

**IC CAPITALLIGHT CORP.**

2200 HSBC Building, 885 West Georgia Street, Vancouver, BC, V6C 3E8

**CSE FORM 2A - LISTING STATEMENT**

**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020**

**DATED: APRIL 30, 2021**

References to “Capitalight”, “Company”, “we”, “us”, “our”, refer to IC Capitalight Corp. and its consolidated subsidiaries unless the context indicates otherwise. All amounts are in Canadian dollars, unless otherwise indicated.

#### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Certain statements in this report are forward-looking statements, which reflect our management’s expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management’s current views and are based on certain assumptions and speak only as of the date of this report. These are based on current expectations, estimates and assumptions that involve several known and unknown risks, uncertainties and other factors that could cause actual results to vary and, in some instances, to differ materially from those anticipated by the Company and described in the forward-looking statements. These risks include, but are not limited to, access to sufficient capital, legal and accounting risks, potential loss of key personnel, sales and marketing issues, operating cost overruns, technology issues, title disputes and compliance with various regulators. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) a decreased demand or price of our research products (3) a decreased value of our investments (4) inability to locate, acquire or divest of mineral property interests, (5) the uncertainty of our operating costs, (6) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (7) other factors beyond our control. There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

**1. Table of Contents**

1.	Table of Contents.....	3
2.	Corporate Structure.....	4
3.	General Development of the Business.....	4
4.	Narrative Description of the Business.....	5
5.	Selected Consolidated Financial Information.....	11
6.	Management's Discussion and Analysis.....	12
7.	Market for Securities.....	12
8.	Consolidated Capitalization.....	12
9.	Options to Purchase Securities.....	13
10.	Description of the Securities.....	13
11.	Escrowed Securities.....	14
12.	Principal Shareholders.....	14
13.	Directors and Officers.....	14
14.	Capitalization.....	17
15.	Executive Compensation.....	19
16.	Indebtedness of Directors and Executive Officers.....	23
17.	Risk Factors.....	23
18.	Promoters.....	26
19.	Legal Proceedings.....	26
20.	Interest of Management and Others in Material Transactions.....	27
21.	Auditors, Transfer Agents and Registrars.....	27
22.	Material Contracts.....	27
23.	Interest of Experts.....	27
24.	Other Material Facts.....	27
25.	Financial Statements.....	27

## 2. Corporate Structure

### 2.1 Corporate Name and Head and Registered Office

The corporate name is **IC Capitalight Corp.** (the “Company” or “Capitalight”) and the registered office is at 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC, V6C 3E8. The Company’s head office is located at 130 King Street West, Exchange Tower Suite 1940, Toronto, Ontario, M5X 2A2.

### 2.2 Jurisdiction of Incorporation

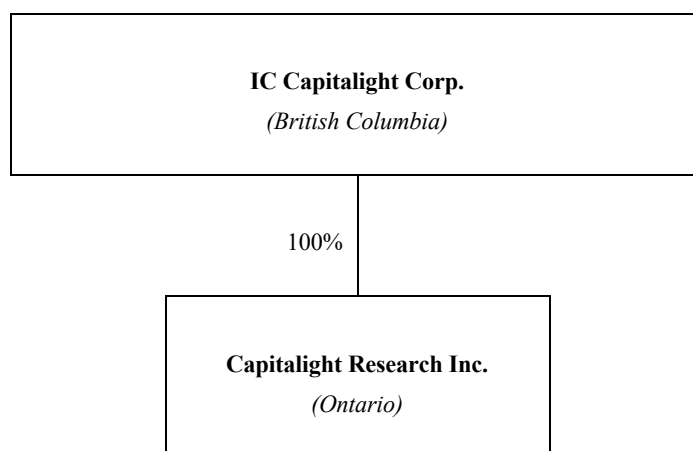
The Company was incorporated under the BCBCA on June 12, 2008 as Rockland Minerals Corp. On January 26, 2017, the Company changed its name to “International Corona Capital Corp.” On October 2, 2019, the Company changed its name to “IC Capitalight Corp.” and completed a consolidation of its Shares on the basis of two pre-consolidation Shares for one post-consolidation Share.

On May 24, 2013 the Board adopted an Advance Notice Policy, which was approved by the shareholders of the company on December 6, 2013. On October 2, 2021, the Company adopted a Shareholders’ Rights Plan, which was approved by the Shareholders of the Company on May 15, 2019.

### 2.3 Inter-Company Relationships

The Company has one wholly owned subsidiary, Capitalight Research Inc., a private company that was acquired by the Company on October 2, 2019. Capitalight Research was incorporated on January 31, 2017 pursuant to the laws of the Province of Ontario under the name Murenbeeld & Co. Inc. and was renamed as Capitalight Research Inc. on December 28, 2020.

The following diagram represents the organizational structure as of December 31, 2020:



## 3. General Development of the Business

### 3.1 General Development of the Business

Since incorporation, the Company operated as a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource properties in the province of Quebec, Canada. During this time, the Company was primarily focused on the acquisition of interests in, and exploration for, Gold, Copper, Nickel, Platinum group metals and acquired the Blue Lake (f/k/a Retty Lake) Property and the Ashuanipi Property, both of which are located in the Schefferville area of northern Québec.

On October 2, 2019, the Company completed a change of business transaction whereby the company changed its name from International Corona Capital Corp. to IC Capitalight Corp., acquired all the issued and outstanding shares of Capitalight Research Inc. (“Capitalight Research”) and certain fixed income debentures of Stone Investment Group Limited (“Stone Debentures”). Prior to the change of business, the Company was focused only on the exploration and development of mineral projects.

The Company operates as a merchant bank that pursues value-based investment opportunities in accordance with its internal investment policies. The Company provides shareholders with long-term capital growth by investing in a portfolio of companies, securities and mineral properties. The securities portfolio consists primarily of Stone Debentures, which are generating positive

cash flow on a quarterly basis. The Company's portfolio consists of Capitalight Research Inc., a wholly owned subsidiary, that operates a proprietary subscription research business that publishes reports focused on the gold and silver sectors, Canadian preferred shares, bonds and economics. Capitalight Research generates recurring revenues and is expected to generate positive operating cash flows as it achieves profitability. The mineral exploration portfolio consists of the Blue Lake Cu-Ni-Pt-Pd and the Ashuanipi Gold projects, which are both at an early stage of exploration.

### **3.2 Significant acquisitions and dispositions**

#### *Ashuanipi Gold Project*

On November 3, 2020, the Company announced it had acquired an undivided 100% interest in the Schefferville Ashuanipi Gold Property mineral claims by acquiring the remaining 36% of the joint venture. To complete the acquisition, the Company paid Western Troy a consideration of \$25,000 plus 666,666 common shares and 333,333 common share purchase warrants exercisable at \$0.075 per warrant for a period of two years. The common shares were valued at \$26,667 based on a market price of \$0.04 on November 2, 2020 and the warrants were valued using the Black-Scholes valuation model at \$11,963 based on a risk-free rate of 1.66% and a volatility of 250%. The total acquisition cost of \$63,630 was expensed as part of exploration and evaluation expenses.

On February 16, 2021, the Company announced the sale of its Schefferville Ashuanipi Gold Project and related exploration data to Ethos Gold Corp. The Company received \$50,000 upon signing and received 2,000,000 shares of Ethos. Upon closing the Company will receive another \$50,000 in cash and a 2.0% net smelter royalty ("NSR"), which can be reduced to 1.0% for a further payment of \$1.0 million in cash. The fair value of the Ethos shares based on the closing market price of \$0.18 immediately prior to announcing the transaction was \$360,000. Ethos has also committed to spending \$500,000 over three years on the claims with any shortfall resulting in an additional cash payment to the Company of \$100,000 prorated based on any shortfall in the spending commitment. If the commitment is fully satisfied, then no additional payment will be owed. The final closing is expected to occur in May 2021 upon obtaining confirmation of the transfer of the mineral claims from the Quebec government.

### **3.3 Trends, Commitments, Events and Uncertainties**

As at the date of this Listing Statement, neither the Company nor Murenbeeld foresees any major events or uncertainties that will affect the Company or Murenbeeld or the financial opportunities available to either entity.

## **4 Narrative Description of the Business**

### **4.1 General**

The Company operates as a merchant bank that pursues value-based investment opportunities in accordance with its internal investment policies. The Company provides shareholders with long-term capital growth by investing in a portfolio of companies, securities and mineral properties. The securities portfolio consists primarily of Stone Debentures, which are generating positive cash flow on a quarterly basis. The Company's portfolio consists of Capitalight Research Inc., a wholly owned subsidiary, that operates a proprietary subscription research business that publishes reports focused on the gold and silver sectors, Canadian preferred shares, bonds and economics. Capitalight Research generates recurring revenues from subscriptions and is expected to generate positive operating cash flows as it achieves profitability. The mineral exploration portfolio consists of the Blue Lake Cu-Ni-Pt-Pd and the Ashuanipi Gold projects, which are both at an early stage of exploration.

The Company's key objective over the next twelve-months is to grow its current investment portfolio by adding investments that: (a) are accretive to its existing investment portfolio; (b) increase the value of the Company's investment portfolio; (c) provide potential for growth or hyper-growth opportunities; and (d) are consistent with the criteria and objectives set out in the Company's Investment Policy. Specifically, the Company plans to consider further investments and/or acquisitions in mineral exploration projects, subscription research companies and an increase in its holdings of debentures, all areas in which the Company's current management, Board and consultant have value-based expertise. In addition, the Company also intends to evaluate other niche North American investment opportunities where it believes both management and the Investment Committee can create shareholder value through its expertise.

The Investment Committee is subject to the direction of the CEO, and consists of Brian Bosse, Marc Johnson and Veronika Hirsch.

#### *Capitalight Research*

Capitalight Research Inc. was acquired by the Company on October 2, 2019. Capitalight Research was incorporated on January 31, 2017 pursuant to the laws of the Province of Ontario under the name Murenbeeld & Co. Inc. and was renamed as Capitalight Research Inc. on December 28, 2020.

Capitalight Research Inc. operates a proprietary research business which is focused on the gold and silver prices, Canadian preferred shares, bonds and economics. Capitalight Research publishes weekly and monthly research under several brands. Customers typically subscribe on an annual basis for several of the research products. Our subscriber base consists primarily of gold and silver mining companies interested in our commodity price forecasts and investment funds and wealth management companies interested in our preferred shares research, bond and economic forecasts. Our clients use our research products to inform their investment decisions, make capital allocation decisions, complete treasury operations and complete business risk assessments.

The Capitalight Research is expected to generate positive operating cash flows for the Company once it achieves profitability, which will require the Company to continue to increase research revenues while controlling its operating costs.

The following are our subscription research brands:

*Murenbeeld Gold Monitor*

The Gold Monitor is our flagship research publication, which is distributed internationally and has been published for nearly 40 years by Dr. Martin Murenbeeld. The Gold Monitor is published each Friday. The Gold Monitor features a gold price forecast that is based on quantitative research models that have been refined through many years of experience and analysis of the gold market.

*Silver Monitor*

We launched our new Silver Monitor in September 2020. The inaugural edition included our silver price forecast, which is based on quantitative research models.

*Canadian Preferred Share Research*

The CPSR report is published twice per month and is the leading research report covering the \$55 billion Canadian preferred share asset class. The report was launched in mid-2019 as a free publication and a subscription paywall was implemented in early 2020.

*Economic Monitor*

The Economic Monitor is published every other month and takes a deep dive into the current state of the Canadian and US economies. The report features topical articles and our proprietary interest and exchange rate forecasts.

*Equity and Bond Observer*

The Equity and Bond Observer focuses on equity and bond market valuations. Our proprietary models in this publication are based on the principles of Benjamin Graham who is recognized as “the father of value-investing”.

As of December 31, 2020, Capitalight Research had two employees and several consultants including Dr. Martin Murenbeeld.

*Investment Portfolio*

As of December 31, 2020, the investment portfolio consisted of 2,599 debentures units, consisting of 2,599 debentures and 1,559,400 warrants, and 112,810 common shares issued by Stone Investment Group Limited (“Stone”), a private company that operates a 25-year-old mutual fund business with \$600 million of assets under management (“AUM”).

Stone initially issued 12,000 senior secured debenture units on December 28, 2006 due on December 28, 2011 earning 9% interest per annum paid in cash on a quarterly basis additional deferred interest of 0.25% per annum per \$35 million of AUM that will be paid in cash at maturity. Each debenture unit consists of a debenture with a \$1,000 face value and 600 common share purchase warrants. The holders subsequently voted to modify the interest rate, additional deferred interest terms and extend the maturity until December 28, 2016. The holders subsequently voted to extend maturity until December 28, 2021. The debentures currently pay 7.5% interest per annum, payable in cash quarterly, and have been earning additional since December 31, 2007, which is payable at maturity, and will mature on December 28, 2021. The warrants are exercisable at a price of 0.68 per common share until maturity of the debentures and are subject to a minimum company repurchase obligation of \$0.05 per warrant at maturity of the debentures on December 28, 2021. Stone’s contractual obligations for the debentures and related interest on December 31, 2020 was \$16,186,297 implying total unpaid interest of \$4,186,297 and implying approximately \$3,286,297 of additional interest, equivalent to 27.4% of the principal.

The Company believes that Stone intends to propose another extension of the debenture maturity to the debenture holders. Further amendments to the debenture indenture agreement require approval by 66.66% of the holders. If 33.33% of the holders vote against further proposed amendments, the debenture maturity cannot be extended and will mature on December 28, 2021.

As of December 31, 2020, the Company held 21.7% of the total outstanding Stone debentures and intends to make further purchases.

As of December 31, 2020, the 2,599 debentures had a total face value of \$2,599,000 and a carrying value of \$1,786,555 for a yield to maturity of 31.2% excluding additional interest. As of December 31, 2020, the 1,559,000 warrants had a total repurchase value of \$77,970 and a carrying value of \$55,698 for a yield to maturity of 28.6%. As of December 31, 2020, the 112,810 common shares had a carrying value of \$nil.

#### *Mineral Properties*

For a description of the mineral properties, see Item 4.3 - Companies with Mineral Projects.

### **4.2 Business Objectives and Milestones**

The business objectives the Company expects to achieve within the next twelve months using the Company's available funds are as follows:

- Pursue revenue expansion organically, via increased sales and marketing activities. Increased sales and marketing activities will require additional sales and marketing staff and costs. A new sales and marketing manager was added to the team in January 2021 and is being compensated through cash sales commissions based on a percentage of new sales and through restricted share units based on aggregate new sales during the 2021 calendar year.
- Open new research publications to expand our customer segments. New research publications may require additional staff. If so, such staff would require competitive compensation in the labour market for investment analysis and writing. Such amounts are currently unknown.
- Determine the appropriate course of action for the Blue Lake mineral project, which could include carrying out exploration activities on the Company. Carrying out exploration activities on the Blue Lake mineral project will require the engagement of exploration consultants. The anticipated minimum costs of surface exploration activities are \$86,000. This amount is equal to the gross proceeds from flow-through commitments arising from the issuance of flow-through shares as part of the October 2, 2019 private placement. The costs of a comprehensive exploration program have not been estimated.
- Consider additional investments of debenture and equity securities. The cost of additional investments of debentures and equity securities are currently unknown.
- Consider the acquisition of competing and complementary subscription research companies. The cost of acquisitions is currently unknown.

To meet the business objectives, the Company will need to improve the working capital position of the Company by initiating or completing one or several of the following milestones:

- Complete shares-for-debt settlements to improve the working capital position of the Company.
- Complete private placements
- Obtain loans secured by the assets of the Company
- Disposition of the Ashuanipi gold project

The Company may, for sound business reasons and at the discretion of the Board, change its objectives from what is stated in this Listing Statement.

#### *Funds Available*

Capitalight has historically relied upon equity financings to satisfy its capital requirements and may require further equity and/or debt capital to finance its development, expansion, and exploration activities. As of December 31, 2020, the Company had a working capital deficiency of \$705,922 (December 31, 2019: surplus of \$176,253).

	December 31, 2020	December 31, 2019
<b>Assets</b>		

#### **Current assets:**

Cash and cash equivalents	\$ 76,176	\$ 645,775
Accounts receivable	13,389	22,271
Amounts receivable	42,525	34,687
Debenture interest receivable	48,731	25,463
Prepaid expenses	22,630	16,624
<b>Total current assets</b>	<b>203,451</b>	<b>744,820</b>
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	453,181	448,819
Deferred flow-through premium	21,500	21,500
Deferred revenue	134,692	98,248
Deferred obligation	300,000	-
<b>Total current liabilities</b>	<b>909,373</b>	<b>568,567</b>
<b>Working capital (deficit) surplus</b>	<b>\$ (705,922)</b>	<b>\$ 176,253</b>

#### *Use of Available Funds*

The following table sets out the principal purposes, using approximate amounts, for which the Company currently intends to use its available funds. The amounts shown in the table are estimates only and are based on the information available to the Company and Murenbeeld as of the date hereof.

<b>Use of Available Funds</b>	<b>Estimated Amount</b>
Working capital <sup>(1)</sup>	\$ 187,112
Shares-for-Debt Settlement <sup>(2)</sup>	(\$ 299,661)
Disposition of Ashuanipi claims <sup>(3)</sup>	(\$ 100,000)
Exploration expenditures <sup>(4)</sup>	\$ 86,000
Settlement of deferred obligation <sup>(5)</sup>	\$ 330,000
<b>Total use of available funds</b>	<b>\$ 203,451</b>

- (1) This amount is expected to fund ongoing general and corporate expenses of the Company and its subsidiaries including changes in accounts receivable, changes in accounts payable, changes in deferred revenues, revenues, coupon interest income, management fees, professional fees, salaries, and general and administrative operating expenses.
- (2) On February 15, 2021, the Company announced the completion of a shares for debt settlement whereby the Company settled total indebtedness of \$299,661 by issuing 3,402,479 common shares and 1,207,692 restricted share units ("RSUs").
- (3) On February 16, 2021, the Company announced the sale of its Schefferville Ashuanipi Gold Project and related exploration data to Ethos Gold Corp. The Company received \$50,000 upon signing and received 2,000,000 shares of Ethos. Upon closing the Company will receive another \$50,000 in cash and a 2.0% net smelter royalty ("NSR"), which can be reduced to 1.0% for a further payment of \$1.0 million in cash. The final closing is expected to occur in May 2021 upon obtaining confirmation of the transfer of the mineral claims from the Quebec government.
- (4) Incurring these exploration expenditures will result in the settlement of the deferred flow-through premium.
- (5) Pursuant to a debenture purchase agreement with an arm's length third-party, on March 30, 2020 the Company completed the acquisition of debenture units, which was recognized on the consolidated statements of financial position as an investment at the fair market value of the consideration. The consideration includes a deferred payment to the vendor of \$330,000 due upon maturity of the debentures on December 28, 2021, which was recognized as a deferred obligation measured at amortized cost using a fair value calculated as the present value of the obligation based on a discount rate of 10%.

The Company intends to spend its available funds as stated in this Listing Statement. There may be circumstances, for sound business reasons, where a reallocation of funds may be necessary.

#### *Principal Products and Services*



The principal products and services of Capitalight Research are proprietary research publications regarding the mining industry, gold prices, silver prices, investments, and the North American economy. Distribution of such research is primarily digital distribution of PDFs and other content. The Company also earns fees from presentations at conferences and other events. Customers include mining companies, asset management entities and non-government organizations. The sale of such services represents substantially all of the Company revenues. Revenues are billed monthly, quarterly, and annually. It is expected that sustained rising commodity prices will support increased subscription revenues over time.

### *Operations*

Capitalight retains highly experienced employees and consultants to produce and distribute all the services and products of the Company. Production involves digital rather than physical assets. Management and research staff typically work from their personal residences in Toronto, Vancouver, Calgary, Denver and other locations. All communication and collaboration are through internet. Inputs to production include various software, proprietary databases and digital subscriptions and licenses. Specialized skills include staff who have been analysing commodity prices and trends for over four decades.

### *Market*

Capitalight Research sells its products and service globally within the English-speaking world. Most revenues come from Canadian and American subscribers. Murenbeeld does not rely on any website-based or embedded advertising nor does it make specific stock recommendations or provide investment banking services. The business model is unique within the North American research marketplace but is similar to business models in the European Union.

### *Marketing Plans and Strategies*

Capitalight Research services are marketed to entities that make capital allocation decisions within the mining industry. Marketing to these entities is through direct sales and marketing and digital marketing methods. Pricing positioning is of a premium value-based product. The largest components to sales and marketing expenses are commissions and travel costs.

### *Competitive Conditions*

The investment industry is global in nature and is highly competitive with a number of established firms. The Company is competing with large investment banks and investment funds that offer their own research products, and from small independent providers of subscription-based research. Some of the Company's competitors are expected to be substantially larger and have considerably greater financial resources than the Company. Competitors may have a lower cost of funds and many may be subsidized by other lines of business that are not available to the Company.

For the Company's mineral assets, the mineral exploration and mining industry is very competitive, and the Company will be required to compete for the acquisition of mineral permits, claims, leases and other mineral interests for exploration and development projects. The Company will compete with many companies that have greater financial resources and technical facilities than itself. Significant competition exists for the limited number of mineral acquisition opportunities available in the Company's sphere of exploration operations. As a result of this competition, the Company's ability to acquire additional attractive mining properties on terms it considers acceptable may be adversely affected and will depend on its current capital and/or ability to obtain additional financing to fund further exploration activities.

### *Employees*

### *Business Cycles*

The Company's subscription-based research products and services are not expected to be cyclical or seasonal due to recurring subscription business model. In contracts, the mineral exploration business is highly cyclical based on the movement of commodity prices and investor sentiment in the sector. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles.

### *Employees and Consultants*

As of December 31, 2020, the Company had two employees and several consultants in addition to the Board of Directors, President & Chief Executive Officer and Chief Financial Officer. Certain professional, administrative and geological services are provided to the Company by independent consultants, including corporations and/or individuals who may be officers or directors of Capitalight.

## **4.2 Asset Backed Securities**

The Company does not have any asset backed securities.

### 4.3 Companies with Mineral Projects

As of December 31, 2020, the Company has two mineral exploration properties consisting of the Retty Lake Property and the Schefferville Property, both located in Québec, Canada. The Company does not consider such properties to be a material component of its business at this time and neither property has a current NI 43-101 technical report.

#### *Blue Lake Property (Cu-Ni-Pt-Pd)*

On June 30, 2008, the Company entered into an option agreement to earn a 100% interest in the Blue Lake (formerly known as the Retty Lake Property) copper-nickel-PGM exploration property, which is located northeast of Schefferville, Quebec.

On February 12, 2013, the Company completed the earn-in by issuing 1,800,000 common shares and by incurring exploration expenditures on the property totaling \$1,855,000. This included a 2,377-line km VTEM and a 1,767-line km ProspectorTEM airborne survey, which showed anomalous EM responses in the region of the historic Blue Lake mineral deposit (this historic deposit is hosted on claims not held by the Company). In 2014, the Company staked the Blue Lake South property, which is southeast of the historic Blue Lake mineral deposit. The Blue Lake South claims were staked after obtaining VTEM airborne and Pt-Pd sampling data from Anglo American Exploration (Canada).

The Blue Lake Property claims are subject to a 3% net smelter return royalty ("NSR") from the sale of mineral products from the Blue Lake Property following the commencement of commercial production less allowable deductions. The NSR is subject to a buy-back right of the Company to repurchase the NSR for \$3,000,000 and in the event the holder intends to sell all or part of the NSR, the Company has the right to require the holder to sell all or part of the NSR to the Company (the "NSR ROFR") on the terms and conditions set out in a notice which will be open for acceptance by the Company for a period of 30 days from receipt of the notice.

During the year ended December 31, 2017, the Company elected to write-down the carried value of the property to \$1 and most of the Blue Lake South claims were allowed to lapse.

On July 21, 2020, the Company announced it staked 194 high priority claims in the Blue Lake South area and renamed all of the claims as the Blue Lake Property.

The Capitalight claims now cover Pt-Pd-Cu-Ni showings in the Lac Hyland, Lost Lake, Notch Lake, Nancy Lake South, Lac Retty West, Blue Lake North, Pogo Centre, Blue Lake and Berry Lake areas. The new claims cover the southern extension of the mineralized "middle and upper peridotite sill" units southeast of the extensively drilled Blue Lake Pt-Pd-Cu-Ni deposits, including some claims that were formerly within a special mining lease. The historical Blue Lake deposits, which are on an adjoining claim block not held by Capitalight, have historical resources in nine deposits that were outlined by approximately 550 drill holes and an underground bulk sample between 1950 and 1988 that were estimated to be 4.37 million tonnes at 0.87% Cu, 0.52% Ni, 0.84 g/t Pt+Pd (as reported by La Fosse Platinum Group and T. Clark, 1991).

Staking was guided by 2,377 l/km of VTEM and magnetic data flown for Anglo American Exploration Canada in 2011 on their former North American Nickel project claims which are largely covered by the new staking. This data was acquired by the Company and merged with 1,767 l/km of ProspectorTEM and magnetic data flown by Capitalight (formerly Rockland) in 2010. The surveys demonstrated strong anomalous EM responses spatially associated with the target middle and upper peridotite sills. The highly conductive pyrite-pyrrhotite rich sulphide horizon occurring immediately below the middle peridotite unit, is thought to be related to the early stages of voluminous basaltic volcanism (Frarey, 1967; Rohon, 1989). This pyrite-pyrrhotite rich unit plays an important role in localizing Cu-Ni-PGE mineralization at the Blue Lake Property and marks a stratigraphic timeline localizing the largest Cu-Ni-PGE deposits (Clark and Wares, 2005).

As of December 31, 2020, the Blue Lake Property consisted of 263 claims covering 12,724 hectares. The Company now controls a 35km long by 3 to 5km wide group of contiguous claims on one of the most under explored and prospective Pt-Pd-Cu-Ni belts in Canada. Based on a review of all of the survey data, the Company has identified more 30 anomalous EM targets for follow-up. The Company will announce its plans for the property once they are finalized.

#### *Schefferville Ashuanipi Gold Property (Au)*

On June 15, 2011, the Company acquired a 55% interest in the Schefferville Ashuanipi Gold Property, which is located southwest of Schefferville, Quebec, by completing \$800,000 in exploration work, making cash payments totaling \$60,000 and issuing 300,000 common shares to Western Troy Capital Resources Inc ("Western Troy") to complete the earn-in. Upon completing the earn-in, the Company and Western Troy Capital Resources Inc formed a joint venture. As of December 31, 2016, the Company had increased its interest in the joint venture to 64% by incurring an additional \$375,973 in exploration expenditures. During the year ended December 31, 2017, the Company elected to write-down the carried value of the property to \$1 and certain claims were allowed to lapse.

On November 3, 2020, the Company announced it had acquired an undivided 100% interest in the Schefferville Ashuanipi Gold Property mineral claims by acquiring the remaining 36% of the joint venture. To complete the acquisition, the Company paid Western Troy a consideration of \$25,000 plus 666,666 common shares and 333,333 common share purchase warrants exercisable at \$0.075 per warrant for a period of two years. The common shares were valued at \$26,667 based on a market price of \$0.04 on November 2, 2020 and the warrants were valued using the Black-Scholes valuation model at \$11,963 based on a risk-free rate of 1.66% and a volatility of 250%. The total acquisition cost of \$63,630 was expensed as part of exploration and evaluation expenses.

The Schefferville Ashuanipi property currently consists of 48 claims covering 2,359 hectares.

On February 16, 2021, the Company announced the sale of its Schefferville Ashuanipi Gold Project and related exploration data to Ethos Gold Corp. The Company received \$50,000 upon signing and received 2,000,000 shares of Ethos. Upon closing the Company will receive another \$50,000 in cash and a 2.0% net smelter royalty ("NSR"), which can be reduced to 1.0% for a further payment of \$1.0 million in cash. The fair value of the Ethos shares based on the closing market price of \$0.18 immediately prior to announcing the transaction was \$360,000. Ethos has also committed to spending \$500,000 over three years on the claims with any shortfall resulting in an additional cash payment to the Company of \$100,000 prorated based on any shortfall in the spending commitment. If the commitment is fully satisfied, then no additional payment will be owed. The final closing is expected to occur in May 2021 upon obtaining confirmation of the transfer of the mineral claims from the Quebec government.

## 5. Selected Consolidated Financial Information

### 5.1 Annual Information

The following is selected information for the three most recently completed financial years:

	Year Ended		
	December 31, 2020 \$	December 31, 2019 \$	December 31, 2018 \$
Revenues	296,537	81,330	-
Debenture coupon interest	177,079	25,463	-
Net loss and comprehensive loss for the quarter	(611,625)	(849,146)	83,752
Basic and diluted loss per share for the quarter	(0.01)	(0.02)	0.00
Total assets	2,285,106	744,820	83,853
Total long-term liabilities	40,000	-	-
Cash dividends	-	-	-
Working capital balance	(705,922)	176,253	72,750

### 5.2 Quarterly Information

The following is selected quarterly information for the eight most recently completed quarters:

	Quarter Ended			
	December 31, 2020 \$	September 30, 2020 \$	June 30, 2020 \$	March 31, 2020 \$
Revenues	60,526	86,961	63,653	85,397
Debenture coupon interest	50,993	45,416	41,029	39,641
Net loss and comprehensive loss for the quarter	(341,048)	(59,066)	(134,873)	(76,639)
Basic and diluted loss per share for the quarter	(0.00)	(0.00)	(0.00)	(0.00)
Working capital balance	(705,922)	(227,527)	(40,330)	147,401

	Quarter Ended			
	December 31,	September 30,	June 30,	March 31,
	2019	2019	2019	2019
	\$	\$	\$	\$
Revenues	81,330	-	-	-
Debenture coupon interest	25,463	-	-	-
Net loss and comprehensive loss for the quarter	(587,727)	(53,328)	(133,354)	(74,737)
Basic and diluted loss per share for the quarter	(0.01)	(0.00)	(0.00)	(0.00)
Working capital balance	176,253	(188,669)	(135,340)	(1,987)

### 5.3 Dividends

The Issuer has not paid any dividends.

## 6. Management's Discussion and Analysis

See Schedule "A"

## 7. Market for Securities

The Company completed an initial public offering on June 28, 2010 and began trading on the TSX Venture Exchange (the "TSXV"). On October 3, 2019, the Company transferred the listing of its shares to the Canadian Securities Exchange (the "Exchange") under the symbol "IC".

## 8. Consolidated Capitalization

As of December 31, 2020, the Company had 86,247,436 common shares issued and outstanding (December 31, 2019: 84,688,063).

As of December 31, 2020, the Company had 333,333 common share purchase warrants issued and outstanding (December 31, 2019: nil) with a weighted average expiration of 1.84 years (December 31, 2019: nil years) which are exercisable into 333,333 common shares (December 31, 2019: nil common shares) at a weighted average exercise price of \$0.075 (December 31, 2019: \$0.00).

As of December 31, 2020, the Company had 2,700,000 stock options issued and outstanding (December 31, 2019: Nil) with a weighted average expiration of 4.07 years (December 31, 2019: Nil years) which are exercisable into 2,700,000 common shares (December 31, 2019: Nil common shares) at a weighted average exercise price of \$0.05 (December 31, 2019: \$0.00). All stock options that are currently outstanding vested on their grant date.

*Subsequent to December 31, 2020*

On February 15, 2021, the Company announced:

- The completion of a shares for debt settlement whereby the Company settled total indebtedness of \$299,661 by issuing 3,402,479 common shares and 1,207,692 restricted share units ("RSUs"). This was completed pursuant to certain employment agreements that contain provisions for the issuance of shares as part of the annual compensation of the employees. The RSUs will automatically vest on February 28, 2021. Vested RSUs will be convertible into common shares for no additional consideration and will expire on December 31, 2023.
- The Company granted of 600,000 RSUs pursuant to the hiring of a new sales consultant for Capitalight Research. The RSUs will vest on December 31, 2021 provided that certain gross sales milestones relating to the subscription research division have been achieved between January 1, 2021 to December 31, 2021. Vested RSUs will be convertible into common shares for no additional consideration and will expire on December 31, 2023.
- The Company granted 1,500,000 stock options to officers, directors and employees. All the Options vested immediately and have an exercise price of \$0.065 per Share and are exercisable for a period of five years.

## 9. Options to Purchase Securities

The following is a schedule of the outstanding stock options as of April 30, 2021:

Held By	Grant Date	Expiration Date	Exercise Price	Total
Executive Officers and Directors	January 24, 2020	January 24, 2025	\$ 0.05	2,200,000
Employees of subsidiaries	January 24, 2020	January 24, 2025	\$ 0.05	500,000
Executive Officers and Directors	February 12, 2021	February 12, 2026	\$ 0.065	900,000
Employees of subsidiaries	February 12, 2021	February 12, 2026	\$ 0.065	600,000
<b>Totals</b>	<b>Totals</b>			4,200,000

The following is a schedule of the outstanding restricted share units as of April 30, 2021:

Held By	Grant Date	Expiration Date	Exercise Price	Total
Employees of subsidiaries	February 12, 2021	February 12, 2026	\$Nil	1,207,692
Consultants of subsidiaries	February 12, 2021	February 12, 2026	\$Nil	600,000
<b>Totals</b>	<b>Totals</b>			2,700,000

## 10. Description of the Securities

### 10.1 General

The Company's common shares have no par value and the authorized share capital is composed of an unlimited number of common shares.

The holders of Shares are entitled to dividends, if, as and when declared by the Board, entitled to one vote per Share at meetings of the Shareholders and, upon liquidation, dissolution or winding-up of the Company entitled, subject to the prior rights of any class of preferred shares from time to time having priority over the Shares, to share rateably in such assets of the Company as are distributable to the holders of Shares.

All of the Shares rank equally as to voting rights, participation in assets and in all other respects. None of the Shares are subject to any call or assessment nor pre-emptive or conversion rights. There are no provisions attached to the Shares for redemption, purchase for cancellation, surrender or sinking or purchase funds.

### 10.2 Debt securities

Not applicable.

### 10.7 Prior Sales

Date	Description	Issue Price	Issued Shares
January 28, 2020	Shares for Debt Settlement with employees	\$ 0.050	892,707
November 3, 2020	Shares for Ashuanipi Acquisition	N/A	666,666
February 12, 2021	Shares for Debt Settlement with employees and officers	\$ 0.065	3,402,479

### 10.8 Stock Exchange Price:

Period	High	Low	Volume
April 2021	\$0.075	\$0.060	431,500
March 2021	\$0.050	\$0.050	12,000

February 2021	\$0.065	\$0.050	41,000
January 2021	\$0.070	\$0.060	272,233
Q4 2020	\$0.100	\$0.040	1,709,339
Q3 2020	\$0.070	\$0.030	1,752,314
Q2 2020	\$0.050	\$0.010	166,000
Q1 2020	\$0.060	\$0.005	724,500
Q4 2019	\$0.07	\$0.02	464,953
Q3 2019	N/A	N/A	No trades (halted)
Q2 2019	N/A	N/A	No trades (halted)

## 11. Escrowed Securities

### 11.1 Escrowed Shares

As of April 30, 2021, the following shares are subject to escrow agreements relating to the change of business transaction completed on October 2, 2019:

Designation of class held in escrow	Number of shares held in escrow	Percentage of class
Bluespring Investment Strategies Inc., Toronto, ON	14,718,000	16.4%

All of the foregoing Shares are subject to escrow pursuant to NP 46-201, pursuant to the terms of an escrow agreement dated October 2, 2019. The escrowed Shares will be released from escrow in accordance with NP 46-201 as follows:

Date of Release	%	Number of Shares to be Released
Date that is 24 months from listing date	15%	4,906,000
Date that is 30 months from listing date	15%	4,906,000
Date that is 36 months from listing date	15%	4,906,000
<b>Total:</b>	<b>100%</b>	<b>14,718,000</b>

## 12. Principal Shareholders

### 12.1 Principal Shareholders

No Person is anticipated to own, of record or beneficially, directly or indirectly, or to exercise control or direction over, more than 10% of any class of voting securities of the Company other than the following:

Name of Securityholder	Number of Shares	Percentage of the Issued and Outstanding Shares
Brian Bosse <sup>(2)</sup>	35,466,959	39.6% <sup>(1)</sup>

(1) Based on 89,649,915 shares outstanding.

(2) Includes shares owned through Bluespring Investment Strategies Inc.

## 13. Directors and Officers

### 13.1 to 13.3 Directors and Officers

The following table sets the name, residence and principal occupation of each director and executive officer of the Company. In addition, the table shows the date on which each individual first became a director and/or officer and the number of Shares of the Company that each individual beneficially owns, or exercises control or direction over, directly or indirectly, as of the date of this Listing Statement. The information as to Shares owned beneficially, not being within the knowledge of the Company, has been forwarded by the directors and officers individually.

Name	Age	Company Position	Principal Occupation <sup>(3)</sup>	Director Since	# of Voting Securities Beneficially Owned, or Controlled or Directed, Directly or Indirectly <sup>(3)</sup>
Brian Bosse <sup>(1)</sup> Toronto, ON	47	CEO and Director	CEO and director of Capitalight	January 2017	32,706,667 (39.6%)
Marc Johnson <sup>(1)</sup> Toronto, ON	44	CFO and Director	CFO and director of Capitalight, CFO of NextSource Materials Inc.	November 2018	728,129 (0.8%)
Bryan Loree <sup>(2)</sup> Burnaby, BC	44	Director	CFO and director of Cannabix Technologies Inc., CFO of KABN Systems NA Holdings Corp., and CFO of TGS Esports Inc.	June 2008	2,541,350 (2.8%)
Douglas R. MacQuarrie <sup>(2)</sup> Whistler, BC	67	Director	CEO and director of Asante Gold Corporation, and President of MIA Investments Ltd.	April 2016	4,417,500 (4.9%)
Veronika Hirsch <sup>(2)</sup> , Calgary, AB	66	Director	Investor	May 2019	Nil (0.0%)

(1) Brian Bosse and Marc Johnson are non-independent directors as they are executive officers of the Company.

(2) Bryan Loree, Douglas R. MacQuarrie and Veronika Hirsch are independent directors of the Company.

(3) The information as to principal occupation and voting securities (defined as securities that, by their terms, provide the securityholders with a presently exercisable right to vote for the election of directors) beneficially owned or controlled or directed, directly or not directly, not being within the knowledge of the Company, has been furnished by the respective nominees.

The directors and officers of the Company, as a group, beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 40,082,184 Shares, representing approximately 48.1% of the Company's issued and outstanding Shares.

### 13.4 Board Committees

#### *Audit Committee*

National Instrument 52-110 – *Audit Committees* (“NI 52-110”) requires that certain information regarding the Audit Committee be included in the management Circular sent to shareholders in connection with the issuer's annual meeting.

The Audit Committee is responsible for the oversight and for recommending the appointment, compensation, retention, termination of an independent external auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. The Company has not yet adopted any specific policies or procedures regarding the engagement of non-audit services but does review such matters as they arise in light of factors such as the Company's current needs and the availability of services.

The Audit Committee consists of Bryan Loree (Chair), Douglas R. MacQuarrie and Veronika Hirsch. All members are independent and “financially literate” as per the standards of National Instrument 52-110. During the year ending December 2020, the Audit Committee met four (4) times in person or by telephone. All Audit Committee members attended all four meetings.

#### *Investment Committee*

The Company established the Investment Committee in order to monitor its investment portfolio on an ongoing basis and to review the status of its investments. The Investment Committee is subject to the direction of the CEO, and consists of Brian Bosse, Marc Johnson and Veronika Hirsch.

The Investment Committee is responsible for overseeing the Company's investment activities and strategies. To accomplish this, the Investment Committee is charged with:

- Reviewing proposed investment opportunities formally submitted to the Investment Committee for consideration to ensure each presented investment opportunity meets the Company's investment criteria, including the its' investment policy;
- Assisting and advising on the terms of any investment;
- Reviewing and recommending funding for the Company's investment opportunities;
- Overseeing the due diligence process for each propose investment opportunity;
- Identifying and managing potential conflicts of interest;
- Making recommendations to the Board; and
- Reviewing the performance and outlook of the Company's portfolio of investments.

All of the Investment Committee members are financially literate. As currently structured, the Investment Committee includes directors and/or officers of the Company, but the Company may also utilize, or appoint to the Investment Committee, qualified independent financial or technical consultants approved by the CEO to assist the Investment Committee in making its investment decisions. One member of the Investment Committee may be designated and authorized to handle the day-to-day trading decisions in keeping with the directions of the Board and the Investment Committee.

### 13.5 Other Directorships

The following directors of the Company are presently directors of the following other issuers that are reporting issuers, or the equivalent, in a Canadian or foreign jurisdiction:

Director	Name of Reporting Issuer	Exchange	Position
Brian Bosse	ZEN Graphene Solutions Ltd	TSXV	Director
Douglas R. MacQuarrie	Asante Gold Corporation	CSE	Director
Bryan Loree	Cannabix Technologies Inc.	CSE	Director

Note: "TSX-V" = TSX Venture Exchange, and "CSE" = Canadian Securities Exchange

### 13.7 to 13.9 Penalties, sanctions, and bankruptcy

To the best of the Company's knowledge:

- No director of the Company is, or within 10 years before the date hereof, has been: (a) a director, chief executive officer or chief financial officer of any company that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued while the proposed director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.
- No director: (a) is at the date hereof, or has been with 10 years before the date hereof, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, or within 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.
- No director of the Company has been subject to any: (a) penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or (b) other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable Shareholder in deciding whether to vote for a proposed director.



### **13.10 Conflicts of Interest**

To the best of our knowledge, and other than as disclosed in this Circular, there are no known existing or potential conflicts of interest between the Company and any of the directors or officers.

### **13.11 Management**

#### *Brian Bosse – CEO and Director*

Brian Bosse has served as CEO of the Company since March 15, 2018. Mr. Bosse is an investment professional with two decades of experience in commodities, as well as both private and public equity. Mr. Bosse has served as a business turnaround specialist for a number of Canadian investment firms. Commencing with Byron Securities and concluding with Société Générale, he spent a decade restructuring equity sales and trading departments, as well as proprietary investment divisions. Mr. Bosse has a Bachelor of Arts in Economics (Honours) from Wilfrid Laurier University's School of Business and Economics. He became a CFA charter holder in 2001.

#### *Marc Johnson – CFO and Director*

Mr. Johnson is a senior executive with over 22 years of experience in accounting, corporate finance and investment banking across the natural resource and technology sectors. Mr. Johnson was appointed as Chief Financial Officer (CFO) of the Company in April 2019. He is also the CFO of NextSource Materials Inc.. He was previously the CFO of Red Pine Exploration Inc., Honey Badger Exploration Inc., and Andean Drilling Services. Prior to this, he was VP Corporate Development at Orbite Technologies Inc., Equity Research Mining Analyst at M Partners, Investment Banking at Toll Cross Securities Inc., Accounting Manager at Telelobe Inc., Risk Management Financial Analyst at Bell Canada and started his career in Network Cost Control at Fonorola Inc. Mr. Johnson holds the Chartered Professional Accountant (CPA) designation and the Chartered Financial Analyst (CFA) designation. He also holds a Bachelor of Commerce (Finance) from the John Molson School of Business at Concordia University in Montreal.

#### *Douglas R. MacQuarrie - Director*

Douglas R. MacQuarrie is a consulting geologist/geophysicist specializing in gold exploration. Mr. MacQuarrie has worked continuously in mineral exploration for 45 years, the last 27 years exploring for new gold deposits in West Africa. Most notably, Mr. MacQuarrie is responsible for acquisition and or discovery of significant gold deposits in Canada and in Ghana including, as former CEO of PMI Gold Corporation. Mr. MacQuarrie is also President and CEO of Asante Gold Corporation and Managing Director of Goknet Mining Company Ltd. Mr. MacQuarrie received a combined Honours degree in Geology and Geophysics from the University of British Columbia in 1975.

#### *Bryan Loree - Director*

Bryan Loree was previously the CFO of the Company from June 2008 to April 2019. Mr. Loree is the CFO of TGS Esports Inc., an Esports company listed on the TSXV., CFO of KABN Systems NA Holdings Corp., an industrial company listed on the CSE, and as CFO and director of Cannabix Technologies Inc., a technology company listed on the CSE. Mr. Loree also served as CFO and director of Isodiol International Inc., a company listed on the CSE, and served as CFO of Canadian Mining Corp., listed on the TSXV. Mr. Loree has held various senior accounting roles for public and private companies in various industries including, renewable energy, exploration, and construction. Mr. Loree holds a Chartered Professional Accountant, CMA designation, a Financial Management Diploma from the British Columbia Institute of Technology, and a Bachelor of Arts from Simon Fraser University.

#### *Veronika Hirsch - Director*

Veronika Hirsch was previously a Portfolio Manager with Arrow Capital Management Inc., and was a co-founder of Integrated Asset Management Corp., and served as a Vice President and Portfolio Manager at AGF Management Limited and Fidelity Investments Inc. Ms. Hirsch is a highly regarded Canadian equity manager with over 25 years' experience. Ms. Hirsch holds a Bachelor of Commerce degree from McGill University and is a fellow of the Life Management Institute.

## **14. Capitalization**

### **14.1 Issued Capital**

The following tables provide information about our capitalization as of the date of this Listing Statement:

<b>Issued Capital</b>	<b>Number of Securities (non-diluted)</b>	<b>Number of Securities (fully-diluted)</b>	<b>% of Issued (non-diluted)</b>	<b>% of Issued (fully diluted)</b>
<b>Public Float</b>				
Total Outstanding (A)	89,649,915	95,990,940	100.0%	100.0%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	43,153,938	47,000,090	49.3%	49.0%
<b>Total Public Float (A-B)</b>	<b>46,495,977</b>	<b>48,990,850</b>	<b>50.7%</b>	<b>51.0%</b>
<b>Freely-Tradeable Float</b>				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in shareholder agreement and securities held by control block holders (C)	14,718,000	14,718,000	16.4%	15.3%
<b>Total Tradeable Float (A-C)</b>	<b>74,931,915</b>	<b>81,272,940</b>	<b>83.6%</b>	<b>84.7%</b>

(1) Figures are reported to the best of the knowledge of management of the Company.

*Public Securityholders (Registered)*

The following table sets forth information regarding the number of registered “public securityholders” of the Company, being persons other than persons enumerated in section (B) of the Issued Capital table above:

Class of Security: Shares

<b>Size of Holding</b>	<b>Number of Holders</b>	<b>Total Number of Securities</b>
1-99 securities		
100-499 securities		
500-999 securities		
1,000-1,999 securities		
2,000-2,999 securities		
3,000-3,999 securities		
4,000-4,999 securities		
5,000 or more securities	20	29,806,347
<b>Total:</b>	<b>20</b>	<b>29,806,347</b>

*Public Securityholders (Beneficial)*

The following table sets forth information regarding the number of beneficial “public securityholders” of the Company, being persons other than persons enumerated in section (B) of the Issued Capital table above who either: (i) hold securities in their own name as registered shareholders; or (ii) hold securities through an intermediary where the Company has been given written confirmation of shareholdings:

Class of Security: Shares

<b>Size of Holding</b>	<b>Number of Holders</b>	<b>Total Number of Securities</b>
1-99 securities	2	55
100-499 securities	10	2,019
500-999 securities	6	3,572
1,000-1,999 securities	16	21,500
2,000-2,999 securities	13	32,122
3,000-3,999 securities	3	10,444
4,000-4,999 securities	4	16,700
5,000 or more securities	134	16,603,218

<b>Total:</b>	<b>188</b>	<b>16,689,630</b>
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#### *Non-Public Securityholders (Registered)*

The following table sets forth information regarding the number of registered “non-public securityholders of the Company, being persons enumerated in section (B) of the issued capital chart:

Class of Security: Shares

<b>Size of Holding</b>	<b>Number of Holders</b>	<b>Total Number of Securities</b>
1-99 securities	-	-
100-499 securities	-	-
500-999 securities	-	-
1,000-1,999 securities	-	-
2,000-2,999 securities	-	-
3,000-3,999 securities	-	-
4,000-4,999 securities	-	-
5,000 or more securities	6	43,153,938
<b>Total:</b>	<b>6</b>	<b>43,153,938</b>

#### **14.2 Convertible Securities**

As of the date of this Listing Statement, the Company does not have any outstanding securities convertible into Shares.

#### **14.3 Other Listed Securities**

The Company has no other listed securities reserved for issuance that are not included in section 14.2.

### **15. Executive Compensation**

#### **15.1 Statement of Executive Compensation**

Under National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”) and in accordance with Form 51-102F6 – *Statement of Executive Compensation*, requires the disclosure of certain financial and other information relating to the compensation of the Chief Executive Officer (“**CEO**”), Chief Financial Officer (“**CFO**”) and the three most highly compensated executive officer, other than the CEO and CFO, who was serving as an executive officer at the end of financial year ended December 31, 2020 and whose total compensation exceeded CAD\$150,000, for that financial year (collectively, “**NEO**” or the “**Named Executive Officers**”) and of the directors of the Company.

As of the year-ended December 31, 2020 the Company had two individuals that qualified as NEOs: Brian Bosse, President and CEO, and Marc Johnson, CFO. The independent directors of the Company are Douglas R. MacQuarrie, Bryan Loree and Veronika Hirsch.

#### **Compensation of Named Executive Officers**

The Company does not have a Compensation or Nominating Committee at the present time. All tasks related to developing and monitoring the Company’s approach to the compensation of officers of the Company and to developing and monitoring the Company’s approach to the nomination of directors to the Board are performed by the members of the Board. The compensation of the NEOs and the Company’s employees is reviewed, recommended and approved by the independent directors of the Company.

The objectives of the compensation program is to balance the need to offer competitive compensation compared to industry standards in order to attract and retain high-calibre executives against the need to provide compensation programs that are fair and reasonable from the perspective of shareholders.

The basic elements of the compensation program are base compensation, annual incentive bonuses and long-term Option incentives. If the Omnibus Plan Resolution is approved by Shareholders at the Meeting, the compensation program will also include other long-term security-based Awards.

*Base Salary, Consulting Fees, Retainer or Commission*

On an individual basis, base salaries, consulting fees, retainers and commissions are reviewed for each executive officer, including the CEO and CFO, and where it is deemed necessary, changes are made. In order to ensure that base compensation are competitive relative to other similar positions within the investment industry in Canada, surveys of such compensation may be examined. Other considerations taken into account when examining base compensation include years of experience, the potential contribution which the individual can make to the success of the Company and the level of responsibility and authority inherent in the job and the importance of maintaining internal equity within the organization.

#### *Annual Incentives*

The Board may recommend bonuses be paid to executive officers of the Company when their performance warrants additional consideration. There is currently no annual bonus plan and no compensation is directly tied to performance criteria.

#### *Security-Based Incentives*

Options to purchase the Shares of the Company encourage executive officers to own and hold the Company's Shares and are a method of linking the performance of the Company and the appreciation of share value to the compensation of the executive officer. When determining the number of Options granted to an executive officer, items such as the relative position of the individual officer, the contribution made by that officer during the review period and the number of Options granted previously would be taken into consideration. Options are presently awarded pursuant to the Existing Option Plan. If the Omnibus Plan Resolution is approved by Shareholders at the Meeting, the compensation program will also include other long-term security-based Awards.

#### *Perquisites*

Perquisites such as health benefits and other usual perquisites may be provided for executives in accordance with local practices in order.

#### **Employment, Consulting and Management Agreements**

The following are the material terms of each agreement or arrangement under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the company or any of its subsidiaries that were performed by a director, NEO or was performed by any other party but are services typically provided by a director or NEO.

- Brian Bosse: The Company signed an multi-year consulting agreement with Brian Bosse on October 2, 2019 through his consulting company, BlueSpring Investment Strategies Inc. ("BlueSpring"). As part of the agreement, as of January 1, 2020 BlueSpring is entitled to receive an annual base consulting fee of \$150,000 plus additional annual equity compensation of \$150,000. BlueSpring subsequently waived the 2020 and 2021 additional annual equity compensation.
- Marc Johnson: The Company has not signed a long-term consulting or employment agreement with Marc Johnson. His consulting company, MDJ Capital Inc., is entitled to receive a base consulting fee of \$5,000 per month plus additional hourly amounts based on hours billed to the Company.

#### *Termination And Change Of Control Benefits*

The following are the material termination and change of control benefits payable in respect of services provided to the Company or any of its subsidiaries that were performed by a director, NEO or was performed by any other party but are services typically provided by a director or NEO.

- The Company has an consulting agreement with Brian Bosse, who receives a base annual compensation of \$12,500 per month plus additional equity compensation of \$12,500 (which was waived for 2020 and 2021). His contract has a 12-month pay in lieu of termination notice, which increases by 1 month for each year of service as measured from March 2018. The termination notice period is tripled if the termination notice occurs during or following a change of control the Company.

The following table provides details regarding the estimated incremental payments from the Company to each of the NEOs upon termination in connection with a change of control in accordance with the above provisions, or upon termination without cause, assuming a triggering event occurs on December 31, 2019.

Name and Principal Position	Severance Period Without / With Change of Control (# of months)	Base Salary per Month (\$)	Termination Pay Without Change of Control (\$)	Termination Pay with Change of Control (\$)
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Brian Bosse, CEO, President and Director	15 months (45 months)	12,500	187,500	562,500

### Compensation of Directors

The directors of the Company currently do not receive cash payments for their services. However, such individuals are eligible to receive security-based compensation pursuant to the Existing Option Plan, and if approved by Shareholders at the Meeting, the Omnibus Plan.

### Summary Compensation Table

The following table is a summary of the compensation paid, directly or indirectly, to the Named Executive Officers and directors of the Company for the two most recently completed financial years:

COMPENSATION EXCLUDING COMPENSATION SECURITIES							
Name and Position	Fiscal Year	Salary, Consulting Fees, Retainer or Commision (\$)	Bonus (\$)	Director Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Brian Bosse, CEO, President and Director <sup>(A)</sup>	2020	150,000	Nil	Nil	Nil	36,751	186,571
	2019	80,000	Nil	Nil	Nil	Nil	80,000
Marc Johnson, CFO and Director <sup>(B)</sup>	2020	71,870	Nil	Nil	Nil	Nil	71,870
	2019	55,000	Nil	Nil	Nil	Nil	55,000
Bryan Loree, Director <sup>(C)</sup>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Douglas R. MacQuarrie, Director <sup>(D)</sup>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Veronika Hirsch, Director <sup>(E)</sup>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil

(A) Brian Bosse became the Chief Executive Officer on Marh 15, 2018 and a Director on January 5, 2017.

(B) Marc Johnson became the Chief Financial Officer on April 5, 2019 and a Director on November 13, 2018.

(C) Bryan Loree became a Director on June 12, 2008 and was the CFO from June 15, 2008 until April 5, 2019.

(D) Douglas R. MacQuarrie became a Director on April 13, 2016.

(E) Veronika Hirsch became a Director on May 15, 2019.

### Options and Other Compensation Securities

During the financial year ended December 31, 2020, the following compensation securities were granted or issued to the directors and Named Executive Officers by the Company:

COMPENSATION SECURITIES							
Name and Position	Type of Compnes ation Security	Number of Compensation Securities, Number of Underlying Securities and percentage of class (#)	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$)	Closing Price of Security or Underlying Security at year end (\$)	Expiriy Date
Brian Bosse, CEO, President and Director <sup>(A)</sup>	Stock Option	650,000	January 24, 2020	0.050	0.050	0.075	January 24, 2025
Marc Johnson, CFO and Director <sup>(B)</sup>	Stock Option	550,000	January 24, 2020	0.050	0.050	0.075	January 24, 2025

Bryan Loree, Director <sup>(C)</sup>	Stock Option	400,000	January 24, 2020	0.050	0.050	0.075	January 24, 2025
Douglas R. MacQuarrie, Director <sup>(D)</sup>	Stock Option	300,000	January 24, 2020	0.050	0.050	0.075	January 24, 2025
Veronika Hirsch, Director <sup>(E)</sup>	Stock Option	300,000	January 24, 2020	0.050	0.050	0.075	January 24, 2025

### Exercise of Options and Other Compensation Securities

During the financial year ended December 31, 2020, the following compensation securities were exercised by the directors and Named Executive Officers of the Company:

EXERCISE OF COMPENSATION SECURITIES							
Name and Position	Type of Compensation Security	Number of Underlying Securities Exercised (#)	Exercise Price per Security (\$)	Date of Exercise	Closing Price of Security on Date of Exercise (\$)	Difference Between Exercise Price and Closing Price on Date of Exercise (\$)	Total Value on Date of Exercise (\$)
Brian Bosse, CEO, President and Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Marc Johnson, CFO and Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bryan Loree, Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Douglas R. MacQuarrie, Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Veronika Hirsch, Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A

### Pension Plan Benefits

For the most recently completed financial year, the Company did not have any pension or retirement benefit plans and none are proposed at this time.

### Existing Option Plan

The Company has two (2) equity compensation plans approved by shareholders, being the 10% rolling long-term security-based incentive plan that was approved by shareholders on November 19, 2020 (the “LTIP Plan”) and the 10% rolling stock option plan that was approved by shareholders on April 11, 2019 (the 2019 Plan).

In respect to the 2019 Plan, no further awards have been or shall be granted under the 2019 Plan, all options granted under the 2019 Plan that remain outstanding shall continue to be governed by the terms and conditions of the 2019 Plan, the 2019 Plan will terminate on April 11, 2029, and the LTIP Plan replaced the 2019 Plan as the Company’s primary incentive plan on November 19, 2020.

The purpose of the LTIP Plan is to advance the interests of the Company, by providing an additional incentive to attract, retain and motivate highly qualified and competent persons who are key to the Company and upon whose efforts and judgment the success of the Company and its subsidiaries is largely dependent.

Pursuant to the LTIP Plan, the Board may from time to time, in its discretion, and in accordance with CSE requirements, grant to directors, officers, consultants and employees of the Company and its affiliates, security-based incentives, including stock options to acquire Common Shares at an exercise price for a period of up to five years from the date of the grant if the vesting provisions are satisfied, restricted share units (“RSUs”) that can be converted into Common Shares if the vesting provisions are satisfied, provided that the number of Common Shares reserved for issuance thereunder may not exceed 10% of the total issued and outstanding Common Shares at the date of the grant.

The following restrictions on the granting of incentives are applicable under the LTIP Plan:

- (a) The aggregate number of Shares that may be reserved for issuance pursuant to incentives granted to any one individual must not exceed 5% of the issued Common Shares of the Company (determined as at the Grant Date) in a 12-month period, unless the Company has obtained Disinterested Shareholder Approval.
- (b) The aggregate number of incentives granted to Eligible Persons engaged to provide Investor Relations Activities in a 12-month period must not exceed 2% of the issued Common Shares of the Company (determined as at the Grant Date) without the prior consent of CSE.
- (c) The aggregate number of incentives granted to any one Consultant in a 12-month period must not exceed 2% of the issued Common Shares of the Company (determined as at the Grant Date) without the prior consent of CSE.

In the event an incentive granted under the LTIP Plan expires unexercised, is terminated or is otherwise lawfully cancelled prior to exercise of the Option, the Shares that were issuable thereunder will be returned to the LTIP Plan and will be available again for an grant under this LTIP Plan.

If there is a Change of Control, then all outstanding incentives, whether fully vested and exercisable or remaining subject to vesting provisions or other limitations on exercise, shall be exercisable in full to enable the Shares subject to such incentives to be issued and tendered to such bid.

The Board will be responsible for the general administration of the LTIP Plan and the proper execution of its provisions, the interpretation of the LTIP Plan and the determination of all questions arising hereunder.

If required by the CSE Policies, the Company must obtain Disinterested Shareholder Approval of incentives if the incentives, together with any other Share Compensation Arrangement, could result at any time in:

- (a) the number of shares reserved for issuance under incentives granted to Insiders exceeding 10% of the issued Common Shares of the Company;
- (b) the grant to Insiders, within a 12-month period, of incentives exceeding 10% of the issued Common Shares of the Company; or
- (c) the issuance to any one participant, within a 12-month period, of a number of shares exceeding 5% of the issued Common Shares of the Company.

## **16. Indebtedness of Directors and Executive Officers**

### **16.1 Aggregate Indebtedness**

#### *Aggregate Indebtedness*

None of our directors or executive officers, proposed nominees for election as directors, or associates of any of them, is or has been indebted to us at any time since the beginning of the most recently completed financial year and no indebtedness remains outstanding as at the date of this Listing Statement.

#### *Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs*

No directors or executive officers of the Company, and associates of such directors or executive officers, are or were indebted to the Company as at the date of this Listing Statement.

## **17. Risk Factors**

Much of the information included in this report includes or is based upon estimates, projections or other forward-looking statements. Such forward-looking statements include any projections or estimates made by the Company and its management in connection with the Company's business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect the Company's current judgment regarding the direction of its business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. Except as required by law, the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of such statements.

Such estimates, projections or other forward-looking statements involve various risks and uncertainties as outlined below. The Company cautions readers of this report that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other forward-looking statements. In evaluating the Company, its business and any investment in its business, readers should carefully consider the following factors:

The Company's focus is to provide shareholders with long-term capital growth by investing in a portfolio of undervalued companies, assets, or investment vehicles within the mineral resource and other sectors, due to the unique difficulties and uncertainties inherent in such investments, the Company faces a high risk of business failure.

#### ***Risks Related to Proprietary Research Division***

*As the Company faces competition in the proprietary research sector, we will have to compete with the Company's competitors for clients and qualified employees.*

The Company's competition includes larger proprietary research companies with substantial capabilities and with greater financial and technical resources than the Company. As a result of this competition, the Company may have to compete for the recruitment and retention of qualified managerial and technical employees. If the Company is unable to successfully compete for qualified employees, the Company's expansion into new research products may be slowed down or suspended, which may cause the Company to be unprofitable.

#### ***Risks Related to Investment Portfolio***

*Because of the speculative nature of the debentures held in the investment portfolio, there is no assurance that the Company will realize a reasonable return on investment.*

The private company issuer does not currently have sufficient funding on its balance sheet to fully repay the debenture principal and accrued interest at maturity. As a result there is no assurance that the debenture issuer will be able to obtain sufficient funding the repay the debenture principal and accrued interest in full. Any shortfall may require the debenture issuer to restructure its operations, which could adversely affect the return on investment.

#### ***Risks Related to Mineral Exploration***

*Due to the unique difficulties and uncertainties inherent of mineral exploration investments, the Company faces a high risk of business failure.*

Potential investors should be aware of the difficulties normally encountered by mineral exploration companies and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration program that the Company intends to undertake on its properties and any additional properties that the Company may acquire. These potential problems include unanticipated problems relating to exploration, and additional costs and expenses that may exceed current estimates. The expenditures to be made by the Company in the exploration of its properties may not result in the discovery of mineral deposits. Any expenditures that the Company may make in the exploration of any other mineral property that it may acquire may not result in the discovery of any commercially exploitable mineral deposits. Problems such as unusual or unexpected geological formations and other conditions are involved in all mineral exploration and often result in unsuccessful exploration efforts. If the results of the Company's exploration do not reveal viable commercial mineralization, the Company may decide to abandon some or all of its property interests.

*Because of the speculative nature of the exploration of mineral properties, there is no assurance that the Company's exploration activities will result in the discovery of any quantities of mineral deposits on its current properties or any other additional properties the Company may acquire.*

The likelihood that any mineral properties that the Company may acquire or have an interest in will contain commercially exploitable mineral deposits is extremely remote. The Company may never discover mineral deposits in respect to its current properties or any other area, or the Company may do so and still not be commercially successful if the Company is unable to exploit those mineral deposits profitably.

The Company intends at this time to continue exploration on its current properties and the Company may or may not acquire additional interests in other mineral properties. The search for mineral deposits as a business is extremely risky. The Company can provide investors with no assurance that exploration on its current properties, or any other property that the Company may acquire, will establish that any commercially exploitable quantities of mineral deposits exist. Additional potential problems may



prevent the Company from discovering any mineral deposits. These potential problems include unanticipated problems relating to exploration and additional costs and expenses that may exceed current estimates. If the Company is unable to establish the presence of mineral deposits on its properties, its ability to fund future exploration activities will be impeded, the Company will not be able to operate profitably and investors may lose all of their investment in the Company.

*The potential profitability of mineral ventures depends in part upon factors beyond the control of the Company and even if the Company discovers and exploits mineral deposits, the Company may never become commercially viable and the Company may be forced to cease operations.*

The commercial feasibility of an exploration program on a mineral property is dependent upon many factors beyond the Company's control, including the existence and size of mineral deposits in the properties the Company explores the proximity and capacity of processing equipment, market fluctuations of prices, taxes, royalties, land tenure, allowable production and environmental regulation. These factors cannot be accurately predicted and any one or a combination of these factors may result in the Company not receiving an adequate return on invested capital. These factors may have material and negative effects on the Company's financial performance and its ability to continue operations.

*Exploration and exploitation activities are subject to comprehensive regulation which may cause substantial delays or require capital outlays in excess of those anticipated causing an adverse effect on the Company.*

Exploration and exploitation activities are subject to federal, provincial, state and local laws, regulations and policies, including laws regulating the removal of natural resources from the ground and the discharge of materials into the environment. Exploration and exploitation activities are also subject to federal, provincial, state and local laws and regulations which seek to maintain health and safety standards by regulating the design and use of drilling methods and equipment.

Environmental and other legal standards imposed by federal, provincial, state or local authorities may be changed and any such changes may prevent the Company from conducting planned activities or may increase its costs of doing so, which would have material adverse effects on its business. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus causing an adverse effect on the Company. Additionally, the Company may be subject to liability for pollution or other environmental damages that the Company may not be able to or elect not to insure against due to prohibitive premium costs and other reasons. Any laws, regulations or policies of any government body or regulatory agency may be changed, applied or interpreted in a manner which will alter and negatively affect the Company's ability to carry on its business.

#### *Loss of Interest in Properties*

The Company's ability to maintain an interest in the properties optioned by the Company will be dependent on its ability to raise additional funds by equity financing. Failure to obtain additional financing may result in the Company being unable to make the periodic payments required to keep the property interests in good standing and could result in the delay or postponement of further exploration and or the partial or total loss of the Company's interest in the properties optioned by the Company.

*Title to mineral properties is a complex process and the Company may suffer a material adverse effect in the event one or more of its property interests are determined to have title deficiencies.*

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has either staked property or entered into property option agreements or joint venture agreements on its existing Project interests, the Company cannot give an assurance that title to such property will not be challenged or impugned. Further, the Company cannot give an assurance that the existing description of mining titles will not be changed due to changes in policy, rulings, or law in the jurisdiction where the property is located. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company does not have title to one or more of its properties could cause the Company to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

The properties optioned by the Company may now or in the future be the subject of first nations land claims. The legal nature of aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Company's ownership interest in the properties optioned by the Company cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the area in which the properties optioned by the Company are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with first nations in order to facilitate exploration and development work on the properties optioned by the Company.

*As the Company faces intense competition in the mineral exploration and exploitation industry, the Company will have to compete with the Company's competitors for financing and for qualified managerial and technical employees.*

The Company's competition includes large established mining companies with substantial capabilities and with greater financial and technical resources than the Company. As a result of this competition, the Company may have to compete for financing and be unable to acquire financing on terms it considers acceptable. The Company may also have to compete with the other mining companies for the recruitment and retention of qualified managerial and technical employees. If the Company is unable to successfully compete for financing or for qualified employees, the Company's exploration programs may be slowed down or suspended, which may cause the Company to cease operations as a company.

#### ***Risks Related to financings, management and the common shares***

*Because the Company has never made a profit from its operations, the Company's securities are highly speculative and investors may lose all of their investment in the Company.*

The Company's securities must be considered highly speculative, generally because of the nature of its business and its stage of operations. The Company currently has investments in a subsidiary that is not currently profitable, an investment portfolio that generates coupon interest that offsets a portion of administrative costs and exploration stage properties which may not contain economic mineral deposits. Accordingly, the Company has not generated significant revenues nor has it realized a profit from its operations to date. Any profitability in the future from the Company's business will be dependent upon improving the profitability of its subsidiary, improving returns from the investment portfolio, and obtaining financing or completing option agreements to advance the exploration properties. The Company may not be able to operate profitably and may have to cease operations, the price of its securities may decline and investors may lose all of their investment in the Company.

*The Company's future is dependent upon its ability to obtain financing and if the Company does not obtain such financing, the Company may have to cease its exploration activities and investors could lose their entire investment.*

The Company will require additional financing to sustain its business operations if it is not successful in earning sufficient revenues to cover operating expenses. The Company will require additional financing in order to proceed with new investments in its proprietary research division, mineral exploration properties and other sectors. The Company currently does not have any arrangements for further financing and it may not be able to obtain financing when required. If the Company does not obtain such financing, its business could fail and investors could lose their entire investment.

*The Company's directors and officers are engaged in other business activities and accordingly may not devote sufficient time to the Company's business affairs, which may affect its ability to conduct operations and generate revenues.*

The Company's directors and certain officers are involved in other business activities. As a result of their other business endeavours, the directors and these officers may not be able to devote sufficient time to the Company's business affairs, which may negatively affect its ability to conduct its ongoing operations and its ability to generate revenues. In addition, the management of the Company may be periodically interrupted or delayed as a result of these other business interests.

*A decline in the price of the Company's common shares could affect its ability to raise further working capital and adversely impact its ability to continue operations.*

A prolonged decline in the price of the Company's common shares could result in a reduction in the liquidity of its common stock and a reduction in its ability to raise capital. Because a significant portion of the Company's new investments may be financed through the sale of equity securities, a decline in the price of its common shares could be especially detrimental to the Company's liquidity and its operations. Such reductions may force the Company to reallocate funds from other planned uses and may have a significant negative effect on the Company's business plan and operations, including its ability to develop new products and continue its current operations. If the Company's shares price declines, it can offer no assurance that the Company will be able to raise additional capital or generate funds from operations sufficient to meet its obligations. If the Company is unable to raise sufficient capital in the future, the Company may not be able to have the resources to continue its normal operations.

#### **18. Promoters**

The Issuer does not have promoters.

#### **19. Legal Proceedings**

We are not currently involved in any litigation that we believe could have a material adverse effect on our financial condition or results of operations. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of our Company or any of our subsidiaries, threatened against or affecting our company, our common stock, any of our subsidiaries or of our companies or our subsidiaries' officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

To the best of management's knowledge, the Company is not subject to any penalties or sanctions imposed by any court or regulatory authority relating to securities legislation or by a securities regulatory authority, nor has the Company entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that are necessary to provide full, true and plain disclosure of all material facts relating to the Company's securities or would be likely to be considered important to a reasonable investor making an investment decision.

## **20. Interest of Management and Others in Material Transactions**

No director or officer of the Company, nor any person who has held such a position since the beginning of the last completed financial year-end of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any material transactions.

## **21. Auditors, Transfer Agents and Registrars**

21.1 State the name and address of the auditor of the Issuer.

The Company's auditors are MNP LLP. The address of MNP LLP is 2185 Riverside Drive, Timmins, ON P4R 0A1.

21.2 Transfer Agent

TSX Trust is currently the Company's registrar and transfer agent. The address of TSX Trust's Vancouver office is 650 West Georgia Street, Suite 2700, Vancouver, BC V6B 4N9.

## **22. Material Contracts**

Other than as disclosed herein, the Company is not a party to any material contracts during the past two years from the date of this Listing Statement other than the following:

- Bluespring Consulting Agreement dated October 2, 2019 between the Company and Bluespring as described in our Listing Statement dated October 2, 2019
- Schieven Employment Agreement dated October 2, 2019 between the Company and Chantelle Schieven, as described in our Listing Statement dated October 2, 2019
- Escrow agreement dated October 2, 2019 between the Company, TSX Trust, Brian Bosse, Douglas R. MacQuarrie and Bryan Loree, as described in our Listing Statement dated October 2, 2019

## **23 Interest of Experts**

No person or corporation whose profession or business gives authority to a statement made by the person or corporation and who is named as having prepared or certified a part of this Listing Statement or as having prepared or certified a report or valuation described or included in this Listing Statement holds any beneficial interest, direct or indirect, in any securities or property of the Issuer or of an Associate or Affiliate and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Issuer or of an Associate or Affiliate.

## **24. Other Material Facts**

There are no other material facts other than as disclosed herein that are necessary to be disclosed in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Issuer for the fiscal year ended December 31, 2020.

## **25. Financial Statements**

Please refer to Schedule "A" for copies of the annual financial statements and management's discussion and analysis of the

Issuer for the fiscal year ended December 31, 2020.

**SCHEDULE “A”**  
**FINANCIAL STATEMENTS AND MD&A**



**IC CAPITALIGHT CORP.**

**Consolidated Financial Statements**

For the years ended December 31, 2020 and 2019

Expressed in Canadian Dollars

## **Independent Auditor's Report**

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To the Shareholders of IC Capitalight Corp. (formerly International Corona Capital Corp.):

### **Opinion**

We have audited the consolidated financial statements of IC Capitalight Corp. (formerly International Corona Capital Corp.) and its subsidiary (the "Company"), which comprise of the consolidated statement of financial position, consolidated statements of operations and comprehensive loss, cash flows and changes in shareholders' (deficit) equity for the years ended December 31, 2020 and December 31, 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2020 and December 31, 2019 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

### **Basis for Opinion**

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

### **Material Uncertainty Related to Going Concern**

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended December 31, 2020 and, as of that date, had an accumulated deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

### **Other Information**

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

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

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

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

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

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

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Blair Michael Mabee.

*MNP LLP*

Mississauga, Ontario

April 30, 2021

Chartered Professional Accountants

Licensed Public Accountants

**MNP**

**IC Capitalight Corp.**  
**Consolidated Statements of Financial Position**  
*Expressed in CAD Dollars*

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 76,176	\$ 645,775
Accounts receivable (note 3)	13,389	22,271
Amounts receivable (note 15)	42,525	34,687
Debenture interest receivable (note 4)	48,731	25,463
Prepaid expenses	22,630	16,624
<b>Total current assets</b>	<b>203,451</b>	<b>744,820</b>
Prepaid investment deposit (note 4)	-	506,250
Investments (note 4)	1,842,253	807,874
Intangible asset (note 5)	50,400	63,000
Goodwill (note 5)	189,000	189,000
Exploration and evaluation assets (note 6)	2	2
<b>Total Assets</b>	<b>\$ 2,285,106</b>	<b>\$ 2,310,946</b>
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities (note 15)	453,181	448,819
Deferred flow-through premium (note 13)	21,500	21,500
Deferred revenue (note 7)	134,692	98,248
Deferred obligation (note 8)	300,000	-
<b>Total current liabilities</b>	<b>909,373</b>	<b>568,567</b>
Long-term debt (note 14)	40,000	-
<b>Total Liabilities</b>	<b>949,373</b>	<b>568,567</b>
<b>Shareholders' Equity</b>		
Share capital (note 9)	8,216,854	8,145,552
Contributed surplus	746,885	613,208
Accumulated deficit	(7,628,006)	(7,016,381)
<b>Total Shareholders' Equity</b>	<b>1,335,733</b>	<b>1,742,379</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 2,285,106</b>	<b>\$ 2,310,946</b>

The accompanying notes are integral to these consolidated financial statements.

*Nature of Operations of Going Concern (note 1)*  
*Commitments (note 13)*  
*Subsequent events (note 19)*



**IC Capitalight Corp.**  
**Consolidated Statements of Operations and Comprehensive Loss**  
*Expressed in CAD Dollars*

	<b>The year ended on December 31, 2020</b>	<b>The year ended on December 31, 2019</b>
<b>Revenues</b>	\$ 296,537	\$ 81,330
<b>Operating expenses</b>		
Management fees (note 15)	258,441	80,000
Research payroll and benefits	256,983	59,788
Research consultants and services	120,278	35,469
Exploration and evaluation expenses (note 6)	105,685	35,479
Professional and legal fees (notes 12 and 15)	87,642	231,523
Public filing fees	26,708	56,441
Telecommunications	9,422	5,481
Travel expenses	10,899	10,560
Rent	19,200	3,247
Bad debts (note 3)	7,731	1,212
IT systems	16,586	-
General and administrative expenses	12,493	9,758
Insurance expenses	8,375	4,200
Bank fees	2,278	1,027
Amortization of brand value (note 5)	12,600	-
Impairment (note 5)	-	421,347
Interest (income) expense	250	(166)
Share-based compensation (notes 11 and 15)	121,714	-
Accretion of deferred obligation (note 8)	20,697	-
Foreign exchange (gain) loss	10,920	573
<b>Total operating expenses</b>	<b>1,108,902</b>	<b>955,939</b>
<b>Loss before other income</b>	<b>(812,365)</b>	<b>(874,609)</b>
Coupon income from debentures (note 4)	177,079	25,463
Unrealized gain on investments (note 4)	23,661	-
<b>Net loss and comprehensive loss for the year</b>	<b>\$ (611,625)</b>	<b>\$ (849,146)</b>
Weighted-average common shares (basic and diluted)	85,621,224	35,003,707
Net loss per common shares (basic and diluted)	\$ (0.01)	\$ (0.02)

The accompanying notes are integral to these consolidated financial statements.

**IC Capitalight Corp.**  
**Consolidated Statements of Cash Flows**  
*Expressed in CAD Dollars*

	<b>For the year ended December 31, 2020</b>	<b>For the year ended December 31, 2019</b>
<b>Cash flows from operating activities</b>		
<b>Net (loss) income for the year</b>	<b>\$ (611,625)</b>	<b>\$ (849,146)</b>
Add (deduct) items not affecting cash:		
Change in value of deferred obligation	20,697	-
Amortization of brand value	12,600	-
Share-based compensation	121,714	-
Share-based payments	38,630	-
Unrealized gain on investment	(23,661)	-
Impairment	-	421,347
Change in non-cash working capital balances:		
(Increase) decrease in accounts and amounts receivable	(22,224)	(50,210)
(Increase) decrease in prepaid expenses	(6,006)	28,826
Increase (decrease) in accounts payable and accrued liabilities	4,363	208,882
Increase (decrease) in deferred revenue	36,444	1,255
<b>Net cash from operating activities</b>	<b>(429,068)</b>	<b>(239,046)</b>
<b>Cash flows from investing activities</b>		
Cash acquired from Capitalight Research acquisition	-	25,637
Acquisition of debenture units	(225,166)	-
<b>Net cash from investing activities</b>	<b>(225,166)</b>	<b>25,637</b>
<b>Cash flows from financing activities</b>		
Proceeds from long-term debt	40,000	-
Proceeds from issuance of common shares	44,636	814,000
<b>Net cash from financing activities</b>	<b>84,636</b>	<b>814,000</b>
(Decrease) increase in cash and cash equivalents	(569,599)	600,591
Cash and cash equivalents - beginning of year	645,775	45,184
<b>Cash and cash equivalents - end of year</b>	<b>\$ 76,176</b>	<b>\$ 645,775</b>

The accompanying notes are integral to these consolidated financial statements.

**IC Capitalight Corp.**  
**Consolidated Statements of Changes in Shareholders' (Deficit) Equity**  
*Expressed in CAD Dollars*

	<b>Shares Outstanding</b>	<b>Share Capital</b>	<b>Contributed Surplus</b>	<b>Accumulated Deficit</b>	<b>Total Equity</b>
<b>Balance – December 31, 2018</b>	<b>34,252,230</b>	<b>5,626,779</b>	<b>613,208</b>	<b>(6,167,235)</b>	<b>72,752</b>
Private placement of common shares (note 8)	13,208,333	814,000	-	-	814,000
Fair value of flow-through premium (note 8, 12)	-	(21,500)	-	-	(21,500)
Acquisition of Murenbeeld & Co. Inc. (note 5)	6,666,667	400,000	-	-	400,000
Reclassification of share capital for escrow (note 5)	-	(127,851)	-	-	(127,851)
Acquisition of Stone Debentures (note 4)	28,227,500	1,693,650	-	-	1,693,650
Reclassification of share capital for escrow (note 4)	-	(379,526)	-	-	(379,526)
Shares issued for settlement of debt (note 8)	2,333,333	140,000	-	-	140,000
Net loss for the year	-	-	-	(849,146)	(849,146)
<b>Balance – December 31, 2019</b>	<b>84,688,063</b>	<b>8,145,552</b>	<b>613,208</b>	<b>(7,016,381)</b>	<b>1,742,379</b>
Shares issued for settlement of debt (note 9)	892,707	44,636	-	-	44,636
Shares issued for joint venture acquisition (notes 6 and 9)	666,666	26,667	-	-	26,667
Warrants issued for joint venture acquisition (notes 6 and 10)	-	-	11,963	-	11,963
Share based compensation	-	-	121,714	-	121,714
Net loss for the year	-	-	-	(611,625)	(611,625)
<b>Balance – December 31, 2020</b>	<b>86,247,436</b>	<b>\$ 8,216,854</b>	<b>\$ 746,885</b>	<b>\$ (7,628,006)</b>	<b>\$ 1,335,733</b>

The accompanying notes are integral to these consolidated financial statements.

## **1. Nature of Operations and Going Concern**

IC Capitalight Corp. (the “Company”) is incorporated under the British Columbia Business Corporations Act and has a fiscal year-end of December 31. The Company’s registered office is at 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC, V6C 3E8.

On October 2, 2019, the Company completed a change of business transaction whereby the Company changed its name from International Corona Capital Corp. to IC Capitalight Corp., acquired all of the issued and outstanding shares of Capitalight Research Inc. (“Capitalight Research”) and certain fixed income debentures of Stone Investment Group Limited (“Stone Debentures”). Prior to the change of business, the Company was focused only on the exploration and development of mineral projects.

The Company operates as a merchant bank that pursues value-based investment opportunities in accordance with its internal investment policies. The Company provides shareholders with long-term capital growth by investing in a portfolio of companies, securities and mineral properties. The securities portfolio consists primarily of Stone Debentures, which are generating positive cash flow on a quarterly basis. The Company’s portfolio consists of Capitalight Research Inc. (“Capitalight Research”), a wholly owned subsidiary, that operates a proprietary subscription research business that publishes reports focused on the gold and silver sectors, Canadian preferred shares, bonds and economics. Capitalight Research generates recurring revenues and is expected to generate positive operating cash flows as it achieves profitability. The mineral exploration portfolio consists of the Blue Lake Cu-Ni-Pt-Pd and the Ashuanipi Gold projects, which are at an early stage of exploration.

The Company does not pay dividends and is unlikely to do so in the immediate or foreseeable future.

These consolidated financial statements were approved by the Board of Directors on April 30, 2021.

### *Corporate Structure*

IC Capitalight Corp. owns 100% of Capitalight Research Inc., an Ontario company, which was acquired on October 2, 2019 and was formerly known as “Murenbeeld & Co Inc.”.

### *Going Concern Assumption*

The accompanying consolidated financial statements have been prepared on the basis of a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business.

As of December 31, 2020, the Company had an accumulated deficit of \$7,628,006 (December 31, 2019: \$7,016,381) and incurred a net loss and comprehensive loss of \$611,625 during the year ended December 31, 2020 (2019: \$849,146). As such, conditions exist that may cast significant doubt regarding the Company's ability to continue as a going concern. In assessing whether the going concern assumption is appropriate, management considers all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company's ability to continue operations is dependent on management's ability to manage its working capital and secure additional financing. Although management has been successful at securing additional financing in the past, there can be no assurance it will be able to do so in the future. These conditions may cast significant doubt about the Company’s ability to continue as a going concern. These consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore need to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements. These adjustments could be material.

### *COVID-19*

As of December 31, 2020, the outbreak of the novel strain of coronavirus and its variants, specifically identified as “COVID-19”, has continued to result in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak remains unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and conditions of the Company in future periods. COVID-19 has not had a material impact on the operations of the Company. During the year ended December 31, 2020, the Company received the Canada Emergency Business Account loan in the amount of \$40,000 (note 14).

## **2. Significant Accounting Policies**

### *Statement of compliance with IFRS*

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Accounting Standards (“IAS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the IFRS Interpretations Committee (“IFRIC”). The accounting policies adopted are consistent with those of the previous financial year.

The accounting policies applied in the preparation of the consolidated financial statements for the year ended December 31, 2020 are set out below.

### *Basis of measurement*

These consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies below.

### *Basis of consolidation*

These consolidated financial statements include the financial position, results of operation and cash flows of the Company and Capitalight Research, its wholly owned subsidiary. Intercompany balances, transactions, income and expenses, profits and losses, including gains and losses relating to the subsidiary have been eliminated on consolidation.

### *Significant accounting estimates, judgments and assumptions*

To prepare consolidated financial statements in conformity with IFRS, the Company must make estimates, judgements and assumptions concerning the future that affect the carrying values of assets and liabilities as of the date of the financial statements and the reported values of revenues and expenses during the reporting period. By their nature, these are uncertain and actual outcomes could differ from the estimates, judgments and assumptions.

The impacts of such estimates are pervasive throughout the consolidated 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 when the revision affects both current and future periods. Significant accounting judgments, estimates and assumptions are reviewed on an ongoing basis.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could have an effect on the amounts recognized in the consolidated financial statements relate to the following:

*Going concern:* The preparation of the consolidated financial statements requires management to make judgments and estimates regarding the ability to continue as a going concern.

*Impairment:* The preparation of the consolidated financial statements requires management to make judgments and estimates regarding cash flows and discount rates regarding the impairment of the fair value of financial assets carried at amortized costs and goodwill and intangible assets.

*Fair value of private investments (level 3):* The preparation of the consolidated financial statements requires management to make judgments regarding the fair value of the private company investments held by the Company. Where the fair values of investments cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, management’s judgment is required to establish fair values.

*Deferred taxes:* The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company’s ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management’s assessment of the Company’s ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred tax provisions or recoveries could be affected.

## **2. Significant Accounting Policies (continued)**

### *Financial instruments*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when the obligation under the liability is extinguished, discharged, cancelled or expired. Gains and losses on derecognition of financial assets and financial liabilities are recognized within financing income and financing expense, respectively.

Management determines the classification of financial assets and financial liabilities at initial recognition and, except in very limited circumstances, the classification is not changed subsequent to initial recognition. The classification depends on the purpose for which the financial instruments were acquired, their characteristics and/or management's intent. Transaction costs with respect to instruments not classified as fair value through profit or loss are recognized as an adjustment to the cost of the underlying instruments and amortized using the effective interest method.

The Company's financial instruments were classified in the following categories:

#### *Financial assets measured at fair value through profit or loss (FVTPL):*

An instrument is classified as fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. A financial asset is classified as fair value through profit or loss if acquired principally for the purpose of selling in the short term or if so, designated by management. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments.

Financial instruments included in this category are initially recognized at fair value and transaction costs are taken directly to earnings along with gains and losses arising from changes in fair value. All changes in their fair value are recorded through profit or loss.

The following financial assets are measured at fair value through profit or loss:

- Cash and cash equivalents
- Investments

#### *Financial assets measured at amortized cost:*

Financial assets measured at amortized cost are initially recognized at fair value net of transaction costs and are subsequently measured at amortized cost. Interest revenue on advances and loans receivable are recognized using the effective interest method.

The following financial assets are measured at amortized cost:

- Accounts receivable
- Amounts receivable (excluding HST)

#### *Impairment of financial assets measured at amortized costs:*

At each reporting date, the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired if there is objective evidence that the estimated future cash flows of the financial asset or the group of financial assets have been negatively impacted. Evidence of impairment may include indications that debtors are experiencing financial difficulty, default or delinquency in interest or principal payments, or other observable data which indicates that there is a measurable decrease in the estimated future cash flows.

If an impairment loss has occurred, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account, and the loss is recognized in financing expense. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of financing

income. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If an impairment is later recovered, the recovery is credited to financing income.

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets. Credit losses are defined as the difference between all the contractual cash flows that are due to an entity and the cash flows that it expects to receive. This difference is discounted at the original effective interest rate (or credit adjusted effective interest rate for purchased or originated credit-impaired financial assets). Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions, and forecasts of future economic conditions. In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk, whereby '12-month expected credit losses' are recognized ('Stage 1')
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low, whereby 'lifetime expected credit losses' are recognized ('Stage 2')
- financial assets that have objective evidence of impairment at the reporting date, whereby the asset is written off as there is no reasonable expectation of recovering all or any portion thereof ('Stage 3')

The Company applied the simplified approach in accounting for accounts receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The Company uses its historical experience, external indicators and forward-looking information to calculate the lifetime expected credit losses using a provision matrix.

For financial assets assessed as impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses.

Loss allowances for expected credit losses are presented in the consolidated statement of financial position as a deduction from the gross carrying amount of the financial asset.

*Financial liabilities measured at amortized cost:*

Financial liabilities are initially recognized at fair value net of transaction costs and are subsequently measured at amortized cost using the effective interest method except for derivatives and financial liabilities designated as FVTPL.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within accretion of deferred obligation, finance costs or finance income.

The following financial liabilities are measured at amortized cost:

- Accounts payable and accrued liabilities
- Deferred obligation
- Long-term debt

*Financial liabilities measured at fair value through profit or loss:*

Financial liabilities designated as FVTPL are initially recognized at fair value and transaction costs are taken directly to earnings along with gains and losses arising from changes in fair value. Derivative instruments, including embedded derivatives, are recorded at fair value unless exempted from derivative treatment as normal purchase and sale. All changes in their fair value are recorded through profit or loss.

*Fair Value*

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- 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 or indirectly
- Level 3: unobservable inputs for the asset or liability.

Both the binomial and Black Scholes valuation techniques are permitted under IFRS for fair value calculations.

## **2. Significant Accounting Policies (continued)**

### *Business combination*

A business combination is a transaction or event in which an acquirer obtains control of one or more businesses. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest), or generating other income from ordinary activities.

A business combination is accounted for using the acquisition method. The acquisition method has four steps: identifying the acquirer; determining the acquisition date; recognizing and measuring at fair value on the acquisition date the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree; and, recognizing and measuring goodwill or a gain from a bargain purchase. Goodwill is recognized as the aggregate consideration transferred less the acquisition value of net assets acquired. Identifiable intangible assets acquired in a business combination are recognized separately from goodwill. Deferred tax assets and liabilities are also recognized and measured. Acquisition related costs are expensed as incurred, except those incurred to issue debt or equity securities.

### *Goodwill*

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

### *Intangible assets*

Brand names acquired in a business combination that qualify for separate recognition are recognised as intangible assets at their fair values. All finite-lived intangible assets, including capitalised internally developed software, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date and are subject to impairment testing. When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, which is recognised in profit or loss within other income or other expenses.

### *Impairment of goodwill, other intangible assets and non-current assets*

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset or cash-generating unit recoverable amount exceeds its carrying amount.

### *Private company investments*

All privately held investments (including options, warrants and conversion features) are initially recorded at the transaction price, being the fair value at the time of acquisition. At the end of each reporting period, the fair value of an investment may (depending upon the circumstances) be adjusted using one or more of the valuation indicators described below. These are included in Level 3 of the fair value hierarchy (see Note 4).

The determination of fair value of the Company's privately held investments at other than initial cost, is subject to certain limitations. Financial information for private companies in which the Company has investments, may not be available and, even if available, that information may be limited and/or unreliable.



## **2. Significant Accounting Policies (continued)**

Use of the valuation approach described below may involve uncertainties and determinations based on management's judgment and any value estimated from these techniques may not be realized or realizable.

Company-specific information is considered when determining whether the fair value of a privately held investment should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, the Company will also consider trends in general market conditions and the share performance of comparable publicly traded companies when valuing privately held investments.

The fair value of a privately held investment may be adjusted if:

- i. There has been a significant subsequent equity financing provided by outside investors at a valuation different than the current value of the investee company, in which case the fair value of the investment is set to the value at which that financing took place;
- ii. There have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a material impact on the investee company's prospects and therefore its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be realized or realizable;
- iii. The investee company is placed into receivership or bankruptcy;
- iv. Based on financial information received from the investee company, it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern;
- v. Release by the investee company of positive/negative operational results; and
- vi. Important positive/negative management changes by the investee company that the Company's management believes will have a very positive/negative impact on the investee company's ability to achieve its objectives and build value for shareholders.

Adjustments to the fair value of a privately held investment will be based upon management's judgment and any value estimated may not be realized or realizable. The resulting values for non-publicly traded investments may differ from values that would be realized if a ready market existed.

In addition, the amounts at which the Company's privately held investments could be currently disposed of may differ from the carrying value assigned.

### *Revenue Recognition*

The following describes principal activities of Capitalight Research from which the Company generates revenue.

#### *Subscription Revenue*

Capitalight Research generates revenue from providing subscription services to proprietary research. Performance obligations are satisfied upon delivery of the weekly and monthly publications which are distributed through email.

Revenue is recognized over the useful life of the subscription, or the time frame which the customers have access to the publications. This provides a faithful depiction of the transfer of goods and services to the client as the subscription directly relates to these performance obligations. There have been no changes to the revenue recognition policy since Murenbeeld's incorporation.

Consideration is typically due from receipt of the invoice. The transaction price is determined by the type of customer as well as a fair price to pay for the subscription services to be rendered. This is determined through management's judgment as well as negotiations with customers.

#### *Paid-for Research Revenue*

Capitalight Research generates revenue from providing custom paid-for proprietary research. Performance obligations are satisfied upon delivery of the custom research report to the client. Revenue is recognized upon delivery to the client.

Consideration is typically due from receipt of the invoice. The transaction price is determined by the type of customer as well as a fair price to pay for the subscription services to be rendered. This is determined through management's judgment as well as negotiations with customers.

## **2. Significant Accounting Policies (continued)**

### *Deferred Revenue*

Deferred revenue consists of the remaining performance obligations relating to subscription or paid-for research revenues.

### *Share Capital*

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

### *Flow-through shares*

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resources property exploration expenditures. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

### *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### *Foreign Currency Translation*

The functional and reporting currency is the Canadian dollar for the Company and its subsidiary. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the consolidated statements of operations and comprehensive loss.

### *Income taxes*

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

## **2. Significant Accounting Policies (continued)**

### *Estimates*

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

### *Loss Per Share*

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all “in the money” stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive.

### *Comprehensive Loss*

Comprehensive loss is the change in the Company’s net assets that results from transactions, events and circumstances from sources other than the Company’s shareholders and includes items that are not included in the consolidated statements of operations and comprehensive loss.

### *Share-based Payments*

The grant date fair value of share-based payment awards granted to employees is recognized as share-based payments expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in the share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in the share-based payment reserve is credited to share capital, adjusted for any consideration paid.

### *Exploration and Evaluation Assets*

The Company records its interests in mineral properties and areas of geological interest at cost. All direct and indirect costs related to the acquisition of these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold or management has determined there to be impairment in value. The amounts shown for exploration and evaluation assets represent costs, net of impairment write-offs.

### *Mineral Exploration and Development Costs*

Exploration costs are charged to operations as incurred.

**3. Accounts Receivable**

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Current	\$ 6,395	\$ 13,517
1 - 30 days past due	4,833	6,700
30 – 60 days past due	-	2,620
60 – 90 days past due	2,782	-
> 90 days past due	-	-
	14,009	22,837
Lifetime expected credit losses	(620)	(566)
<b>Ending balance</b>	<b>13,389</b>	<b>22,271</b>

All categories of receivables are required to have a provision, even when they are not past due. The following is the provision matrix used to determine the lifetime expected credit losses:

	<b>Current</b>	<b>1-30 days</b>	<b>31-60 days</b>	<b>61-90 days</b>	<b>&gt;90 days</b>
Default rate	1%	3%	9%	15%	20%

The following is the movement in lifetime expected credit losses:

	<b>Movement in Lifetime Credit Losses</b>
Balance - December 31, 2018	\$ -
Loss allowance on Capitalight Research acquisition date	3,768
Loss allowance remeasurement	(3,202)
Balance - December 31, 2019	566
Loss allowance remeasurement	54
<b>Balance - December 31, 2020</b>	<b>\$ 620</b>

#### 4. Investments

As of December 31, 2020, the investment portfolio consisted of 2,599 debentures units, consisting of 2,599 debentures and 1,559,400 warrants, and 112,810 common shares issued by Stone Investment Group Limited (“Stone”), a private company that operates a 25-year-old mutual fund business with \$550 million of assets under management (“AUM”).

Stone initially issued 12,000 senior secured debenture units on December 28, 2006 due on December 28, 2011 earning 9% interest per annum paid in cash on a quarterly basis and additional deferred interest of 0.25% per annum per \$35 million of AUM that will be paid in cash at maturity. Each debenture unit consists of a debenture with a \$1,000 face value and 600 common share purchase warrants. The holders subsequently voted to modify the interest rate, additional deferred interest terms and extend the maturity until December 28, 2016. The holders subsequently voted to extend maturity until December 28, 2021. The debentures currently pay 7.5% interest per annum, payable in cash on a quarterly basis, and have been earning additional interest since December 31, 2007, which is estimated at approximately 27% of the principal is payable in cash at maturity. The warrants are exercisable at a price of 0.68 per common share until maturity of the debentures and are subject to a minimum company repurchase obligation of \$0.05 per warrant at maturity of the debentures on December 28, 2021.

The Company believes that Stone intends to propose another extension of the debenture maturity to the debenture holders. Further amendments to the debenture indenture agreement require approval by 66.66% of the holders. If 33.33% of the holders vote against further proposed amendments, the debenture maturity cannot be extended and will mature on December 28, 2021. As of December 31, 2020, the Company held 21.7% of the total outstanding Stone debentures and intends to make further purchases.

As of December 31, 2020, the 2,599 debentures had a total face value of \$2,599,000 and a carrying value of \$1,786,555 for a yield to maturity of 31.2% excluding additional interest. As of December 31, 2020, the 1,559,000 warrants had a total repurchase value of \$77,970 and a carrying value of \$55,698 for a yield to maturity of 28.6%. As of December 31, 2020, the 112,810 common shares had a carrying value of \$nil.

The Company’s investments portfolio consisted of the following securities as of December 31, 2020:

<b>Investments</b>	<b>Cost</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total Fair Value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Debentures	1,762,894	-	-	1,786,555	1,786,555
Warrants	-	-	-	55,698	55,698
Common shares	-	-	-	-	-
<b>Total investments</b>	<b>1,762,894</b>	<b>-</b>	<b>-</b>	<b>1,842,253</b>	<b>1,842,253</b>

The Company’s investments portfolio consisted of the following securities as of December 31, 2019:

<b>Investments</b>	<b>Cost</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total Fair Value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Debentures	807,874	-	-	807,874	807,874
Warrants	-	-	-	-	-
Common shares	-	-	-	-	-
<b>Total investments</b>	<b>807,874</b>	<b>-</b>	<b>-</b>	<b>807,874</b>	<b>807,874</b>

#### 4. Investments (continued)

##### *Level 3 fair value hierarchy*

The following table presents the changes in fair value measurements classified at Level 3 of the fair value hierarchy. The financial instruments are measured at fair value utilizing non-observable market inputs. The net realized gains (loss) on disposals of investments and the net change in unrealized gains (loss) on investments are recognized in the consolidated statements of operations and comprehensive loss.

<b>Year Ending</b>	<b>Opening Balance</b>	<b>Purchases / Loans</b>	<b>Transfers / Conversions</b>	<b>Net Proceeds</b>	<b>Realized Gains</b>	<b>Unrealized Gains</b>	<b>Ending Balance</b>
	\$	\$	\$	\$	\$	\$	\$
December 31, 2019	-	807,874	-	-	-	-	807,874
December 31, 2020	807,874	1,010,718	-	-	-	23,661	1,842,253

Within Level 3, the Company included private company investments and other investment instruments such as debentures and warrants which are not quoted on a recognized securities exchange. The key assumptions used in the valuation of these instruments include, but are not limited to, the value at which a recent financing was done by the investee, company-specific information, trends in general market conditions and the share performance of comparable publicly traded companies.

The following table presents the valuation techniques and the nature of significant inputs used to determine the fair values of the Level 3 investments as of December 31, 2020:

<b>Investments</b>	<b>Total Fair Value</b>	<b>Description of Method</b>	<b>Unobservable Inputs</b>	<b>Range of inputs and impact</b>
	\$			
Debentures	1,786,555	Internal model based on discounted value of expected cash flows, expected yield and credit ratings	Discount rate and credit rating	+/- 5% change in discount rate would result in an increase of \$81,402 and a decrease of \$79,787
Warrants	55,698	Internal model based on discounted value of expected cash flows and expected yield	Discount rate	+/- 5% change in discount rate would result in an increase of \$4,505 and a decrease of \$4,016
Common shares	-	Recent transaction price	Market price	\$nil
Total	1,842,253			

Within Level 3 of the fair value hierarchy, for those investments valued based on recent transactions, management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as of December 31, 2020.

The sensitivity analysis is intended to reflect the uncertainty inherent in the valuation of these investments under current market conditions, and its results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the fair value of these investments. Furthermore, the analysis does not indicate a probability of such changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of these investments.

##### *Debenture Interest Income*

During the year ended December 31, 2020, the Company recognized debenture interest income of \$177,079 (2019: \$25,463) and as of December 31, 2020 had a debenture interest receivable balance of \$48,731 (2019: 25,463).

**5. Goodwill and Intangible Assets**

On October 2, 2019, the Company recognized goodwill upon acquisition of Capitalight Research, which was determined using a value-in-use valuation model and is primarily related to personnel and future growth. None of the goodwill arising from the acquisition is deductible for tax purposes. Goodwill is tested for impairment immediately on the acquisition date and an impairment of goodwill of \$421,347 was recorded in the consolidated statement of operations and comprehensive (loss) income for the year ended December 31, 2019.

	<b>Goodwill Balance</b>
Balance - December 31, 2018	\$ -
Recognition	610,347
Impairment	(421,347)
Balance - December 31, 2019	189,000
Impairment	-
<b>Balance - December 31, 2020</b>	<b>\$ 189,000</b>

The key assumptions used in the value-in-use valuation model are those related to discount rates and revenue growth rates. The values of these assumptions reflect past experience. The after tax weighted average cost of capital was determined to be 17% (pre-tax of 23%) and is based on a risk-free rate, an equity premium adjusted for betas of comparable publicly traded companies, an unsystematic risk premium, an after-tax cost of debt based on the capital structure of publicly traded companies. The value-in-use valuation model used revenue growth rates of 5% to 20%, with a long-term growth rate of 1.9%.

On October 2, 2019, the Company recognized an intangible asset upon the acquisition of Capitalight Research and for the brand value of *Murenbeeld*, which is associated with Capitalight Research's flagship research publication. The brand value was determined using a 6% relief from royalty valuation mode and will be amortized over a period of five years.

	<b>Brand Value Balance</b>
Balance - December 31, 2018	\$ -
Recognition	63,000
Amortization	-
Balance - December 31, 2019	63,000
Amortization	(12,600)
<b>Balance - December 31, 2020</b>	<b>\$ 50,400</b>

**6. Exploration and Evaluation Assets**

	Blue Lake (Retty Lake)	Schefferville Ashuanipi	Total
Balance, December 31, 2019	\$ 1	\$ 1	\$ 2
Balance, December 31, 2020	\$ 1	\$ 1	\$ 2

*Blue Lake Property (Cu-Ni-Pt-Pd)*

On June 30, 2008, the Company entered into an option agreement to earn a 100% interest in the Blue Lake (formerly known as the Retty Lake Property) copper-nickel-PGM exploration property, which is located northeast of Schefferville, Quebec.

On February 12, 2013, the Company completed the earn-in by issuing 1,800,000 common shares and by incurring exploration expenditures on the property totaling \$1,855,000. This included a 2,377-line km VTEM and a 1,767-line km ProspecTEM airborne survey, which showed anomalous EM responses in the region of the historic Blue Lake mineral deposit (this historic deposit is hosted on claims not held by the Company). In 2014, the Company staked the Blue Lake South property, which is southeast of the historic Blue Lake mineral deposit. The Blue Lake South claims were staked after obtaining VTEM airborne and Pt-Pd sampling data from Anglo American Exploration (Canada).

The Blue Lake Property claims are subject to a 3% net smelter return royalty ("NSR") from the sale of mineral products from the Blue Lake Property following the commencement of commercial production less allowable deductions. The NSR is subject to a buy-back right of the Company to repurchase the NSR for \$3,000,000 and in the event the holder intends to sell all or part of the NSR, the Company has the right to require the holder to sell all or part of the NSR to the Company (the "NSR ROFR") on the terms and conditions set out in a notice which will be open for acceptance by the Company for a period of 30 days from receipt of the notice.

During the year ended December 31, 2017, the Company elected to write-down the carried value of the property to \$1 and most of the Blue Lake South claims were allowed to lapse.

On July 21, 2020, the Company announced it staked 194 high priority claims in the Blue Lake South area and renamed all of the claims as the Blue Lake Property.

As of December 31, 2020, the Blue Lake Property consisted of 263 claims covering 12,724 hectares. The Company now controls a 35km long by 3 to 5km wide group of contiguous claims on one of the most under explored and prospective Pt-Pd-Cu-Ni belts in Canada. Based on a review of all of the survey data, the Company has identified more 30 anomalous EM targets for follow-up. The Company will announce its plans for the property once they are finalized.

*Schefferville Ashuanipi Gold Property (Au)*

On June 15, 2011, the Company acquired a 55% interest in the Schefferville Ashuanipi Gold Property, which is located southwest of Schefferville, Quebec, by completing \$800,000 in exploration work, making cash payments totaling \$60,000 and issuing 300,000 common shares to Western Troy Capital Resources Inc ("Western Troy") to complete the earn-in. Upon completing the earn-in, the Company and Western Troy Capital Resources Inc formed a joint venture. As of December 31, 2016, the Company had increased its interest in the joint venture to 64% by incurring an additional \$375,973 in exploration expenditures. During the year ended December 31, 2017, the Company elected to write-down the carried value of the property to \$1 and certain claims were allowed to lapse.

On November 3, 2020, the Company announced it had acquired an undivided 100% interest in the Schefferville Ashuanipi Gold Property mineral claims by acquiring the remaining 36% of the joint venture. To complete the acquisition, the Company paid Western Troy a consideration of \$25,000 plus 666,666 common shares and 333,333 common share purchase warrants exercisable at \$0.075 per warrant for a period of two years. The common shares were valued at \$26,667 based on a market price of \$0.04 on November 2, 2020 and the warrants were valued using the Black-Scholes valuation model at \$11,963 based on a risk-free rate of 1.66% and a volatility of 250%. The total acquisition cost of \$63,630 was expensed as part of exploration and evaluation expenses.

The Schefferville Ashuanipi property currently consists of 48 claims covering 2,359 hectares. The Company will announce its plans for the property once they are finalized.

*Exploration and evaluation expenditures*

During the year ended December 31, 2020, the Company incurred property acquisition expenses of \$63,630 (2019: \$Nil), mineral claim management fees of \$38,683 (2019: \$16,741) and mineral exploration consulting fees of \$3,372 (2019: \$18,738).



**7. Deferred Revenue**

The balance of deferred revenue as of December 31, 2020 is expected to be recognized into income over the next fiscal year.

	<b>Deferred Revenue Balance</b>
Balance as of December 31, 2018	\$ -
Acquired Capitalight Research deferred revenues	96,992
Deferred revenue recognized into revenue where performance obligations have been completed	(29,381)
Additions to deferred revenue where performance obligations have not been completed	30,637
Balance as of December 31, 2019	\$ 98,248
Deferred revenue recognized into revenue where performance obligations have been completed	(98,248)
Additions to deferred revenue where performance obligations have not been completed	134,692
Balance as of December 31, 2020	\$ 134,692

**8. Deferred Obligations**

On March 30, 2020, pursuant to a debenture purchase agreement with an arm's length third-party, the Company completed the acquisition for investment purposes of 750 debenture units issued by Stone Investment Group Limited, which was recognized on the consolidated statements of financial position as an investment at the fair market value of the consideration. The consideration includes a deferred payment to the vendor of \$330,000 due upon maturity of the debentures on December 28, 2021, which was recognized as a deferred obligation.

The deferred obligation is measured at amortized cost and the initial fair value was calculated as the present value of the obligation based on a discount rate of 10%.

	<b>Deferred Obligation Balance</b>
Balance as of December 31, 2019	\$ -
Recognition of deferred obligation	279,303
Accretion of deferred obligation	20,697
Balance as of December 31, 2020	\$ 300,000

## **9. Share Capital**

The Company's common shares have no par value and the authorized share capital is composed of an unlimited number of common shares. As of December 31, 2020, the Company had 86,247,436 common shares issued and outstanding (December 31, 2019: 84,688,063). As of December 31, 2020, there were 19,624,001 common shares held in escrow (2019: 29,436,001) pursuant to the change of business transaction describe below.

### *Shares issued during the year ended December 31, 2020*

On January 28, 2020, the Company announced the completion of a shares for debt settlement whereby the Company settled total indebtedness of \$44,636 by issuing 892,707 common shares resulting in no gains or loss on the settlement. This was completed pursuant to certain employment agreements that contain provisions for the issuance of shares as part of the annual compensation of the employees.

On November 3, 2020, the Company announced it had acquired undivided 100% interest in the Schefferville Ashuanipi Gold Property mineral claims by acquiring the remaining 36% of the joint venture. To complete the acquisition, the Company paid Western Troy a consideration of \$25,000 plus 666,666 common shares and 333,333 common share purchase warrants exercisable at \$0.075 per warrant for a period of two years. The common shares were valued at \$26,667 based on a market price of \$0.04 on November 2, 2020.

### *Shares issued during the year ended December 31, 2019*

On October 2, 2019, the Company completed the change of business transaction ("COB"), which was approved at the annual general meeting of shareholders, whereby the company changed its name from International Corona Capital Corp. to IC Capitalight Corp., acquired all the issued and outstanding shares of Murenbeeld and certain fixed income debentures of Stone Debentures.

On October 2, 2019, the Company completed a 2:1 share consolidation resulting in the consolidation of all the 68,504,460 (pre-consolidation) common shares outstanding into 34,252,230 (post-consolidation) common shares. All references to the number of common shares have been adjusted retrospectively to reflect the 2:1 share consolidation for all periods disclosed in these consolidated financial statements.

On October 2, 2019, the Company closed a non-brokered private placement offering of 12,133,333 common shares at a price of \$0.06 and 1,075,000 flow-through common shares at a price of \$0.08 per share for aggregate gross proceeds of \$814,000. There were no finder's fees in relation to the private placement. The flow through premium associated with this financing was \$21,500.

Pursuant to a debenture purchase agreement with Bluespring, a company owned and controlled by Brian Bosse, a director and officer of the Company, the Company acquired the sole issued and outstanding common share in the capital of Capitalight Research by issuing 6,666,667 common shares at a price of \$0.06 per Share less discount for escrow period for a fair value of \$272,149.

Pursuant to the purchase agreement, the Company entered into an employment agreement with a key employee of Murenbeeld. As part of the agreement, the Company settled amounts owed to that employee by issuing 1,416,667 common shares at \$0.06 per share with a fair value of \$85,000. The Company also settled amounts owed to Bluespring for consulting services by issuing 916,666 common shares at \$0.06 per share with a fair value of \$55,000. No gain or loss was recognized on the settlement of debt as the fair value of common shares issued was equal to the carrying value of the liabilities.

Pursuant to a debenture purchase agreement with Bluespring, a company owned and controlled by Brian Bosse, a director and officer of the Company, the Company completed the acquisition of 1,347 debentures units with a face value of \$1,347,000 by issuing 19,790,000 common shares with a fair value of \$807,874. The Company entered into a debenture purchase agreement with an arm's length third-party to acquire 750 debenture units with a face value of \$750,000, the Company issued 8,437,500 common shares at \$0.06 per share which has closed subsequent to December 31, 2019.

As a result of the COB events, the Company had 84,688,063 common shares outstanding as of December 31, 2019.

# **10. Warrants**

The Black-Scholes option valuation model is used by the Company to determine the fair value of common share purchase warrants based on the market price, the exercise price, compound risk free interest rate, annualized volatility and number of periods until expiration. Each warrant entitles the holder to purchase one common share of the Company at the respective exercise price prior to or on the respective expiration date.

As of December 31, 2020, the Company had 333,333 common share purchase warrants issued and outstanding (December 31, 2019: nil) with a weighted average expiration of 1.84 years (December 31, 2019: nil years) which are exercisable into 333,333 common shares (December 31, 2019: nil common shares) at a weighted average exercise price of \$0.075 (December 31, 2019: \$0.00).

## *Continuity Schedule*

The following is a schedule of the outstanding common share purchase warrants for the year ended December 31, 2020:

<b>Issued Date</b>	<b>Expiration Date</b>	<b>Exercise Price</b>	<b>Balance on December 31, 2019</b>	<b>Issued (Expired)</b>	<b>Exercised</b>	<b>Balance on December 31, 2020</b>
November 3, 2020	November 3, 2022	\$ 0.075	-	333,333	-	333,333
<b>Totals</b>			-	333,333	-	333,333

The following is a continuity schedule of the Company's outstanding common stock purchase options:

	<b>Weighted-Average Exercise Price</b>	<b>Number of Warrants</b>
Outstanding as of December 31, 2019	\$ -	-
Issued	0.075	333,333
Exercised	-	-
Expired	-	-
Outstanding as of December 31, 2020	\$ 0.075	333,333

## *Warrants issued during the year ended December 31, 2020*

On November 3, 2020, the Company announced it had acquired undivided 100% interest in the Schefferville Ashuanipi Gold Property mineral claims by acquiring the remaining 36% of the joint venture. To complete the acquisition, Capitalight paid Western Troy a consideration of \$25,000 plus 666,666 common shares and 333,333 common share purchase warrants exercisable at \$0.075 per warrant for a period of two years. The warrants were valued at \$11,963 using the Black-Scholes valuation model based on a risk-free rate of 1.66%, expected term of 2 years and a volatility of 250%.

## 11. Stock Options

The Company's stock option plan is restricted to a maximum of 10% of the issued and outstanding common shares. Under the stock option plan, the Company may grant stock options to directors, officers, employees and consultants. The Board of Directors administers the plan and determines the vesting and terms of each grant.

The Black-Scholes option valuation model is used by the Company to determine the fair value of stock option grants based on the market price, the exercise price, compound risk free interest rate, annualized volatility and number of periods until expiration. Each stock option entitles the holder to purchase one common share of the Company at the respective exercise price prior to or on the respective expiration date.

As of December 31, 2020, the Company had 2,700,000 stock options issued and outstanding (December 31, 2019: Nil) with a weighted average expiration of 4.07 years (December 31, 2019: Nil years) which are exercisable into 2,700,000 common shares (December 31, 2019: Nil common shares) at a weighted average exercise price of \$0.05 (December 31, 2019: \$0.00). All stock options that are currently outstanding vested on their grant date.

### *Continuity Schedule*

The following is a schedule of the outstanding stock options for the year ended December 31, 2020:

<b>Grant Date</b>	<b>Expiration Date</b>	<b>Exercise Price</b>	<b>Balance on December 31, 2019</b>	<b>Granted (Expired) (Cancelled)</b>	<b>Exercised</b>	<b>Balance on December 31, 2020</b>
January 24, 2020	January 24, 2025	\$ 0.05	-	2,700,000	-	2,700,000
<b>Totals</b>			-	2,700,000	-	2,700,000

The following is a continuity schedule of the Company's outstanding common stock purchase options:

	<b>Weighted-Average Exercise Price</b>	<b>Number of Stock Options</b>
Outstanding as of December 31, 2018	\$ 0.060	300,000
Granted	-	-
Exercised	-	-
Expired/cancelled	(0.060)	(300,000)
Outstanding as of December 31, 2019	\$ -	-
Granted	0.050	2,700,000
Exercised	-	-
Expired/cancelled	-	-
Outstanding as of December 31, 2020	\$ 0.050	2,700,000

### *Options granted during the year ended December 31, 2020*

On January 24, 2020, the Company announced that 2,700,000 incentive stock options have been granted to directors, officers and employees pursuant to the Company's stock option plan. The options have an exercise price of \$0.05 per share and are exercisable for a period of five years unless terminated pursuant to the terms of the stock option plan. The options were valued at \$121,714 using the Black-Scholes valuation model based on a risk-free rate of 1.66%, expected term of 5 years and a volatility of 146%.

**12. Professional Fees**

	<b>The year ended on December 31, 2020</b>	<b>The year ended on December 31, 2019</b>
Audit Fees	\$ 35,125	\$ 58,600
Tax advisory fees	4,500	-
Legal fees	24,918	162,884
Accounting fees	23,099	10,039
Total professional fees	\$ 87,642	\$ 231,523

**13. Commitments**

*Flow-Through Expenditure Commitments*

The Company completed a flow-through (“F/T”) share financing that involved a commitment to incur Canadian exploration expenditures (“CEEs”) prior to the end of specific calendar years and to renounce the CEE tax deductions to the subscribers. Flow-through shares and exploration expenditures qualifying as CEEs are defined in the Income Tax Act of Canada.

To help alleviate issues relating to COVID-19, the Department of Finance Canada announced a proposal in July 2020 that it would extend the timelines for incurring eligible expenses applicable to Issuers of flow-through shares renounced using the look-back rule in 2019 and 2020 by twelve months. The Company did not incur any flow-through eligible expenditures in 2020 and 2019.

The following tables sets out the flow-through expenditure commitments as of December 31, 2020:

<b>Series</b>	<b>2019 F/T Series</b>
Financing date	October 2, 2019
Renunciation date under look-back rule	December 31, 2019
Commitment deadline	December 31, 2021
Commitment amount	\$ 86,000
Less: F/T eligible expenditures incurred in 2019	-
Less: F/T eligible expenditures incurred in 2020	-
Estimated F/T expenditures remaining	\$ 86,000

#### **14. Long-Term Debt**

The Company's subsidiary Capitalight Research Inc. has a Canada Emergency Business Account (CEBA), which is not subject to an interest rate until after December 31, 2022 and has loan forgiveness provisions whereby 25% of the loan principal will be forgiven if 75% of the loan principal is repaid prior to December 31, 2022.

#### **15. Related Party Transactions and Balances**

Parties are related if one party has the direct or indirect ability to control or exercise significant influence over the other party in making operating and financial decisions. Parties are also related if they are subject to common control or common significant influence. A transaction is considered to be a related party transaction when there is a transfer of economic resources or financial obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the fair value.

Balances and transactions between the Company and its wholly owned subsidiary, which is a related party of the Company, have been eliminated and are not disclosed in this note.

Other related parties include companies controlled by key management personnel. Key management personnel are composed of the Board of Directors, Chief Executive Officer and Chief Financial Officer of the Company.

The following key management personnel related party transactions occurred during the year ended December 31, 2020 and 2019:

	<b>The year ended on December 31, 2020</b>	<b>The year ended on December 31, 2019</b>
Management consulting fees	258,441	80,000
Professional and legal fees	23,099	10,000
Share-based compensation	99,174	-
<b>Total</b>	<b>\$ 380,714</b>	<b>\$ 90,000</b>

The following key management related party balances existed as of December 31, 2020 and December 31, 2019:

	<b>As of December 31, 2020</b>	<b>As of December 31, 2019</b>
Accounts payable due to companies controlled by key management	\$ 147,069	\$ 47,270
Accrued liabilities due to companies controlled by key management	\$ 47,419	\$ -
Amounts receivable from companies controlled by key management	\$ 14,500	\$ -

## 16. Financial Instruments and Risks

The following disclosures are to enable users of the consolidated financial statements to evaluate the nature and extent of risks arising from financial instruments at the end of the reporting period:

### *Credit risk*

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of accounts receivables. The Company mitigates its credit risk on receivables through a review of the counterparties in which they do business.

The Company has credit risk arising from the potential from counterparty default on cash and cash equivalents, debentures, accounts receivable and amounts receivable, excluding HST. The Company manages this risk by ensuring that deposits are only held with large Canadian banks and financial institutions. The Company manages this risk by reviewing the credit worthiness of material new customers, monitors customer payment performance and, where appropriate, reviews the financial condition of existing customers.

### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. Liquidity risk arises from the Company's financial obligations and in the management of its assets, liabilities and capital structure. The Company manages this risk by regularly evaluating its liquid financial resources to fund current and long-term obligations and to meet its capital commitments in a cost-effective manner.

The main factors that affect liquidity include working capital requirements, capital-expenditure requirements and equity capital market conditions. The Company's liquidity requirements are met through a variety of sources, including cash and cash equivalents and equity capital markets.

As of December 31, 2020, the Company had a cash and cash equivalents balance of \$76,176 (December 31, 2019: \$645,775) to settle current liabilities of \$909,373 (December 31, 2019: \$568,567). Based on management's assessment of its past ability to obtain required funding, the Company believes that it will be able to satisfy its current and long-term obligations as they come due.

### *Market risks*

Market risk is the potential for financial loss from adverse changes in underlying market factors, including foreign exchange rates, commodity prices and interest rates.

- Interest rate risk is the sensitivity of the fair value or of the future cash flows of a financial instrument to changes in interest rates. The Company does not have any financial assets or liabilities that are subject to variable interest rates.
- Commodity price risk is the sensitivity of the fair value of, or of the future cash flows, from mineral assets. The Company manages this risk by monitoring mineral prices and commodity price trends to determine the appropriate timing for funding the exploration or development of its mineral assets, or for the acquisition or disposition of mineral assets. The Company does not have any mineral assets at the development or production stage carried at historical cost. The Company has expensed the acquisition and exploration costs of its exploration stage mineral assets.
- Currency risk is the sensitivity of amounts denominated in foreign currencies. The Company enters into certain transactions with customers and suppliers denominated in U.S. dollars for which the related revenues, expenses, cash, accounts receivable and accounts payable balances are subject to exchange rate fluctuations. As of December 31, 2020, and December 31, 2019, the following items are denominated in U.S. dollars (expressed in CAD in the table below):

	December 31, 2020	December 31, 2019
Cash and cash equivalents	\$ 15,107	\$ 19,572
Accounts receivable	40	2,318
Accounts payable and accrued liabilities	(13,057)	(10,394)
Net foreign exchange exposure	\$ 2,090	\$ 11,496
Impact of 10% change in foreign exchange rates	\$ 209	\$ 1,150

## **17. Capital Management**

There were no changes in the Company's approach to capital management during the year ended December 31, 2020.

In managing liquidity, the Company's primary objective is to ensure the entity can continue as a going concern while raising additional funding to meet its obligations as they come due. The Company's operations to date have been funded by issuing equity. The Company expects to improve the working capital position by securing additional financing.

The Company's investment policy is to provide shareholders with long-term capital growth by investing in a portfolio of undervalued companies, assets, or equity investment vehicles in the subscription research, recurring revenue, mineral exploration and asset management sectors of the North American market, but may also include investments in certain other sectors, including technology, transportation, and restructuring. Financial instruments are exposed to certain financial risks, which may include currency risk, credit risk, liquidity risk and interest rate risk.

The Company's investments are not currently profitable, as such the Company remains dependent on external financing to fund its operations and administrative costs. Management mitigates the risk and uncertainty associated with raising additional capital in current economic conditions through cost control measures that minimizes discretionary disbursements and reduces exploration expenditures that are deemed of limited strategic value.

The Company manages the capital structure (consisting of shareholders' equity) on an ongoing basis and adjusts in response to changes in economic conditions and risks characteristics of its underlying assets. Adjustments to the Company's capital structure may involve the issuance of new shares, assumption of new debt, acquisition or disposition of assets, or adjustments to the amounts held in cash, cash equivalents and short-term investments.

The Company is not subject to any externally imposed capital requirements other than the flow-through spending commitment (note 13).

### *Working capital balance*

As of December 31, 2020, the Company had a working capital deficiency of \$705,922 (December 31, 2019: surplus of \$176,253).



**18. Income Taxes**

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
<b>Net Loss (Income)</b>	<b>\$ (611,625)</b>	<b>\$ (849,146)</b>
Canadian statutory income tax rate	27%	27%
Income tax payable (recovery) at statutory rate	(165,140)	(229,269)
Tax rate changes and other adjustments	1,080	4,350
Non-deductible expenses	48,730	113,940
Acquisition of Stone Debentures	-	(51,240)
Acquisition of Murenbeeld	-	(43,250)
Change in tax benefits not recognized	115,330	205,469
Income tax provision	\$ -	\$ -
	<b>December 31, 2020</b>	<b>December 31, 2019</b>
<i>Deferred tax asset</i>		
Operating tax losses carried forward	\$ 13,360	\$ 16,700
<i>Deferred tax liability</i>		
Brand value	(13,360)	(16,700)
Net deferred tax liability	\$ -	\$ -

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

**18. Income Taxes (continued)**

*Unrecognized deferred tax assets*

Deferred taxes are provided as a result of temporary differences that arise due to the difference between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
<i>Deferred tax assets</i>		
Operating tax losses carried forward	\$2,764,350	\$2,334,600
Marketable Securities	355,870	379,526
Resource pools - Mineral Properties	1,229,620	1,105,190
Property and equipment	1,500	1,810
CEBA Loan	10,000	-
Net deferred tax liability	\$ 4,361,340	\$ 3,821,126

The operating tax losses carried forward expire as noted in the table below. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

The Company has operating tax losses carried forward that expire as follows:

	<b>Total</b>
2030	\$ 22,630
2031	450,410
2032	407,960
2033	-
2034	297,260
2035	190,510
2036	186,030
2037	287,860
2038	94,070
2039	500,920
2040	326,700
Total	\$ 2,764,350

## **19. Subsequent Events**

On February 15, 2021, the Company announced:

- The completion of a shares for debt settlement whereby the Company settled total indebtedness of \$299,661 by issuing 3,402,479 common shares and 1,207,692 restricted share units (“RSUs”). This was completed pursuant to certain employment agreements that contain provisions for the issuance of shares as part of the annual compensation of the employees. The RSUs will automatically vest on February 28, 2021. Vested RSUs will be convertible into common shares for no additional consideration and will expire on December 31, 2023.
- The Company granted of 600,000 RSUs pursuant to the hiring of a new sales consultant for Capitalight Research. The RSUs will vest on December 31, 2021 provided that certain gross sales milestones relating to the subscription research division have been achieved between January 1, 2021 to December 31, 2021. Vested RSUs will be convertible into common shares for no additional consideration and will expire on December 31, 2023.
- The Company granted 1,500,000 stock options to officers, directors and employees. All the Options vested immediately and have an exercise price of \$0.065 per Share and are exercisable for a period of five years.

On February 16, 2021, the Company announced the sale of its Schefferville Ashuanipi Gold Project and related exploration data to Ethos Gold Corp. The Company received \$50,000 upon signing and received 2,000,000 shares of Ethos. Upon closing the Company will receive another \$50,000 in cash and a 2.0% net smelter royalty (“NSR”), which can be reduced to 1.0% for a further payment of \$1.0 million in cash. The fair value of the Ethos shares based on the closing market price of \$0.18 immediately prior to announcing the transaction was \$360,000. Ethos has also committed to spending \$500,000 over three years on the claims with any shortfall resulting in an additional cash payment to the Company of \$100,000 prorated based on any shortfall in the spending commitment. If the commitment is fully satisfied, then no additional payment will be owed. The final closing is expected to occur in May 2021 upon obtaining confirmation of the transfer of the mineral claims from the Quebec government.



**IC CAPITALIGHT CORP.**

**Management's Discussion And Analysis (MD&A)**

For the years ended December 31, 2020 and 2019

Expressed in Canadian Dollars

## **Introduction**

This Management's Discussion and Analysis (MD&A) is intended to help the reader understand IC Capitalight Corp.'s operations, financial performance, financial condition and business plans.

This MD&A, which has been prepared as of April 30, 2021, should be read in conjunction with the Company's financial statements for the year ended December 31, 2020.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by International Accounting Standards Board ("IASB"). The presentation and functional currency of the Company is the Canadian dollar.

References to "Capitalight", "Company", "we", "us", "our", refer to IC Capitalight Corp. and its consolidated subsidiaries unless the context indicates otherwise. All amounts are in Canadian dollars, unless otherwise indicated.

## **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this report. These are based on current expectations, estimates and assumptions that involve several known and unknown risks, uncertainties and other factors that could cause actual results to vary and, in some instances, to differ materially from those anticipated by the Company and described in the forward-looking statements. These risks include, but are not limited to, access to sufficient capital, legal and accounting risks, potential loss of key personnel, sales and marketing issues, operating cost overruns, technology issues, title disputes and compliance with various regulators. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) a decreased demand or price of our research products (3) a decreased value of our investments (4) inability to locate, acquire or divest of mineral property interests, (5) the uncertainty of our operating costs, (6) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (7) other factors beyond our control. There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

## **DESCRIPTION OF BUSINESS**

IC Capitalight Corp. (the "Company") is incorporated under the British Columbia Business Corporations Act and has a fiscal year-end of December 31. The Company's registered office is at 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC, V6C 3E8.

On October 2, 2019, the Company completed a change of business transaction whereby the company changed its name from International Corona Capital Corp. to IC Capitalight Corp., acquired all of the issued and outstanding shares of Capitalight Research Inc. ("Capitalight Research") and certain fixed income debentures of Stone Investment Group Limited ("Stone Debentures"). Prior to the change of business, the Company was focused only on the exploration and development of mineral projects.

The Company operates as a merchant bank that pursues value-based investment opportunities in accordance with its internal investment policies. The Company provides shareholders with long-term capital growth by investing in a portfolio of companies, securities and mineral properties. The securities portfolio consists primarily of Stone Debentures, which are generating positive cash flow on a quarterly basis. The Company's portfolio consists of Capitalight Research Inc., a wholly owned subsidiary, that operates a proprietary subscription research business that publishes reports focused on the gold and silver sectors, Canadian preferred shares, bonds and economics. Capitalight Research generates recurring revenues and is expected to generate positive operating cash flows as it achieves profitability. The mineral exploration portfolio consists of the Blue Lake Cu-Ni-Pt-Pd and the Ashuanipi Gold projects, which are both at an early stage of exploration.

The Company completed an initial public offering on June 28, 2010 and began trading on the TSX Venture Exchange (the "TSXV"). On October 3, 2019, the Company transferred the listing of its shares to the Canadian Securities Exchange (the "Exchange") under the symbol "IC".

## *Corporate Structure*

Capitalight Research was acquired by the Company on October 2, 2019. Capitalight Research was incorporated on January 31, 2017 pursuant to the laws of the Province of Ontario under the name Murenbeeld & Co. Inc. and was renamed as Capitalight Research Inc. on December 28, 2020.

#### *Employees and Consultants*

As of December 31, 2020, the Company had two employees and several consultants in addition to the Board of Directors, President & Chief Executive Officer and Chief Financial Officer. Certain professional, administrative and geological services are provided to the Company by independent consultants, including corporations and/or individuals who may be officers or directors of Capitalight.

#### *Dividends*

The Company does not pay dividends and is unlikely to do so in the foreseeable future.

### **PROPRIETARY RESEARCH**

Capitalight Research Inc. operates a proprietary research business which is focused on the gold and silver prices, Canadian preferred shares, bonds and economics. Capitalight Research publishes weekly and monthly research under several brands. Customers typically subscribe on an annual basis for several of the research products. Our subscriber base consists primarily of gold and silver mining companies interested in our commodity price forecasts and investment funds and wealth management companies interested in our preferred shares research, bond and economic forecasts. Our clients use our research products to inform their investment decisions, make capital allocation decisions, complete treasury operations and complete business risk assessments.

The Capitalight Research is expected to generate positive operating cash flows for the Company once it achieves profitability, which will require the Company to continue to increase research revenues while controlling its operating costs.

The following are our subscription research brands:

#### *Murenbeeld Gold Monitor*

The Gold Monitor is our flagship research publication, which is distributed internationally and has been published for nearly 40 years by Dr. Martin Murenbeeld. The Gold Monitor is published each Friday. The Gold Monitor features a gold price forecast that is based on quantitative research models that have been refined through many years of experience and analysis of the gold market.

#### *Silver Monitor*

We launched our new Silver Monitor in September 2020. The inaugural edition included our silver price forecast, which is based on quantitative research models.

#### *Canadian Preferred Share Research*

The CPSR report is published twice per month and is the leading research report covering the \$55 billion Canadian preferred share asset class. The report was launched in mid-2019 as a free publication and a subscription paywall was implemented in early 2020.

#### *Economic Monitor*

The Economic Monitor is published every other month and takes a deep dive into the current state of the Canadian and US economies. The report features topical articles and our proprietary interest and exchange rate forecasts.

#### *Equity and Bond Observer*

The Equity and Bond Observer focuses on equity and bond market valuations. Our proprietary models in this publication are based on the principles of Benjamin Graham who is recognized as “the father of value-investing”.

As of December 31, 2020, Capitalight Research had two employees and several consultants including Dr. Martin Murenbeeld.

### **INVESTMENTS**

As of December 31, 2020, the investment portfolio consisted of 2,599 debentures units, consisting of 2,599 debentures and 1,559,400 warrants, and 112,810 common shares issued by Stone Investment Group Limited (“Stone”), a private company that operates a 25-year-old mutual fund business with \$550 million of assets under management (“AUM”).

Stone initially issued 12,000 senior secured debenture units on December 28, 2006 due on December 28, 2011 earning 9% interest per annum paid in cash on a quarterly basis and additional deferred interest of 0.25% per annum per \$35 million of AUM that will be paid in cash at maturity. Each debenture unit consists of a debenture with a \$1,000 face value and 600 common share purchase warrants. The holders subsequently voted to modify the interest rate, additional deferred interest terms and extend the maturity until December 28, 2016. The holders subsequently voted to extend maturity until December 28, 2021. The debentures currently pay 7.5% interest per

annum, payable in cash on a quarterly basis, and have been earning additional interest since December 31, 2007, which is estimated at approximately 27% of the principal is payable in cash at maturity. The warrants are exercisable at a price of 0.68 per common share until maturity of the debentures and are subject to a minimum company repurchase obligation of \$0.05 per warrant at maturity of the debentures on December 28, 2021.

The Company believes that Stone intends to propose another extension of the debenture maturity to the debenture holders. Further amendments to the debenture indenture agreement require approval by 66.66% of the holders. If 33.33% of the holders vote against further proposed amendments, the debenture maturity cannot be extended and will mature on December 28, 2021. As of December 31, 2020, the Company held 21.7% of the total outstanding Stone debentures and intends to make further purchases.

As of December 31, 2020, the 2,599 debentures had a total face value of \$2,599,000 and a carrying value of \$1,786,555 for a yield to maturity of 31.2% excluding additional interest. As of December 31, 2020, the 1,559,000 warrants had a total repurchase value of \$77,970 and a carrying value of \$55,698 for a yield to maturity of 28.6%. As of December 31, 2020, the 112,810 common shares had a carrying value of \$nil.

## MINERAL EXPLORATION PROJECTS

The Company holds a portfolio of mineral exploration projects.

### *Blue Lake Property (Cu-Ni-Pt-Pd)*

On June 30, 2008, the Company entered into an option agreement to earn a 100% interest in the Blue Lake (formerly known as the Retty Lake Property) copper-nickel-PGM exploration property, which is located northeast of Schefferville, Quebec.

On February 12, 2013, the Company completed the earn-in by issuing 1,800,000 common shares and by incurring exploration expenditures on the property totaling \$1,855,000. This included a 2,377-line km VTEM and a 1,767-line km ProspecTEM airborne survey, which showed anomalous EM responses in the region of the historic Blue Lake mineral deposit (this historic deposit is hosted on claims not held by the Company). In 2014, the Company staked the Blue Lake South property, which is southeast of the historic Blue Lake mineral deposit. The Blue Lake South claims were staked after obtaining VTEM airborne and Pt-Pd sampling data from Anglo American Exploration (Canada).

The Blue Lake Property claims are subject to a 3% net smelter return royalty ("NSR") from the sale of mineral products from the Blue Lake Property following the commencement of commercial production less allowable deductions. The NSR is subject to a buy-back right of the Company to repurchase the NSR for \$3,000,000 and in the event the holder intends to sell all or part of the NSR, the Company has the right to require the holder to sell all or part of the NSR to the Company (the "NSR ROFR") on the terms and conditions set out in a notice which will be open for acceptance by the Company for a period of 30 days from receipt of the notice.

During the year ended December 31, 2017, the Company elected to write-down the carried value of the property to \$1 and most of the Blue Lake South claims were allowed to lapse.

On July 21, 2020, the Company announced it staked 194 high priority claims in the Blue Lake South area and renamed all of the claims as the Blue Lake Property.

The Capitalight claims now cover Pt-Pd-Cu-Ni showings in the Lac Hyland, Lost Lake, Notch Lake, Nancy Lake South, Lac Retty West, Blue Lake North, Pogo Centre, Blue Lake and Berry Lake areas. The new claims cover the southern extension of the mineralized "middle and upper peridotite sill" units southeast of the extensively drilled Blue Lake Pt-Pd-Cu-Ni deposits, including some claims that were formerly within a special mining lease. The historical Blue Lake deposits, which are on an adjoining claim block not held by Capitalight, have historical resources in nine deposits that were outlined by approximately 550 drill holes and an underground bulk sample between 1950 and 1988 that were estimated to be 4.37 million tonnes at 0.87% Cu, 0.52% Ni, 0.84 g/t Pt+Pd (as reported by La Fosse Platinum Group and T. Clark, 1991).

Staking was guided by 2,377 l/km of VTEM and magnetic data flown for Anglo American Exploration Canada in 2011 on their former North American Nickel project claims which are largely covered by the new staking. This data was acquired by the Company and merged with 1,767 l/km of ProspecTEM and magnetic data flown by Capitalight (formerly Rockland) in 2010. The surveys demonstrated strong anomalous EM responses spatially associated with the target middle and upper peridotite sills. The highly conductive pyrite-pyrrhotite rich sulphide horizon occurring immediately below the middle peridotite unit, is thought to be related to the early stages of voluminous basaltic volcanism (Frarey, 1967; Rohon, 1989). This pyrite-pyrrhotite rich unit plays an important role in localizing Cu-Ni-PGE mineralization at the Blue Lake Property and marks a stratigraphic timeline localizing the largest Cu-Ni-PGE deposits (Clark and Wares, 2005).

As of December 31, 2020, the Blue Lake Property consisted of 263 claims covering 12,724 hectares. The Company now controls a 35km long by 3 to 5km wide group of contiguous claims on one of the most under explored and prospective Pt-Pd-Cu-Ni belts in Canada. Based on a review of all of the survey data, the Company has identified more 30 anomalous EM targets for follow-up. The Company will announce its plans for the property once they are finalized.

### *Schefferville Ashuanipi Gold Property (Au)*

On June 15, 2011, the Company acquired a 55% interest in the Schefferville Ashuanipi Gold Property, which is located southwest of Schefferville, Quebec, by completing \$800,000 in exploration work, making cash payments totaling \$60,000 and issuing 300,000 common shares to Western Troy Capital Resources Inc (“Western Troy”) to complete the earn-in. Upon completing the earn-in, the Company and Western Troy Capital Resources Inc formed a joint venture. As of December 31, 2016, the Company had increased its interest in the joint venture to 64% by incurring an additional \$375,973 in exploration expenditures. During the year ended December 31, 2017, the Company elected to write-down the carried value of the property to \$1 and certain claims were allowed to lapse.

On November 3, 2020, the Company announced it had acquired an undivided 100% interest in the Schefferville Ashuanipi Gold Property mineral claims by acquiring the remaining 36% of the joint venture. To complete the acquisition, the Company paid Western Troy a consideration of \$25,000 plus 666,666 common shares and 333,333 common share purchase warrants exercisable at \$0.075 per warrant for a period of two years. The common shares were valued at \$26,667 based on a market price of \$0.04 on November 2, 2020 and the warrants were valued using the Black-Scholes valuation model at \$11,963 based on a risk-free rate of 1.66% and a volatility of 250%. The total acquisition cost of \$63,630 was expensed as part of exploration and evaluation expenses.

The Schefferville Ashuanipi property currently consists of 48 claims covering 2,359 hectares.

On February 16, 2021, the Company announced the sale of its Schefferville Ashuanipi Gold Project and related exploration data to Ethos Gold Corp. The Company received \$50,000 upon signing and received 2,000,000 shares of Ethos. Upon closing the Company will receive another \$50,000 in cash and a 2.0% net smelter royalty (“NSR”), which can be reduced to 1.0% for a further payment of \$1.0 million in cash. The fair value of the Ethos shares based on the closing market price of \$0.18 immediately prior to announcing the transaction was \$360,000. Ethos has also committed to spending \$500,000 over three years on the claims with any shortfall resulting in an additional cash payment to the Company of \$100,000 prorated based on any shortfall in the spending commitment. If the commitment is fully satisfied, then no additional payment will be owed. The final closing is expected to occur in May 2021 upon obtaining confirmation of the transfer of the mineral claims from the Quebec government.

### **DISCUSSION OF OPERATIONS**

During the year ended December 31, 2020, the Company generated revenues of \$296,537 (2019: \$81,330) from proprietary research and earned \$177,079 (2019: \$25,463) from debenture coupon interest resulting in a net loss and comprehensive loss of \$611,625 (2019: \$849,146). In particular, the Company worked to increase annual subscriptions to its proprietary research products and improve overall profitability of the research division. The Company also acquired additional debenture units, completed the acquisition of 100% ownership of the Schefferville Ashuanipi Property pursued several investment and business development opportunities.

### *Future Outlook*

During 2021, the Company will focus on the following:

- Generating positive cash flows from and achieving profitability at Capitalight Research
- Increasing the value of the investment portfolio through the acquisition of additional debentures of Stone Investment Group
- Ensuring the debentures of Stone Investment Group mature on December 28, 2021 as per the indenture agreements
- Divesting of the Ashuanipi Gold mineral property in return for cash, shares and a royalty
- Maximizing the value of the Blue Lake mineral property



*Financial Results for the year ended December 31, 2020 and 2019*

	<b>The year ended on December 31, 2020</b>	<b>The year ended on December 31, 2019</b>	<b>The three months ended on December 31, 2020</b>	<b>The three months ended on December 31, 2019</b>
<b>Revenues</b>	\$ 296,537	\$ 81,330	\$ 60,526	\$ 81,330
<b>Operating expenses</b>				
Management fees	258,441	80,000	95,971	40,000
Research payroll and benefits	256,983	59,788	69,951	59,788
Research consultants and services	120,278	35,469	28,153	35,469
Exploration and evaluation expenses	105,685	35,479	67,419	5,097
Professional and legal fees	87,642	231,523	40,834	78,248
Public filing fees	26,708	56,441	9,217	22,355
Telecommunications	9,422	5,481	5,217	5,481
Travel expenses	10,899	10,560	660	10,560
Rent	19,200	3,247	4,800	3,247
Bad debts	7,731	1,212	3,834	1,212
IT systems	16,586	-	3,971	-
General and administrative expenses	12,493	9,758	1,989	8,182
Insurance expenses	8,375	4,200	2,100	2,100
Bank fees	2,278	1,027	790	1,027
Amortization of brand value	12,600	-	3,150	-
Impairment	-	421,347	-	421,347
Interest (income) expense	250	(166)	120	(166)
Share-based compensation	121,714	-	121,714	-
Accretion of deferred obligation	20,697	-	13,261	-
Foreign exchange (gain) loss	10,920	573	3,078	573
<b>Total operating expenses</b>	<b>1,108,902</b>	<b>955,939</b>	<b>476,228</b>	<b>694,520</b>
<b>Loss before other (loss) income</b>	<b>(812,365)</b>	<b>(874,609)</b>	<b>(415,702)</b>	<b>(613,190)</b>
Coupon income from debentures	177,079	25,463	50,993	25,463
Unrealized gain on investments	23,661	-	23,661	-
<b>Net loss and comprehensive loss for the year</b>	<b>\$ (611,625)</b>	<b>\$ (849,146)</b>	<b>\$ (341,048)</b>	<b>\$ (587,727)</b>
Weighted-average common shares (basic and diluted)	85,621,224	35,003,707	86,010,399	84,127,665
Net loss per common shares (basic and diluted)	\$ (0.01)	\$ (0.02)	\$ (0.00)	\$ (0.01)

*Discussion of the year ended December 31, 2020 and 2019*

Management fees for the year ended December 31, 2020 increased to \$258,441 (2019: \$80,000) due to an increase in management activities by the CEO and the CFO.

Research salaries and benefits for the year ended December 31, 2020 increased to \$256,983 (2019: \$59,788) due to the acquisition of Capitalight Research on October 2, 2019 resulting in a comparative period of only three months. These expenses include the salaries of three employees in 2020 and two employees in 2019.

Research consultants and services expenditures for the year ended December 31, 2020 increased to \$120,278 (2019: \$35,469) due to the acquisition of Capitalight Research on October 2, 2019 resulting in a comparative period of only three months. These expenses include the fees for several consultants.

Exploration and evaluation expenses for the year ended December 31, 2020 increased to \$105,685 (2019: \$35,479) due to an increase in mineral claim management, renewal and new staking fees as compared to the prior year.

Professional and legal fees for the year ended December 31, 2020 decreased to \$87,642 (2019: \$231,523) due to a significant reduction in legal and auditor review fees related to the Change of Business transaction that was completed on October 2, 2019.

Share-based compensation for the year ended December 31, 2020 increased to \$121,714 (2019: \$nil) due to the granting of stock options under the Company's stock option plan for the first time in several years.

Coupon income from debentures for the year ended December 31, 2020 increased to \$177,079 (2019: \$25,463) due to the initial acquisition of debentures on October 2, 2019 resulting in a comparative period of only three months.

#### *Discussion of the three-months ended December 31, 2020 and 2019*

Management fees for the three-months ended December 31, 2020 increased to \$95,971 (2019: \$40,000) due to an increase in management activities by the CEO and the CFO.

Research salaries and benefits for the three-months ended December 31, 2020 increased to \$69,951 (2019: \$59,788) due to the acquisition of Capitalight Research on October 2, 2019 resulting in a comparative period of only three months. These expenses include the salaries of three employees in 2020 and two employees in 2019.

Research consultants and services expenditures for the three-months ended December 31, 2020 decreased to \$28,153 (2019: \$35,469) due fewer consultants in 2020 as compared to 2019. These expenses include the fees for several consultants.

Exploration and evaluation expenses for the three-months ended December 31, 2020 increased to \$67,419 (2019: \$5,097) due to an increase in mineral claim management, renewal and new staking fees as compared to the prior year.

Professional and legal fees for the three-months ended December 31, 2020 decreased to \$40,834 (2019: \$78,248) due to a significant reduction in legal and auditor review fees related to the Change of Business transaction that was completed on October 2, 2019.

Share-based compensation for the three-months ended December 31, 2020 increased to \$121,714 (2019: \$nil) due to the granting of stock options under the Company's stock option plan for the first time in several years.

Coupon income from debentures for the three-months ended December 31, 2020 increased to \$50,993 (2019: \$25,463) due to an increase in debentures as compared to the prior year.

#### *COVID-19*

As of December 31, 2020, the outbreak of the novel strain of coronavirus and its variants, specifically identified as "COVID-19", has continued to result in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak remains unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and conditions of the Company in future periods. COVID-19 has not had a material impact on the operations of the Company. During the year ended December 31, 2020, the Company received the Canada Emergency Business Account loan in the amount of \$40,000.

## **LIQUIDITY AND CAPITAL RESOURCES**

The following disclosures are to enable users of the consolidated financial statements to evaluate the nature and extent of risks arising from financial instruments at the end of the reporting period:

### *Credit risk*

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of accounts receivables. The Company mitigates its credit risk on receivables through a review of the counterparties in which they do business.

The Company has credit risk arising from the potential from counterparty default on cash and cash equivalents, accounts receivable and amounts receivable, excluding HST. The Company manages this risk by ensuring that deposits are only held with large Canadian banks and financial institutions. The Company manages this risk by reviewing the credit worthiness of material new customers, monitors customer payment performance and, where appropriate, reviews the financial condition of existing customers.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. Liquidity risk arises from the Company's financial obligations and in the management of its assets, liabilities and capital structure. The Company manages this risk by regularly evaluating its liquid financial resources to fund current and long-term obligations and to meet its capital commitments in a cost-effective manner.

The main factors that affect liquidity include working capital requirements, capital-expenditure requirements and equity capital market conditions. The Company's liquidity requirements are met through a variety of sources, including cash and cash equivalents and equity capital markets.

As of December 31, 2020, the Company had a cash and cash equivalents balance of \$76,176 (December 31, 2019: \$645,775) to settle current liabilities of \$909,373 (December 31, 2019: \$568,567). Based on management's assessment of its past ability to obtain required funding, the Company believes that it will be able to satisfy its current and long-term obligations as they come due.

#### *Market risks*

Market risk is the potential for financial loss from adverse changes in underlying market factors, including foreign exchange rates, commodity prices and interest rates.

- Interest rate risk is the sensitivity of the fair value or of the future cash flows of a financial instrument to changes in interest rates. The Company does not have any financial assets or liabilities that are subject to variable interest rates.
- Commodity price risk is the sensitivity of the fair value of, or of the future cash flows, from mineral assets. The Company manages this risk by monitoring mineral prices and commodity price trends to determine the appropriate timing for funding the exploration or development of its mineral assets, or for the acquisition or disposition of mineral assets. The Company does not have any mineral assets at the development or production stage carried at historical cost. The Company has expensed the acquisition and exploration costs of its exploration stage mineral assets.
- Currency risk is the sensitivity of amounts denominated in foreign currencies. The Company enters into certain transactions with customers and suppliers denominated in U.S. dollars for which the related revenues, expenses, cash, accounts receivable and accounts payable balances are subject to exchange rate fluctuations. As of December 31, 2020, and December 31, 2019, the following items are denominated in U.S. dollars (expressed in CAD in the table below):

	December 31, 2020	December 31, 2019
Cash and cash equivalents	\$ 15,107	\$ 19,572
Accounts receivable	40	2,318
Accounts payable and accrued liabilities	(13,057)	(10,394)
Net foreign exchange exposure	\$ 2,090	\$ 11,496
Impact of 10% change in foreign exchange rates	\$ 209	\$ 1,150

#### *Capital Management*

There were no changes in the Company's approach to capital management during the year ended December 31, 2020.

In managing liquidity, the Company's primary objective is to ensure the entity can continue as a going concern while raising additional funding to meet its obligations as they come due. The Company's operations to date have been funded by issuing equity. The Company expects to improve the working capital position by securing additional financing.

The Company's investment policy is to provide shareholders with long-term capital growth by investing in a portfolio of undervalued companies, assets, or equity investment vehicles in the subscription research, recurring revenue, mineral exploration and asset

management sectors of the North American market, but may also include investments in certain other sectors, including technology, transportation, and restructuring. Financial instruments are exposed to certain financial risks, which may include currency risk, credit risk, liquidity risk and interest rate risk.

The Company's investments are not currently profitable, as such the Company remains dependent on external financing to fund its operations and administrative costs. Management mitigates the risk and uncertainty associated with raising additional capital in current economic conditions through cost control measures that minimizes discretionary disbursements and reduces exploration expenditures that are deemed of limited strategic value.

The Company manages the capital structure (consisting of shareholders' equity) on an ongoing basis and adjusts in response to changes in economic conditions and risks characteristics of its underlying assets. Adjustments to the Company's capital structure may involve the issuance of new shares, assumption of new debt, acquisition or disposition of assets, or adjustments to the amounts held in cash, cash equivalents and short-term investments.

The Company is not subject to any externally imposed capital requirements other than the flow-through spending commitment (note 13).

#### *Working capital balance*

As of December 31, 2020, the Company had a working capital deficiency of \$705,922 (December 31, 2019: surplus of \$176,253).

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 76,176	\$ 645,775
Accounts receivable	13,389	22,271
Amounts receivable	42,525	34,687
Debenture interest receivable	48,731	25,463
Prepaid expenses	22,630	16,624
<b>Total current assets</b>	<b>203,451</b>	<b>744,820</b>
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	453,181	448,819
Deferred flow-through premium	21,500	21,500
Deferred revenue	134,692	98,248
Deferred obligation	300,000	-
<b>Total current liabilities</b>	<b>909,373</b>	<b>568,567</b>
<b>Working capital (deficit) surplus</b>	<b>\$ (705,922)</b>	<b>\$ 176,253</b>

#### *Cash and Cash Equivalents*

The Company's cash balances are deposited with major financial institutions in Canada.

#### *Sources and Uses of Cash*

The Company's ability to continue operations and fund its development expenditures is dependent on management's ability to secure additional financing. Management is actively pursuing such additional sources of financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

The following are the Company's cash flows from operating, investing and financing activities for the year ended December 31, 2020 and 2019:

	For the year ended December 31, 2020	For the year ended December 31, 2019
<b>Cash flows from operating activities</b>		
<b>Net (loss) income for the year</b>	<b>\$ (611,625)</b>	<b>\$ (849,146)</b>
Add (deduct) items not affecting cash:		
Change in value of deferred obligation	20,697	-
Amortization of brand value	12,600	-
Share-based compensation	121,714	-
Share-based payments	38,630	-
Unrealized gain on investment	(23,661)	-
Impairment	-	421,347
Change in non-cash working capital balances:		
(Increase) decrease in accounts and amounts receivable	(22,224)	(50,210)
(Increase) decrease in prepaid expenses	(6,006)	28,826
Increase (decrease) in accounts payable and accrued liabilities	4,363	208,882
Increase (decrease) in deferred revenue	36,444	1,255
Net cash from operating activities	(429,068)	(239,046)
<b>Cash flows from investing activities</b>		
Cash acquired from Capitalight Research acquisition	-	25,637
Acquisition of debenture units	(225,166)	-
Net cash from investing activities	(225,166)	25,637
<b>Cash flows from financing activities</b>		
Proceeds from long-term debt	40,000	-
Proceeds from issuance of common shares	44,636	814,000
Net cash from financing activities	84,636	814,000
(Decrease) increase in cash and cash equivalents	(569,599)	600,591
Cash and cash equivalents - beginning of year	645,775	45,184
<b>Cash and cash equivalents - end of year</b>	<b>\$ 76,176</b>	<b>\$ 645,775</b>

#### *Contractual Obligations and Commitments*

The Company does not have any contractual obligations or commitments other than trade accounts payable due within one-year, flow-through expenditure commitments, and deferred long-term debt obligations.

#### *Off-balance sheet arrangements*

The Company does not have off-balance sheet arrangements including any arrangements that would affect the liquidity, capital resources, market risk support and credit risk support or other benefits.

## TRANSACTIONS WITH RELATED PARTIES

Parties are related if one party has the direct or indirect ability to control or exercise significant influence over the other party in making operating and financial decisions. Parties are also related if they are subject to common control or common significant influence. A transaction is considered to be a related party transaction when there is a transfer of economic resources or financial obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the fair value.

Balances and transactions between the Company and its wholly owned subsidiary, which is a related party of the Company, have been eliminated and are not disclosed in this note.

Other related parties include companies controlled by key management personnel. Key management personnel are composed of the Board of Directors, Chief Executive Officer and Chief Financial Officer of the Company.

The following key management personnel related party transactions occurred during the year ended December 31, 2020 and 2019:

	<b>The year ended on December 31, 2020</b>	<b>The year ended on December 31, 2019</b>
Management consulting fees	258,441	80,000
Professional and legal fees	23,099	10,000
Share-based compensation	99,174	-
Total	\$ 380,714	\$ 90,000

The following key management related party balances existed as of December 31, 2020 and December 31, 2019:

	<b>As of December 31, 2020</b>	<b>As of December 31, 2019</b>
Accounts payable due to companies controlled by key management	\$ 147,069	\$ 47,270
Accrued liabilities due to companies controlled by key management	\$ 47,419	\$ -
Amounts receivable from companies controlled by key management	\$ 14,500	\$ -

## SELECTED ANNUAL INFORMATION

The following is selected information for the three most recently completed financial years:

	<b>December 31, 2020</b>	<b>Year Ended December 31, 2019</b>	<b>December 31, 2018</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenues	296,537	81,330	-
Debenture coupon interest	177,079	25,463	-
Net loss and comprehensive loss for the quarter	(611,625)	(849,146)	83,752
Basic and diluted loss per share for the quarter	(0.01)	(0.02)	0.00
Working capital balance	(705,922)	176,253	72,750

## SELECTED QUARTERLY RESULTS

The following is selected quarterly information for the eight most recently completed quarters:

	Quarter Ended			
	December 31,	September 30,	June 30,	March 31,
	2020	2020	2020	2020
	\$	\$	\$	\$
Revenues	60,526	86,961	63,653	85,397
Debenture coupon interest	50,993	45,416	41,029	39,641
Net loss and comprehensive loss for the quarter	(341,048)	(59,066)	(134,873)	(76,639)
Basic and diluted loss per share for the quarter	(0.00)	(0.00)	(0.00)	(0.00)
Working capital balance	(705,922)	(227,527)	(40,330)	147,401

	Quarter Ended			
	December 31,	September 30,	June 30,	March 31,
	2019	2019	2019	2019
	\$	\$	\$	\$
Revenues	81,330	-	-	-
Debenture coupon interest	25,463	-	-	-
Net loss and comprehensive loss for the quarter	(587,727)	(53,328)	(133,354)	(74,737)
Basic and diluted loss per share for the quarter	(0.01)	(0.00)	(0.00)	(0.00)
Working capital balance	176,253	(188,669)	(135,340)	(1,987)

## LEGAL PROCEEDINGS

We are not currently involved in any litigation that we believe could have a material adverse effect on our financial condition or results of operations. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of our Company or any of our subsidiaries, threatened against or affecting our company, our common stock, any of our subsidiaries or of our companies or our subsidiaries' officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

## DISCLOSURE OF OUTSTANDING SHARE DATA

### Common Shares

The Company's common shares have no par value and the authorized share capital is composed of an unlimited number of common shares. As of December 31, 2020, the Company had 86,247,436 common shares issued and outstanding (December 31, 2019: 84,688,063). As of December 31, 2020, there were 19,624,001 common shares held in escrow (2019: 29,436,001) pursuant to the change of business transaction describe below.

#### *Shares issued subsequent to December 31, 2020*

On February 15, 2021, the Company announced the completion of a shares for debt settlement whereby the Company settled total indebtedness of \$299,661 by issuing 3,402,479 common shares and 1,207,692 restricted share units ("RSUs") resulting in no gains or loss on the settlement. This was completed pursuant to certain employment agreements that contain provisions for the issuance of shares as part of the annual compensation of the employees. The RSUs will automatically vest on February 28, 2021. Vested RSUs will be convertible into common shares for no additional consideration and will expire on December 31, 2023.

#### *Shares issued during the year ended December 31, 2020*

On January 28, 2020, the Company announced the completion of a shares for debt settlement whereby the Company settled total indebtedness of \$44,636 by issuing 892,707 common shares resulting in no gains or loss on the settlement. This was completed pursuant

to certain employment agreements that contain provisions for the issuance of shares as part of the annual compensation of the employees.

On November 3, 2020, the Company announced it had acquired undivided 100% interest in the Schefferville Ashuanipi Gold Property mineral claims by acquiring the remaining 36% of the joint venture. To complete the acquisition, the Company paid Western Troy a consideration of \$25,000 plus 666,666 common shares and 333,333 common share purchase warrants exercisable at \$0.075 per warrant for a period of two years. The common shares were valued at \$26,667 based on a market price of \$0.04 on November 2, 2020.

#### *Shares issued during the year ended December 31, 2019*

On October 2, 2019, the Company completed the change of business transaction (“COB”), which was approved at the annual general meeting of shareholders, whereby the company changed its name from International Corona Capital Corp. to IC Capitalight Corp., acquired all the issued and outstanding shares of Murenbeeld and certain fixed income debentures of Stone Debentures.

On October 2, 2019, the Company completed a 2:1 share consolidation resulting in the consolidation of all the 68,504,460 (pre-consolidation) common shares outstanding into 34,252,230 (post-consolidation) common shares. All references to the number of common shares have been adjusted retrospectively to reflect the 2:1 share consolidation for all periods disclosed in these consolidated financial statements.

On October 2, 2019, the Company closed a non-brokered private placement offering of 12,133,333 common shares at a price of \$0.06 and 1,075,000 flow-through common shares at a price of \$0.08 per share for aggregate gross proceeds of \$814,000. There were no finder’s fees in relation to the private placement. The flow through premium associated with this financing was \$21,500.

Pursuant to a debenture purchase agreement with Bluespring, a company owned and controlled by Brian Bosse, a director and officer of the Company, the Company acquired the sole issued and outstanding common share in the capital of Capitalight Research by issuing 6,666,667 common shares at a price of \$0.06 per Share less discount for escrow period for a fair value of \$272,149.

Pursuant to the purchase agreement, the Company entered into an employment agreement with a key employee of Murenbeeld. As part of the agreement, the Company settled amounts owed to that employee by issuing 1,416,667 common shares at \$0.06 per share with a fair value of \$85,000. The Company also settled amounts owed to Bluespring for consulting services by issuing 916,666 common shares at \$0.06 per share with a fair value of \$55,000. No gain or loss was recognized on the settlement of debt as the fair value of common shares issued was equal to the carrying value of the liabilities.

Pursuant to a debenture purchase agreement with Bluespring, a company owned and controlled by Brian Bosse, a director and officer of the Company, the Company completed the acquisition of 1,347 debentures units with a face value of \$1,347,000 by issuing 19,790,000 common shares with a fair value of \$807,874. The Company entered into a debenture purchase agreement with an arm’s length third-party to acquire 750 debenture units with a face value of \$750,000, the Company issued 8,437,500 common shares at \$0.06 per share which has closed subsequent to December 31, 2019.

As a result of the COB events, the Company had 84,688,063 common shares outstanding as of December 31, 2019. As of December 31, 2019, the Company had 29,436,001 common shares held in escrow.

#### **Warrants**

The Black-Scholes option valuation model is used by the Company to determine the fair value of common share purchase warrants based on the market price, the exercise price, compound risk free interest rate, annualized volatility and number of periods until expiration. Each warrant entitles the holder to purchase one common share of the Company at the respective exercise price prior to or on the respective expiration date.

As of December 31, 2020, the Company had 333,333 common share purchase warrants issued and outstanding (December 31, 2019: nil) with a weighted average expiration of 1.84 years (December 31, 2019: nil years) which are exercisable into 333,333 common shares (December 31, 2019: nil common shares) at a weighted average exercise price of \$0.075 (December 31, 2019: \$0.00).

#### *Warrants issued during the year ended December 31, 2020*

On November 3, 2020, the Company announced it had acquired undivided 100% interest in the Schefferville Ashuanipi Gold Property mineral claims by acquiring the remaining 36% of the joint venture. To complete the acquisition, Capitalight paid Western Troy a consideration of \$25,000 plus 666,666 common shares and 333,333 common share purchase warrants exercisable at \$0.075 per warrant for a period of two years. The warrants were valued at \$11,963 using the Black-Scholes valuation model based on a risk-free rate of 1.66%, expected term of 2 years and a volatility of 250%.

#### **Stock Options and Restricted Share Units**



The Company's long-term inc is restricted to a maximum of 10% of the issued and outstanding common shares. Under the stock option plan, the Company may grant stock options and restricted share units ("RSUs") to directors, officers, employees and consultants. The Board of Directors administers the plan and determines the vesting and terms of each grant.

The Black-Scholes option valuation model is used by the Company to determine the fair value of stock option grants based on the market price, the exercise price, compound risk free interest rate, annualized volatility and number of periods until expiration. Each stock option entitles the holder to purchase one common share of the Company at the respective exercise price prior to or on the respective expiration date.

As of December 31, 2020, the Company had 2,700,000 stock options issued and outstanding (December 31, 2019: Nil) with a weighted average expiration of 4.07 years (December 31, 2019: Nil years) which are exercisable into 2,700,000 common shares (December 31, 2019: Nil common shares) at a weighted average exercise price of \$0.05 (December 31, 2019: \$0.00). All stock options that are currently outstanding vested on their grant date.

As of December 31, 2020, the Company had Nil RSUs issued and outstanding (December 31: 2019: Nil).

#### *Stock options and RSUs issued subsequent to December 31, 2020*

On February 15, 2021, the Company announced the completion of a shares for debt settlement whereby the Company settled total indebtedness of \$299,661 by issuing 3,402,479 common shares and 1,207,692 restricted share units ("RSUs"). This was completed pursuant to certain employment agreements that contain provisions for the issuance of shares as part of the annual compensation of the employees. The RSUs will automatically vest on February 28, 2021. Vested RSUs will be convertible into common shares for no additional consideration and will expire on December 31, 2023.

On February 15, 2021, the Company announced it granted 600,000 RSUs pursuant to the hiring of a new sales consultant for Capitalight Research. The RSUs will vest on December 31, 2021 provided that certain gross sales milestones relating to the subscription research division have been achieved between January 1, 2021 to December 31, 2021. Vested RSUs will be convertible into common shares for no additional consideration and will expire on December 31, 2023.

On February 15, 2021, the Company announced it granted 1,500,000 stock options to officers, directors and employees. All the Options vested immediately and have an exercise price of \$0.065 per Share and are exercisable for a period of five years.

#### *Options granted during the year ended December 31, 2020*

On January 24, 2020, the Company announced that 2,700,000 incentive stock options have been granted to directors, officers and employees pursuant to the Company's stock option plan. The options have an exercise price of \$0.05 per share and are exercisable for a period of five years unless terminated pursuant to the terms of the stock option plan. The options were valued at \$121,714 using the Black-Scholes valuation model based on a risk-free rate of 1.66%, expected term of 5 years and a volatility of 146%.

## **DIVIDENDS**

The Company has neither declared nor paid any dividends on its Common Shares. The Company intends to retain its earnings, if any, to finance growth and expand its operations and does not anticipate paying any dividends on its common shares in the foreseeable future.

## **CRITICAL ACCOUNTING ESTIMATES**

To prepare consolidated financial statements in conformity with IFRS, the Company must make estimates, judgements and assumptions concerning the future that affect the carrying values of assets and liabilities as of the date of the financial statements and the reported values of revenues and expenses during the reporting period. By their nature, these are uncertain and actual outcomes could differ from the estimates, judgments and assumptions.

The impacts of such estimates are pervasive throughout the consolidated 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 when the revision affects both current and future periods. Significant accounting judgments, estimates and assumptions are reviewed on an ongoing basis.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could have an effect on the amounts recognized in the consolidated financial statements relate to the following:

*Going concern:* The preparation of the consolidated financial statements requires management to make judgments and estimates regarding the ability to continue as a going concern.

*Impairment:* The preparation of the consolidated financial statements requires management to make judgments regarding the impairment of the fair value of financial assets carried at amortized costs, goodwill and intangible assets.

*Fair value of private investments (level 3):* The preparation of the consolidated financial statements requires management to make judgments regarding the fair value of the private company investments held by the Company. Where the fair values of investments cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, management's judgment is required to establish fair values.

*Deferred taxes:* The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred tax provisions or recoveries could be affected.

## **RISK FACTORS**

Much of the information included in this report includes or is based upon estimates, projections or other forward-looking statements. Such forward-looking statements include any projections or estimates made by the Company and its management in connection with the Company's business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect the Company's current judgment regarding the direction of its business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. Except as required by law, the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of such statements.

Such estimates, projections or other forward-looking statements involve various risks and uncertainties as outlined below. The Company cautions readers of this report that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other forward-looking statements. In evaluating the Company, its business and any investment in its business, readers should carefully consider the following factors:

The Company's focus is to provide shareholders with long-term capital growth by investing in a portfolio of undervalued companies, assets, or investment vehicles within the mineral resource and other sectors, due to the unique difficulties and uncertainties inherent in such investments, the Company faces a high risk of business failure.

### ***Risks Related to Proprietary Research Division***

*As the Company faces competition in the proprietary research sector, we will have to compete with the Company's competitors for clients and qualified employees.*

The Company's competition includes larger proprietary research companies with substantial capabilities and with greater financial and technical resources than the Company. As a result of this competition, the Company may have to compete for the recruitment and retention of qualified managerial and technical employees. If the Company is unable to successfully compete for qualified employees, the Company's expansion into new research products may be slowed down or suspended, which may cause the Company to be unprofitable.

### ***Risks Related to Investment Portfolio***

*Because of the speculative nature of the debentures held in the investment portfolio, there is no assurance that the Company will realize a reasonable return on investment.*

The private company issuer does not currently have sufficient funding on its balance sheet to fully repay the debenture principal and accrued interest at maturity. As a result there is no assurance that the debenture issuer will be able to obtain sufficient funding to repay the debenture principal and accrued interest in full. Any shortfall may require the debenture issuer to restructure its operations, which could adversely affect the return on investment.

### ***Risks Related to Mineral Exploration***

*Due to the unique difficulties and uncertainties inherent of mineral exploration investments, the Company faces a high risk of business failure.*

Potential investors should be aware of the difficulties normally encountered by mineral exploration companies and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration program that the Company intends to undertake on its properties and any additional properties that the Company may acquire. These potential problems include unanticipated problems relating to exploration, and additional costs and expenses that may exceed current estimates. The expenditures to be made by the Company in the exploration of its properties may not result in the discovery of mineral deposits. Any expenditures that the Company may make in the exploration of any other mineral property that it may acquire may not result in the discovery of any commercially exploitable mineral deposits. Problems such as unusual or unexpected geological formations and other conditions are involved in all mineral exploration and often result in unsuccessful exploration efforts. If the results of the Company's exploration do not reveal viable commercial mineralization, the Company may decide to abandon some or all of its property interests.

*Because of the speculative nature of the exploration of mineral properties, there is no assurance that the Company's exploration activities will result in the discovery of any quantities of mineral deposits on its current properties or any other additional properties the Company may acquire.*

The likelihood that any mineral properties that the Company may acquire or have an interest in will contain commercially exploitable mineral deposits is extremely remote. The Company may never discover mineral deposits in respect to its current properties or any other area, or the Company may do so and still not be commercially successful if the Company is unable to exploit those mineral deposits profitably.

The Company intends at this time to continue exploration on its current properties and the Company may or may not acquire additional interests in other mineral properties. The search for mineral deposits as a business is extremely risky. The Company can provide investors with no assurance that exploration on its current properties, or any other property that the Company may acquire, will establish that any commercially exploitable quantities of mineral deposits exist. Additional potential problems may prevent the Company from discovering any mineral deposits. These potential problems include unanticipated problems relating to exploration and additional costs and expenses that may exceed current estimates. If the Company is unable to establish the presence of mineral deposits on its properties, its ability to fund future exploration activities will be impeded, the Company will not be able to operate profitably and investors may lose all of their investment in the Company.

*The potential profitability of mineral ventures depends in part upon factors beyond the control of the Company and even if the Company discovers and exploits mineral deposits, the Company may never become commercially viable and the Company may be forced to cease operations.*

The commercial feasibility of an exploration program on a mineral property is dependent upon many factors beyond the Company's control, including the existence and size of mineral deposits in the properties the Company explores the proximity and capacity of processing equipment, market fluctuations of prices, taxes, royalties, land tenure, allowable production and environmental regulation. These factors cannot be accurately predicted and any one or a combination of these factors may result in the Company not receiving an adequate return on invested capital. These factors may have material and negative effects on the Company's financial performance and its ability to continue operations.

*Exploration and exploitation activities are subject to comprehensive regulation which may cause substantial delays or require capital outlays in excess of those anticipated causing an adverse effect on the Company.*

Exploration and exploitation activities are subject to federal, provincial, state and local laws, regulations and policies, including laws regulating the removal of natural resources from the ground and the discharge of materials into the environment. Exploration and exploitation activities are also subject to federal, provincial, state and local laws and regulations which seek to maintain health and safety standards by regulating the design and use of drilling methods and equipment.

Environmental and other legal standards imposed by federal, provincial, state or local authorities may be changed and any such changes may prevent the Company from conducting planned activities or may increase its costs of doing so, which would have material adverse effects on its business. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus causing an adverse effect on the Company. Additionally, the Company may be subject to liability for pollution or other environmental damages that the Company may not be able to or elect not to insure against due to prohibitive premium costs and other reasons. Any laws, regulations or policies of any government body or regulatory agency may be changed, applied or interpreted in a manner which will alter and negatively affect the Company's ability to carry on its business.

#### *Loss of Interest in Properties*

The Company's ability to maintain an interest in the properties optioned by the Company will be dependent on its ability to raise additional funds by equity financing. Failure to obtain additional financing may result in the Company being unable to make the periodic payments required to keep the property interests in good standing and could result in the delay or postponement of further exploration and or the partial or total loss of the Company's interest in the properties optioned by the Company.

*Title to mineral properties is a complex process and the Company may suffer a material adverse effect in the event one or more of its property interests are determined to have title deficiencies.*

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has either staked property or entered into property option agreements or joint venture agreements on its existing Project interests, the Company cannot give an assurance that title to such property will not be challenged or impugned. Further, the Company cannot give an assurance that the existing description of mining titles will not be changed due to changes in policy, rulings, or law in the jurisdiction where the property is located. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company does not have title to one or more of its properties could cause the Company to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

The properties optioned by the Company may now or in the future be the subject of first nations land claims. The legal nature of aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Company's ownership interest in the properties optioned by the Company cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the area in which the properties optioned by the Company are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with first nations in order to facilitate exploration and development work on the properties optioned by the Company.

*As the Company faces intense competition in the mineral exploration and exploitation industry, the Company will have to compete with the Company's competitors for financing and for qualified managerial and technical employees.*

The Company's competition includes large established mining companies with substantial capabilities and with greater financial and technical resources than the Company. As a result of this competition, the Company may have to compete for financing and be unable to acquire financing on terms it considers acceptable. The Company may also have to compete with the other mining companies for the recruitment and retention of qualified managerial and technical employees. If the Company is unable to successfully compete for financing or for qualified employees, the Company's exploration programs may be slowed down or suspended, which may cause the Company to cease operations as a company.

#### ***Risks Related to financings, management and the common shares***

*Because the Company has never made a profit from its operations, the Company's securities are highly speculative and investors may lose all of their investment in the Company.*

The Company's securities must be considered highly speculative, generally because of the nature of its business and its stage of operations. The Company currently has investments in a subsidiary that is not currently profitable, an investment portfolio that generates coupon interest that offsets a portion of administrative costs and exploration stage properties which may not contain economic mineral deposits. Accordingly, the Company has not generated significant revenues nor has it realized a profit from its operations to date. Any profitability in the future from the Company's business will be dependent upon improving the profitability of its subsidiary, improving returns from the investment portfolio, and obtaining financing or completing option agreements to advance the exploration properties. The Company may not be able to operate profitably and may have to cease operations, the price of its securities may decline and investors may lose all of their investment in the Company.

*The Company's future is dependent upon its ability to obtain financing and if the Company does not obtain such financing, the Company may have to cease its exploration activities and investors could lose their entire investment.*

The Company will require additional financing to sustain its business operations if it is not successful in earning sufficient revenues to cover operating expenses. The Company will require additional financing in order to proceed with new investments in its proprietary research division, mineral exploration properties and other sectors. The Company currently does not have any arrangements for further financing and it may not be able to obtain financing when required. If the Company does not obtain such financing, its business could fail and investors could lose their entire investment.

*The Company's directors and officers are engaged in other business activities and accordingly may not devote sufficient time to the Company's business affairs, which may affect its ability to conduct operations and generate revenues.*

The Company's directors and certain officers are involved in other business activities. As a result of their other business endeavours, the directors and these officers may not be able to devote sufficient time to the Company's business affairs, which may negatively affect its ability to conduct its ongoing operations and its ability to generate revenues. In addition, the management of the Company may be periodically interrupted or delayed as a result of these other business interests.

*A decline in the price of the Company's common shares could affect its ability to raise further working capital and adversely impact its ability to continue operations.*

A prolonged decline in the price of the Company's common shares could result in a reduction in the liquidity of its common stock and a reduction in its ability to raise capital. Because a significant portion of the Company's new investments may be financed through the sale of equity securities, a decline in the price of its common shares could be especially detrimental to the Company's liquidity and its operations. Such reductions may force the Company to reallocate funds from other planned uses and may have a significant negative effect on the Company's business plan and operations, including its ability to develop new products and continue its current operations. If the Company's shares price declines, it can offer no assurance that the Company will be able to raise additional capital or generate funds from operations sufficient to meet its obligations. If the Company is unable to raise sufficient capital in the future, the Company may not be able to have the resources to continue its normal operations.

## **INTERNAL CONTROLS OVER FINANCIAL REPORTING**

The Company has established procedures and internal control systems to ensure the timely and accurate preparation of financial, management and other reports. The Chief Executive Officer and Chief Financial Officer certify financial reports. Disclosure controls are in place to ensure all reporting meets statutory reporting requirements. The Company's management is responsible for establishing and maintaining adequate internal controls. These controls have been designed to provide reasonable, but not absolute, assurance with respect to the Company's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Internal controls, however well-conceived, will provide only reasonable and not absolute assurance that the objectives of the internal controls over financial reporting will be met. It should not be expected that the disclosure and internal controls and procedures would prevent all errors or fraud.

Due to the small size of the Company's finance department, there are a limited number of personnel handling accounting and financial matters and as a result, there is a lack of segregation of duties. Management believes that it has designed sufficient compensating internal controls to mitigate these limitations, including dual signatories on all cheques. Additional internal controls include audit committee and senior management review and oversight.

The Company's certifying officers, the Chief Executive Officer and the Chief Financial Officer, have reviewed the effectiveness of the design and operation of the Company's disclosure controls and procedures as a whole. Based on their review, including a review of the compensating controls relating to the lack of segregation of duties noted above, they have concluded that the Company's internal controls and procedures, as defined in National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Filings of the Canadian Securities Regulators, were effective overall.

## **DISCLOSURE CONTROLS AND PROCEDURES**

Disclosure controls and procedures are designed to provide reasonable, but not absolute, assurance that all material information is obtained, analyzed and reported to senior management on a timely basis in order for management to make reasonable decisions regarding public disclosure.

The Company's certifying officers, the Chief Executive Officer and the Chief Financial Officer, have reviewed the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on their review, they have concluded that the Company's disclosure controls and procedures, as defined in National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Filings of the Canadian Securities Regulators, were effective and provide reasonable assurance that information required to be disclosed in interim, annual and special filings are submitted under Canadian securities laws and are recorded, processed, summarized and reported in a timely fashion.

## **ADDITIONAL INFORMATION**

Additional information about the Company is available on SEDAR at <http://www.sedar.com>.