
SCOZINC MINING LTD.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED
JUNE 30, 2021 AND 2020
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

NOTICE TO READER

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements.

ScoZinc Mining Ltd.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (PRESENTED IN CANADIAN DOLLARS) (UNAUDITED)

As at	June 30, 2021	December 31, 2020
ASSETS		
Current		
Cash	\$ 23,196	\$ 243,354
Amounts receivable and prepaid expenses (Note 5)	54,228	60,490
	77,424	303,844
Cash held for reclamation (Note 3)	3,208,476	3,198,485
Property, plant and equipment (Note 4)	7,853,660	7,864,399
Exploration and evaluation assets (Note 6)	1,549,157	1,419,412
	12,611,293	12,482,296
	\$ 12,688,717	\$ 12,786,140
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 7)	\$ 326,675	\$ 259,386
Amounts payable to related parties (Note 12)	97,150	92,452
Promissory note payable (Note 14)	251,038	-
	674,863	351,838
Decommissioning liability (Note 8)	2,600,000	2,600,000
Loan payable (Note 13)	60,000	40,000
	3,334,863	2,991,838
SHAREHOLDERS' EQUITY		
Share capital (Note 9)	83,958,477	83,791,810
Warrants (Note 10(b))	1,031,722	1,031,722
Contributed surplus	890,183	841,538
Deficit	(76,526,528)	(75,870,768)
	9,353,854	9,794,302
	\$ 12,688,717	\$ 12,786,140

Nature of Operations and Going Concern (Note 1)
Subsequent Events (Note 15)

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

ScoZinc Mining Ltd.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(PRESENTED IN CANADIAN DOLLARS)
(UNAUDITED)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
EXPENSES				
Salaries and benefits (Note 15)	\$ 114,434	\$ 126,511	\$ 231,836	\$ 398,599
Office and general	44,649	51,200	69,006	115,252
Legal and accounting fees	39,022	31,789	58,463	49,946
Investor relations	114	60,284	1,547	65,310
Amortization (Notes 4 and 8)	5,369	45,371	10,739	90,744
Consulting	96,250	40,116	192,501	70,949
Stock-based payments (Note 10(a) and (c))	23,605	22,831	48,645	46,867
Regulatory fees	49,798	11,110	53,015	11,772
	(373,241)	(389,212)	(665,752)	(849,439)
Interest income	1,176	8,842	9,992	17,877
Gain(loss) on settlement of liabilities (Note 10)	-	-	-	131,190
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	\$ (372,065)	\$ (380,370)	\$ (655,760)	\$ (700,372)
Basic and diluted loss per share (Note 11)	\$ (0.03)	\$ (0.03)	\$ (0.05)	\$ (0.06)
Weighted average number of common shares outstanding - basic and diluted	14,418,127	12,420,760	14,311,278	11,272,412

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

ScoZinc Mining Ltd.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(PRESENTED IN CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)
(UNAUDITED)

	Number of Shares	Amount	Warrants	Contributed Surplus	Deficit	Total
Balance, December 31, 2019	10,101,460	\$ 82,642,357	\$ 1,021,145	\$ 711,192	\$(68,407,908)	\$ 15,966,786
Issued on private placement, net of costs	3,833,333	1,094,672	-	-	-	1,094,672
Warrants issued on private placement	-	(723,837)	723,837	-	-	-
Broker warrants issued on private placement	-	(10,577)	10,577	-	-	-
Stock-based compensation	-	-	-	46,867	-	46,867
Issued on settlement of debt	150,000	66,000	-	-	-	66,000
Loss for the period	-	-	-	-	(700,372)	(700,372)
Balance, June 30, 2020	14,084,793	83,068,615	1,755,559	758,059	(69,108,280)	16,473,953
Balance, December 31, 2020	14,084,794	83,791,810	1,031,722	841,538	(75,870,768)	9,794,302
Exercise of warrants	333,333	166,667	-	-	-	166,667
Stock-based compensation	-	-	-	48,645	-	48,645
Loss for the period	-	-	-	-	(655,760)	(655,760)
Balance, June 30, 2021	14,418,127	\$ 83,958,477	\$ 1,031,722	\$ 890,183	\$(76,526,528)	\$ 9,353,854

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

ScoZinc Mining Ltd.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(PRESENTED IN CANADIAN DOLLARS)
(UNAUDITED)**

For the Six Months Ended June 30,	2021	2020
CASH (USED IN) PROVIDED BY:		
OPERATING ACTIVITIES		
Net loss for the period:	\$ (655,760)	\$ (700,372)
Amortization	10,739	90,744
Share-based payments	48,645	46,867
Gain (loss) on settlement of liabilities	-	(131,190)
Accretion of lease liability	-	5,178
Accrued interest income	(8,953)	(17,877)
	(605,329)	(706,650)
Net change in non-cash working capital:		
Amounts receivable and prepaid expenses	6,262	(70,001)
Accounts payable and accrued liabilities	67,289	113,051
Amounts payable to related parties	4,698	6,700
	(527,080)	(656,900)
Interest received	-	443
	(527,080)	(656,457)
INVESTING ACTIVITIES		
Exploration and evaluation assets	(129,745)	(513,379)
Acquisition of property, plant and equipment	-	(4,500)
	(129,745)	(517,879)
FINANCING ACTIVITIES		
Lease obligation payments	-	(8,000)
Share capital issued for cash	166,667	1,150,000
Share issue costs	-	(55,328)
Proceeds from loans payable	20,000	40,000
Proceeds from promissory note payable	250,000	-
	436,667	1,126,672
CHANGE IN CASH	(220,158)	(47,664)
CASH, BEGINNING OF PERIOD	243,354	519,138
CASH, END OF PERIOD	\$ 23,196	\$ 471,474

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

ScoZinc Mining Ltd.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2021 (EXPRESSED IN CANADIAN DOLLARS) (UNAUDITED)

1. NATURE OF OPERATIONS AND GOING CONCERN

ScoZinc Mining Ltd. (the “Company” or “ScoZinc”), and its wholly owned subsidiary ScoZinc Limited (collectively, the “Group”) is engaged in base metals mining and related activities, including the exploration and evaluation of mineral property interests that are considered to have the potential for economic mineralization and development. The Company is a public company, which is listed on the TSX Venture Exchange, incorporated on March 9, 2004 and domiciled in Canada. The address of its registered office is Purdy’s Wharf, 1959 Upper Water Street, Suite 1301, Nova Scotia, B3J 3N2.

The consolidated financial statements have been prepared on a going concern basis, which assumes the Company will continue in operation through the fiscal year and into the foreseeable future and will be able to realize assets and discharge its liabilities and commitments in the normal course of operations at the amounts stated in the consolidated financial statements.

The Company has not generated revenue from operations. The Company has incurred a net loss of \$ 655,760 for the six months ended June 30, 2021 (six months ended June 30, 2020 - \$700,372), and as of that date has an accumulated deficit of \$76,526,528 (December 31, 2020 - \$75,870,768). As at June 30, 2021, cash amounted to \$ 23,196 (December 31, 2020 - \$243,354) and the Company had a working capital deficiency of \$597,439 (December 31, 2020 - a working capital deficiency of \$47,994). The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or generate operating profitability and positive cash flow. There can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows. If the Company is unable to obtain adequate financing, the Company will be required to curtail operations, and development activities and there would be significant uncertainty whether the Company would continue as a going concern and realize its assets and settle its liabilities and commitments in the normal course of business.

At June 30, 2021, the Company did not have sufficient cash on hand to meet all planned exploration, development, general expenses and property payments for the next twelve months. The Company plans to raise additional capital to further develop and explore its project, however the Company may increase or decrease expenditures as necessary to adjust to a changing capital market environment.

The above factors indicate the existence of material uncertainties that may cast significant doubt on the ability of the Company to continue as a going concern.

The consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. If management is unsuccessful in securing capital, the Company’s assets may not be realized or its liabilities discharged at their carrying amounts and these differences could be material.

Covid-19 Impact

Due to the worldwide COVID-19 outbreak, material uncertainties may come into existence that could influence management’s going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- Global metal prices;
- The severity and the length of potential measures taken by governments to manage the spread of the virus and their effect on labour availability and supply lines;
- Availability of essential supplies;
- Purchasing power of the Canadian dollar; and
- Ability to obtain funding

At the date of the approval of these condensed interim consolidated financial statements, the Canadian government has not introduced measures which impede the activities of the Company. Management believes the business will continue and accordingly, the current situation bears no impact on management’s going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

ScoZinc Mining Ltd.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2021 (EXPRESSED IN CANADIAN DOLLARS) (UNAUDITED)

1. NATURE OF OPERATIONS AND GOING CONCERN (Continued)

Proposed Transaction

On April 12, 2021, the Company held an extraordinary general meeting of the Company's Securityholders (the "EGM"), at which the the Company's security holders passed a special resolution approving a plan of arrangement under Section 288 of the BC Business Corporations Act (the "Arrangement") which will result in the Company becoming a wholly owned subsidiary of Fancamp Exploration Ltd. ("Fancamp") by amalgamating with an existing wholly owned subsidiary of Fancamp (the "Transaction").

Under the Transaction, the ScoZinc shareholders will receive 6.0 common shares of Fancamp (each whole share a "Fancamp Share") for every ScoZinc common share held (the "Exchange Ratio"). Upon the closing of the Transaction, former shareholders of ScoZinc will hold 33.7% of the Fancamp's common shares outstanding. Upon closing of the Transaction: (i) all outstanding stock options of ScoZinc will be exchanged for options to purchase Fancamp Shares based on the Exchange Ratio and will expire twelve months after the closing of the Arrangement and (ii) all unexercised ScoZinc share purchase warrants will be exchanged for warrants to purchase Fancamp Shares based on the Exchange Ratio and will expire in accordance with the current expiry dates of the ScoZinc share purchase warrants. The Company's restricted share units will be converted to shares. Closing of the Arrangement is subject to certain conditions including final approval from the TSX Venture Exchange. To date, the Transaction has not closed.

2. ACCOUNTING POLICIES

Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC. These condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2020.

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on August 31, 2021.

Basis of Presentation

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these unaudited condensed interim consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates.

Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company, and its active subsidiary, ScoZinc. All significant intercompany transactions are eliminated on consolidation.

ScoZinc Mining Ltd.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2021 (EXPRESSED IN CANADIAN DOLLARS) (UNAUDITED)

3. CASH HELD FOR RECLAMATION

The Company is required to make reclamation deposits in respect of its expected rehabilitation obligations as set out below.

The Company has agreed with the Province of Nova Scotia (Department of Natural Resources) to remediate the Scotia Mine facility to an agreed status at the end of the mining operations at the site; as a result the Company is required to make reclamation deposits in respect of this obligation. As at June 30, 2021, a \$2,915,982 (December 31, 2020 – \$2,907,053) cash bond, including accrued interest, is posted with the Province of Nova Scotia.

In addition, the Company has a reclamation bond with the Nova Scotia Department of Environment for \$192,494 (December 31, 2020 – \$191,432), including accrued interest, which is required to address the potential replacement of domestic water supplies that could potentially be downgraded by mining operations.

Nova Scotia Business Inc. holds a reclamation bond in the amount of \$100,000 (December 31, 2020 - \$100,000) in relation to the land, which the Company leases from the organization in Sheet Harbour. The bond will be held until the current lease agreement expires on April 1, 2028.

4. PROPERTY, PLANT AND EQUIPMENT

	Mine Plant, Equipment and Land	Exploration Field Equipment	Total
Cost			
Balance, December 31, 2019	\$ 9,307,141	\$ 836,641	\$10,143,782
Additions	4,500	-	4,500
Balance, December 31, 2020	9,311,641	836,641	10,148,282
Additions	-	-	-
Balance, June 30, 2021	\$ 9,311,641	\$ 836,641	\$10,148,282
Accumulated Amortization			
Balance, December 31, 2019	\$ 1,373,067	\$ 836,641	\$ 2,209,708
Amortization	74,175	-	74,175
Balance, December 31, 2020	1,447,242	836,641	2,283,883
Amortization	10,739	-	10,739
Balance, June 30, 2021	\$ 1,457,981	\$ 836,641	\$ 2,294,622
Net Book Value, December 31, 2020	\$ 7,864,399	\$ -	\$ 7,864,399
Net Book Value, June 30, 2021	\$ 7,853,660	\$ -	\$ 7,853,660

ScoZinc Mining Ltd.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2021 (EXPRESSED IN CANADIAN DOLLARS) (UNAUDITED)

5. ACCOUNTS RECEIVABLE AND PREPAID EXPENSES

	June 30, 2021	December 31, 2020
Refundable GST/HST	\$ 35,090	\$ 27,066
Prepaid expenses	19,138	33,424
	\$ 54,228	\$ 60,490

6. EXPLORATION AND EVALUATION ASSETS

ScoZinc Projects, Nova Scotia

As part of the business combination with ScoZinc Limited on May 31, 2011, the Company acquired 100% of the Scotia Mine and several other mineral resource prospects in Halifax, Nova Scotia. The properties are comprised of exploration licences and a mineral property lease that provides for zinc and lead exploration and development.

The following is a continuity of the Company's Projects:

Balance, December 31, 2019	\$ 7,252,535
Additions	644,334
Recovery of costs	(47,929)
Grant received	(165,040)
Impairment charge	(6,264,488)
Balance, December 31, 2020	1,419,412
Additions	129,745
Balance, June 30, 2021	\$ 1,549,157

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2021	December 31, 2020
Trade payables	\$ 190,709	\$ 128,170
Accrued expenses	135,966	131,216
	\$ 326,675	\$ 259,386

8. DECOMMISSIONING LIABILITY

The Company has agreed with the Province of Nova Scotia (Department of Natural Resources) to remediate the Scotia Mine facility to an agreed status at the completion of the mining operations at the site. The Company believes that the reclamation of the mine site will cost \$2,600,000. As the Scotia Mine facility is currently not in production and under care and maintenance, the Company has accrued the full amount potentially due.

ScoZinc Mining Ltd.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2021 (EXPRESSED IN CANADIAN DOLLARS) (UNAUDITED)

9. SHARE CAPITAL

(a) AUTHORIZED

Unlimited number of common shares without par value

Unlimited number of Class A preferred shares with no par value

Unlimited number of Class B preferred shares with a par value of \$10 per share

(b) ISSUED - COMMON SHARES

	Shares	Amount
Balance, December 31, 2019	10,101,460	\$ 82,642,357
Private placement, net of costs	3,833,333	1,094,672
Issuance of warrants on private placement	-	(723,837)
Issuance of broker warrants on private placement	-	(10,577)
Issued on settlement of debt	150,000	66,000
Balance, June 30, 2020	14,084,793	\$ 83,068,615
Balance, December 31, 2020	14,084,794	83,791,810
Exercise of warrants	333,333	166,667
Balance, June 30, 2021	14,418,127	\$ 83,958,477

10. SHARE BASED PAYMENTS

a) **Stock Option Plan**

A stock option plan ("Plan") was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. Each year, shareholders of the Company approve the Plan at the Annual General Meeting. The Plan provides that the Board of Directors of the Company may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company, or any subsidiary of the Company, the option to purchase common shares. The Plan provides for a floating maximum limit of 10% of the outstanding common shares of the common shares as permitted by the policies of the TSX-V. Options under the Plan have terms and vesting as determined by the Board.

Share option activity for the six months ended June 30, 2021 and 2020 are as follows:

	Number of Stock Options Outstanding	Weighted Average Exercise Price (\$)
Balance - December 31, 2019	733,000	0.83
Granted	268,000	0.46
Expired/Cancelled	(66,000)	2.01
Balance - June 30, 2020	935,000	0.64
Balance - December 31, 2020 and June 30, 2021	817,000	0.61

ScoZinc Mining Ltd.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2021 (EXPRESSED IN CANADIAN DOLLARS) (UNAUDITED)

10. SHARE BASED PAYMENTS (Continued)

a) Stock Option Plan

The following table summarizes information about stock options outstanding as at June 30, 2021:

Number of Options Outstanding	Expiry Date	Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Number of Options Vested (Exercisable)
157,000	July 13, 2022	0.86	1.03	157,000
205,000	July 3, 2024	0.20	3.01	205,000
90,000	August 12, 2024	0.20	3.12	90,000
50,000	August 20, 2024	0.50	3.14	50,000
50,000	August 20, 2024	0.35	3.14	50,000
20,000	October 3, 2024	0.35	3.29	6,667
9,000	October 3, 2024	0.20	3.26	9,000
9,000	October 3, 2024	0.35	3.26	9,000
7,000	October 3, 2024	0.50	3.26	7,000
220,000	June 18, 2030	0.20	9.22	110,000
817,000		0.61	4.49	693,667

b) Warrants

The following table reflects the continuity of warrants for the six months ended June 30, 2021 and 2020:

	Number of Warrants Outstanding	Weighted Average Exercise Price
Balance - December 31, 2019	4,897,000	\$ 0.78
Issued	3,895,864	\$ 0.50
Expired	(560,000)	\$ (1.50)
Balance - June 30, 2021	8,232,864	\$ 0.60
Balance, December 31, 2020	7,732,864	\$ 0.54
Exercised	(333,333)	\$ (0.50)
Expired	(604,000)	\$ (0.75)
Balance - June 30, 2021	6,795,531	\$ 0.52

ScoZinc Mining Ltd.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2021 (EXPRESSED IN CANADIAN DOLLARS) (UNAUDITED)

10. SHARE BASED PAYMENTS (Continued)

b) Warrants (Continued)

The following table summarizes the warrants outstanding as at June 30, 2021:

Number of Warrants Outstanding	Expiry Date	Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Number of Warrants (Exercisable)
1,250,000	August 20, 2021	0.55	0.14	1,250,000
2,000,000	Sept. 20, 2021	0.55	0.22	2,000,000
1,721,178	April 22, 2022	0.50	0.81	1,721,178
1,308,216	May 22, 2022	0.50	0.89	1,308,216
516,137	May 29, 2022	0.50	0.91	516,137
6,795,531		0.52	0.54	6,795,531

c) Restricted Share Units

On October 25, 2019, the Company adopted a Restricted Stock Unit Incentive Plan ("the Plan"), pursuant to shareholder approval.

The number of shares reserved for stock options and all other forms of equity based incentive compensation under the Plan cannot exceed 10% of the Company's issued and outstanding common shares.

During the year ended December 31, 2020, the Company granted a total of 188,456 Restricted Stock Units ("RSU") with a fair value of \$85,100. 123,456 RSUs vest on August 20, 2021, and 65,000 RSUs vest on November 5, 2021.

On February 22, 2021, the Company issued 7,200 RSUs which vest on February 25, 2022 with a fair value of \$4,464.

During the three and six months ended June 30, 2021, the Company recognized \$12,465 and \$24,794 (three and six months ended June 30, 2020 - \$nil) in stock-based compensation expense on the vesting of RSUs.

As at June 30, 2021, there were 195,656 (December 31, 2020 - 188,456) restricted stock units issued and outstanding.

11. BASIC AND DILUTED LOSS PER SHARE

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. Diluted loss per share, which reflects the maximum possible dilution from the potential exercise of warrants and stock options, is the same as basic loss per share for the period ended. The effect of potential issuances of shares under options and warrants would be anti-dilutive for the three and six months ended June 30, 2021 and 2020 as they would decrease the loss per share, consequently the weighted average number of common shares outstanding for basic and diluted are the same.

ScoZinc Mining Ltd.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2021 (EXPRESSED IN CANADIAN DOLLARS) (UNAUDITED)

12. RELATED PARTY TRANSACTIONS

Key Management Personnel Compensation

Key management personnel include those persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's board of directors and corporate officers and/or companies controlled by those individuals.

Remuneration attributed to key management personnel during the three and six months ended June 30, 2021 and 2020 is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Remuneration	\$ 100,749	\$ 50,833	\$ 206,500	\$ 108,333
Share-based compensation	-	42,610	-	64,586
	\$ 100,749	\$ 93,443	\$ 206,500	\$ 172,919

During the and six months ended June 30, 2021, the Company incurred \$7,500 and \$15,000, respectively, (three and six months ended June 30, 2020 - \$7,518 and \$24,123) in services from Marrelli Support Services Inc. ("Marrelli Support") and DSA Corporate Services Inc. (the "DSA"), together known as the "Marrelli Group" for Robert D.B. Suttie, President of Marrelli Support, to act as Chief Financial Officer ("CFO") of the Company;

As at June 30, 2021, amounts due to related parties totaled \$97,150 (December 31, 2020 - \$92,452) pertaining to amounts payable for key management remuneration, director's fees, support services from the Marrelli Group, and reimbursement of expenses paid on behalf of the Company.

13. LOAN PAYABLE

In May 2020, the Company benefitted from a \$40,000 Government of Canada Covid-19 "Canada Emergency Business Account" loan, administered by the Royal Bank of Canada. In January 2021, this loan was increased by \$20,000, or \$60,000 in aggregate. The proceeds of the loan are interest free until December 31, 2022 with a 25% balance forgiveness if repaid by that date. After December 31, 2022, the outstanding balance will accrue interest at 5% per annum and is due in full by December 31, 2025.

14. PROMISSORY NOTE PAYABLE

Commencing on May 4, 2021 Fancamp advanced the Company an aggregate of \$250,000 under the terms of the Arrangement, with a one year term a 12-month bearing interest 5 percent per annum. As at June 30, 2021, \$1,038 in interest had accrued.

15. SUBSEQUENT EVENTS

On August 31, 2021, the Company granted a total of 87,719 Restricted Stock Units ("RSU") to an officer of the Company, vesting on August 19, 2022.

On August 20, 2021, 1,250,000 \$0.55 warrants expired without exercise.