
TRI ORIGIN EXPLORATION LTD

INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIODS ENDED DECEMBER 31, 2020 AND 2019

(Expressed in Canadian Dollars)

Notice to Reader

The accompanying unaudited condensed interim financial statements of Tri Origin Exploration Ltd. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements as at and for the six months ended December 31, 2020 have not been reviewed by the Company's auditors.

TRI ORIGIN EXPLORATION LTD.
Statements of Financial Position
(Expressed in Canadian Dollars)

	December 31, 2020	June 30, 2020
	(Unaudited)	(Audited)
	\$	\$
Assets		
Current assets		
Cash	180,576	1,736
Accounts receivable	50,000	-
Prepaid and sundry receivables	21,312	8,175
	<u>251,888</u>	<u>9,911</u>
Non current assets		
Investments (note 5)	22,327	-
Exploration and evaluation assets (note 6)	2,839,231	2,788,534
Equipment	4,338	2,173
	<u>2,865,896</u>	<u>2,790,607</u>
Total Assets	<u>3,117,784</u>	<u>2,800,618</u>
Equity and Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	396,465	432,599
Promissory note payable (note 8)	195,000	195,000
	<u>591,465</u>	<u>627,599</u>
Total Liabilities	<u>591,465</u>	<u>627,599</u>
Equity		
Share capital (note 9)	22,548,270	22,198,975
Equity portion of convertible debenture (note 8)	17,393	17,393
Contributed surplus	2,387,383	2,422,223
Deficit	(22,426,727)	(22,465,572)
	<u>2,526,319</u>	<u>2,173,019</u>
Total Liabilities and Equity	<u>3,117,784</u>	<u>2,800,618</u>

Nature of operations and going concern (note 1)
 Subsequent events (note 16)

The notes to the financial statements are an integral part of these statements.

Approved by the Board of Directors:

Director: Dr. Robert Valliant

Director: Mr. Jean-Pierre Janson

TRI ORIGIN EXPLORATION LTD.
Statements of Loss and Comprehensive Loss
(Unaudited, expressed in Canadian Dollars)

	For the three-month periods ended		For the six-month periods ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	\$	\$	\$	\$
Expenses				
General and administrative costs (note 14)	92,064	94,340	164,080	151,831
Finance charges	3,932	3,929	9,146	7,827
Loss before other items	(95,996)	(98,269)	(173,226)	(159,658)
Other items				
Other income	144,793	30,000	144,793	30,000
Realized gain on debt settlement	-	-	59,744	-
Net change in fair value of investment	7,534	-	7,534	-
Total other items	152,327	30,000	212,071	30,000
Net income (loss) and comprehensive income (loss) for the period	56,331	(68,269)	38,845	(129,658)
Basic and diluted earnings (loss) per share	0.002	(0.003)	0.001	(0.001)
Weighted average number of shares outstanding (note 9)	27,068,605	23,874,461	26,813,678	23,874,461

The notes to the financial statements are an integral part of these statements.

TRI ORIGIN EXPLORATION LTD.
Statements of Changes in Shareholder's Equity
(Unaudited, expressed in Canadian Dollars)

	<u>Share capital</u>	<u>Equity portion of convertible debenture</u>	<u>Contributed surplus reserve</u>	<u>Deficit</u>	<u>Total</u>
	\$	\$	\$	\$	\$
Balance, July 1, 2020	22,198,975	17,393	2,422,223	(22,465,572)	2,173,019
Exercise of warrants	209,040	-	(34,840)	-	174,200
Shares issued for debt settlement	140,255	-	-	-	140,255
Net income for the period	-	-	-	38,845	38,845
Balance, December 31, 2020	22,548,270	17,393	2,387,384	(22,426,727)	2,526,319
Balance, July 1, 2019	22,044,715	17,393	2,106,620	(21,951,833)	2,216,895
Units issued in a private placement	145,347	-	-	-	218,020
Units issued in a flow-through private placement	12,000	-	-	-	17,665
Shares issued in a debt settlement	1,200	-	-	-	1,200
Units issue expenses	(3,720)	-	-	-	(3,720)
Net loss for the period	-	-	-	(129,658)	(129,658)
Balance, December 31, 2019	22,199,542	17,393	2,106,620	(22,081,491)	2,320,402

The notes to the financial statements are an integral part of these statements.

TRI ORIGIN EXPLORATION LTD.
Statements of Cash Flows
(Unaudited, expressed in Canadian Dollars)

	For the six-month period ended December 31,	
	2020	2019
	\$	\$
Operating Activities		
Net income (loss) for the period	38,845	(129,658)
Amortization	604	362
Other income	(64,793)	-
Realized gain on debt settlement	(59,744)	-
Net change in fair value of investment	(7,534)	-
	<u>(92,622)</u>	<u>(129,296)</u>
Changes in non-cash working capital		
Prepaid	(13,137)	2,987
Accounts payable and accrued liabilities	163,865	289,090
	<u>58,106</u>	<u>162,781</u>
Cash used in operating activities		
Investing Activities		
Expenditures on exploration and evaluation assets	(50,697)	(203,606)
Equipment acquisition	(2,769)	-
	<u>(53,466)</u>	<u>(203,606)</u>
Cash (used in) provided by investing activities		
Financing Activities		
Issuance of units by private placements	-	218,020
Issuance of units by flow-through private placement	-	24,000
Issuance cost of units	-	(2,520)
Repayment of promissory note	-	5,000
Exercised warrants	174,200	-
	<u>174,200</u>	<u>244,500</u>
Cash provided by (used in) financing activities		
Change in cash during the period	178,840	203,675
Cash, beginning of the period	1,736	6,005
	<u>180,576</u>	<u>209,680</u>
Cash, end of the period		

The notes to the financial statements are an integral part of these statements.

TRI ORIGIN EXPLORATION LTD.
Notes to Financial Statements
For the six-month periods ended December 31, 2020 and 2019
(Unaudited, expressed in Canadian Dollars)

1. Nature of operations and going concern

Tri Origin Exploration Ltd. (the "Company" or "TOE") was incorporated on June 6, 1989 under the Business Corporations Act (Ontario). The Company is a publicly held company engaged principally in the acquisition and exploration of mineral properties in the Canadian Shield, Canada.

The accompanying financial statements of the Company have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, as described in the following paragraph. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

The Company has a net income of \$38,845 for the six-month period ended December 31, 2020 (six-month period ended December 31, 2019 – net loss of \$129,658) and a deficit of \$22,426,727 as at December 31, 2020 (June 30, 2020 - \$22,465,572). The Company is in the exploration stage and is subject to risks and challenges similar to other companies in a comparable business. These risks include, but are not limited to, dependence on key individuals, successful exploration and the ability to secure adequate financing to meet the minimum capital required to successfully complete the projects and continue as a going concern. There is no assurance that these initiatives will be successful and as a result there is significant doubt regarding application of the going concern assumption.

On December 31, 2020, the Company had a negative working capital of \$339,577 (June 30, 2020 – negative working capital \$617,688) and is not generating positive cash flows from operations. Working Capital includes a promissory note of \$195,000 (June 30, 2020 - \$195,000) payable by the Company which also may be convertible into shares of the Company. There may not be sufficient cash to meet general and administration expenses plus planned project activities for the following twelve months. The operations of the Company have primarily been funded by the issuance of common shares and debt instruments. Continued operations of the Company are dependent on the Company's ability to complete equity financing and enter into funding agreements with third parties in order to continue exploration of its mineral property interests. Management's plan in this regard is to continue to seek industry partners for its projects and to secure additional funds through future equity financings, which may or may not be available or may not be available on reasonable terms.

Further, in March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

2. Compliance and basis of preparation and presentation

(a) Statement of compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The policies applied in these financial statements are presented in Note 3. The Board of Directors approved and authorized for issue the financial statements on February 26, 2021.

(b) Basis of preparation and presentation

The financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments as disclosed in Note 4. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. The financial statements are presented in Canadian dollars, which is also the Company's functional currency.

TRI ORIGIN EXPLORATION LTD.
Notes to Financial Statements
For the six-month periods ended December 31, 2020 and 2019
(Unaudited, expressed in Canadian Dollars)

3. Significant accounting policies

Significant accounting judgments and estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the 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 also in future periods, if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

i) Impairment of deferred assessment and evaluation costs

While assessing whether any indications of impairment exist for deferred assessment and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of assessment and evaluation assets. Internal sources of information include the manner in which assessment and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates may include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Company's properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's deferred assessment and evaluation assets.

ii) Taxes, income taxes and deferred taxes

The Company is subject to income and other taxes in various jurisdictions. 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 and other tax liabilities requires interpretation of complex laws and regulations often involving multiple jurisdictions. 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 filings are subject to 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. Any estimates for value added and withholding taxes have been included in accounts payable and accrued liabilities.

iii) 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 behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

TRI ORIGIN EXPLORATION LTD.
Notes to Financial Statements
For the six-month periods ended December 31, 2020 and 2019
(Unaudited, expressed in Canadian Dollars)

3. Significant accounting policies (continued)

Environmental liability, contingency and other provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against net income (loss) over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

The Company had no material provisions at December 31, 2020 and June 30, 2020.

Impairment of non-financial assets

At the end of each fiscal year, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. All financial instruments are initially recorded at fair value, adjusted for directly attributable transaction costs. The Company determines each financial instrument's classification upon initial recognition. Measurement in subsequent periods depends on the financial instrument's classification.

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Measurement

Financial assets at FVTOCI:

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

TRI ORIGIN EXPLORATION LTD.
Notes to Financial Statements
For the six-month periods ended December 31, 2020 and 2019
(Unaudited, expressed in Canadian Dollars)

3. Significant accounting policies (continued)

Financial Instruments (continued)

Financial assets and liabilities at amortized cost:

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net (loss) income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of net (loss) income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of operations and comprehensive income (loss). However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of net (loss) income.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's accounts payable and accrued liabilities approximate their carrying values. The Company's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

TRI ORIGIN EXPLORATION LTD.
Notes to Financial Statements
For the six-month periods ended December 31, 2020 and 2019
(Unaudited, expressed in Canadian Dollars)

3. Significant accounting policies (continued)

Equipment

Equipment is stated at cost less accumulated depreciation and any recognized impairment loss. Cost includes expenditures associated with bringing the asset to its operating location and condition. The cost of equipment is depreciated over their expected useful lives, on a straight-line basis at the following rates;

- Office Equipment – 5 years
- Computer software – 3 - 5 years
- Field Equipment – 5 years
- Leasehold Improvements – 2 years

The depreciable amount of equipment is recorded on a straight line basis over the estimated useful life of the asset to the residual value of the asset. Each part of the item of equipment with a cost that is significant in relation to the total cost of the item depreciated separately if their useful lives differ.

The Company reviews the useful life, depreciation method and residual value and carrying value of its equipment at each reporting date.

Expenditures that extend the useful lives of the existing facilities or equipment are capitalized and amortized over the remaining useful lives of the assets. Repairs and maintenance expenditures are expensed as incurred.

Exploration and evaluation assets

Interest in exploration and evaluation assets are carried at cost until they are brought into production, at which time they are depleted on a unit-of-production method based on proven and probable reserves.

Acquisition costs include the cash consideration and the fair market value of the shares issued for the acquisition of exploration properties. The carrying value of mining interests is reduced by any option proceeds or government grants received until such time as the carrying values are reduced to nominal amounts. Properties acquired under option agreements or by joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at the time of payment.

Cash consideration received in a farm-out or option arrangement is applied against the carrying amount of the exploration and evaluation asset, with any excess included as a gain in profit or loss.

The cost of exploration properties abandoned or sold and their related deferred exploration costs are charged to operations when abandoned or sold. Accumulated costs on exploration and evaluation assets which are considered to be impaired either through external economic conditions, determination that its carrying value may not be recoverable or failure to advance the property to the development stage within a reasonable period of time are written down.

The Company reviews its exploration and evaluation assets regularly to determine if events or circumstances have transpired which indicate that its carrying value may not be recoverable. The recoverability of costs incurred on mineral resource property is dependent upon numerous factors, including exploration results, environmental risks, commodity risks, and the Company's ability to attain profitable production. It is possible that conditions in the near-term could change the Company's assessment of the carrying value.

Title to mineral properties involves inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from past conveyancing history characteristics of many mineral properties. The Company has investigated title to all of its mineral properties and to the best of its knowledge all properties are in good standing.

Revenue recognition

The Company currently has no revenue from active mining operations. Interest revenue is recognized in the period in which it is earned. Project management fees are recognized in the period the services are performed and expenses incurred.

TRI ORIGIN EXPLORATION LTD.
Notes to Financial Statements
For the six-month periods ended December 31, 2020 and 2019
(Unaudited, expressed in Canadian Dollars)

3. Significant accounting policies (continued)

Proportionate cost sharing ventures

Certain of the Company's exploration activities may be conducted with others. These financial statements reflect only the Company's interest in such activities. Although the Company holds certain interests in mineral properties through option agreements, none of its operations are carried on through joint venture entities.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares.

Flow-through shares

The Company has financed a portion of its exploration activities through the issuance of flow-through shares. Under the terms of the flow-through share agreements, the tax attributes of the related expenditures are renounced to subscribers. To recognize the foregone tax benefits to the Company, the flow through share premium is recorded as liability and the residual balance is allocated to share capital. The liability is subsequently reversed to income on a proportionate basis as the tax benefits are renounced. At the end of each reporting period, the Company reviews its tax position and records an adjustment to its deferred tax expense and liability accounts for taxable temporary differences arising from tax benefits renounced to flow-through share investors.

Share-based payments

The fair value of employee share option plans is measured at the date of grant of the option using the Black-Scholes pricing model, taking into consideration the terms and reconciliations upon which the options were granted. The resulting cost, as adjusted for the expected and actual level of vesting of the options, is charged to income over the period in which the options vest. At the end of each reporting date before vesting, the cumulative expense is calculated; representing the extent to which the vesting period has expired and management's best estimate of the number of equity instruments that will ultimately vest.

Income tax

Income tax on the net income (loss) for the periods presented comprises current and deferred tax. Income tax is recognized in net income (loss) except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current income tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred income tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

A deferred income tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

TRI ORIGIN EXPLORATION LTD.
Notes to Financial Statements
For the six-month periods ended December 31, 2020 and 2019
(Unaudited, expressed in Canadian Dollars)

3. Significant accounting policies (continued)

Convertible debentures

Convertible debentures are separated into their liability and equity components on the balance sheet. The liability component is initially recognized at fair value, determined as the net present value of future payments of interest and principal, discounted at the market rate for similar non-convertible liabilities at the time of issue. The liability component is recognized at amortized cost, using the effective interest method, until extinguished upon conversion, maturity or a normal course issuer bid. The fair value of the equity component of the convertible debentures is estimated using the residual method in which the difference between the face value of the instrument and the fair value of the debt component is allocated as the fair value of the equity component.

Changes in accounting policies and recent accounting pronouncements

IFRS 16 – Leases (“IFRS 16”) was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognize the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The Company had adopted this standard effective July 1, 2019 and has determined it has no impact on its financial statements.

IFRIC 23 – Uncertainty Over Income Tax Treatments (“IFRIC 23”) was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019. The Company has adopted this interpretation as of July 1, 2019 and has assessed no significant impact as a result of the adoption of this interpretation.

4. Financial instruments

The Company's cash is measured at fair market value. Accounts receivable are measured at amortized cost. The investments of the Company are classified as financial assets at FVTPL and measured at fair value. Accounts payable and accrued liabilities, promissory note payable and secured debenture are classified as other financial liabilities and measured at amortized cost.

The following table indicates the carrying value of the Company's financial assets and financial liabilities:

Item	As at December 31, 2020		As at June 30, 2020	
	Cost	Market value	Cost	Market value
	\$	\$	\$	\$
Cash	-	180,576	-	1,736
Accounts payable	395,465	-	432,599	-
Promissory note payable	195,000	-	195,000	-

TRI ORIGIN EXPLORATION LTD.
Notes to Financial Statements
For the six-month periods ended December 31, 2020 and 2019
(Unaudited, expressed in Canadian Dollars)

5. Investments	<u>As at December 31, 2020</u>	<u>As at June 30, 2020</u>
	\$	\$
Warrants of Straightup Resources Inc. – 100,000	22,327	-
	<u>22,327</u>	<u>-</u>

Investments consist of warrants held by the Company of Straightup Resources Inc. (“Straightup”) (CSE: ST). On October 22, 2020 the Company concluded a sale of historical exploration data to Straightup for \$100,000 cash and 200,000 common share purchase warrants of Straightup. The cash portion of the proceeds is due \$50,000 on closing (paid) and \$50,000 upon the earlier of the commencement of work on the properties and six months from closing. 100,000 common share purchase warrants were due on closing (issued) and 100,000 upon the earlier of the commencement of work on the properties and six months from closing. The 100,000 warrants issued have an exercise price of \$0.26 and expire on November 26, 2023.

The fair value of the warrants as at October 22, 2020 (\$14,793) and December 31, 2020 (\$22,327) was estimated using the Black-Scholes option pricing model and based on the following average assumptions: expected life – 3 years, risk-free interest rate – 0.25%, Expected Volatility – 200%.

6. Exploration and evaluation assets

Sky Lake Project

Sky Lake is a gold exploration project located 35 kilometres southwest of Pickle Lake in north western Ontario. It is comprised of 446 100% owned single cell mining claims covering an area of 112 square kilometres. During the year ended June 30, 2017, Tri Origin entered into an option agreement with Barrick Gold to acquire a 96% interest in patented mining claims (the “Koval” claims) covering an area of 2 square kilometres located within the boundary of its Sky Lake property. To exercise the option, the Company is required to spend \$500,000 on exploration on the patented claims over a 4 year period. During the period ended September 30, 2020 an amending agreement was entered into to extend the option term to a 5 year period. Barrick has the option to either retain a 0.5% Net Smelter Return Royalty (“NSR”) on the Koval patented claims and certain contiguous unpatented claims or, an option to buy back a 51% interest in the patented claims by paying Tri Origin three (3) times Tri Origin’s expenditures. Currently, there is a total 2.25% NSR royalty payable on the patented claims and a 2% NSR royalty payable on a group of claims surrounding the patented claims. Tri Origin has an option to buy back a portion of the existing NSR royalties.

During the six-month period ended December 31, 2020, the Company spent \$40,503 to conduct exploration on the property. Total spending from inception to December 31, 2020 was \$1,881,771.

North Abitibi Project

North Abitibi is a gold exploration project located 150 kilometres north of Kirkland Lake, Ontario, in the Abitibi Greenstone Belt. The property consists of 196 single cell mining claim cells covering an area of approximately 47 square kilometres and 21 boundary cell mining claims covering an area of approximately 3 square kilometres for a total area of 50 square kilometres. The property is subject to an agreement with Vista Gold Corp (“Vista”), which transferred 100% of its interest in the claims to Tri Origin in 2010. The claims are subject to a back in right held by Vista whereby upon 45 days notice by Tri Origin to Vista that it has spent \$2,000,000 on the property, Vista has the option to earn back a 51% interest in the property. To earn back in its 51%, interest Vista is required to spend \$4,000,000 in exploration expenditures on the property over three years. If Vista declines to exercise its back in right, Vista’s interest reverts to a 3.0% NSR royalty. Tri Origin has the option to buy back one third, or 1% of the NSR royalty for \$1,000,000.

North Abitibi is located 35 kilometres west of the Casa Berardi gold mine and 45 kilometres south of the Detour Lake gold mine. It hosts gold zones traced by shallow drilling for over 4 kilometres along the extension of the “Casa Berardi” break. The zones require deeper drilling to evaluate their economic potential.

During the six-month period ended December 31, 2020, the Company spent \$5,600 on exploration expenditures on the property. Total spending from inception to December 30, 2020 was \$830,189, which includes a deduction of a re-imbursment of exploration expenditures of \$64,320 made under the Ontario junior exploration assistance program (“JEAP”) during the 2018 fiscal year.

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6. Exploration and evaluation assets (continued)

South Abitibi Project

South Abitibi is a large property position of 791 single cell mining claims and 36 boundary cell mining claims covering an area of over 200 square kilometres in the Temagami-Cobalt region of Ontario. Three small claim blocks comprising approximately 12% of the property are subject to NSR royalties of 1.5%. Tri Origin has the option to buy back a portion of these royalties.

During the latter part of fiscal 2015, a gold and base metal alliance agreement was entered into between Tri Origin and Sumac Mines Ltd (renamed Sumitomo Metal Mining Canada Ltd. ("Sumitomo")) Tri Origin acted as operator and Sumitomo funded acquisition and exploration expenditures at the property.

During the six months ended December 31, 2018, Sumitomo informed Tri Origin that it was withdrawing from the alliance agreement. This has left Tri Origin with an unencumbered 100% interest in the South Abitibi project.

During the 2020 fiscal year an agreement was entered into with De Beers Canada Inc. to conduct exploration and core drilling at the Company's South Abitibi project. The agreement provided for payment to Tri Origin of \$20,000 on signing and allows De Beers Canada access to the property for a one year period to conduct preliminary drilling and to evaluate for diamond content if targets identified by De Beers Canada are proven to be kimberlitic rocks. During the six-month period ended December 31, 2020 De Beers Canada informed Tri Origin that it would not be renewing the access agreement for the coming year. De Beers Canada retains no interest in the property.

South Abitibi overlies a southern extension of the Abitibi Greenstone Belt and has been identified by the Company as having potential to host large gold and base metal deposits similar to those elsewhere along the southern margin of the Abitibi. Most of this area is covered by a blanket of younger Proterozoic-age rocks which host cobalt-silver occurrences which are prospective for deposits similar to those at the Cobalt Mining District 15 kilometres to the northeast. In addition, diamondiferous kimberlite is known to occur in the region and kimberlite targets have been identified on the property.

Expenditures by the Company during the six-month period ended December 31, 2020 totalled \$3,707. Exploration funds provided by Sumitomo totalled \$nil during the period. The expenditures incurred by Sumitomo are not recorded in the Company's books. Approximately \$2,250,000 was spent by Sumitomo during the period of the Alliance from late May, 2015 to December 31, 2018. All work conducted by De Beers Canada was funded by De Beers and is not recorded in the Company's books.

Nipissing Cobalt Property

The Company holds 100% interest in the Nipissing Cobalt Property located at Bay Lake, 10 kilometres west of Cobalt in east central Ontario. The property consists of 570 single cell and boundary cell mining claims covering an area of approximately 125 square kilometres.

During the 2019 fiscal year, the Company announced that it had entered into an agreement with MetalsTech Ltd whereby MetalsTech could acquire the Bay Lake North property by making cash payments and share issuances to Tri Origin and meeting certain exploration commitments on the property over a two year term. Prior to the June 30, 2019 year end, the agreement with MetalsTech was terminated and MetalsTech abandoned all rights to earn an interest in the Nipissing Cobalt property.

During the 2020 fiscal year an agreement was entered into with De Beers Canada Inc. to conduct exploration and core drilling at the Nipissing Cobalt project. The agreement provided for an initial payment to Tri Origin of \$10,000 on signing and allows De Beers Canada access to the property for a one year period to conduct preliminary drilling and to evaluate for diamond content if targets identified by De Beers Canada are proven to be kimberlitic rocks. During the period ended September 30, 2020 De Beers Canada informed Tri Origin that it would not be renewing the access agreement for the coming year. De Beers Canada retains no interest in the property.

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6. Exploration and evaluation assets (continued)

Nipissing Cobalt Property (continued)

Nipissing Cobalt overlies a southern extension of the Abitibi Greenstone Belt and has been identified by the Company as having potential to host large gold and base metal deposits similar to those elsewhere along the southern margin of the Abitibi. The property is covered by a blanket of younger Proterozoic-age rocks which host cobalt-silver occurrences which are prospective for deposits similar to those at the Cobalt Mining District 10 kilometres to the east. In addition, diamondiferous kimberlite is known to occur in the region and kimberlite targets have been identified on the property.

Expenditures at the Nipissing Cobalt Property during the six-month period ended December 31, 2020 totalled \$888. The expenditures incurred by MetalsTech are not recorded in the Company's books. All work conducted by De Beers Canada was funded by De Beers and is not recorded in the Company's books.

Project Generation

The Company continues to assess new areas for exploration. It is an objective of the Company to increase its portfolio of properties during the coming year. During the six-month period ended December 31, 2020, the Company spent \$nil on project generation activities including review and assessment of reports and preliminary analytical work all of which was written off at yearend.

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6. Exploration and evaluation assets (continued)

	<u>North Abitibi</u>	<u>Sky Lake</u>	<u>South Abitibi</u>	<u>Nipissing Cobalt</u>	<u>Project Generation</u>	<u>Total</u>
	\$	\$	\$	\$		\$
Balance, June 30, 2020	824,589	1,841,268	113,359	9,318	-	2,788,534
Geological, geophysical and geochemical	2,800	38,103	1,307	-	-	42,209
Management and administration	2,800	2,400	2,400	888	-	8,488
Balance, December 31, 2020	830,189	1,881,771	117,006	10,206	-	2,839,231
Balance, June 30, 2019	806,740	1,650,737	80,276	-	-	2,537,753
Acquisition	-	13,486	10,000	-	-	23,486
Drilling an analytical	-	-	800	800	-	1,600
Geological, geophysical and geochemical	-	145,258	-	-	-	145,258
Management and administration	6,031	9,937	9,576	4,518	3,200	33,262
Balance, December 31, 2019	812,771	1,819,418	100,652	5,318	3,200	2,741,359

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7. Accounts payable and accrued liabilities

	<u>As at December 31, 2020</u>	<u>As at June 30, 2020</u>
	\$	\$
Accounts payable and accrued liabilities	396,465	432,599
Total	<u>396,465</u>	<u>432,599</u>

Included in accounts payable and accrued liabilities are the following:

- \$179,656 (2020 - \$284,400) of management salary payable to the chairman of the Company.

8. Promissory note

Promissory Note – Due on Demand

On November 1, 2015, the Company closed a \$300,000 private placement whereby the Company issued a \$300,000 promissory note. The promissory note initially maturing on October 31, 2016, has been extended to December 31, 2018, and bears interest at a fixed rate of 8% per year payable monthly commencing November 30, 2015. Under the terms of the promissory note, the holder has the option to convert the note in full into common shares of Tri Origin at a price of \$0.25 per share. The promissory note was entered into between Tri Origin and a private corporation controlled by the Company's president. During the year ended June 30, 2019, the promissory note was increased by \$120,000 and an additional \$130,000 had been repaid leaving a balance of \$190,000. During the year ended June 30, 2020, the promissory note was increased by \$5,000.

The Company used the residual value method to allocate the proceeds between the liability and equity components. Under this method, the fair value of the liability component of \$282,607 was computed as the present value of future principal and interest payments discounted at a rate of 15% per annum. The residual value of \$17,393 was attributed to the liability components and no value was placed on the conversion feature of the debenture. The residual value was credited to contributed surplus.

	<u>As at December 31, 2020</u>	<u>As at June 30, 2020</u>
	\$	\$
Face value of promissory note	190,000	190,000
Advance from related party	5,000	5,000
Total	<u>195,000</u>	<u>195,000</u>

9. Share capital

Authorized

Unlimited common shares without par value.

Issued and outstanding

	<u>Shares</u>	<u>Amount (\$)</u>
Balance, June 30, 2020	25,459,924	22,198,975
Shares issued for warrants exercised	696,800	209,040
Shares issued for a debt settlement	911,882	140,255
Balance, December 31, 2020	<u>27,068,605</u>	<u>22,548,270</u>

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9. Share capital (continued)

On December 20, 2019, the Company completed a non-brokered private placement for aggregate gross proceeds of \$242,020. The Company issued 1,453,466 units at a price of \$0.15 per unit and 120,000 flow-through units at a price of \$0.20 per flow-through units. Each unit consists of one common share and one common share purchase warrant entitling the holder to purchase an additional share at a price \$0.25 for a period of 18 months. Each flow-through unit consists of one common share and one common share purchase warrant entitling the holder to purchase an additional share at a price \$0.25 for a period of 18 months.

In connection with the placement, the Company has paid to eligible institutional arms-length cash finder's fee of \$1,440 in the aggregate and has issued 12,000 common shares of the Company and 12,000 common share purchase warrants entitling the holder to purchase an additional common share at a price of \$0.25 for a period of 18 months.

On July 30, 2020, the Company completed a shares for debt transaction to settle \$140,256 owed by the Company to Dr. Robert Valliant, the President and Chief Executive Officer of the Company. Pursuant to the terms of the debt settlement \$131,572 portion of the indebtedness was settled through the issuance of 877,147 common shares of the Company at the deemed price of \$0.15 per share and the balance of indebtedness of \$8,684 was settled through the issuance to the creditor of 34,735 common shares at a deemed price \$0.25 per share. The creditor has agreed to write-off a total of \$59,744 of debt owing to him as at June 30, 2020.

On July 30, 2020, 696,800 warrants were exercised at a price of \$0.25 per share. A total amount of \$174,200 was received.

On August 18, 2020, the Company announced a consolidation of its issued and outstanding share capital on the basis of one (1) post-consolidation share for each five (5) pre-consolidation common shares. Any fraction of a share will be rounded down to the nearest whole number. The shares began trading on a consolidated basis and with a new CUSIP number on August 20, 2020. As a result of the consolidation, the outstanding shares of the Company are reduced to 27,068,605.

10. Warrants

The movements in the number and estimated fair value of outstanding broker warrants and share purchase warrants are as follows:

	<u>Number of warrants outstanding</u>	<u>Weighted average exercise price (\$)</u>
Balance, June 30, 2020	1,585,467	0.25
Exercised	<u>(696,800)</u>	0.25
Balance, December 31, 2020	<u>888,667</u>	0.25

Warrants to purchase common shares outstanding as at December 31, 2020 carry exercises prices and remaining terms to maturity as follows:

<u>Expiry date</u>	<u>Warrants outstanding</u>	<u>Exercise price (\$)</u>
June 30, 2021	888,667	0.25

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11. Stock options

The Company has a stock option plan available to directors, officers, employees and consultants of the Company. Currently, a maximum of 2,616,932 common shares may be issued under the Plan. The movements in the number of stock options are as follows:

	<u>Number of options outstanding</u>	<u>Weighted average exercise price (\$)</u>
Balance, June 30, 2020	2,000,000	0.25
Balance, December 31, 2020	<u>2,000,000</u>	<u>0.25</u>

Options to purchase common shares outstanding at December 31, 2020 carry exercise prices and remaining terms to maturity as follows:

	<u>Exercise price (\$)</u>	<u>Options outstanding</u>	<u>Remaining options exercisable</u>	<u>Term to maturity (years)</u>
Expiry date				
May 25, 2023	0.25	700,000	700,000	2.33
June 7, 2023	0.25	40,000	40,000	2.42
February 9, 2024	0.25	60,000	60,000	3.08
February 21, 2024	0.25	300,000	300,000	3.08
March 19, 2024	0.25	40,000	40,000	3.17
June 29, 2025 ⁽ⁱ⁾	0.25	860,000	860,000	4.50
		<u>2,000,000</u>	<u>2,000,000</u>	<u>3.10</u>

(i) On June 30, 2020, the Company granted 860,000 stock options to officers, directors and consultant of the Company. Each stock option is exercisable into one common share of the Company at an exercise price of \$0.25 per share. These stock options expire in 5 years from the date of grant and vested immediately upon grant. The fair value of these stock options was estimated at \$231,605 using Black Scholes valuation model with the following assumptions: stock price of \$0.055, risk free interest rate of 0.32%, volatility of 205%, dividend yield of 0% and term to expiry of five years.

During the year ended June 30, 2020, the Company recognized a total expense of \$231,605 and capitalized \$nil to Exploration and Evaluation assets in respect of the options vesting during the year.

12. Financial risk factors

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

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet current liabilities when due. As at December 31, 2020, the Company had \$180,576 cash (June 30, 2020 - \$1,736) to settle current liabilities of \$591,465 (June 30, 2020 - \$627,599). All of the Company's accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms.

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12. Financial risk factors (continued)

Market risk

(a) Interest rate risk

The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by Canadian banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds its exploration and administrative expenses using Canadian dollars.

(c) Price risk

The Company is a mineral exploration company whose projects may be impacted, and consequently exposed to price risk, by the prices of certain commodities including the prices for precious and base metals. The Company believes that, because it is an exploration stage company and has no producing mines currently, the effect of metal price fluctuations is indirect. The indirect effects of metal price fluctuations on the Company might include an impact on its ability to raise capital in the future and could cause continued exploration and development of the Company's properties to be impracticable.

(d) Sensitivity Analysis

The Company has designated its cash as a financial asset at FVTPL, which is measured at fair value.

As at December 31, 2020, the carrying amount of accounts receivable and prepaid expenses are measured at amortized cost, which equals fair market value. Accounts payable and the short term credit facility are classified as other financial liabilities and measured at amortized cost.

Based on management's knowledge and experience of financial markets, the Company believes the following movements are "reasonably possible" over a twelve-month period:

The Company does not hold significant balances in foreign currencies that give rise to exposure to foreign currency risk.

13. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company considers its capital to be cash, investments, credit facilities and equity, comprising share capital, warrants, contributed surplus and deficit. The equity of the Company at December 31, 2020 totaled \$2,526,319 (June 30, 2020 - \$2,173,019). The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, and acquire or dispose of assets to adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including but not limited to source and use of capital and general industry conditions.

The Corporation's capital management objectives, policies and processes have remained unchanged during the period ended December 30, 2020.

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14. General and administrative expense

	For the three-month periods ended		For the six-month periods ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	\$	\$	\$	\$
Salaries and benefits	26,600	25,000	56,604	43,409
Professional fees	15,952	15,645	18,470	24,551
Share control and listing fees	10,539	18,114	24,743	18,534
Travel	128	229	128	467
General office expenses	38,456	35,171	63,531	64,508
Amortization	389	181	604	362
Total	92,064	94,340	164,080	151,831

15. Related party transactions

The Company had the following related party transactions for the six-month period ended December 30, 2020. These transactions were in the normal course of operations and were measured at the exchange amount, which are the amounts agreed to by the related parties.

(a) Transactions with a private Ontario corporation controlled by Tri Origin Exploration Ltd.'s chairman are as follows:

i) The Company's office is located at 125 Don Hillock Drive, Unit 18 in Aurora, Ontario and rents the property on a month-to-month basis. During the six-month period ended December 31, 2020 the Company paid or accrued \$29,409 (six-month period ended December 31, 2019 - \$29,409) for this rental. Prepaid assets include \$2,750 (June 30, 2020 - \$2,750) related to rent paid.

ii) The Company has a promissory note payable (Note 10) to this related company in the amount of \$195,000 (2020 - \$195,000) and paid or accrued interest in the amount of \$5,214 during 2020 (2019 - \$3,398).

iii) Included in accounts payable is \$179,656 (2020 - \$189,600) owing to this related party.

(b) Remuneration of directors and key management personnel of the Company were as follows:

	For the three-month periods ended		For the six-month periods ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	\$	\$	\$	\$
Salaries and benefits	47,400	47,400	94,800	94,800
Total	47,400	47,400	94,800	94,800

Key management personnel include the chairman of the board of directors and a company controlled by the chairman of the board of directors. Accrued salaries and fees payable as of December 30, 2020 are \$179,656 (June 30, 2020- \$284,400).

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16. Subsequent event

On January 11, 2021, the Company closed a non-brokered private placement issuing 21,923,076 units of the Company for aggregate gross proceeds of \$2,750,000 (the "Private Placement"). The Private Placement consisted of the sale of 20,000,000 units of the Company ("Units") at a price of \$0.125 per Unit for gross proceeds of \$2,500,000 (the "Offering") and the sale of 1,923,076 units of the Company (the "Additional Units") at a price of \$0.13 per unit for gross proceeds of \$250,000 (the "Additional Offering"). Each Unit and Additional Unit consists of one common share in the capital of the Company (a "Common Share") and one Common Share purchase warrant (each whole Common Share purchase warrant, a "Warrant"). Each whole Warrant entitles the holder to acquire one Common Share at a price of \$0.18 per Common Share for a period of 24 months from the closing date of the Offering.

On January 20, 2021, the Company granted 1,310,000 stock options at an exercise price of \$0.28 to certain officers, directors and consultants. The options vest as follows: 10,000 immediate with remainder vesting 1/3rd immediate, 1/3rd in six months, and 1/3rd in 12 months. The options are subject to shareholder approval.

On February 11, 2021, the Company granted 500,000 stock options at an exercise price of \$0.22 to the President of the Company. The options vest as follows: 150,000 in one year, 150,000 in two years, and 200,000 in three years.