree district of Ontario. The Mann Project consists of 18 contiguous mining claims and the Project is subject to various NSR ranging from 2% to 4% with rights to buyback of 1% of the NSR.

### Shadow Project

In June 2020, the Company acquired 100% ownership of the Shadow Uranium Project in the Athabasca Basin area of northern Saskatchewan, Canada. The Project is free of any option agreement or underlying royalties.

### Hook Project

In July 2020, the Company acquired 100% ownership of the Hook Uranium Project in the Athabasca Basin area of northern Saskatchewan, Canada. The Project is free of any option agreement or underlying royalties.

### Catharsis Project

In March 2021, the Company acquired 100% ownership of the Catharsis Uranium Project in the Athabasca

## **Baselode Energy Corp.**

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

**For the three and nine months ended September 30, 2022 and 2021**

(Unaudited - Expressed in Canadian dollars)

Basin area of northern Saskatchewan, Canada. The Project is free of any option agreement or underlying royalties.

#### **7. CAPITAL MANAGEMENT**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern so that it can provide returns to shareholders and benefits to other stakeholders. The Company considers the items included in equity as capital. The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through equity offerings or return capital to shareholders.

There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management in the period.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

#### **8. FINANCIAL RISK MANAGEMENT**

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

##### ***Fair value of financial instruments***

The fair value of financial instruments approximates their carrying value due to the short-term maturity of these instruments. As at September 30, 2022 and December 31, 2021, the Company has no financial instruments to classify in the fair value hierarchy. The fair value of the Company's financial instruments approximate their carrying amount given their short term nature.

##### ***Credit risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. GST/HST receivable is due from the Government of Canada and the Company believes the risk of loss related to these is remote. The Company's exposure to credit risk is on its cash held in bank accounts. Cash is held with major banks in Canada. Management assesses credit risk of cash as remote.

##### ***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company strives to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. The Company's accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms. In the long-term, the Company may have to issue additional equity to ensure there is sufficient capital to meet long-term objectives.

##### ***Currency and interest rate risk***

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

## Baselode Energy Corp.

### Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

#### Classification of financial instruments

Financial assets and liabilities included in the statement of financial position are as follows:

	September 30, 2022	December 31, 2021
<b>Financial assets at amortized costs:</b>		
Cash	\$5,520,293	\$20,197,903
GST/HST receivable	825,139	98,310
	<b>\$6,345,432</b>	<b>\$20,296,213</b>

  

	September 30, 2022	December 31, 2021
<b>Financial liabilities at amortized costs:</b>		
Accounts payable and accrued liabilities	\$317,056	\$206,560
	<b>\$317,056</b>	<b>\$206,560</b>

## 9. SHARE CAPITAL

#### Authorized share capital

Unlimited number of voting common shares without par value.

#### Issued share capital

During the period ended September 30, 2022, the Company issued 2,688,341 common shares from the exercise of 100,000 stock options and 2,558,341 warrants for cash proceeds of \$56,000 and \$976,436, respectively.

#### Warrants

A summary of the changes in the Company's warrants is set out as follows:

<i>For the nine months ended</i>	September 30, 2022		
	Number of warrants	Weighted average exercise price	Weighted average life (years)
Warrants outstanding, beginning of period	21,364,956	\$0.78	1.4
Warrants exercised	(2,642,079)	0.34	-
Warrants expired	(708,265)	0.15	-
Warrants outstanding, end of period	18,014,612	\$0.86	0.9

## Baselode Energy Corp.

### Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

As at September 30, 2022, the following warrants were outstanding:

Number of warrants outstanding	Exercise Price	Expiry Date
1,932,497	0.60	14-Dec-22
109,375	0.40	14-Dec-22
2,155,298	0.40	16-Apr-23
812,723	0.40	16-Apr-23
3,663,852	0.75	30-Aug-23
533,779	0.48	30-Aug-23
2,626,984	0.75	28-Sep-23
1,199,343	0.75	28-Sep-23
500,453	0.48	28-Sep-23
4,000,275	1.60	30-Nov-23
480,033	1.15	30-Nov-23
18,014,612	0.86	

### Stock options

In August 2022, the Company adopted a new 20% fixed option plan

A summary of the changes in the Company's stock options is set out below:

<i>For the period ended</i>	<b>September 30, 2022</b>		
	<b>Number of options</b>	<b>Weighted average exercise price</b>	<b>Weighted average life (years)</b>
Outstanding, beginning of year	7,980,000	\$0.28	4.11
Granted	4,810,000	0.85	5.00
Exercised	(225,000)	0.56	-
Forfeited	(200,000)	1.00	4.50
Outstanding, end of period	12,365,000	\$0.61	3.89
Exercisable, end of period	8,265,000	\$0.61	3.43

## Baselode Energy Corp.

### Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

The following incentive stock options were outstanding and exercisable at September 30, 2022:

Number of options outstanding	Number of options exercisable	Exercise Price (\$)	Expiry Date	Weighted average life (years)
80,000	80,000	\$0.10	18-May-23	0.63
3,400,000	3,400,000	\$0.10	04-Jun-25	2.68
2,350,000	2,350,000	\$0.56	10-Jun-26	3.69
1,725,000	1,725,000	\$1.00	20-Dec-26	4.22
810,000	710,000	\$1.12	02-Apr-27	4.51
4,000,000	-	\$0.80	07-Aug-27	4.85
12,365,000	8,265,000	\$0.61		3.90

## 10. RELATED PARTY TRANSACTIONS

### Key management personnel compensation

Key management includes directors and officers. Unless disclosed elsewhere, related party transactions for the three and nine months ended September 30, 2022 and 2021 include:

	Three months ended September 30		Nine months ended September 30	
	2022	2021	2022	2021
Salaries and geological consulting included in exploration expenses	\$52,500	\$30,000	\$127,500	\$76,284
Management and consulting fees	63,397	149,500	217,149	232,500
Share-based payments	198,015	-	269,426	1,272,466
	\$313,913	\$179,500	\$614,076	\$1,581,250

  

As at	September 30, 2022	December 31, 2021
Due from Standard Ore Corporation	\$57,951	\$44,104

Standard Ore Corporation ("Standard Ore") is controlled by a director of the Company. Standard Ore provides administrative, corporate, consulting and office rental services to the Company. The balance receivable is unsecured, non-interest bearing and due on demand.

## 11. COMMITMENTS AND CONTINGENCIES

(i) The Company's exploration activities are subject to various federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made and expects to make in the future, expenditures to comply with such laws and regulations.

(ii) Since March 2020, the COVID-19 pandemic is causing a widespread health crisis that has affected economies and financial markets around the world resulting in an economic downturn. In response to the outbreak, governmental authorities in Canada and internationally have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures,

## **Baselode Energy Corp.**

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

#### **For the three and nine months ended September 30, 2022 and 2021**

(Unaudited - Expressed in Canadian dollars)

non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing. The COVID-19 outbreak and the response of governmental authorities to try to limit it are having a significant impact on the private sector and individuals, including unprecedented business, employment and economic disruptions. The continued spread of COVID-19 nationally and globally could have an adverse impact on the Company's business, operations and financial results, as well as a deterioration of general economic conditions including a possible national or global recession. Due to the speed with which the COVID-19 situation is developing and the uncertainty of its magnitude, outcome and duration, it is not possible to estimate its impact on the Company's business, operations or financial results, including the Company's ability to secure financing; however, the impact could be material. The Company has not had any material impact from COVID-19 to-date.

## **12. SUBSEQUENT EVENTS**

a) In October 2022, 40,000 shares were issued for gross proceeds of \$16 thousand as a result of warrant exercises.

b) On October 31, 2022, the Company entered into an agreement with Red Cloud Securities Inc. and PI Financial Corp. to act as co-lead agents and joint bookrunners on behalf of a syndicate of agents in connection with a best efforts, private placement for the sale of up to 10,204,082 flow-through units of the Company to be sold to charitable purchasers at a price of \$0.98 per unit for gross proceeds of up to \$10,000,000. Each unit would be comprised of one common share to be issued as a "flow-through share" within the meaning of the Income Tax Act (Canada) and one half of a common share purchase warrant. This agreement was terminated on November 29, 2022.

c) On November 29, 2022, the Company entered into an agreement with Red Cloud Securities Inc. and PI Financial Corp. to act as co-lead underwriters and joint bookrunners on behalf of a syndicate of underwriters (the "Underwriters"), pursuant to which the Underwriters have agreed to purchase for resale 3,571,429 flow-through units of the Company to be sold to charitable purchasers (each, a "Charity FT Unit") at a price of \$0.84 per Charity FT Unit (the "Offering Price") for gross proceeds of \$3,000,000. Each Charity FT Unit will consist of one common share of the Company to be issued as a "flow-through share" within the meaning of the Income Tax Act (Canada) and one half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant shall entitle the holder to purchase one common share of the Company at a price of \$0.80 at any time on or before that date which is 24 months after the closing date of the offering.