MINK Ventures Corporation

Financial Statements

For the Period from the Date of Incorporation (March 9, 2021) to December 31, 2021

MINK Ventures Corporation

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McGovern Hurley

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of MINK Ventures Corporation

Opinion

We have audited the financial statements of MINK Ventures Corporation (the "Company"), which comprise the balance sheet as at December 31, 2021, and the statement of changes in equity, statement of operations and comprehensive loss, and statement of cash flows for the period from the date of incorporation (March 9, 2021) to December 31, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021, its financial performance, and its cash flows for the period then ended in accordance with International Financial Reporting Standards ("IFRS")

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

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exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner of the audit resulting in this independent auditor's report is Jessica Glendinning.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
April 1, 2022

MINK Ventures Corporation

Balance Sheet

Expressed in Canadian Dollars

As at,	**December 31, 2021** $
Assets	
Current:	
Cash	518,119
Amounts receivable	1,102
Total current assets	519,221
Total Assets	**519,221**
Liabilities	
Current:	
Accounts payable and accrued liabilities	10,125
Total current liabilities	10,125
Total Liabilities	10,125
Shareholders' Equity	
Issued capital, *note 5*	513,792
Equity reserves, *note 6*	110,405
Deficit	(115,101)
Total Shareholders' Equity	509,096
Total Liabilities and Shareholders' Equity	**519,221**

Nature of operations and going concern, *note 1*

See accompanying notes to the financial statements.

Approved on behalf of the Board:

"Natasha Dixon" Director

"JC St. Amour" Director

MINK Ventures Corporation

Statement of Changes in Equity

Expressed in Canadian Dollars

	Shares #	Issued Capital $	Equity reserves $	Deficit $	Total Equity $
March 9, 2021					
Non-brokered private placement (*note 5*)	2,800,000	140,000	-	-	140,000
Share subscriptions	5,567,500	556,750	-	-	556,750
Valuation of broker warrants	-	(42,405)	42,405	-	-
Issue costs	-	(140,553)	-	-	(140,553)
Share-based payments	-	-	68,000	-	68,000
Loss for the period	-	-	-	(115,101)	(115,101)
Balance at December 31, 2021	**8,367,500**	**513,792**	**110,405**	**(115,101)**	**509,096**

See accompanying notes to the financial statements.

MINK Ventures Corporation

Statement of Operations and Comprehensive Loss

Expressed in Canadian Dollars

For the period from the Date of Incorporation (March 9, 2021) to December 31,	**2021** $
Expenses:	
Listing fees	22,243
Office and general	5,817
Professional fees	14,043
Share-based payments, *note 6*	68,000
Transfer agent and filing fees	4,998
Total expenses	**115,101**
Net loss and comprehensive loss for the period	**(115,101)**
Net loss per common share:	
- basic	(0.07)
- diluted	(0.07)
Weighted average number of common shares outstanding, *note* 5:	
- basic	**1,614,476**
- diluted	**1,614,476**

See accompanying notes to the financial statements.

MINK Ventures Corporation

Statement of Cash Flows

Expressed in Canadian dollars

For the period from the Date of Incorporation (March 9, 2021) to December 31, 2021	**2021** $
Cash was provided by (used in):	
Operating activities:	
Net loss for the period	(115,101)
Items not affecting cash:	
Share-based payments	68,000
	(47,101)
Cash was provided by (used to finance) changes in the following working capital items:	
Amounts receivable	(1,102)
Accounts payable and accrued liabilities	10,125
Net change in non-cash working capital	**9,023**
Net cash used in operating activities	**(38,078)**
Financing activities:	
Non-brokered private placement	140,000
Shares subscriptions	556,750
Issue costs	(140,553)
Net cash provided by financing activities	**556,197**
Change in cash	**518,119**
Cash, beginning of period	-
Cash, end of period	**518,119**
Supplemental cash flow information	
Issuance of broker warrants	42,405

See accompanying notes to the financial statements.

1. Nature of operations and going concern

MINK Ventures Corporation (the "Company" or "MINK") was incorporated on March 9, 2021, under the Business Corporations Act (Ontario) (the "Act"), and is a Capital Pool Company ("CPC"), as defined by Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal business of the Company is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). The Company has not commenced commercial operations and has no assets other than cash. Given the nature of operations, as intended, are dependent on its ability to secure equity financing with which it intends to indentify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders' approval.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment as per TSXV Policy 2.4 Capital Pool Companies (Section 7). These restrictions apply until completion of a QT by the Company as defined under the policies of the Exchange.

The head office is located at 66 Wellington Street West, Suite 4100, Toronto, Ontario, M5K 1B7.

On April 1, 2022, the Board of Directors approved the financial statements for the period from Date of Incorporation (March 9, 2021) to December 31, 2021.

The Company’s operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company’s operations and ability to finance its operations and complete a QT.

Going Concern

These financial statements were prepared on a going-concern basis of accounting, which assumes that the Company will continue operations for the foreseeable future and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business. The Company does not generate revenue from operations and incurred a net loss of $115,101 for the period ended December 31, 2021. However, the Company believes that its working capital balance as at December 31, 2021 will provide the Company with sufficient cash resources to meet its obligations for at least twelve months from the end of the reporting period. As the Company has no revenues, its ability to continue as a going concern is dependent on its ability to obtain additional financing and complete a QT.

2. Basis of presentation

(a) Statement of compliance with International Financial Reporting Standards

These financial statements, have been prepared in accordance and compliance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

(b) Basis of preparation

These financial statements have been prepared on a historical cost basis.

These financial statements have been prepared on the basis of IFRS standards that are published at the time of preparation and that are effective or available for early adoption on December 31, 2021.

Future Accounting changes

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2022. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IAS 1 – In February 2021, the IASB issued ‘Disclosure of Accounting Policies’ with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for year ends beginning on or after January 1, 2023.

IAS 1 **–** Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company’s right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company’s own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

IAS 8 **–** In February 2021, the IASB issued ‘Definition of Accounting Estimates’ to help entities distinguish between accounting policies and accounting estimates. The amendments are effective for year ends beginning on or after January 1, 2023.

3. Significant accounting policies

(a) Critical judgements and estimation uncertainties

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

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

i) Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

ii) Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

(b) Income taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry forwards and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(c) Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects.

Common shares issued for consideration other than cash, are valued based on their estimated market value at the date the agreement to issue shares was concluded.

(d) Financial instruments

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either fair value through profit or loss ("FVPL") or fair value through other comprehensive income "FVOCI", and “financial assets at amortized costs”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate (“EIR”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. Cash is held at amortized cost.

3. Significant accounting policies (continued)

(d) Financial instruments (continued)

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the balance sheet with changes in fair value recognized in other income or expense in the statements of operations. The Company does not measure any financial assets at FVPL.

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the statements of operations when the right to receive payments is established.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, amounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

3. Significant accounting policies (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, which are measured at amortized cost. All financial liabilities are recognized initially at fair value.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statements of operations.

(e) Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity reserves. Consideration received on the exercise of stock options is recorded as issued capital and the related equity reserve is transferred to issued capital. Charges for options that are forfeited before vesting are reversed from equity reserves. Upon expiry, the recorded value is transferred to deficit.

(f) Loss per share

Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss available to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by assuming that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. In the Company's case, diluted loss per share is the same as basic loss per share as all options and warrants outstanding are anti-dilutive.

4. Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

Credit risk

The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash has been invested with reputable financial institutions, from which management believes the risk of loss to be remote.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2021, the Company had a cash balance of $518,119 to settle current liabilities of $10,125. The Company's accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms.

Fair value of financial instruments

IFRS require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgement; and therefore, cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

As at December 31, 2021, the carrying and fair value amounts of the Company's financial instruments are approximately the same because of the short-term nature of these instruments.

Fair value measurements are classified using a fair value hierarchy that reflects the significance of the input used in making the measurements. The fair value hierarchy shall have the following levels: (a) quoted market prices (unadjusted) in active markets for identical assets or liabilities (Level 1); (b) inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

At December 31, 2021, the Company had no financial instruments to classify in the fair value hierarchy.

(expressed in Canadian dollars unless otherwise noted)

5. Issued Capital

(i) Authorized share capital consists of an unlimited number of voting and participating Common shares without par value and an unlimited number of non-voting and non-participating Preferred shares without par value, redeemable for the amount paid for such shares.

(ii) Shares issued during 2021

On March 30, 2021, the Company issued 2,800,000 Common shares at $0.05 per share for aggregate consideration of $140,000, of which 2,500,000 Common shares for aggregate consideration of $125,000 were issued to directors and officers of the Company.

On September 29, 2021, the Company completed the Initial Public Offering (the "Offering"), issuing 5,567,500 common shares at $0.10 per share for gross proceeds of $556,750. In completing the Offering, the Company incurred $55,675 in commissions for the Agent, $20,527 in other reimbursable costs and $64,351 of legal and distribution costs for total issuance costs of $140,553. The Company completed the Offering in order to operate as a CPC.

All common shares of the Company acquired in the secondary market prior to the completion of a QT by a Control Person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Company held by principals of the resulting issuer will also be subject to escrow. 2,800,000 shares have been escrowed at December 31, 2021.

All common shares and common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a QT, must be deposited in escrow until the final exchange bulletin is issued, releasing from escrow as follows:

Date of Final Exchange Bulletin	25%
Date 6 months following Final Exchange Bulletin	25%
Date 12 months following Final Exchange Bulletin	25%
Date 18 months following Final Exchange Bulletin	25%

Basic and diluted loss per share does not include 2,800,000 escrowed shares.

(expressed in Canadian dollars unless otherwise noted)

6. Equity reserves

	No. of options #	Weighted Average Exercise Price $	Grant Date Fair Value of options $
March 9, 2021	-	-	-
Granted/Expensed	836,750	0.083	68,000
December 31, 2021	**836,750**	**0.083**	**68,000**

Employee share option plan

The Company has a share option plan to assist the Company in attracting, retaining and motivating directors, key officers, employees and consultants of the Company and to closely align the personal interests of such parties with those of the shareholders by providing them with the opportunity, through options, to acquire common shares of the Company. The maximum number of shares reserved for issuance under the share option plan is limited to 10% of the issued and outstanding common shares of the company. Share options granted under the share option plan vest upon issuance.

The following share option arrangements were in existence as at December 31, 2021:

Date Granted	Options Granted	Options Exercisable	Exercise Price $	Expiry Date
April 27, 2021	280,000	280,000	0.05	April 27, 2031
September 29, 2021	556,750	556,750	0.10	September 29, 2031
	836,750	**836,750**	**0.083**	

The weighted average exercise price of options exercisable at December 31, 2021 was $0.083.

The weighted average remaining contractual life of options outstanding at December 31, 2021 is 9.60 years.

(expressed in Canadian dollars unless otherwise noted)

6. Equity reserves (continued)

The fair value of share options granted has been estimated at the date of the grant using the Black-Scholes option pricing model with the following assumptions:

Grant date	Expected dividend yield	Risk-free interest rate	Expected volatility	Expected life	Estimated grant date fair value
	%	%	%		$
April 27, 2021	0	0.96	135	10 years	14,000
September 29, 2021	0	1.11	135	10 years	54,000

The estimated weighted average grant date fair value of options granted during 2021 was $0.081.

Expected volatility is estimated by considering the historic average share price volatility for similar companies.

The fair value of warrants granted has been estimated at the date of the grant using the Black-Scholes option pricing model with the following assumptions

Grant date	Expected dividend yield	Risk-free interest rate	Expected volatility	Expected life	Estimated grant date fair value
	%	%	%		$
September 29, 2021	0	1.11	135	3	42,405

The following warrant arrangements were in existence as at December 31, 2021:

Warrants	Exercise Price	Estimated Grant Date Fair Value	Expiry Date
#	$	$	
556,750	0.10	42,405	September 29, 2024

7. Related party information

The following transactions were entered into with related parties that are not subsidiaries of the Company during the period ended December 31, 2021:

	2021
With related parties of the Company:	
Number of stock options granted to related parties	836,750
	$
Stock based compensation expense	68,000

Refer to note 5(ii)

(expressed in Canadian dollars unless otherwise noted)

8. Income taxes

Provisions for income taxes

Major items causing the Company's income tax rate to differ from the combined Canadian Federal and Provincial statutory income tax rate of approximately 26.5% approximate the following:

	2021 $
Loss before income taxes	**(115,101)**
Expected income tax benefit based on statutory rates	(30,623)
Adjustment to expected income tax benefit:	
Non deductible expenses	18,000
Change in benefit of tax assets not recognized	12,623
Income tax expense (recovery)	**-**

Deferred Income Tax

Deferred tax assets in Canada have not been recognized in respect of the following deductible temporary differences:

	December 31, 2021 $
Non-capital losses	75,000
Share issue costs	113,000

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

The Company has approximately $75,000 of non-capital losses in Canada which under certain circumstances can be used to reduce taxable income of future years. These losses expire in 2041.

9. Capital management

The capital of the Company consists of issued capital. The Company manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of its exploration and evaluation assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, seek debt financing, or acquire or dispose of 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 other than those described in Note 1 related to its status as a Capital Pool Company. Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable.