



## **HOMERUN RESOURCES INC.**

**Condensed Consolidated Interim Financial Statements**

**Three Months Ended March 31, 2023 and 2022**

**(unaudited – prepared by the management)**

**(Expressed in Canadian Dollars)**

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

# HOMERUN RESOURCES INC.

## Condensed Consolidated Interim Statements of Financial Position As at March 31, 2023 and December 31, 2022

	Notes	March 31, 2023	December 31, 2022
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash		\$ 307,891	\$ 489
GST receivable		11,187	4,985
Prepaid expenses	5	63,771	112,542
		<b>382,849</b>	<b>118,016</b>
Exploration and evaluation assets	6	40,000	40,000
<b>TOTAL ASSETS</b>		<b>\$ 422,849</b>	<b>\$ 158,016</b>
<b>LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>			
<b>Current Liabilities</b>			
Accounts payable	7,10	\$ 744,347	\$ 913,830
Accrued liabilities	7,10	95,088	138,088
Loans payable	8	69,750	69,750
		<b>909,185</b>	<b>1,121,668</b>
Shareholders' deficiency			
Share capital	3,8	24,886,220	24,134,820
Contributed surplus	3	2,122,494	2,067,537
Deficit		(27,495,050)	(27,166,009)
		<b>(486,336)</b>	<b>(963,652)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>		<b>\$ 422,849</b>	<b>\$ 158,016</b>

Nature of operations and going concern (Note 1)

Subsequent event (Note 11)

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

"Brian Leeners"

Director

"Gregory Pearson"

Director

# HOMERUN RESOURCES INC.

## Condensed Consolidated Interim Statements of Comprehensive Loss For the Three Months Ended March 31, 2023 and 2022

	Notes	Three Months Ended March 31,	
		2022	2021
<b>Expenses</b>			
Consulting and management fees	7	\$ 70,500	\$ 80,500
Exploration and evaluation expenditures	6	42,974	40,910
Foreign exchange loss		76	(1,797)
Advertising and marketing		108,923	-
Office and miscellaneous	7	47,611	34,485
Professional fees	7	2,000	4,466
Stock-based compensation		54,957	-
Transfer agent and filing fees		2,000	5,321
		<b>329,041</b>	163,885
Comprehensive income (loss) for the period		\$ (329,041)	\$ (163,885)
Basic and diluted loss per share		\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding		<b>38,186,411</b>	19,047,465

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

# HOMERUN RESOURCES INC.

## Condensed Consolidated Interim Statements of Cash Flows For the Three Months Ended March 31, 2022 and 2021

	For the Three Months Ended March 31,	
	2023	2022
Cash provided by (used in):		
<b>Operating activities</b>		
Comprehensive loss for the period	\$ (329,041)	\$ (163,885)
Items not affecting cash:		
Stock-based compensation	54,957	-
Changes in non-cash working capital items:		
GST receivable	(6,201)	(2,067)
Prepaid expenses	48,771	-
Accounts payable	(169,484)	42,113
Accrued liabilities	(43,000)	(5,500)
<b>Cash used in operating activities</b>	<b>(443,998)</b>	<b>(37,021)</b>
<b>Financing activities</b>		
Shares issued for cash	751,400	102,164
Share issued from warrants exercise	-	206,250
<b>Cash provided by financing activities</b>	<b>631,910</b>	<b>308,414</b>
Net decrease in cash	307,402	179,075
Cash, beginning of the period	489	99,547
Cash, end of the period	\$ 307,891	\$ 278,622

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

## HOMERUN RESOURCES INC.

### Condensed Consolidated Interim Statements of Changes in Shareholder's Equity For the Three Months Ended March 31, 2023 and 2022

	Number of common shares outstanding	Share capital	Share Subscription received	Contributed surplus	Deficit	Total Shareholders' Deficiency
Balance, December 31, 2022	35,765,233	\$ 24,134,820	\$ -	\$ 2,067,537	\$ (27,166,009)	\$ (963,652)
Share issued for cash (Note 8a)	7,514,000	751,400	-	-	-	751,400
Share-based compensation (Note 8c)	-	-	-	54,957	-	54,957
Net and comprehensive loss for the period	-	-	-	-	(329,041)	(329,041)
<b>Balance, March 31, 2023</b>	<b>43,279,233</b>	<b>\$ 24,886,220</b>	<b>\$ -</b>	<b>\$ 2,122,494</b>	<b>\$ (27,495,050)</b>	<b>\$ (486,336)</b>
Balance, December 31, 2021	28,731,207	\$ 23,195,706	\$ 100,377	\$ 1,856,824	\$ (25,929,418)	\$ (776,511)
Share issued for cash	2,025,406	202,541	-	-	-	202,541
Share issued – warrants exercise	1,375,000	206,250	-	-	-	206,250
Share issued for finder's share	64,800	6,480	-	-	-	6,480
Share issue cost	-	(6,480)	-	-	-	(6,480)
Share subscription received	-	-	(100,377)	-	-	(100,377)
Net and comprehensive income for the period	-	-	-	-	(163,885)	(163,885)
<b>Balance, March 31, 2022</b>	<b>32,196,413</b>	<b>\$ 23,604,497</b>	<b>\$ -</b>	<b>\$ 1,856,824</b>	<b>\$ (26,093,303)</b>	<b>\$ (631,982)</b>

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

# HOMERUN RESOURCES INC.

## Notes to the Condensed Consolidated Financial Statements For the Three Months Ended March 31, 2023 and 2022

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### 1. Nature of operations and going concern

Homerun Resources Inc. (“the Company”) was incorporated in British Columbia on October 21, 1980 and is a public company listed on the TSX Venture Exchange (“TSX-V”) under the trading symbol HMR. On August 16, 2021, the Company changed its name to Homerun Resources Inc. from Envirotek Remediation Inc. The principal business activity of the Company is mineral exploration and development. The corporate head office and registered records office of the Company is located at Suite 2110, 650 West Georgia Street, Vancouver, B.C., V6B 4N9.

These condensed consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern which contemplates that the Company will be able to realize its assets and settle its liabilities in the normal course as they come due for the foreseeable future. As at March 31, 2023, the Company had no source of operating cash flows, working capital deficit of \$526,336,826 (December 31, 2022 - \$1,003,652), and has an accumulated deficit of \$27,495,050 (December 31, 2022 - \$27,166,009), and the Company expects to incur further losses in the development of its business. These factors cast substantial doubt about the Company’s ability to continue as a going concern. Management has estimated that the Company will require additional financing to meet its obligations for the fiscal year. Continued operations are dependent on the Company’s ability to complete equity or debt financings. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue operations as a going concern. Such adjustments could be material.

On May 12, 2022, the Company’s common shares resumed trading on TSX-v as Tier 2 company. The Company’s listing was transferred from the NEX to TSX-V, and the trading symbol for the Company was changed from HMR.H to HMR. The Company is classified as a mineral exploration company on TSX-V.

### 2. Basis of preparation

#### a) Statement of compliance

These unaudited condensed interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the IASB have been condensed or omitted and these unaudited condensed interim financial statements should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2022. These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary AKA Ventures USA Inc. All inter-company transactions have been eliminated upon consolidation. The Board of Directors approved these consolidated financial statements on May 29, 2023.

#### b) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiary.

#### c) Critical accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and contingency liabilities as at the date of the financial statements, and the reported amount of revenues and expenses during the reporting year. Estimates and judgments are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The key critical judgment and sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the condensed consolidated interim financial statements are as follows:

# HOMERUN RESOURCES INC.

## Notes to the Condensed Consolidated Financial Statements For the Three Months Ended March 31, 2023 and 2022

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### 2. Basis of preparation (continued)

*Critical judgment in applying accounting policies:*

#### Going concern

These consolidated financial statements have been prepared on the basis of the accounting principles applicable to a going concern, which assumes the Company's ability to continue in operation for the foreseeable future and to realize its assets and discharge its liabilities in the normal course of operations. There are several adverse conditions that cast substantial doubt upon the soundness of this assumption. Refer to note 1 for more details.

*Key sources of estimation uncertainty:*

#### Income taxes and recoverability of potential deferred tax assets

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities.

#### Share-based payments

The Company has an equity-settled share-based scheme for directors, officers, employees and consultants. Management determines values for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested 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 for stock-based compensation, future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain, and any changes in these assumptions affect the fair value estimates.

*Recent accounting pronouncements*

The Company has reviewed the accounting standards or amendments to existing accounting standards that have been issued but have future effective dates and determined that these are either not applicable or are not expected to have a significant impact on the Company's financial statements.

### 3. Capital management

The Company classifies its share capital and contributed surplus as capital. When managing capital, the Company's objective is to ensure the Company continues as a going concern as well as to maintain adequate levels of funding to support its ongoing operations and development such that it can continue to provide optimal returns to shareholders and benefits for other stakeholders. The Board of Directors does not establish qualitative 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 dependent upon external financing to fund its activities. In order to carry out its business activity and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.



# HOMERUN RESOURCES INC.

## Notes to the Condensed Consolidated Financial Statements For the Three Months Ended March 31, 2023 and 2022

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### 4. Financial instruments and financial risk management

#### a) Fair value

The fair value of financial instruments is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Fair values are determined by reference to quoted market prices, as appropriate, in the most advantageous market for that instrument to which the Company has immediate access. Where quoted market prices are not available, the Company uses the closing price of the most recent transaction for that instrument. In the absence of an active market, fair values are determined based on prevailing market rates for instruments with similar characteristics. The fair value of current financial instruments approximates their carrying values as long as they are short term in nature.

#### b) Fair value hierarchy

Financial instruments that are held at fair value are categorized based on a valuation hierarchy which is determined by the valuation methodology utilized:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments are carried at amortized cost with the exception of cash. Cash is measured using level 1 inputs.

There were no transfers between levels 1 and 2 during the period.

#### c) Financial risks

##### (i) Interest rate risk

The Company's interest rate risk arises primarily from the interest received on cash, which is invested on a short-term basis to enable adequate liquidity for payment of operational and capital expenditures. Therefore, interest rate risk is considered minimal.

##### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk on fluctuations related to accounts payable that are denominated in US dollars. The Company does not use derivative instruments to reduce its exposure to foreign exchange risk. As at March 31, 2023, the Company had negligible financial assets or liabilities denominated in a foreign currency.

##### (iii) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's credit risk is primarily attributable to cash. The Company limits its exposure to credit risk on cash as these financial instruments are held with major Canadian and international banks, from which management believes the risk of loss to be remote. Credit risk is assessed as minimal.

##### (v) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining cash. The Company manages liquidity risk by maintaining cash. Liquidity requirements are managed based on expected cash flow to ensure there is capital to meet short-term and long-term obligations. As at March 31, 2023, the Company did not have sufficient cash on hand to pay its short-term creditors and does not generate cash from its operations. Accordingly, liquidity risk is considered high.

# HOMERUN RESOURCES INC.

## Notes to the Condensed Consolidated Financial Statements For the Three Months Ended March 31, 2023 and 2022

### 5. Prepaid expenses

	March 31, 2023	December 31, 2022
Prepaid – vendors	\$ 63,771	\$ 112,542

### 6. Exploration and evaluation assets

#### Tatooine Silica Project, Brisco, British Columbia Canada

On September 8, 2022, the Company (the optionee) entered into a Definitive Agreement with ClaimHunt Inc (“CHI”), the optionor. The Company has the option to purchase up to 100% interest in the Tatooine Silica Project in British Columbia, Canada.

Under the terms of the agreement, the Company can earn a 100% interest in the claims if the following cash payments, work expenditures and share issuances are met by the dates specified:

- The Company will pay \$7,500 (paid) and issue 250,000 common shares (issued with a fair value of \$32,500 of the Company to CHI on execution of the Definitive Agreement.
- The Company will issue a further 300,000 common shares of the Company to CHI on or before the 1st anniversary (September 8, 2023) of the Definitive Agreement.
- The Company will spend a cumulative \$100,000 in work expenditures and issue a further 300,000 common shares of the Company to CHI on or before the 2nd anniversary (September 8, 2024) of the Definitive Agreement.
- The Company will issue a further 300,000 common shares of the Company to CHI on or before the 3rd anniversary (September 8, 2025) of the Definitive Agreement.
- The Company will spend a cumulative \$200,000 in work expenditures and issue a further 300,000 common shares of the Company to CHI on or before the 4th anniversary (September 8, 2026) of the Definitive Agreement.

The continuity of the Company’s acquisition costs at period ended March 31, 2022, and December 31, 2022 are as follows:

Acquisition Costs	March 31, 2023	December 31, 2022
Balance, opening	\$ 40,000	\$ -
Cash payments	-	7,500
Option payments	-	32,500
Balance, ending	\$ 40,000	\$ 40,000

For three months ended March 31, 2023, The Company’s exploration and evaluation expenditures recognized on the statements of comprehensive loss are as follows:

Exploration and evaluation expenditures	March 31, 2023	March 31, 2022
Project management fees	\$ 22,500	\$ 22,500
Assays	474	20
Project review	20,000	18,390
Total	\$ 42,974	\$ 40,910

### 7. Related party transactions

The amounts payable to related parties summarized as above were included in accounts payable and accrued liabilities. Balance owing are unsecured, non-interest bearing and have no specified terms of repayment.

During the three months ended March 31, 2023 and 2022, the Company entered into transactions with the related parties as below:

# HOMERUN RESOURCES INC.

## Notes to the Condensed Consolidated Financial Statements For the Three Months Ended March 31, 2023 and 2022

### 7. Related party transactions (continued)

Name	Relationship	Nature of Transaction	Fees incurred for the three months ended March 31, 2023	Fees incurred for the three months ended March 31, 2022	Balance payable at March 31, 2023	Balance payable at December 31, 2022
Nexvu Services Inc.	Owned by Nexvu Capital Corporation, which Brian Leeners, Greg Pearson and Gordon Fretwell are shareholders	Rent and corporate services	\$ 30,000	\$ 30,000	\$ -	\$ 78,576
Nexvu Capital Corporation	Brian Leeners, Greg Pearson and Gordon Fretwell are shareholders	Demand loan	-	-	2,000	2,000
Brian Leeners	Chief executive officer and director	Management services	30,000	30,000	30,480	100,480
Global Link Capital	Greg Pearson, director of the Company, is a shareholder	Management services	30,000	30,000	30,480	100,480
Gordon J. Fretwell, Law Corporation	Gordon Fretwell is a shareholder of Nexvu Capital Corporation.	Legal services	2,000	2,500	152,906	175,906
AE Financial Management Ltd.	Edward Low, chief financial officer, is a shareholder	Accounting services	10,500	10,500	57,588	57,588
			\$ 102,500	\$ 103,000	\$ 273,454	\$ 515,030

### 8. Share capital

Authorized: Unlimited common voting shares, without par value.

#### a. Share issuance - private placement

##### Three Months Ended March 31, 2023

On March 2, 2023, the Company completed a non-brokered private placement for gross proceeds of \$751,400 by issuing 7,514,000 units at a price of \$0.10 per unit. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant being exercisable at \$0.20 per common share for a period of 24 months from the date of issuance. The warrants will be subject to the right of the company to accelerate the exercise period of the warrants if shares of the company trade at or above \$0.50 for a period of 10 consecutive trading days.

##### Three Months Ended March 31, 2022

On January 25, 2022, the Company completed a non-brokered private placement for gross proceeds of \$202,541 by issuing 2,025,406 units at a price of \$0.10 per unit. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant being exercisable at \$0.20 per common share for a period of 12 months from the date of issuance. The warrants are subject to the right of the company to accelerate the exercise period of the warrant if shares of the company trade at or above \$0.50 for a period of 10 consecutive trading days. The Company incurred share issuance costs of \$6,480 by issuing 64,800 finder's units (one common share and one common share purchase warrant) at a price of \$0.10 per unit for 12 months.

#### b. Share issuance – warrants exercised

##### Three Months Ended March 31, 2022

For the three months ended March 31, 2022, the Company issued 1,375,000 common shares, pursuant to warrants exercised at a price of \$0.15, for total proceeds of \$206,250.

# HOMERUN RESOURCES INC.

## Notes to the Condensed Consolidated Financial Statements For the Three Months Ended March 31, 2023 and 2022

### 8. Share capital (continued)

#### c. Stock options

The Company has adopted an incentive stock option plan under the rules of the TSX-V pursuant to which it is authorized to grant options, as amended, to executive officers, directors, employees and consultants.

#### Three Months Ended March 31, 2023

On March 13, 2023, the Company granted 500,000 stock options, of which, 25% vested upon grant date, and thereafter vest 25% every 6 months. These options are exercisable for up to five years at a price of \$0.20 per share. The Company calculated its stock-based compensation by the Black-Scholes Option Pricing Model using the following assumptions: risk free interest rate 3.37%, volatility of 144.86.14%, annual rate of dividend of 0% and an expected life of the option of 5 years. The total fair value of the options granted is \$85,419. For the three months ended March 31, 2023, the total fair value of stock-based compensation recorded is \$25,193.

#### Three Months Ended March 31, 2022

There are no stock options granted for the three months ended March 31, 2022.

The Continuity of the Company's outstanding options is as below:

	Number of Options Outstanding	Number of Options Exercisable	Weighted Average Exercise Price
Balance, December 31, 2021	3,500,000	3,500,000	\$0.10
Granted	1,950,000	975,000	\$0.20
Balance, December 31, 2022	5,450,000	4,475,000	\$0.14
Granted	500,000	125,000	\$0.20
Balance, March 31, 2023	5,950,000	4,600,000	\$0.14

At March 31, 2023, the following stock options were outstanding:

Expiry Date	Weighted Average Exercise Price	Number of Options Outstanding	Number of Options Exercisable	Weighted Average Remaining Years
September 14, 2026	\$0.10	3,500,000	3,500,000	3.46
June 15, 2027	\$0.20	1,950,000	975,000	4.21
March 13, 2028	\$0.20	500,000	125,000	4.96

#### d. Warrants

#### Three Months Ended March 31, 2023

For the three months ended March 31, 2023, the Company issued 7,514,000 warrants at a price of \$0.20 issued (Note 8a). On January 12, 2023, the Company extended expiry date of 2,025,406 warrants to April 30, 2023 (Note 11).

#### Three Months Ended March 31, 2022

For the three months ended March 31, 2022, the Company issued 2,025,406 warrants at a price of \$0.20 issued (Note 8a). The continuity of the Company's outstanding warrants is as follows:

# HOMERUN RESOURCES INC.

## Notes to the Condensed Consolidated Financial Statements For the Three Months Ended March 31, 2023 and 2022

### 8. Share capital (continued)

#### d. Warrants (continued)

	Number	Weighted Average Price
Balance, December 31, 2021	4,058,820	\$0.18
Issued	4,085,406	\$0.23
Exercised	(2,633,820)	\$0.15
Expired	(1,425,000)	\$0.22
Balance, December 31, 2022	4,085,406	\$0.23
Issued	7,514,000	\$0.20
Balance, March 31, 2023	11,599,406	\$0.21

At March 31, 2023, the following warrants were outstanding:

Expiry Date	Weighted Average Exercise price	Number of warrants outstanding	Weighted Average Remaining Years
April 30, 2023	\$ 0.20	2,025,406	0.08
June 15, 2023	\$ 0.25	2,000,000	0.21
August 16, 2023	\$ 0.25	60,000	0.38
March 2, 2025	\$ 0.20	7,514,000	1.92
	\$ 0.21	11,599,406	1.30

#### e. Broker warrants

##### Three Months Ended March 31, 2022

For three months ended March 31, 2022, the Company issued 64,800 broker warrants at a price of \$0.20 issued (Note 8a). The continuity of the Company's outstanding warrants is as follows:

	Number	Weighted Average Price
Balance, at December 31, 2021	20,000	\$0.08
Issued	64,800	\$ 0.20
Expired	(20,000)	\$ 0.20
Balance, at December 31, 2022	64,800	\$ 0.20
Expired	(64,800)	\$ 0.20
Balance, at March 31, 2023	-	-

At March 31, 2023, no broker warrants were outstanding.

#### f. Subscriptions received – Loan payable

The share subscriptions received are classified as loans payable based on the terms of the share subscription agreement. As at March 31, 2023, the balance of the share subscriptions is \$69,750 (December 31, 2022 – \$69,750).

### 9. Segmented information

The Company has one reportable operating segment, environmental remediation. All of the Company's assets are located in Canada.

# HOMERUN RESOURCES INC.

## Notes to the Condensed Consolidated Financial Statements For the Three Months Ended March 31, 2023 and 2022

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### 10. Accounts payable and accrued liabilities

	March 31, 2023		December 31, 2022	
Trade payables	\$	744,347	\$	913,830
Accrued liabilities		95,088		138,088
<b>Total</b>	<b>\$</b>	<b>839,435</b>	<b>\$</b>	<b>1,051,918</b>

### 11. Subsequent event

In April 2023, 2,025,406 warrants were exercised at a price of \$0.20 and 1,000,000 warrants were exercised at a price of \$0.25, for total proceeds of \$6551,082.

On May 15, 2023, the Company received \$10,000 from the exercise of 100,000 stock options.

On May 23, 2023, the Company announced it entered into a Letter of Intent (LOI) to document the general terms of a material supply agreement between the Company and the vendor concerning the supply of silica sand and is subject to negotiation and execution of the material supply agreement. The execution of the material supply agreement will be subject to the following conditions: The purchase price will be US\$20.00 per tonne net of recoverable costs and sales taxes and export taxes. The material supply agreement is expected to be finalized in 30 days.