

**GRANDE PORTAGE RESOURCES LTD.**  
**(An Exploration Stage Company)**  
**Condensed Consolidated Interim Financial Statements**  
**January 31, 2023 and 2022**  
**(Expressed in Canadian Dollars)**

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## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements and all information in the quarterly report are the responsibility of the Board of Directors and management. These financial statements have been prepared by management in accordance with International Financial Reporting Standards. Management maintains the necessary systems of internal controls, policies and procedures to provide assurance that assets are safeguarded and that the financial records are reliable and form a proper basis for the preparation of financial statements.

The Board of Directors ensures that management fulfils its responsibilities for financial reporting and internal control through an Audit Committee. This committee, which reports to the Board of Directors, meets with the independent auditors and reviews the financial statements.

The financial statements for the three-month period ended January 31, 2023 and 2022 are unaudited and prepared by Management.

The Company's independent auditor has not performed a review of these condensed consolidated interim 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 auditor.

*"Ian Klassen" (signed)*

Ian Klassen  
President, CEO and Director

Vancouver, British Columbia  
March 31, 2023

*"Michele Pillon" (signed)*

Michele Pillon  
Chief Financial Officer

**GRANDE PORTAGE RESOURCES LTD.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars)

<b>As at</b>	<b>Note</b>	<b>January 31, 2023</b>	<b>October 31, 2022</b>
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash		271,705	318,007
Short-term investments and marketable securities	3	1,513,029	2,012,980
Amounts receivable		14,641	6,299
Prepaid expenses and deposits	7	38,096	52,700
		1,837,471	2,389,986
<b>RECLAMATION BONDS</b>	4	72,153	72,153
<b>EXPLORATION AND EVALUATION ASSETS</b>	5	17,284,468	17,126,634
		19,194,092	19,588,773
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities	7	55,395	276,133
<b>EQUITY</b>			
<b>SHARE CAPITAL</b>	6	37,688,256	37,688,256
<b>RESERVES</b>		3,795,379	3,795,379
<b>DEFICIT</b>		(22,344,938)	(22,170,995)
		19,138,697	19,312,640
		19,194,092	19,588,773

Nature of Operations and Going Concern (Note 1)  
Commitments and Contingencies (Note 10)  
Subsequent Event (Note 11)

**APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:**

<u>“Ian Klassen”</u> Ian Klassen	Director	<u>“Alistair MacLennan”</u> Alistair MacLennan	Director
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The accompanying notes are an integral part of these consolidated financial statements.

**GRANDE PORTAGE RESOURCES LTD.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
**FOR THE THREE MONTHS ENDED JANUARY 31, 2023 AND 2022**  
(Expressed in Canadian Dollars)

	Note	2023	2022
		\$	\$
<b>Expenses</b>			
Management fees	7	78,172	72,900
Investor and shareholder relations		2,667	63,644
Legal and accounting	7	40,700	30,500
Travel and promotion		21,857	20,624
Office and miscellaneous		17,716	12,258
Directors' fees		10,000	10,000
Rent		4,500	4,500
Regulatory and transfer agent fees		1,976	4,270
<b>Loss before other items</b>		<b>(177,588)</b>	<b>(218,696)</b>
<b>Other items</b>			
Foreign exchange gain (loss)		-	5,979
Interest earned		3,596	-
Unrealized gain (loss) on marketable securities		49	(291)
		<b>3,645</b>	<b>5,688</b>
<b>Net loss and comprehensive loss</b>		<b>(173,943)</b>	<b>(213,008)</b>
<b>Loss per share – basic and diluted</b>		<b>(0.00)</b>	<b>(0.00)</b>
<b>Weighted average number of common shares outstanding</b>		<b>108,151,276</b>	<b>103,808,689</b>

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

**GRANDE PORTAGE RESOURCES LTD.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS ENDED JANUARY 31, 2023 AND 2022**  
(Expressed in Canadian Dollars)

	Issued Capital		Contributed Surplus	Deficit	Total
	Shares	Amount \$			
<b>Balance, October 31, 2021</b>	<b>102,325,526</b>	<b>35,107,568</b>	<b>3,255,579</b>	<b>(20,916,823)</b>	<b>17,446,324</b>
Shares issued for warrant exercise	5,325,750	2,396,588	-		2,396,588
Comprehensive loss	-	-	-	(213,008)	(213,008)
<b>Balance, January 31, 2022</b>	<b>107,651,276</b>	<b>37,504,156</b>	<b>3,255,579</b>	<b>(21,129,831)</b>	<b>19,629,904</b>
<b>Balance, October 31, 2022</b>	<b>108,151,276</b>	<b>37,688,256</b>	<b>3,795,379</b>	<b>(22,170,995)</b>	<b>19,312,640</b>
Comprehensive loss	-	-	-	(173,943)	(173,943)
<b>Balance, January 31, 2023</b>	<b>108,151,276</b>	<b>37,688,256</b>	<b>3,795,379</b>	<b>(22,344,938)</b>	<b>19,138,697</b>

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

**GRANDE PORTAGE RESOURCES LTD.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED JANUARY 31, 2023 AND 2022**  
(Expressed in Canadian Dollars)

	2023	2022
	\$	\$
<b>Operating activities</b>		
Net loss	(173,943)	(213,008)
Items not involving cash:		
Share-based compensation	-	-
Unrealized (gain)/loss on marketable securities	(49)	291
	(173,992)	(212,717)
Changes in non-cash working capital balances		
Accounts payable and accrued liabilities	(220,738)	(397,355)
Amounts receivable	(8,342)	(1,109)
Prepaid expenses and deposits	14,604	52,778
<b>Cash used in operating activities</b>	<b>(388,468)</b>	<b>(558,403)</b>
<b>Investing activities</b>		
Expenditures on exploration and evaluation assets	(157,834)	(146,132)
Partial redemption of short-term investments	500,000	-
	<b>342,166</b>	
<b>Financing activities</b>		
Proceeds from issuance of common shares	-	2,396,588
<b>Change in cash</b>	<b>(46,302)</b>	<b>1,692,053</b>
<b>Cash, beginning of period</b>	<b>318,007</b>	<b>3,400,393</b>
<b>Cash, end of period</b>	<b>271,705</b>	<b>5,092,446</b>
<b>Supplemental cash flow information</b>		
Interest paid	-	-
Income taxes paid	-	-

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

**GRANDE PORTAGE RESOURCES LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED JANUARY 31, 2023 AND 2022**  
(Expressed in Canadian Dollars)

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

Grande Portage Resources Ltd. (the “Company”) was incorporated under the Business Corporations Act of British Columbia. The Company is an exploration-stage public company, whose principal business activities are the exploration for and development of natural resource properties, namely gold in Alaska. The Company’s shares are listed for trading on the TSX Venture Exchange under the symbol GPG. The address of the Company’s corporate office and principal place of business is #280 - 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7.

The Company is in the process of exploring its exploration and evaluation assets and has not yet determined whether they contain reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

The Company incurred a net loss and comprehensive loss of \$173,943 (2022 - \$213,008) for the three months ended January 31, 2023, and has an accumulated deficit of \$22,344,938 (October 31, 2022 - \$22,170,995) which has been funded primarily by the issuance of equity. The Company’s ability to continue as a going concern is dependent upon the generation of profits from exploration and evaluation assets, obtaining additional financing or maintaining continued support from its shareholders and creditors. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. While the Company has been successful in obtaining financing in the past, there is no assurance that such financing will continue to be available or be available on favourable terms in the future. An inability to raise additional financing may impact the future assessment of the Company as a going concern. In the event that additional financial support is not received or operating profits are not generated, the carrying values of the Company’s assets may be adversely affected.

These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements. In assessing the appropriateness of the going concern assumption management is required to consider all available information about the future, which is at least, but not limited to, twelve months from the year end date. Management has carried out an assessment of the going concern assumption and has concluded that it is appropriate that the consolidated financial statements are prepared on a going concern basis. Accordingly, these consolidated financial statements do not reflect any adjustments to the carrying value of assets and liabilities, or the impact on the consolidated statements of loss and consolidated statements of financial position classifications that would be necessary were the going concern assumption not appropriate.

**2. BASIS OF PREPARATION**

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. As such, certain disclosures included in the annual financial statements prepared in accordance with IFRS have been condensed or omitted. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated annual financial statements for the year ended October 31, 2022. In preparation of these condensed consolidated interim financial statements, the Company has consistently applied the same accounting policies as disclosed in note 2 to the audited consolidated annual financial statements for the year ended October 31, 2022.

These unaudited condensed consolidated interim financial statements were approved by the Board of Directors on March 31, 2023.

**GRANDE PORTAGE RESOURCES LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED JANUARY 31, 2023 AND 2022**  
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**3. SHORT-TERM INVESTMENTS AND MARKETABLE SECURITIES**

During the year ended October 31, 2022, the Company invested a total of \$2,000,000 into cashable GICs for a term of one year at an interest rate of one percent per year. During the three months ended January 31, 2023, the Company redeemed \$500,000 of the GICs and earned \$3,596 in interest. The Company also has available for sale 3,000 common shares of Lion Copper and Gold Corp (previously Quaterra Resources Inc) with a market value of \$195, (cost - \$2,118). The Company also holds 3,750 common shares of Aleafia Health Inc (formerly Canabo Medical Inc) having a market value of \$122 (cost - \$22,500).

**4. RECLAMATION BONDS**

The Company placed Guaranteed Interest Certificates (“GICs”) in trust as reclamation deposits pursuant to a condition of receiving consent from a government agency to explore its resource property interests. As at January 31, 2023, the Company held GICs totaling \$72,153 (2022 – \$72,153).

**5. EXPLORATION AND EVALUATION ASSETS**

	<b>Herbert Gold</b>
<b>Balance, October 31, 2022</b>	<b>\$17,126,634</b>
Acquisition costs:	
Shares issued	-
Cash payments and other	44,706
Deferred exploration costs:	
Assaying	12,184
Consulting	1,455
Field expenses	35,945
Food and lodging	9,311
Geological consulting	11,571
Helicopter rentals	34,487
Site personnel	2,466
Travel costs	5,709
<b>Total additions</b>	<b>157,834</b>
<b>Balance, January 31, 2023</b>	<b>\$17,284,468</b>

**Herbert Gold Project**

The Company holds a 100% interest in the Herbert property pursuant to an agreement dated June 16, 2010, as amended on June 12, 2012, (the “Option Agreement”) with Quaterra Alaska, Inc. (“Quaterra”), the Company was granted and exercised an option to acquire a 65% interest in a mining lease dated November 1, 2007 (the “Mining Lease”) for the Herbert Gold Project, consisting of 84 unpatented mining claims (now 91 unpatented mining claims pursuant to the area of interest provisions of the Mining Lease), located 20 miles north of Juneau, Alaska. The Company was required to incur at least USD\$1,250,000 (incurred) under the Option Agreement in exploration expenditures on the property to acquire its 65% interest.

Pursuant to a purchase agreement with Quaterra to acquire Quaterra’s remaining 35% interest in the Mining Lease in exchange for the issuance of 1,182,331 common shares (issued) on a non-diluted basis, equal to 9.0% of the Company’s outstanding common shares and, a cash payment of \$250,000 USD. The Company issued the 1,182,331 common shares during the year ended October 31, 2016, but these were held by the Company until such time that the assignment of the remaining 35% interest to the Company was completed during the year ended October 31, 2017.



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**5. EXPLORATION AND EVALUATION ASSETS (continued)**

The Herbert Gold Project is subject to a 5% net smelter returns royalty reserved to the underlying lessor, plus minimum annual advance royalties of \$30,000 USD due every November 1. All advance royalties will be credited towards any net smelter returns royalty paid upon the commencement of commercial production.

Realization of assets

The investment in and expenditures on exploration and exploration assets comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims allowed to lapse.

Environmental

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the resource property interests, the potential for production on the property may be diminished or negated.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its property interests and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former property interests that may result in material liability to the Company.

**GRANDE PORTAGE RESOURCES LTD.**  
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**6. SHARE CAPITAL**

- a) Authorized - Unlimited number of common shares without par value.
- b) Issued

As at January 31, 2023, there were 108,151,276 common shares issued and outstanding (2022: 107,651,276).

- (i) During the three-month period ended January 31, 2022, the Company issued 5,325,750 shares for the exercise of warrants priced at \$0.45 for gross proceeds of \$2,396,588.
  - (ii) During the year ended October 31, 2021, the Company issued 13,700,613 shares for the exercise of warrants priced at \$0.15 and \$0.16 and issued 775,000 shares for the exercise of options priced at \$0.15 for gross proceeds of \$2,268,146.
  - (iii) On June 10, 2021, the Company closed a non-brokered private placement with the issuance of 7,813,073 Units at a price of \$0.48 per Unit for gross proceeds of \$3,750,275. Each Unit consisted of one common share and one half of a share purchase warrant. Each whole warrant is exercisable at a price of \$0.72 for a period of two years. The Company paid \$55,570 in cash and issued 112,020 warrants for finders' fees in conjunction with this private placement. The Finder warrants have the same terms as the subscriber warrants.
- c) Stock options

Effective October 31, 2012, the Company adopted a revised rolling stock option plan under whereby a maximum of 10% of the issued shares will be reserved for issuance under the plan. The stock option plan provides for the granting of stock options to directors, officers, employees, consultants, consulting company or management company employees, and eligible charitable organizations. Shares issuable under the plan to insiders as a group, or to any one optionee, consultant, and investor relation person are restricted up to a limit of 10%, 5%, 2% and 2%, respectively, of the Company's total number of issued and outstanding shares per year. An option shall be granted as fully vested, unless a vesting schedule is imposed by the board as a condition of the grant date and provided that if the option is being granted to an eligible person who is providing investor relating activities to the Company, then the option must vest in stages over at least a one-year period and not more than ¼ of such options may be vested in any three-month period.

Details of the status of the Company's stock options as at January 31, 2023 are as follows:

	<b>Number of Options</b>	<b>Weighted-Average Exercise Price (\$)</b>
Balance, October 31, 2021	5,855,000	\$0.24
Granted	1,950,000	0.45
Exercised	(500,000)	0.20
Expired	(600,000)	0.35
<b>Balance, October 31, 2022</b>	<b>6,705,000</b>	<b>\$ 0.29</b>
<b>Balance, January 31, 2023</b>	<b>6,705,000</b>	<b>\$ 0.29</b>

The Company applies the fair value method using the Black-Scholes Option Pricing Model in accounting for stock options granted to employees. Stock options granted to non-employee are valued using the Black-Scholes Option Pricing Model as the fair values of services received were not reliably measurable.

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**6. SHARE CAPITAL** (continued)

As at January 31, 2023, the following stock options were outstanding and exercisable:

<b>Outstanding Number of Options</b>	<b>Expiry Date</b>	<b>Exercise Price</b>
1,000,000	February 23, 2023	0.15
950,000	September 24, 2023	0.22
500,000	December 13, 2023	0.13
900,000	July 29, 2024	0.15
50,000	February 20, 2023	0.15
380,000	June 29, 2025	0.35
975,000	May 3, 2026	0.38
1,950,000	May 2, 2027	0.45
<b>6,705,000</b>		

The weighted average remaining contractual life of stock options outstanding at January 31, 2023 is 2.21 years (2022 – 2.34 years).

d) Warrants

The following table summarizes the continuity of the Company's warrants:

	<b>Number of Warrants</b>	<b>Weighted-Average Exercise Price</b>
<b>Balance, October 31, 2021</b>	<b>9,897,660</b>	<b>\$0.53</b>
Exercised	(5,325,750)	0.45
<b>Balance, October 31, 2022</b>	<b>4,571,910</b>	<b>\$0.59</b>
<b>Balance, January 31, 2023</b>	<b>4,571,910</b>	<b>\$0.59</b>

The Company applies the fair value method using the Black-Scholes Option Pricing Model in accounting for agent warrants.

As at January 31, 2022, the following warrants were outstanding and exercisable:

<b>Outstanding Number of Warrants</b>	<b>Expiry Date</b>	<b>Exercise Price</b>
553,355	May 5, 2023	\$0.45
4,018,555	June 12, 2023	\$0.72

The weighted average remaining contractual life of warrants outstanding at January 31, 2023 is 0.35 years (2022 – 1.09 years).

**GRANDE PORTAGE RESOURCES LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**7. RELATED PARTY TRANSACTIONS AND KEY PERSONNEL COMPENSATION**

Included in accounts payable at January 31, 2023 is \$Nil (2022 - \$7,350) owing for services to companies controlled by directors and officers of the Company. These amounts are unsecured, non-interest bearing, and are due on demand.

During the three months ended January 31, 2023, the Company incurred the following related party transactions:

- a) \$60,922 (2022 - \$51,650) in management fees to a company controlled by the President and CEO of the Company;
- b) \$17,250 (2022 - \$21,250) in management fees to a company controlled by a Director of the Company;
- c) \$30,700 (2022 - \$30,500) in accounting fees to a company controlled by the CFO of the Company;
- d) \$10,000 (2022 - \$10,000) in directors' fees to members of the Board of Directors;
- e) \$4,500 (2022 - \$4,500) to a company controlled by an officer of the Company for rent

The Company has identified its directors and senior officers as its key management personnel. No post-employment benefits, other long-term benefits and termination benefits were made during the three months ended January 31, 2023 and 2022. Short-term key management compensation consists of the following for the three-month periods ended January 31, 2023, and 2022:

	<b>2023</b>	<b>2022</b>
Management fees	\$ 78,172	\$ 51,650
Accounting fees	30,700	30,500
Directors' fees	10,000	10,000
	<b>\$ 118,872</b>	<b>\$ 92,150</b>

The Company entered into management fee agreements for a term of two years with a Director, the President, and the CFO of the Company ("Contractors") in the amounts of annual compensation of \$69,000 per annum and \$198,000, and \$84,000 per annum, respectively. The Company is committed to make monthly payments of \$29,250.

**8. CAPITAL MANAGEMENT**

The Company defines capital as all components of shareholders' equity. The Company manages its capital structure and makes adjustments to it based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is not subject to any externally imposed capital requirements.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

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 have been no changes to the Company's approach to capital management during the three months ended January 31, 2023.

**GRANDE PORTAGE RESOURCES LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**9. SEGMENTED INFORMATION**

The Company operates in one reportable operating segment, being the acquisition and exploration of resource properties. The Company operates in both Canada and the U.S.A. The Company's exploration and evaluation assets in geographic locations are as follows:

	<b>2023</b>	<b>2022</b>
U.S.A.	\$ 17,284,468	\$ 14,459,615

**10. COMMITMENTS AND CONTINGENCIES**

a) Commitments

The Company entered into management fee agreements with a Director, the President, and the CFO of the Company (see Note 9). The agreements can be terminated by the Company upon providing twelve months of notice, based on the mutual agreement or with no notice for just cause. In case of the absence of just cause of or the mutual agreement, the Company is required to pay a full twelve months of additional compensation upon termination. The Company is committed to make monthly payments of \$29,250.

b) Contingencies

From time to time, the Company is engaged in various legal proceedings and claims that have arisen in the ordinary course of business. The outcome of all the proceedings and claims against the Company is subject to future resolution, including the uncertainties of litigation. The Company believes that the probable ultimate resolution of any such proceedings and claims, individually or in the aggregate will not have a material adverse effect on the financial condition of the Company.

**11. SUBSEQUENT EVENTS**

On March 24, 2023, the Company announced that it intends to extend the exercise period of 553,358 share purchase warrants exercisable at a price of \$0.45 per common share and 3,906,537 share purchase warrants exercisable at a price of \$0.72 per common share.

The Warrants were issued pursuant to a private placement which closed on April 30, 2021, and June 10, 2021, respectively (see news releases dated April 30, 2021 and June 10, 2021). The Company proposes to extend the expiry dates for the Warrants to November 5, 2023, and December 12, 2023, respectively.

All other terms and conditions of the Warrants remain unchanged. The warrant extension is subject to acceptance by the TSX Venture Exchange.