Evolving Gold

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine-month periods ended December 31, 2021 and 2020

Expressed in Canadian dollars

PREPARED BY MANAGEMENT

Notice to Reader

Under National instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements have been prepared by and are the responsibility of management.

The Company's Independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of the interim financial statements by an entity's auditor.

Evolving Gold Corp.

UNAUDITED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

Expressed in Canadian Dollars

December 31, 2021

	Note	December 31, 2021	March 31, 2021
Assets			
Current Assets			
Cash	5	$ 17,977	$ 140,580
Funds in trust	6	3,775	1,775
GST receivable		4,538	1,807
		26,290	144,162
Non-Current Assets			
Reclamation bonds	8	18,614	18,458
Total Assets		**$ 44,904**	**$ 162,620**
Liabilitites			
Current Liabilities			
Accounts payable and accrued liabilities	9,15	$ 198,600	$ 258,531
		198,600	258,531
Other Liabilities			
Asset retirement obligations	8	18,614	18,458
		18,614	18,458
Total Liabilities		217,214	276,989
Shareholders' Deficit			
Share capital	11	85,547,796	85,547,796
Reserves	11	348,403	348,403
Deficit		(84,958,746)	(84,900,805)
Accumulated other comprehensive loss		(1,109,763)	(1,109,763)
Total Equity (Deficit)		(172,310)	(114,369)
Total Liabilities and Shareholders' Equity		**$ 44,904**	**$ 162,620**

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

"Charles Jenkins"
Director

"William Majcher"
Director

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

Evolving Gold Corp.

UNAUDITED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

Expressed in Canadian Dollars

For the nine-month periods ended December 31, 2021 and 2020

	Note	Three-month period ended December 31, 2021	Three-month period ended December 31, 2020	Nine-month period ended December 31, 2021	Nine-month period ended December 31, 2020
Expenses					
Accounting and audit		$ -	$ 2,500	$ 3,344	$ 2,744
Bank charges and interest		121	109	404	355
Interest and finance charges	10	-	1,884	-	7,188
Legal		79	-	5,349	970
Management fees	15	15,000	26,250	45,000	101,250
Office expense		371	414	1,392	8,540
Transfer agent and filing fees		3,941	3,111	19,493	12,318
		(19,512)	(34,268)	(74,982)	(133,365)
Other Items					
Foreign exchange		26	359	(62)	423
Write down of debt		-	-	17,103	-
Net and comprehensive loss for the period		**$ (19,486)**	**$ (33,909)**	**$ (57,941)**	**$ (132,942)**
Income (loss) per share:					
Basic and diluted		$ (0.01)	$ (0.02)	$ (0.03)	$ (0.08)
Weighed average number of common shares outstanding					
Basic and diluted		2,257,000	1,622,238	2,257,000	1,622,238

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

Evolving Gold Corp.

UNAUDITED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT

Expressed in Canadian Dollars

For the nine-month periods ended December 31, 2021 and 2020

		Share Capital					
	Note	Number of Shares	Amount	Reserves	Deficit	Accumulated Other Comprehensive Loss	Total Shareholders' Deficit
Balance at March 31, 2020		**1,622,238**	**$ 85,230,416**	**$ 348,403**	**$ (84,716,436)**	**$ (1,109,763)**	**$ (247,380)**
Loss for the period		-	-	-	(132,942)	-	(132,942)
Balance at December 31, 2020		**1,622,238**	**$ 85,230,416**	**$ 348,403**	**$ (84,849,378)**	**$ (1,109,763)**	**$ (380,322)**
Shares issued for private placement	11	500,000	250,000	-	-	-	250,000
Shares issued for shareholder loan	10	134,762	67,380	-	-	-	67,380
Loss for the period		-	-	-	(51,427)	-	(51,427)
Balance at March 31, 2021		**2,257,000**	**$ 85,547,796**	**$ 348,403**	**$ (84,900,805)**	**$ (1,109,763)**	**$ (114,369)**
Loss for the period		-	-	-	(57,941)	-	(57,941)
Balance at December 31, 2021		**2,257,000**	**$ 85,547,796**	**$ 348,403**	**$ (84,958,746)**	**$ (1,109,763)**	**$ (172,310)**

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

Evolving Gold Corp.

UNAUDITED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

Expressed in Canadian Dollars

For the nine-month periods ended December 31, 2021 and 2020

	Nine-months ended December 31, 2021	2020
Operating Activities		
Net loss for the period	$ (57,941)	$ (132,942)
Items not involving cash		
Interest	-	7,188
Gain on accounts payable	(17,103)	-
Changes in assets and liabilities		
GST receivable	(2,731)	2,877
Prepaid expenses	-	5,649
Funds in trust	(2,000)	-
Accounts payable and accrued liabilities	(42,828)	91,036
Cash used in operating activities	(122,603)	(26,192)
Financing Activity		
Shareholder loans	-	23,541
Cash provided by financing activity	**-**	**23,541**
Net change in cash	(122,603)	(2,651)
Cash, beginning balance	140,580	3,661
Cash, ending balance	**$ 17,977**	**$ 1,010**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Evolving Gold Corp. (the "Company" or "Evolving") was incorporated as 6109527 Canada Ltd. on June 19, 2003, under the *Canada Business Corporation Act* and is in the business of acquiring, exploring and evaluating mineral properties. The Company's sole business segment is in the exploration stage of mineral properties located in Canada. The Company is listed on the Canadian Stock Exchange ("CSX") under the symbol "EVG". The head office, principal address and records office of the Company are located at Suite 2250, 1055 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2E9.

On July 23, 2021, the Company consolidated its common shares on the basis of ten pre-consolidated common shares for one post-consolidation common shares of the Company. The 22,569,994 pre-consolidation common shares issued and outstanding were adjusted to 2,257,000 post-consolidation common shares. All references to share capital, common shares, warrants, options and per share amounts in these unaudited consolidated interim financial statements and the accompanying notes for time periods prior to the share consolidation have been retrospectively restated to reflect the one-for-ten share consolidation.

These unaudited consolidated interim financial statements are prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of the business for the foreseeable future. At December 31, 2021, the Company had an accumulated deficit of $84,958,746 (March 31, 2021 - $84,900,805) since inception and expects to incur losses from operations for the foreseeable future. These conditions indicate the existence of material uncertainty, which casts significant doubt about the Company's ability to continue as a going concern. The continuing operations of the Company are dependent upon obtaining, in the short term, the necessary financing to meet the Company's operating and mineral property commitments as they come due and to finance future exploration and development of its properties, establish economically recoverable reserves, and securing and maintaining title and beneficial interest in the properties. Failure to continue as a going concern would require that assets and liabilities be recorded at their liquidation values, which might differ significantly from their carrying values. Such adjustments have not been included in these unaudited consolidated interim financial statements and could be material.

In March 2020, the World Health Organization recognized the outbreak of COVID-19 as a global pandemic. Government measures to limit the spread of COVID-19, including the closure of non-essential businesses, did not materially impact the Company's operations during the year ended March 31, 2021. Due to the rapid developments and uncertainty surrounding COVID-19, it is not possible to predict the impact that COVID-19 will have on the Company's business, financial position and operating results in the future. Additionally, it is possible that estimates in the Company's unaudited consolidated interim financial statements will change in the near term as a result of COVID-19. The Company is closely monitoring the impact of the pandemic on all aspects of its business.

2. BASIS OF PREPARATION

a) Statement of Compliance

These unaudited condensed consolidated interim financial statements are prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting under International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). These unaudited condensed consolidated interim financial statements follow the same accounting policies and methods of application as the Company's most recent annual financial statements but do not contain all of the information required for full annual financial statements. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the Company's most recent annual financial statements for the year ended March 31, 2021, which were prepared in accordance with IFRS as issued by the IASB.

The unaudited consolidated interim financial statements were authorized for issue by the Board of Directors on March 1, 2022.

b) Basis of Measurement

The unaudited consolidated interim financial statements have been prepared on a historical cost basis. The unaudited consolidated interim financial statements are presented in Canadian dollars, which is also the Company's and its subsidiaries' functional currencies. The preparation of unaudited consolidated interim financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the unaudited consolidated interim financial statements are disclosed in Note 4.

The unaudited consolidated interim financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are all entities over which the Company has control. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Details of subsidiaries are as follows:

		Percentage owned	
	Incorporation Jurisdiction	December 31, 2021	March 31, 2021
Evolving Gold Corporation ("Evolving US")	USA	100%	100%
Rattlesnake Mining Corporation	Canada	100%	100%
Rattlesnake Mining Company (Wyoming)	USA	100%	100%

Intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions, are eliminated on consolidation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Company are set out in Note 3 to the annual audited consolidated financial statements as of and for the year ended March 31, 2021, which are incorporated herein by reference. The reader is referred to those statements for a detailed discussion of the accounting policies.

These unaudited condensed consolidated interim financial statements as at and for the nine-month period ended December 31, 2021 have been prepared in accordance with the policies described in the annual audited consolidated financial statements, which have been applied consistently to these financial statements.

New accounting standards and interpretations

There are new accounting standards, amendments to accounting standards and interpretations that are effective for annual periods beginning on or after April 1, 2021 that have not been applied in preparing the unaudited consolidated interim financial statements for the year ended March 31, 2021. These standards and interpretations are not expected to have a material impact on the Company's consolidated financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both. Information about critical estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the unaudited consolidated interim financial statements within the next financial year are discussed below.

Expressed in Canadian Dollars

The estimates and assumptions of the Company are set out in Note 4 to the annual audited Consolidated Financial Statements as of and for the year ended March 31, 2021, which are incorporated herein by reference. The reader is referred to those statements for a detailed discussion of the accounting policies.

5. CASH

Cash at banks earn interest at floating rates based on daily bank deposit rates. As at December 31, 2021, cash included $17,977 (March 31, 2021 - $140,580) held in commercial deposit accounts with a Canadian chartered bank.

6. FUNDS IN TRUST

Funds in trust consist of advances made to legal counsel to conduct certain corporate restructuring activities.

7. EXPLORATION AND EVALUATION EXPENDITURES

During the nine-month period ended December 31, 2021 and the year ended March 31, 2021, the Company did not incur any exploration expenditures. The Company retains certain Quebec properties and is reviewing its plans with respect to those claims.

8. ASSET RETIREMENT OBLIGATIONS

The Company continues to maintain reclamation bonds on deposit related to its former United States properties. The full repayment of the bonds may take up to three years, as the refund of the balance of the bond held is dependent upon the regrowth of native flora. The Company may be required to engage in additional reclamation work to complete said regrowth.

The reclamation bonds balance and asset retirement obligations vary due to the effects of foreign exchange, and are as follows:

	December 31, 2021	**March 31, 2021**
Reclamation bonds	**$ 18,614**	**$ 18,458**
Asset retirement obligations	**$ 18,614**	**$ 18,458**

9. ACCOUNTS PAYABLE AND DEBT SETTLEMENTS

Accounts payable and accrued liabilities consists of trade payables, accruals and other non-trade payables. During the period, the Company determined that certain accounts payable were no longer applicable and recorded a gain of $17,103 (2020 - $nil).

Expressed in Canadian Dollars

10. SHORT-TERM LOAN

On October 29, 2019, the Company entered into a convertible loan agreement ("CD") with a shareholder, and received a loan of $60,000, and bearing interest at a rate of 10% per annuum, repayable on October 29, 2020. The loan was convertible to common shares of the Company at the lesser of $0.75 per share, or such price the Company has then most recently issued shares on a private or public basis (subject to a minimum of five cents per share), and may be prepaid, provided a full 12 months of interest is paid. The Company issued 50,000 post-consolidation bonus shares to the lender. The Company had a contractual obligation to repay the loan, and the agreement contained a derivative that will be settled in the Company's own equity instruments other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity. The equity portion of the loan was valued using residual method after subtracting the fair value of the liability and derivative liability of the loan. The interest rate on the loan was approximately the market interest rate in determining the fair value of the liability component. Thus, no value has been assigned to the derivative liability or the equity component. During the year ended March 31, 2021, the Company accrued interest of $4,832.

During the year ended March 31, 2021, the Company converted the shareholder loan and accrued interest, totaling $67,380, to common shares. Accordingly, 134,762 post consolidation common shares were issued at $0.50 per share. All shares were subject to a four month hold period from the date of issuance.

11. SHARE CAPITAL AND RESERVES

a) Common Shares

The Company is authorized to issue an unlimited number of common shares, issuable in series. The holders of common shares are entitled to receive dividends, which are declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regard to the Company's residual assets.

The changes to share capital during the years ended March 31, 2021 and 2020 are summarized in the consolidated statements of changes in shareholders' deficit. During the year ended March 31, 2021, the Company completed:

- a private placement to raise $250,000 through the distribution of 500,000 shares at $0.50 per unit. Each unit consisted of one share and one transferable share purchase warrant exercisable at $0.80 per share expiring February 9, 2023; and
- converted the shareholder loan and accrued interest, totaling $67,380, issuing 134,762 common shares at $0.50 per common share (Note 10).

b) Share Purchase Warrants

The following is a summary of changes in warrants for the period ended December 31, 2021 and the year ended March 31, 2021:

	December 31, 2021		March 31, 2021	
	Number of warrants	**Weighted average exercise price**	**Number of warrants**	**Weighted average exercise price**
Warrants outstanding, beginning of year	600,000	$ 0.92	100,000	$ 1.50
Issued	-	$ -	500,000	$ 0.80
Expired	(100,000)	$ 1.50	-	-
Warrants outstanding, end of period	500,000	$ 0.80	600,000	$ 0.92

Expressed in Canadian Dollars

As at December 31, 2021, the Company had total outstanding warrants as follows:

Expiry date	Exercise price	Warrants outstanding
February 9, 2023	$0.80	500,000
		500,000

As at March 31, 2021, the Company had total outstanding warrants as follows:

Expiry date	Exercise price	Warrants outstanding
April 22, 2021	$1.50	100,000
February 9, 2023	$0.80	500,000
		600,000

During the period, the 100,000 warrants priced at $1.50 per share expired unexercised.

12. SHARE-BASED PAYMENTS

The Company established a share purchase option plan (the "Plan") in September 2004. In September 2007, shareholder approval was obtained to adopt a "rolling" stock option plan. The Board of Directors administers the Plan, pursuant to which the Board of Directors may grant, from time to time, incentive stock options up to an aggregate maximum of 10% of the issued and outstanding shares of the Company to directors, officers, employees, consultants or advisors. All options granted under the Plan shall expire not later than the tenth anniversary of the date the options were granted. The exercise price of an option is determined by the Board of Directors, but shall not be less than the market price of the common shares of the Company on the CSX on the last business day before the date on which the options are granted, less any discount permitted by the rules of the exchange. Vesting and terms are at the discretion of the Board of Directors. The vesting of options range from vested immediately, a vesting period of three months to a two-year period from the date of the grant at 25% and 20%, respectively. Options granted for investor relations vest in accordance with CSX regulation.

Details of options outstanding as at December 31, 2021 and March 31, 2021 are as follows:

	December 31, 2021		**March 31, 2021**	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Options outstanding, beginning of year	112,400	$ 4.40	112,400	$ 4.40
Options expired	(112,400)	$ 4.40	-	$ -
Options outstanding, end of period	**-**	**$ -**	**112,400**	**$ 4.40**
Options exercisable, end of period	**-**	**$ -**	**112,400**	**$ 4.40**

At December 31, 2021, no options were outstanding.

At March 31, 2021, the following options were outstanding:

Expiry date	Exercise price	Options outstanding
July 22, 2021	$5.00	75,000
September 30, 2021	$5.00	14,900
September 5, 2022	$2.00	22,500
		112,400

Fair value of options granted during the year

There were no options granted during the period ended December 31, 2021 or the year ended March 31, 2021. During the period, 112,400 options expired unexercised.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk.

Interest Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to significant interest rate risk due to the short term to maturity of its financial instruments.

Commodity Price Risk

Commodity price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate as a result of changes in commodity prices. The Company is not exposed to significant commodity price risk.

Foreign Currency Risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and United States dollar or other foreign currencies will affect the Company’s operations and financial results. The Company has exposure to foreign exchange rate fluctuation. The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in United States dollars. The Company has not entered into any foreign currency contracts to mitigate this risk. The Company holds balances in United States dollars that could give rise to exposure to foreign exchange risk. Sensitivity to a plus or minus 10% change in the foreign exchange rate of the United States dollar to the Canadian dollar would affect the reported loss and comprehensive loss by approximately $731 (March 31, 2021 - $725) as detailed below:

United States Dollar Denominated Balances	December 31,2021	March 31, 2021
Accounts payable	$ (5,756)	$ (5,756)
10% change in exchange rate impact	**$ (731)**	**$ (725)**

Expressed in Canadian Dollars

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that are potentially subject to credit risk for the Company consist primarily of cash and cash equivalents. Cash and cash equivalents are maintained with financial institutions of reputable credit and may be redeemed upon demand.

The carrying amount of financial assets represents the maximum credit exposure. The Company has gross credit exposure at December 31, 2021 and March 31, 2021 relating to cash of $17,977 and $140,580, respectively, held in deposits at a Canadian chartered bank. The Company considers this credit risk to be minimal for all cash assets based on changes that are reasonably possible at the reporting date

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses. To achieve this objective, the Company prepares annual capital expenditure budgets, which are regularly monitored and updated as considered necessary. Further, the Company utilizes authorizations for expenditures on exploration projects to further manage expenditures.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable. The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

Accounts payable and other liabilities	Up to 3 months	Between 3 and 12 months	Between 1 and 2 years	Over 5 years	Total
December 31, 2021	$ 198,600	$ -	$ -	$ -	$ 198,600
March 31, 2021	$ 258,531	$ -	$ -	$ -	$ 258,531

Fair Value

The Company classifies its cash as fair value through profit or loss measured at level 1 inputs of the fair value hierarchy. Loans and accounts payable and accrued liabilities are carried at amortized cost.

The carrying values of loan and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

14. CAPITAL MANAGEMENT

The Company monitors its cash, common shares, warrants and stock options as capital. The Company's objectives when maintaining capital are to maintain a sufficient capital base in order to meet its short-term obligations and at the same time preserve investors' confidence required to sustain future development and production of the business.

The Company is not exposed to any externally imposed capital requirements nor were there any changes in the Company's capital management processes during the period ended December 31, 2021 or the year ended March 31, 2021.

15. RELATED PARTY TRANSACTIONS

Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include the Company's CEO and CFO. Payments to key management are recorded as management fees. No directors' fees were paid during the applicable years.

The following key management compensation was incurred:

	Three-months ended December 31, 2021	Three-months ended December 31, 2020	Nine-months ended December 31, 2021	Nine-months ended December 31, 2020
Management fees and salaries	$ 15,000	$ 26,250	$ 45,000	$ 101,250
	$ 15,000	**$ 26,250**	**$ 45,000**	**$ 101,250**

Management fees are payable in Canadian dollars. The fees were accrued as payable to Bruce Duncan, the late CEO of the Company and later to his estate, and to a company controlled by Charles Jenkins, the CFO of the Company. Unpaid and accrued management fees as of December 31, 2021 were $151,250 (March 31, 2021 - $161,250) and are included in accounts payable and accrued liabilities.

16. EVENTS AFTER THE REPORTING PERIOD

1) On October 29, 2021, the Company announced that it had entered into a letter of intent (the "Letter"), dated effective October 26, 2021, pursuant to which it proposes to acquire (the "Transaction") all of the outstanding share capital of Elephant Capital Corp. ("Elephant Capital"). Elephant Capital is an arms'-length resource exploration company, established under the laws of the Province of British Columbia. Elephant Capital holds the rights to acquire all of the outstanding share capital of Cibola Resources LLC., which itself controls the rights to a lease of a mineral property comprising approximately 6,700 acres of mineral rights and 5,700 acres of surface rights located in west-central New Mexico and commonly referred to as the "Cebolleta Uranium Project".

   In accordance with the terms of the Transaction, all existing common shares of Elephant Capital will be exchanged for an equivalent number of common shares of the Company. Elephant currently has 43,733,000 common shares outstanding. Prior to completion of the Transaction, Elephant Capital is required to issue a further 11,308,250 common shares to enCore Energy Corp. (TSXV: EU) to complete the acquisition of the Project and a further 1,500,000 common shares to certain arms-length finders in consideration for introducing the Project to Elephant Capital. No cash consideration is payable by the Company to Elephant Capital in connection with completion of the Transaction.

   In connection with completion of the Transaction, the Company is in the process of completing a non-brokered private placement (the "Concurrent Financing") of no less than 6,000,000 subscription receipts (each, a "Receipt") at a price of $0.50 per Receipt to raise no less than $3,000,000. All proceeds from the Concurrent Financing will be held in escrow pending completion of the Transaction. Upon completion of the Transaction, each subscription receipt will automatically convert into one common share of the Company. All securities issued in connection with the Concurrent Financing, will be subject to a four-month-and-one-day statutory hold period.

   Completion of the Transaction remains subject to a number of conditions, including the completion of the Concurrent Financing, receipt of any required regulatory and third-party consents, approval of the Canadian Securities Exchange, and the satisfaction of other customary closing conditions.

2) On February 22, 2022 the Company announced that the shareholders' of the Company approval to the Transaction at the Annual and special General Meeting. Among other things, the meeting approved the acquisition by the Company of all of the issued and outstanding shares of Elephant Capital and a new 20% "rolling" equity incentive plan.