

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document or the action you should take, you are recommended to seek your own financial advice immediately from an appropriately authorised stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000, as amended (“FSMA”).

This Document comprises a prospectus relating to Imperial X plc (the “Company”) prepared in accordance with the Prospectus Regulation Rules of the Financial Conduct Authority (the “FCA”) made under section 73A of FSMA and approved by the FCA under section 87A of FSMA.

This Document has been approved by the FCA, as competent authority under the Prospectus Regulation ((EU) 2017/1129), as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 (as amended) and the regulations made under that Act (“**UK Prospectus Regulation**”). The FCA only approves this Document as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the issuer or the quality of securities that are the subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the securities. This Document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules.

The Ordinary Shares are currently admitted to trading on the AQSE Growth Market (“AQSE”) under the symbol “IMPP”. Trading on AQSE will be cancelled simultaneously with Admission.

THE WHOLE OF THE TEXT OF THIS DOCUMENT SHOULD BE READ BY PROSPECTIVE INVESTORS. YOUR ATTENTION IS SPECIFICALLY DRAWN TO THE DISCUSSION OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE ORDINARY SHARES AS SET OUT IN THE SECTION ENTITLED ‘RISK FACTORS’ SET OUT IN PART II OF THIS DOCUMENT.

The Company, each of the Existing Directors and the Proposed Director, whose names appear on page 30 of this Document, accept responsibility for the information contained in this Document. To the best of the knowledge of the Company, each Existing Director and the Proposed Director, the information contained in this Document is in accordance with the facts and this Document makes no omission likely to affect its import.

IMPERIAL X PLC

(Incorporated and registered in England & Wales under the Companies Act 1985 with registered number 06275976)

Proposed Acquisition of Howson Ventures Inc.

Proposed Acquisition of Cloudbreak Discovery Corp.

Proposed Acquisition of Cabox Gold Corp.

Proposed Acquisition of certain interests in Anglo African Minerals plc

Change of name to Cloudbreak Discovery plc

Issue of 312,279,965 New Ordinary Shares at 3 pence per share

Issue of up to 333,333,333 New Ordinary Shares under Equity Drawdown Facility

Notice of General Meeting

Admission of the Ordinary Share Capital to the Official List

(by way of Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange’s Main Market for listed securities



The notice of a General Meeting to be held at 890-1140 W Pender St., Vancouver, BC V6E 4G1 at 10.00 a.m. (PST) 6.00 p.m. (GMT) on 1 June 2021 is set out in Part XI of this Document. The attention of Shareholders is drawn to paragraph 19 of Part 1 of this Document which contains a recommendation from the Board that you vote in favour of all of the Resolutions to be proposed at the General Meeting. In light of the current COVID-19 pandemic and related legal and other

requirements of governmental authorities, we are requiring that Shareholders do not attend the General Meeting in person but instead appoint the Chairman of the meeting as their proxy (either electronically or by post) with their voting instructions. Shareholders should also bear in mind that if they, or any alternative proxy, travel to attend the meeting in person, they will be denied entry based on prevailing circumstances. All of the Resolutions proposed to be put at the General Meeting will be by way of a poll as opposed to a show of hands. The accompanying Form of Proxy is for use in connection with the General Meeting and Shareholders are encouraged to vote on all of the Resolutions by appointing the chairman of the General Meeting as your proxy (please do not appoint any other person (apart from the chairman of the General Meeting) as your proxy as the Company will not be able to let them attend the General Meeting). If the Chairman of the General Meeting is appointed as proxy, he/she will vote in accordance with any instructions given to them. If the chairman of the General Meeting is given discretion as to how to vote, he/she will vote in favour of each of the Resolutions to be proposed at the Meeting. Completed Forms of Proxy should be returned by Shareholders as soon as possible but, in any event, so as to be received by the Company's registrars, Share Registrars Ltd of Suite E, First Floor, 9 Lion and Lamb Yard Farnham, Surrey, GU9 7LL no later than 48 hours, excluding non-working days, before the time appointed for the General Meeting or adjourned meeting or, in the case of a poll taken otherwise than at or on the same day as the General Meeting or adjourned meeting, not later than 48 hours before the time appointed for the taking of the poll at the meeting at which it is to be used. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting (and any adjournment thereof) by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf. Shareholders are recommended to complete and return the Form of Proxy or complete your CREST electronic proxy appointment (as applicable), as instructed above.

This Document does not constitute an offer to sell, or the solicitation of an offer or invitation to buy or subscribe for, Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company.

The Ordinary Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), or under the securities laws of any state or other jurisdiction of the United States or under applicable securities laws of Australia, Canada, Japan or the Republic of South Africa. Subject to certain exceptions, the Ordinary Shares may not be offered, sold, resold, transferred or distributed directly or indirectly, and this Document may not be distributed by any means including electronic transmission within, into, in or from the United States or to or for the account or benefit of persons in the United States, Australia, the Republic of South Africa, Canada, Japan or any other jurisdiction where such offer or sale would violate the relevant securities laws of such jurisdiction. This Document does not constitute an offer to sell or a solicitation of an offer to purchase or subscribe for Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company. The Ordinary Shares may not be taken up, offered, sold, resold, transferred or distributed, directly or indirectly within, into or in the United States except pursuant to an exemption from, or in a transaction that is not subject to, the registration requirements of the Securities Act. There will be no public offer in the United States. The Company has not been and will not be registered under the US Investment Company Act of 1940 ("US Investment Company Act") pursuant to the exemption provided by Section 3(c)(7) thereof, and investors will not be entitled to the benefits of the US Investment Company Act. None of the Ordinary Shares have been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed comment upon or endorsed the merit of the offer of the Ordinary Shares or the accuracy or the adequacy of this Document. Any representation to the contrary is a criminal offence in the United States.

If a subscriber is an Australian Resident: (i) this prospectus (and any associated term sheet or investor presentation materials) does not constitute a prospectus or other disclosure document under Chapter 6D of the Australian Corporations Act and does not purport to include the information required of a prospectus or other disclosure document under Chapter 6D of the Australian Corporations Act; (ii) neither this Placing nor the Subscription nor this prospectus has been lodged with the Australian Securities and Investments Commission ("ASIC") and no prospectus

or other disclosure document has been lodged with ASIC in relation to the Placing nor the Subscription. Accordingly: (A) an offer of the Placing Shares or Subscription Shares and an invitation to apply for the Placing Shares or Subscription Shares in Australia may only be made to persons who are “sophisticated investors” (within the meaning of Section 708(8) of the Australian Corporations Act), who are “professional investors” (within the meaning of Section 708(11) of the Australian Corporations Act) or who otherwise are persons to whom securities can be offered without a disclosure document pursuant to one or more of the other exemptions contained in Section 708 of the Australian Corporations Act, so that it is lawful to offer, or invite applications for, the Securities without disclosure to those persons under Chapter 6D of the Australian Corporations Act; and (B) this offer may only be made available in Australia to persons as set out in (A) above; and (iii) to the extent permitted by law, the Company makes no representation, warranty or guarantee, whether express or implied, as to the forecasted or actual future results of the Company.

The distribution of this Document in or into jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this Document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Novum Securities is authorised and regulated in the United Kingdom by the FCA and is acting as broker for the Company and for no-one else in connection with the Proposals and it will not be responsible to anyone other than the Company for providing the protections afforded to customers of Novum (as applicable) or for affording advice in relation to the contents of this document or any matters referred to herein. Novum is not responsible for the contents of this Document. This does not exclude any responsibilities which Novum may have under FSMA or the regulatory regime established thereunder.

Application will be made for the Ordinary Shares (both issued and to be issued pursuant to the Proposals) to be admitted by way of a Standard Listing on the Official List. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in companies with Premium Listings on the Official List, which are subject to additional obligations under the Listing Rules. It should be noted that the UKLA will not have authority to (and will not) monitor the Company’s compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company to so comply. It is expected that Admission will become effective and that unconditional dealings in the Ordinary Shares will commence on 3 June.

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SUMMARY

INTRODUCTION AND WARNINGS

This summary should be read as an introduction to this Document.

Any decision to invest in the Ordinary Shares should be based on a consideration of this Document as a whole by the investor.

Any investor in the Company's Ordinary Shares should be aware that they could lose all or part of their invested capital.

Where a claim relating to the information contained in this Document is brought before a court the plaintiff investor might, under national law, have to bear the costs of translating this Document before legal proceedings are initiated.

Civil liability attaches only to those persons who have tabled this summary including any translation thereof but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Document or where it does not provide, when read together with the other parts of this Document, key information in order to aid investors when considering whether to invest in such securities.

The name of the issuer is Imperial X plc to be renamed Cloudbreak Discovery plc with effect from Admission and its LEI is 213800ZLZVEPOS7YID88. The issuer's registered office is at 6th Floor, 60 Gracechurch Street, London, United Kingdom, EC3V 0HR. The head office and principal place of business of the issuer, and the business address of each of the Directors, is 890 – 1140 W Pender St. Vancouver, BC V6E 4G1, Canada. The telephone number of the issuer's head office and principal place of business is +1 (604) 428-9480.

The ticker for the Ordinary Shares will be CDL with ISIN number GB00B44LQR57.

This Document has been approved as a prospectus by the Financial Conduct Authority, whose principal place of business is 12 Endeavour Square, London E20 1JN and whose contact number is +44 020 7066 1000.

This Document was approved on 12 May 2021.

KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

Domicile, country of incorporation, applicable law and legal form

The Company was incorporated and registered in England & Wales as a public company limited by shares on 11 June 2007 under the Companies Act 1985, as amended, with the name LatAm Resources plc, under registered number 06275976. The Company is domiciled in England & Wales.

LEI

The Company's LEI is 213800ZLZVEPOS7YID88.

Principal Activities

The Company's principal purpose and objective is to build a specialist early-stage natural resource prospect generator and development business. The Company seeks to acquire, develop and manage a diverse portfolio of mineral assets in the natural resource sector. The Company intends to develop its portfolio of assets and interests with a focus on the technical merits and inherent value of the assets on a case-by-case basis. The broad nature of the corporate objective will therefore be to incorporate material interests located across multiple jurisdictions, including the Americas, Africa, Australia, Asia and Europe.

The Company intends to emphasise its acquisition and development strategy on assets that are capable of generating positive cash flows within a realistic timeframe. Acquisition of assets may not result in 100% ownership all of the time, however, it will be the Company's primary objective to ensure that its acquisition stake and participation will allow for positions of influence within its projects.

On 16 February 2021 the Company entered into the Acquisition Agreements to acquire Cloudbreak Discovery Corp. ("Cloudbreak"), Howson Ventures Inc. ("Howson"), Cabox Gold Corp. ("Cabox") as well certain economic interests in Anglo African Minerals PLC.

These acquisitions provide the Company with a core platform of assets from which it can unlock value and create growth. In addition the Company has identified a pipeline of potentially complimentary acquisitions that are available and will be pursued following Admission.

Major Shareholders

The Company is aware of the following persons who will hold, directly or indirectly, voting rights representing 3 per cent. or more of its share capital as at 11 May 2021 (being the last practicable date prior to the date of this Document) and as they are expected to be immediately following Admission:

| Name | As at the date of this Document | | On Admission | | Warrants |
|---------------------------|------------------------------------|--|---------------------------|--|-----------|
| | Number of Existing Ordinary Shares | Percentage of the Existing Ordinary Shares | Number of Ordinary Shares | Percentage of the Enlarged Share Capital | |
| Kyler Hardy ¹ | 4,615,000 | 6.30% | 61,987,425 | 15.71% | 7,967,539 |
| Rosemount Capital | — | — | 30,319,065 | 7.68% | — |
| John Campbell Smyth | 10,198,026 | 13.92% | 24,959,653 | 6.41% | 494,868 |
| Shaun Gibson | — | — | 19,842,874 | 5.03% | — |
| St Peter Invest Group Inc | 1,720,000 | 2.35% | 12,386,667 | 3.14% | 860,000 |

Controlling shareholder, if any

The Company is not aware of any person who, either as at the date of this Document or immediately following Admission, exercises, or could exercise, directly or indirectly, jointly or severally, control over the Company.

Directors & Auditors

The Company's directors are Samuel Anthony "Kyler" Hardy, Kyle Robert Hookey, Andrew Male, Emma Kinder Priestley and Melissa Sturgess. It is proposed that Andrew Male will become a director of the Company from Admission, subject to the passing of a resolution approving his appointment, as set out in resolution 4 of Part XI, Notice of General Meeting. The Company's statutory auditors are PKF Littlejohn LLP of 15 Westferry Circus, Canary Wharf, London E14 4HD.

What is the key financial information regarding the issuer?

Group

The selected audited, consolidated financial information of the Group as at 30 June 2018, 30 June 2019 and 30 June 2020, together with the unaudited, consolidated interim financial information of the Group as at 31 December 2020 and 31 December 2019, has been extracted without material amendment from the audited and unaudited, consolidated financial information and interim financial information of the Group for those years and periods.

| | Audited As at 30 June 2018 £ | Audited As at 30 June 2019 £ | Audited As at 30 June 2020 £ | Unaudited As at 31 December 2020 £ |
|--|--|--|--|--|
| Statement of financial position | | | | |
| Total assets | 26,341 | 7,667 | 74,448 | 206,327 |
| Total equity | 18,481 | (126,605) | (35,576) | 65,416 |
| | | | Unaudited Six months ended 31 December 2019 £ | Unaudited Six months ended 31 December 2020 £ |
| Statement of comprehensive income | | | | |
| Total revenue | — | — | — | — |
| Operating loss | (100,176) | (309,189) | (369,953) | (239,733) |
| Loss for the period | (100,176) | (309,189) | (369,953) | (239,733) |
| Basic and diluted loss per Share (pence) | (0.32)p | (0.97)p | (0.81)p | (0.41)p |
| | Audited Year ended 30 June 2018 £ | Audited Year ended 30 June 2019 £ | Audited Year ended 30 June 2020 £ | Unaudited Six months ended 31 December 2019 £ |
| Statement of cash flows | | | | |
| Cash flows – operating activities | (72,474) | (68,925) | 283,716 | (223,569) |
| Cash flows – investing activities | 7 | 51 | (112) | — |
| Cash flows – financing activities | 20,000 | 50,000 | 316,926 | 401,551 |
| Net cash flow for the period | (52,467) | (18,874) | 33,098 | 177,982 |
| | Audited Year ended 30 June 2018 £ | Audited Year ended 30 June 2019 £ | Audited Year ended 30 June 2020 £ | Unaudited Six months ended 31 December 2019 £ |
| | | | | Unaudited Six months ended 31 December 2020 £ |

Cloudbreak

The selected audited financial information of Cloudbreak as at 30 April 2018, 30 April 2019 and 30 April 2020, together with the unaudited interim financial information for the six-month periods ended 31 October 2020 and 31 October 2019, has been extracted without material amendment from the audited and unaudited financial information of Cloudbreak for those periods.

| | Audited As at 30 April 2018 C\$ | Audited As at 30 April 2019 C\$ | Audited As at 30 April 2020 C\$ | Unaudited As at 31 Oct 2020 C\$ |
|---|---|--|---|--|
| Statement of financial position | | | | |
| Total assets | 191,461 | 201,137 | 222,195 | 8,011,082 |
| Total equity | 188,948 | 178,533 | 114,678 | 7,741,159 |
| | Audited Year ended 30 April 2018 C\$ | Audited Year ended 30 April 2019 C\$ | Audited Year ended 30 April 2020 C\$ | Unaudited Six months ended 31 Oct 2019 C\$ |
| Statement of comprehensive income | | | | Unaudited Six months ended 31 Oct 2020 C\$ |
| Total revenue | — | — | — | 47,600 |
| Operating (loss)/profit | (10,553) | (54,865) | (158,105) | (606,978) |
| Loss for the period | (10,553) | (54,865) | (158,105) | (606,978) |
| Basic and diluted (loss)/ profit per share | (0.00) | (0.01) | (0.03) | (0.02) |
| | Audited Year ended 30 April 2018 C\$ | Audited Year ended 30 April 2019 C\$ | Audited Year ended 30 April 2020 C\$ | Unaudited Six months ended 31 Oct 2019 C\$ |
| Statement of cash flows | | | | Unaudited Six months ended 31 Oct 2020 C\$ |
| Operating activities | (9,540) | (40,254) | (156,102) | (3,888) |
| Investing activities | — | (48,941) | (141,281) | (50,000) |
| Financing activities | 201,000 | 45,128 | 164,462 | 53,816 |
| Net cash flow for the period | 191,460 | (44,067) | (132,921) | (72) |

Howson

The selected audited financial information of Howson for the six-month period from incorporation on 20 July 2018 to 31 December 2018 and the year ended 31 December 2019, together with the unaudited interim financial information for the six-month periods ended 30 June 2020 and 30 June 2019, has been extracted, without material amendment, from the audited financial information of Howson for those periods.

| | Audited As at 31 Dec 2018 C\$ | Audited As at 31 Dec 2019 C\$ | Unaudited As at 30 June 2020 C\$ |
|---|--|---|--|
| Statement of financial position | | | |
| Total assets | 323,621 | 814,659 | 888,445 |
| Total equity | 140,521 | 603,024 | 637,468 |
| | Audited Six months ended 31 Dec 2018 C\$ | Audited Year ended 31 Dec 2019 C\$ | Unaudited Six months ended 30 June 2019 C\$ |
| Statement of comprehensive income | | | Unaudited Six months ended 30 June 2020 C\$ |
| Total revenue | — | — | — |
| Operating (loss)/profit | (174,889) | (129,677) | (88,765) |
| (Loss)/profit for the period | (174,889) | (129,677) | (88,765) |
| Basic and diluted (loss)/profit per share | (0.31) | (0.01) | (0.01) |

| | Audited Six months ended 31 Dec 2018 C\$ | Audited Year ended 31 Dec 2019 C\$ | Unaudited Six months ended 30 June 2019 C\$ | Unaudited Six months ended 30 June 2020 C\$ |
|-----------------------------------|--|---|---|---|
| Statement of cash flows | | | | |
| Cash flows – operating activities | (246) | (69,274) | (73,754) | 71,968 |
| Cash flows – investing activities | — | (702,108) | (693,970) | (72,103) |
| Cash flows – financing activities | 215,410 | 556,650 | 556,650 | — |
| Net cash flow for the period | 215,164 | (214,732) | (211,074) | (135) |

Cabox

The selected audited financial information of Cabox for the twelve-month period from incorporation on 19 January 2018 to 31 December 2018 and the year ended 31 December 2019, together with the unaudited interim financial information for the six-month periods ended 30 June 2020 and 30 June 2019, have been extracted, without material amendment, from the audited financial information of Cabox for those periods.

| | Audited As at 31 Dec 2018 C\$ | Audited As at 31 Dec 2019 C\$ | Unaudited As at 30 June 2020 C\$ |
|--|--|--|---|
| Statement of financial position | | | |
| Total assets | 500 | 735 | 733 |
| Total equity | (16,020) | (21,963) | (23,374) |

| | Audited Twelve months ended 31 Dec 2018 C\$ | Audited Year ended 31 Dec 2019 C\$ | Unaudited Six months ended 30 June 2019 C\$ | Unaudited Six months ended 30 June 2020 C\$ |
|--|---|---|---|---|
| Statement of comprehensive income | | | | |
| Total revenue | — | — | — | — |
| Operating loss | (16,520) | (5,943) | (907) | (411) |
| Loss for the period | (16,520) | (5,943) | (907) | (411) |
| Basic and diluted loss per share | (0.00) | (0.00) | (0.00) | (0.00) |

| | Audited Twelve months ended 31 Dec 2018 C\$ | Audited Year ended 31 Dec 2019 C\$ | Unaudited Six months ended 30 June 2019 C\$ | Unaudited Six months ended 30 June 2020 C\$ |
|-----------------------------------|---|---|---|---|
| Statement of cash flows | | | | |
| Cash flows – operating activities | — | 235 | 271 | (428) |
| Cash flows – financing activities | 500 | — | — | 392 |
| Net cash flows for the period | 500 | 235 | 271 | (36) |

Unaudited pro forma financial information

The unaudited *pro forma* financial information of the Group has been prepared to illustrate the effects of: (i) the acquisitions of the issued share capital of each of Cloudbreak, Howson and Cabox, (ii) the acquisition of certain assets from Anglo African Minerals plc, (iii) the issue of 1,914,200 Ordinary Shares on 5 January 2021 in relation to a private placing (iv) the 2,412,485 Ordinary Shares from the Placing and (v) the settlement of the transaction and admission costs, on the assets, liabilities and equity of the Group had the acquisitions, Placing and Admission occurred on 31 December 2020 and on its earnings for the six-month period then ended, had the acquisitions, Placing and Admission occurred on 1 July 2020.

Unaudited pro forma statement of financial position

| | Group As at 31 December 2020 £ | Adjustment Cloudbreak, Howson, Cabox and AAM Assets acquisitions £ | Adjustment Private placing, Subscription and Placing £ | Adjustment Settlement of costs £ | Unaudited <i>pro forma</i> balances as at 31 December 2020 £ |
|--------------|--|--|--|---|---|
| Total assets | 206,327 | 5,864,616 | 2,047,855 | (308,450) | 7,810,348 |
| Total equity | 65,416 | 5,551,128 | 2,047,855 | (308,450) | 7,355,949 |

Unaudited pro forma statement of comprehensive income

| | Group Six months ended 31 December 2020 £ | Adjustment Cloudbreak, Howson, Cabox and AAM adjustment £ | Adjustment Private placing, Subscription and Placing £ | Adjustment Settlement of costs £ | Unaudited pro forma results for the six months ended 31 December 2020 £ |
|------------------------------|--|--|--|---|--|
| Revenue | — | 1,298,316 | — | — | 1,298,316 |
| Operating (loss)/profit | (239,733) | 3,565,904 | — | (50,201) | 3,275,970 |
| (Loss)/profit for the period | (239,733) | 3,565,904 | — | (50,201) | 3,275,970 |

What are the key risks that are specific to the issuer?

- The Company may fail to complete further suitable acquisitions
- The Company may face competition from other resource companies as well as third party financiers
- There is typically no reliable liquid market available for the purposes of valuing the Company's early-stage assets
- The Company may depend on Partners over which it may lack control and information
- The Company is largely reliant on third parties for operational activity
- The ability of the Company to recover from Partners for defaults under its ownership rights with them may be limited
- Global supply and demand changes due to a potential economic downturn may adversely affect the business, cash flows, results of operations and financial condition of the Group
- The Company is dependent upon the Directors to identify potential assets, interests and acquisition opportunities and to execute the Transactions and the loss of the services of the Directors could materially adversely affect it
- The Company is not currently generating positive cash flows or revenue and may not do so in the near term

KEY INFORMATION ON THE SECURITIES**What are the main features of the securities?***Type, class and ISIN*

The securities that will be subject to Admission comprise Ordinary Shares which will be registered with ISIN number GB00B44LQR57.

Currency, denomination, par value, and the term of the securities

The Ordinary Shares are denominated in pounds sterling and have a nominal value of £0.001 each. The total expenses incurred (or to be incurred) by the Company in connection with Admission are approximately £142,000 plus VAT. The Company also has Deferred Shares in issue which are denominated in pounds sterling and which have a nominal value of £0.009 each.

73,285,149 Ordinary Shares and 18,995,000 Deferred Shares have been issued at the date of this Document, all of which have been fully paid up. On Admission, there will be 389,565,114 Ordinary Shares and 18,995,000 Deferred Shares in issue, all of which are fully paid. Application will be made for Admission of all of the issued and to be issued 312,279,965 Ordinary Shares. However, no application for Admission is being made in respect of the Deferred Shares.

Rights attached to the securities

The rights attaching to the Ordinary Shares will be uniform in all respects and they will form a single class for all purposes, including with respect to voting and for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company. Each Ordinary Share grants a Shareholder who attends a general meeting (in person or by proxy) the right to one vote for Shareholder resolutions proposed by way of a show of hands and one vote per Ordinary Share for Shareholder resolutions proposed by way of a poll vote. Except as provided by the rights and restrictions attached to any class of shares, Shareholders will under general law be entitled to participate in any surplus assets in a winding up in proportion to their shareholdings.

The Deferred Shares do not carry any right to vote and are only entitled to participate in any surplus assets on a winding up when £1,000,000 has been distributed to the holders of Ordinary Shares for each Ordinary Share held.

Relative seniority of the securities in the issuer's capital structure in the event of insolvency

The Company does not have any other securities in issue or liens over its assets and so the Ordinary Shares are not subordinated in the Company's capital structure as at the date of this prospectus, and will not be immediately following Admission.

Restrictions on the free transferability of the securities

All Ordinary Shares are freely transferable and are not subject to any encumbrances.

Dividend or pay-out policy

The Company intends to pay dividends on the Ordinary Shares (if any) and in such amounts (if any) as the Board determines appropriate. The Company will only pay dividends to the extent that to do so is in accordance with the Companies Act and all other applicable laws.

Where will the securities be traded?

Application for Admission

The Company will cancel the listing of its Ordinary Share Capital on AQSE and a derogation has been given by AQSE from the requirement to obtain approval from Shareholders of the cancellation. Applications will be made to the FCA for the Company's Enlarged Share Capital to be admitted to the Official List of the FCA (by way of a standard listing ("**Standard Listing**") under Chapter 14 of the Listing Rules) and to the London Stock Exchange plc (the "**London Stock Exchange**") for such Ordinary Shares to be admitted to trading, and for dealings to commence, on the London Stock Exchange's Main Market for listed securities. Cancellation of the listing of the Ordinary Share Capital on AQSE will take place simultaneously with the Standard Listing.

Identity of other markets where the securities are or are to be traded

There is currently no market for the Ordinary Shares and the Company does not intend to seek admission to trading of the Ordinary Shares on any market other than the Main Market.

What are the key risks that are specific to the securities?

- The Company may require additional capital which will dilute Shareholders' interests
- The market price for the Ordinary Shares may be affected by fluctuations and volatility in the price of Ordinary Shares
- The proposed Standard Listing of the Ordinary Shares will afford investors a lower level of regulatory protection than a Premium Listing
- Investors may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable
- Dividend payments on the Ordinary Shares are not guaranteed

KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET

Under what conditions and timetable can I invest in this security?

General terms and conditions

The Fundraising will comprise the issue 66,666,667 Placing Shares and Subscription Shares through the Fundraising at the Placing Price of 3 pence per share. Novum has undertaken the Placing pursuant to the terms of the Novum Placing Agreement entered into with the Company dated 11 May 2021. Under the terms of the Novum Placing Agreement, subject to certain conditions, Novum has agreed to use its reasonable endeavours to procure subscribers for 66,666,667 Placing Shares and Subscription Shares. The 66,666,667 Placing Shares and Subscription Shares subscribed for in the Fundraising at the Placing Price will represent approximately 17.1% of the Enlarged Share Capital.

Novum, as the Company's agents, has procured irrevocable commitments to conditionally subscribe for the full amount of Placing Shares and Subscription Shares from Placees and subscribers in the Fundraising, respectively, and there are no conditions attached to such irrevocable commitments other than Admission. The net Fundraising proceeds, after deduction of expenses, will be £1,691,550 on the basis that the gross Fundraising proceeds will be £2,000,000.

The Fundraising is conditional upon: (a) the Novum Placing Agreement becoming wholly unconditional (save as to Admission) and neither having been terminated in accordance with its terms prior to Admission; and (b) Admission occurring by 8:00 a.m. on 3 June 2021 (or such later date as the Company and Novum may agree, not being later than 8.00 a.m. on 30 June 2021). The Placing Shares and Subscription Shares will, upon issue, rank *pari passu* with the Ordinary Shares. If Admission does not proceed, the Fundraising will not proceed and all monies paid will be refunded to subscribers. Admission is conditional upon the Fundraising and should the Novum Placing Agreement be terminated prior to Admission, Admission will not take place.

The Fundraising comprises a placement of New Ordinary Shares with qualified investors and/or other relevant persons. No public offer of the securities is being made. There are no underwriting agreements on a firm commitment basis in place.

Expected timetable of the Fundraising

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|---|---|
| Publication of this Document | 12 May 2021 |
| Latest time and date for commitments under the Fundraising | 8.00 a.m. on 3 June 2021 |
| General Meeting | 10.00 a.m (PST) 6.00 p.m. (GMT) on 1 June 2021 |
| Admission and commencement of dealings in Ordinary Shares | 8.00 a.m. on 3 June 2021 |
| CREST members' accounts credited in respect of Placing Shares and Subscription Shares | 3 June 2021 |
| Share certificates despatched in respect of Placing Shares and Subscription Shares | On or around 10 Business Days later |

Details of admission to trading on a regulated market

Application will be made for the Enlarged Share Capital to be admitted to a Standard Listing on the Official List and to trading on the Main Market of the London Stock Exchange. It is expected that Admission will become effective and that dealings in Ordinary Shares will commence at 8:00 a.m. on 3 June 2021.

Plan for distribution

The Placing Shares and Subscription Shares which are the subject of this Document will be offered by Novum exclusively to qualified investors within the meaning of Article 2(e) of the Prospectus Regulation and/or Relevant Persons. There will be no offer to the public of the Ordinary Shares and no intermediaries offer

Amount and percentage of immediate dilution resulting from the offer

Shareholdings immediately prior to Admission will be diluted by approximately 80.16% as a result of the Proposals.

Why is this prospectus being produced?

Reasons for the offer or for the admission to trading on a regulated market

The Board believes that a listing on the standard segment of the Official List and Admission to trading on the Main Market will help to build its profile, create value for Shareholders and build a market for trading of the Company's Ordinary Shares. The Board also believes that the Standard Listing will improve the Company's ability to raise further capital over the coming years to support the Company's growth strategy and achieve the objectives of long term value creation for Shareholders. In addition, it shall provide increased visibility of the Company's activities and the business as a whole. The Board believes that the reputation of the Main Market will help the Company achieve its goals and objectives, including increased visibility to the international market, sound reporting and compliance structure, better liquidity which is more attractive to investors and a significant increase in access to capital which will held the business grow.

Use and estimated net amount of the proceeds

The Company has conditionally raised gross proceeds of £2,000,000 through the Fundraising, resulting in estimated net proceeds of £1,695,486. The total costs of the Fundraising and Admission payable by the Company are approximately £304,514 (exclusive of recoverable VAT).

The net proceeds of the Fundraising will be used as follows:

- pursue the Group's immediate objective of developing its existing portfolio of assets and interests and acquiring suitable additions thereto. The Group has allocated £85,000 to the above development and acquisition process; and
- provide working capital to cover the Group's ongoing annual operating costs. Such annual costs include directors' salaries and fees, Cronin Services fees, professional advisers' fees, audit fees, accounting and bookkeeping fees, registrar and London Stock Exchange fees and other general and administrative expenses. On an annual basis, such fees and expenses are estimated at £257,000. The use of net proceeds includes an allocation of £381,000 to cover ongoing operating costs for a period of 18 months from the date of this Document.

Indication of whether the offer is subject to an underwriting agreement

The Fundraising is not being underwritten. Novum, as the Company's agents, and the Company have procured irrevocable commitments to conditionally subscribe for the full amount of Placing Shares from Placees and Subscription Shares from subscribers, respectively, in the Fundraising, and there are no conditions attached to such irrevocable commitments other than Admission.

Indication of the most material conflicts of interests relating to the offer or admission to trading

The most material conflicts of interest pertaining to Admission relate to the fact that two of the Directors, Kyler Hardy and Kyle Hookey, hold positions with the Cronin Capital group of companies which have the potential to give rise to a conflict in relation to the Company's business. The Company has also entered into a Management Services Agreement with one of the Cronin group companies, Cronin Services Ltd, for the provision of certain management services to the Company. The Cronin group of companies has been responsible for developing the business plan to-date and is actively using its connections and experience in the natural resource sector in order to build the Company and implement a business plan to take it from a cash shell to an active growth business. The various agreements entered into between the Company and Kyler Hardy, Kyle Hookey and Cronin Services Limited (details of which are summarised in paragraph 8 of part VIII) contain terms which restrict the Cronin group of companies from competing with the Company's business. In particular, the relevant Directors and the Cronin group of companies must not compete with the Company's business and, furthermore, where the Cronin group of companies become aware of any potential Royalty or Mineral Interests which may be suitable for acquisition by the Company then it must first offer them to the Company so that it can then evaluate and determine if they are and that they meet the Company's stated business objectives. The board of the Company will be comprised of a majority of non-executive Directors that should further minimise of any conflicts of interest and so as to ensure all significant decisions regarding any acquisitions to be made by the Company are impartial.

RISK FACTORS

Investment in the Company and the Ordinary Shares carries a significant degree of risk, including risks in relation to the Company's business strategy, acquisitions, exploration and development projects, potential conflicts of interest or related party transactions, as well as joint venture partners, ownership and the various management and operatorship of assets and projects with which the Company derives an ownership interest in. This also includes risks relating to taxation and risks relating to the Ordinary Share ownership. Prospective investors should carefully consider risk factors associated with any investment in the Ordinary Shares, together with all other information contained in this Document specifically including the risk factors described below.

Prospective investors should note that the risks relating to the Company, its proposed sector of activity and the Ordinary Shares summarised in the section of this Document headed "Summary" are the risks that the Company and the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Document headed "Summary" but also, among other things, the risks and uncertainties described below.

The risks referred to below are those risks the Company, and the Directors consider to be the material risks relating to the Company. However, there may be additional risks that the Company and the Directors do not currently consider to be material or of which the Company and the Directors are not currently aware that may adversely affect the Company's business, financial condition, results of operations or prospects. Investors should review this Document carefully and, in its entirety, and consult with their professional advisers before acquiring any Ordinary Shares. If any of the risks referred to in this Document were to occur, the results of operations, financial condition and prospects of the Company could be materially adversely affected. If that were to be the case, the trading price of the Ordinary Shares and/or the level of dividends or distributions (if any) received from the Ordinary Shares could decline significantly. Further, investors could lose all or part of their investment.

RISKS RELATED TO THE COMPANY'S BUSINESS AND STRATEGY

The Company may fail to complete further suitable acquisitions

The growth of the Company is dependent on its ability to successfully identify and acquire further suitable assets. The availability of potential assets will depend, *inter alia*, on the state of the global economy, general business conditions, the availability of alternative sources of finance and financial markets generally. The Company may be unable to identify targets at valuations that the Board believes will deliver sufficient returns for Shareholders. Even if the Company successfully identifies targets, the process remains subject to execution risk and there is no guarantee that acquisitions will complete. The Company can offer no assurance that it will be able to identify or complete acquisitions that are consistent with its strategy or that it will be able to fully deploy its available capital.

The Company may face competition from other resource companies as well as third party financiers

When suitable acquisitions are identified, the Company is likely to be in competition with other resource companies as well as but not limited to private equity funds, mezzanine funds, investment banks, equity and non-equity based investment funds, and other sources of financing, including the public capital markets. Of the competition faced, it is likely that some of its competitors will have greater levels of financial resources, thus, they may have lower cost of funds and access to alternative funding sources and structures not available to the Company.

In addition, the risk profile of the Company in relation to its choice of assets may not allow the Company to consider as wide a variety of assets as some of the Company's competitors which may have higher risk tolerances or different risk assessments. This might result in competitors establishing relationships and building their market shares to the detriment of the Company. There is no assurance that the competitive pressures that the Company faces will not have a material adverse effect on its business, financial condition and results of operations. Also, because of this competition, the Company may not be able to take advantage of attractive opportunities and there

can be no assurance that it will be able to identify and complete acquisitions that satisfy its business objectives or that will enable it to meet its acquisition and development criteria.

There is typically no reliable liquid market available for the purposes of valuing the Company's early-stage assets

The Company's assets will comprise of assets and interests in the natural resource sector. There is typically no reliable liquid market for early-stage assets in the natural resource sector and the valuation of such investments involves the Board exercising its judgement. There can be no guarantee that the basis of calculation of the value of the Company's assets and interests reflect the true realisable value of those assets and interests. The internal valuation of the Company's assets and interests and potential acquisition values will be based upon a blended process of geotechnical review and analysis, financial modelling, consultation of technical sector experts and existing market reference points including the potential future value of commodities.

Material facts or circumstances not revealed in the due diligence process

Prior to negotiating and subsequently making an acquisition in accordance with its business strategy, the Company will undertake legal, financial, commercial and technical due diligence on potential assets and any joint venture or counterparties to a level considered reasonable and appropriate by the Company. Whilst efforts will be taken to uncover all material facts relating to each prospect, given that every due diligence exercise involves subjective analysis and is susceptible to human error, there will be a risk that a pertinent piece of information remains undiscovered and this may have a material adverse effect upon the value of the asset or interest. As such, there can be no assurance that due diligence will reveal all material issues related to a potential asset or interest, joint venture or counterparties which might be necessary or helpful in evaluating a potential acquisition.

Dependence on members of the Board, external advisers and technical consultants

The Company's ability to provide returns to Shareholders is dependent to a large extent upon the performance of the members of the Board, external advisers and technical consultants who have and will continue to be engaged by the Company to provide key services such as the identification, acquisition and disposal of assets and interest through sale, joint venture or trailing ownership structure and the determination of any required financing arrangements. The Company will depend to a significant extent on the experience, diligence, skill and network of business contacts of such persons.

Failure by such persons to carry out their obligations to the Company in accordance with the terms of their appointment could have a material adverse effect on the operation of the Company, including, without limitation, on the Company's ability to achieve its investment and business objectives. In addition, if any of the members of the Board, external advisers and technical consultants depart from, or cease to be engaged by, the Company, there is a risk that suitable and effective replacements may not be found. Therefore, the Company's business, financial condition and results of operations may be adversely affected, if the services of the members of the Board and external advisers, consultants and/or third-party providers cease to be available to the Company.

RISKS RELATED TO THE COMPANY'S RELIANCE ON THIRD PARTIES

The Company may be dependent on Partners over which it may lack control and information

The Company is likely to be dependent on the operation and management of its assets, relevant Partners and through the various material interests it has entered with them. The revenue generated through such material interests, and therefore the ability to realise value uplift for Shareholders is likely to depend on the success of its Partners.

Where the Company enters into an option, sale, royalty agreement, trailing ownership structure or deferred ownership following completion of early-stage exploration and development, it may not hold a direct interest in the minerals or projects themselves, rather, prior to making the acquisitions, the Company will seek to negotiate certain information rights and consent matters into the terms of each agreement to ensure that it will have sufficient information rights in relation to the interest being acquired in order to comply with its obligations under the DTRs. However, there is no guarantee that Partners will concede to such requests. Even with information rights and consent

matters, the Company may not have significant influence over of its Partners or their operations nor the ability to exercise control over such Partners. As a result, it may be difficult for the Company to ensure that the Partners operate in the Company's best interest.

While it is anticipated that the Company will have certain information rights in such circumstances, the Company may otherwise have limited access to information, data and disclosure regarding the Partners. The Company may not have the ability to independently verify such information or provide assurance that such third-party information is complete or accurate which may affect the Company's ability to assess the underlying performance. As a result, the Company may be dependent on each Partner for the accuracy of fiscal and project reporting to meet the Company's reporting and disclosure requirements as well as updates on assets and interests.

To the extent that a Partner is a private company, there will generally be little or no publicly available information, including audited or other financial information, about such Partners. Similarly, the boards of directors and or management of these companies may not be subject to the same governance and disclosure requirements as are applicable to public companies. Therefore, although all Partners will be required to provide the Company with regular technical, financial and operating information pursuant to the Company's assets and interests, the Company may not be able to obtain all the technical, financial and operational information it deems necessary to monitor the Partner. This could affect the Company's ability to assess the performance of any relevant asset or interest.

The Company is largely reliant on third parties for operational activity

The Company has no operational workforce and will be reliant on third party providers and suppliers to provide the services and equipment required for some of, if not all the Company's early-stage work programs and there can be no assurance that such third parties will be able to provide such services in the time scale and at the cost anticipated by the Company. Whilst it is not unusual for early-stage exploration companies to subcontract exploration activity to third parties, absent an operational workforce of its own the Company will be dependent and reliant upon such third parties and may be in competition with other parties for those services, which may impact the Company's estimates of timing and planning of its activities and, in turn, may threaten the ability of the Company to meet minimum work requirements which are conditions attached to its resource licences and concessions.

The Company's assets and interests may not produce anticipated revenues or returns

Numerous factors may affect the financial performance of an asset or interest held by the Company and, in particular, the quantum of any distribution made to shareholders by the Company, or the ability of the Company to meet its business plan, will be subject to any downturn in its industry or negative economic conditions. Deterioration in any of the Company's Partner's financial condition and prospects may also be accompanied by a material reduction in the asset development completed by the Partners.

The success of the Company's assets and interests will, in part, be based on the accuracy of assumptions regarding the estimates of resources and the production estimates of operators or asset counterparties as well as the Company's ability to make accurate assumptions regarding the valuation, timing and amount of revenues to be derived from the Company's assets.

Until resources are actually produced, the amount and quality of resources must be considered as estimates only and therefore any value formulated by management is an estimate of market value. Any material change in the amount or quality of reserves may affect the economic viability of the Company's assets or interests. Fluctuation in commodity prices, results of drilling and production and the evaluation of development plans subsequent to the date of any estimate may require revisions of such estimates. The quality and volume of resources and production rates may not be the same as anticipated at the time of investment by the Company. Additionally, production estimates are subject to change, and actual production may vary materially from such estimates. No assurance can be given that any estimates of future production and future production costs with respect to any of the fields or assets underpinning the Company's assets or interests will be achieved.

Partners may have repurchase rights which may be exercised

In a number of existing agreements with the Acquisition Company's, Partners have repurchase rights in respect of their Royalty agreements with the Company, It is anticipated that this may be the case for new acquisitions and assets the Company engages in While the exact terms of these repurchase rights will be negotiated on a case by case basis, it is anticipated that the Partners will, if certain conditions are met, be able to buyback or redeem portions of the Company's interests by paying the applicable cash consideration. Although the Board believes that the buyback or redemption price would adequately compensate the Company for the foregone trailing interests or royalty payments, it may be required to reinvest the cash received into further assets or interests or possibly investing in its own shares through the repurchase and cancellation of Ordinary Shares. There is no assurance that the Company would be able to successfully identify and complete any such alternative acquisitions or investments or complete any such share repurchase.

RISKS ASSOCIATED WITH CLAIMS AND LITIGATION

The ability of the Company to recover from Partners for defaults under its ownership rights with them may be limited

Fractional and trailing ownership rights and agreements are largely contractual in nature unless mineral rights are purchased in specific instances. Parties to contracts do not always honour contractual terms and contracts themselves may be subject to interpretation or technical defects. Such parties may not have sufficient cash flow at a particular payment date to honour the contractual terms or they may enter insolvency, bankruptcy or other analogous or similar processes in the jurisdictions in which the Partners are incorporated or conduct their operations. Additionally, the Partners may breach their representations, warranties or covenants or may not comply with their obligations to provide information or to allow the Company to exercise any applicable information or audit rights. To the extent Partners do not abide by their contractual obligations, the Company would be required to take legal action to enforce its contractual rights. Such litigation may be time consuming and costly and there is no guarantee of success or that the Partner will have sufficient assets to cover the Company's loss. If Partners do not honour their contractual obligations, either by choice or due to financial difficulties or bankruptcy, or if the Company is unable to enforce its contractual rights, it may have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Furthermore, the failure of any Partner to fulfil its distribution obligations to the Company could also materially adversely affect its financial condition and cash flows. While it is currently anticipated that any fractional or trailing ownership rights and agreements the Company will enter into with its Partners will provide for remedies in the event of non-payment of revenues or royalties by the relevant Partner and that the Company may in certain circumstances, have security over the assets of Partners, the Company's rights and, where applicable, its security interests may be subordinated to the payment rights and security interests of an Partner's commercial lenders.

Litigation against the Company or its Partners may disrupt its strategy and growth

It is also possible that the Company and/or any Partners will be named as parties to litigation or become involved in regulatory inquires, which could cause substantial reputational damage to the Company and/or Partners. Such litigation or regulatory inquiries will disrupt the Company's strategy, businesses or potential growth and therefore have an adverse effect on returns to Shareholders.

Potential litigation affecting the assets underpinning the Company's assets and interests could have an adverse effect on the Company

Potential litigation or other third-party claims may arise on an asset underpinning one of the Company's assets or interests which, if successful, could impair development and/or operations or limit its counterparties' ability to enforce its title or rights with respect to the relevant asset. As the holder of an interest, the Company will not generally have any influence on the litigation and may not have access to non-public information concerning such litigation. Any such litigation that results in the cessation or reduction of production from an asset underpinning one of the Company's assets or interests (whether temporary or permanent) or results in the counterparty no longer having legal ownership of the resources or assets could have a material adverse effect on the Company's revenue, financial condition and ability to pay a dividend and, consequently, the market price of the Shares.

RISKS RELATED TO THE COMPANY'S INDUSTRY

Global supply and demand changes due to a potential economic downturn may adversely affect the business, cash flows, results of operations and financial condition of the Group

Global supply and demand affect commodity prices. Widespread trading activities by market participants, seeking either to secure access to commodities or to hedge against commercial risks, affects commodity prices as well. Consequently, commodity prices are subject to substantial fluctuations and cannot be accurately predicted.

The current global economic environment and the volatility of international markets have caused governments and central banks to undertake unprecedented interventions designed to stabilise global and domestic financial systems, stimulate new lending and support structurally important industries and institutions, such as banks, which are at risk of failing. Many developed economies have experienced recessions over the past several years and growth has slowed in many emerging economies with serious adverse consequences for asset values, employment levels, consumer confidence and levels of economic activity. Numerous governments and central banks have responded to these economic conditions by proposing programmes to make substantial funds and guarantees available to boost liquidity and confidence in their financial systems. It is not known whether these responses will be effective in addressing the economic and market conditions that exist at present. The impact of the reversal or withdrawal of such programmes is also uncertain.

Any further deterioration of the global economic environment could have a material adverse effect on the Group's business, results of operations and financial condition, particularly to the extent it impacts upon the price of the Group's commodities.

Commodity Prices

The value of the Company's assets and interests as well as potential earnings may be affected by fluctuations in commodity prices and exchange rates, such as the US\$ and GBP denominated zinc, lead, gold, silver, copper and barite prices, and the GBP / US\$ exchange rate. These prices can significantly fluctuate and are exposed to numerous factors beyond the control of the Company such as world demand for precious and other metals, forward selling by producers, and production cost levels in major metal producing regions. Other factors include expectations regarding inflation, the financial impact of movements in interest rates, global economic trends, and domestic and international fiscal, monetary and regulatory policy settings. The Company's financial performance will be highly dependent on commodity prices and exchange rates.

The Enlarged Group's mineral interests from time to time will be exposed to risks of changes in government regulation and changing political attitudes and stability in the countries in which they are situated

The Enlarged Group may from time to time own mineral interests where the properties' mining, processing, sales, exploration and future development activities are subject to various laws governing prospecting, mining, development, production, royalties and taxes, export licences, import tariffs, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. The Group also may, in the future, own interests in a number of jurisdictions where the government may seek to be a significant owner of the mineral property or may seek to appropriate the property outright without compensation.

Amendments to current laws and regulations governing operations at the mineral properties from time to time or more stringent implementation thereof could have a substantial adverse impact on the Enlarged Group's mineral properties from time to time and cause increases in exploration expenses, capital expenditures, production costs, tariffs or taxes or reduction in levels of production at producing properties or require abandonment or delays in development of new mining assets. Additionally, from time to time certain of the Enlarged Group's mineral interests could be statutory rather than contractual and to the extent the statutes applicable to such interests are amended, this could impact the level of payments or other amounts received from the relevant mineral interest.

Failure to comply with applicable laws, regulations, agreements and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral interests may be required to compensate

those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Although the Directors intend that all mining activities in connection with its mineral interests from time to time are currently carried out in accordance with all applicable rules and regulations, the Directors may not be able to directly influence such matters and therefore no assurance can be given that its mineral properties' activities will be carried out in accordance with all applicable rules and regulations, or that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development of the mineral properties which could have a material adverse effect on the Group's royalty related income, business, results of operations, financial condition and ability to pay a dividend.

The Enlarged Group's mineral properties, interests and operations from time to time will require various government approvals, licences and permits, and delays or a failure to obtain, maintain or comply with the terms of any such property rights, permits and licences, could result in interruption or closure of operations, exploration or development on the properties. Many of the mineral rights, interests and agreements of the Enlarged Group and its mineral properties from time to time will be subject to government approvals, licences and permits. Further, such licences and permits are subject to change in various circumstances. In addition, the granting, renewal and continued effectiveness of such approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. No assurance can be given that the Enlarged Group and its mineral properties will be successful in maintaining any or all of the various approvals, agreements, licences and permits in full force and effect without modification or revocation. To the extent such approvals are required and not obtained, the Enlarged Group's mineral properties from time to time may be curtailed or prohibited from continuing or proceeding with planned exploration or development of mineral properties, which could have a material adverse effect on the Enlarged Group's income, business, results of operations, financial condition and ability to pay a dividend.

Safety, health and environmental exposures and related regulations may expose the Company to increased litigation, compliance costs, interruptions to operations, unforeseen environmental remediation expenses and loss of reputation

The natural resources sector involves extractive enterprises. These endeavours often make the sector a hazardous industry. The industry is highly regulated by health, safety, and environmental laws. The Company's operations following the Acquisitions may be subject to these kinds of governmental regulations in any region in which it operates including laws regulating the removal of natural resources from the ground and the discharge of materials into the environment. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Operations are subject to general and specific regulations and restrictions governing drilling and production, mining and processing, land tenure and use, environmental requirements (including site specific environmental licences, permits and remediation requirements), workplace health and safety, social impacts and other laws. The Company's operations may create environmental risks including dust, noise or leakage of polluting substances from its operations. The Enlarged Group's mineral properties from time to time may need to address contamination at their properties in the future, either for existing environmental conditions, or for leaks or discharges that may arise from its ongoing operations or other contingencies. Contamination from hazardous substances, either at the mineral properties from time to time, or other locations for which the Enlarged Group's mineral properties may be responsible may subject the operator and others to liability for the investigation and remediation of contamination, as well as for claims seeking to recover for related property damage, personal injury or damage to natural resources. Non-compliance with any environmental laws or regulations could result in the loss of permits or licences necessary for the operation of the mineral properties. Failing to adequately manage environmental risks or to provide safe working environments could cause harm to the Company's employees or the environment surrounding the operations site. Facilities are subject to closure by governmental authorities and the Company may be subject to fines and penalties, liability to employees and third parties for injury, statutory liability for environmental remediation and other financial consequences, which may be significant. The Company may also suffer impairment of reputation, industrial action or difficulty in recruiting and retaining skilled employees. Subsequent changes in regulations, laws or community expectations that govern the Company's operations could

result in increased compliance and remediation costs. Any of the foregoing developments could have a materially adverse effect on the Company's results of operations, cash flows or financial condition.

Environmental legislation is evolving to mandate stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Enlarged Group and its royalty and stream properties' operations from time to time. There is no guarantee that the Group will not become subject to liability for environmental issues as a party with an interest in a mineral property. Environmental hazards, which are unknown at the present time and which have been caused by previous or existing owners or operators of properties, may exist on mineral properties or the properties on which the Group's mineral properties from time to time hold interests, and such hazards may cause the Group's mineral properties' to incur significant costs that could have a material adverse effect upon the Group's income, business, results of operations, financial performance and ability to pay a dividend.

The Company's industrial activities involve a number of operating risks and hazards, many of which are outside of the Company's control.

The Company's assets, interests and acquisitions are or will be, subject to numerous operating risks and hazards normally associated with the development and operation of natural resource projects, many of which are beyond the Company's control. These operating risks and hazards include unanticipated variations in grade and other geological problems, seismic activity, climatic conditions such as flooding or drought, metallurgical and other processing problems, technical failures, unavailability of materials and equipment, interruptions to power supplies, industrial actions or disputes, industrial accidents, labour force disruptions, unanticipated logistical and transportation constraints, tribal action or political protests, force majeure factors, environmental hazards, fire, explosions, vandalism and crime. These risks and hazards could result in damage to, or destruction of, properties or production facilities, may cause production to be reduced or to cease at those properties or production facilities, may result in a decrease in the quality of the products, may result in personal injury or death, environmental damage, business interruption and legal liability and may result in actual production differing from estimates of production. The realisation of such operating risks and hazards and the costs associated with them could materially adversely affect the Company's business, results of operations and financial condition, including by requiring significant capital and operating expenditures to abate the risk or hazard, restore their property or third-party property, compensate third parties for any loss and/or pay fines or damages.

The Enlarged Group's mineral properties from time to time may be subject to evolving regulations related to climate change

A number of governments or governmental bodies have introduced, or are contemplating, regulatory changes in response to the potential impacts of climate change. Legislation and increased regulation regarding climate change could impose significant costs on the operators of the Group's mineral properties (in particular, Royalty interests that the Enlarged Group may hold in Oil and Gas assets) from time to time, including increased energy, capital equipment, environmental monitoring and reporting and other costs required in order to comply with such regulations. If an operator of a royalty and stream property is forced to incur significant costs to comply with climate change regulation or becomes subject to environmental restrictions that limit its ability to continue or expand operations, the Group's revenues from that property could be reduced, delayed or eliminated.

Certain of the royalty and stream properties from time to time may be subject to the rights of indigenous peoples

Various international and national laws, codes, resolutions, conventions, guidelines, and other materials relate to the rights of indigenous peoples. Certain of the mineral properties from time to time may be located in some areas presently or previously inhabited or used by indigenous peoples. Many of these materials impose obligations on government and/or asset owners to respect the rights of indigenous people. In particular there may be a requirement for consultation with indigenous peoples regarding proposed actions which may affect them, including actions to approve, grant or renew mining rights or permits. The obligations of government and private parties under the various international and national materials pertaining to indigenous people continue to evolve and

be defined. The mineral properties' operations may be subject to a risk that one or more groups of indigenous people may oppose the continued operation, further development, or new development of those or other mineral properties. Such opposition may be directed through legal or administrative proceedings or protests, roadblocks or other forms of public expression against the mineral properties or the operators' activities. Opposition by indigenous people to such activities may require modification of, operation of or preclude operation of projects, or may require the entering into of agreements with indigenous people such actions may result in a delay or reduction in the income earned by the Group from such royalty and stream properties.

The Company's assessment and estimation of the amount of reserves recoverable through the asset, interest or acquisition may be more than actually recovered

The Company may estimate or hire third party experts to estimate an asset, interest or acquisition target's resources and reserves. These estimations are subject to a number of assumptions, including the price of commodities, production costs and recovery rates. Variations in the market realities underlying the Company's or third-party expert's estimates and assumptions may result in material changes to its reserve estimates. Such changes may have a materially adverse impact on the financial condition and prospects of the Company after the Acquisition.

COVID-19 Risk

Whilst the Group cannot predict any potential effect of COVID-19, it does not believe that COVID-19 will impact the working capital requirements of the Group. It is possible that if the current outbreak of COVID-19 in Canada (being the country of residence of some of the key personnel within the Group) increases then this may lead to the disruption of the Group's interests. An increase in the number of confirmed COVID-19 cases in Canada Such restrictions have the potential to disrupt resource based companies in which the Company has assets and interests in through worker absenteeism resulting from quarantines, self-isolations, or other movement and restrictions on the ability of staff to work, office and site closures, disruptions to ports and other shipping infrastructure, border closures, or other travel or health-related restrictions. Whilst any such disruptions will not directly impact the working capital requirements of the Group it may delay the date by which the Group will be able to report the results of its interests and assets and impact the returns received from such interests. Additionally, such disruption is likely to affect the companies from which the Group has a mineral interest in, until such time as such restrictions are lifted.

RISKS RELATING TO THE COMPANY'S RELATIONSHIP WITH THE DIRECTORS AND CONFLICTS OF INTEREST

The Company is dependent upon the Directors to identify potential assets, interests and acquisition opportunities and to execute the transactions and the loss of the services of the Directors could materially adversely affect it

The Company will rely heavily on a small number of key individuals, in particular the Directors, to identify potential assets and interests and to execute any transactions. The retention of their services cannot be guaranteed. Accordingly, the loss of any such key individual may have a material adverse effect on the Company's ability to identify potential acquisition opportunities and to execute the transactions . In addition, there is a risk that the Company will not be able to recruit executives of sufficient expertise or experience to identify and maximise any opportunity that presents itself, or that recruiting and retaining those executives is costlier or takes longer than expected. The failure to attract and retain those individuals may adversely affect the Company's ability to complete the transactions.

The Directors will allocate their time to other businesses leading to potential conflicts of interest in their determination as to how much time to devote to the Company's affairs, which could have a negative impact on the Company's ability to complete any transactions

None of the Directors are required to commit their full time or any specified amount of time to the Company's affairs, which could create a conflict of interest when allocating their time between the Company's operations and their other commitments. The Directors are engaged in other business endeavours. If the Directors' other business affairs require them to devote substantial amounts of time to such affairs, it could limit their ability to devote time to the Company's affairs and could have a negative impact on the Company's ability to consummate any transactions . In addition, although the Directors must act in the Company's best interests and owe certain fiduciary duties to the

Company, they are not necessarily obligated under England and Wales law to present business opportunities to the Company.

One or more Director may negotiate employment or consulting agreements with a target company or business in connection with any transactions. These agreements may provide for such Directors to receive compensation following any transaction and as a result, may cause them to have conflicts of interest in determining whether a particular acquisition is the most advantageous for the Company

The Directors may negotiate to remain with the Company after the completion of any transaction on the condition that the target company or business asks the Directors to continue to serve on the board of directors of the combined entity. Such negotiations would take place simultaneously with the negotiation of any transactions contemplated and could provide for such individuals to receive compensation in the form of cash payments and/or the securities in exchange for services they would render to it after the completion of any transaction. The personal and financial interests of such Directors may influence their decisions in identifying and selecting a target company or business. Although the Company believes the ability of such individuals to negotiate individual agreements will not be a significant determining factor in the decision to proceed with any transactions, there is a risk that such individual considerations will give rise to a conflict of interest on the part of the Directors in their decision to proceed with any transactions. The determination as to whether any of the Directors will remain with the combined company and on what terms will be made at or prior to the time of any transaction.

The Directors may in the future enter into related party transactions with the Company, which may give rise to conflicts of interest between the Company on the one hand and the Directors on the other hand

The Directors and one or more of their affiliates may in the future enter into other agreements with the Company that are not currently under contemplation. While the Company will not enter into any related party transaction without the approval of a majority of the non-conflicted Directors, it is possible that the entering into of such an agreement might raise conflicts of interest between the Company and the Directors.

Historical results of prior business activities associated with, the Directors and their affiliates may not be indicative of future performance of an investment in the Company

Investors are cautioned that historical results of prior businesses associated with, the Directors and their affiliates may not be indicative of the future performance of an investment in the Company or the returns the Company will, or is likely to, generate going forward.

The Directors are or may in the future become affiliated with entities, including other special purpose acquisition vehicles, engaged in business activities similar to those intended to be conducted by the Company

The Directors are or may in the future become affiliated with entities, including other special purpose acquisition vehicles, engaged in business activities similar to those intended to be conducted by the Company, which may include entities with a focus on target companies or businesses similar to those being sought by the Company.

RISK FACTORS SPECIFIC AND MATERIAL TO THE COMPANY'S FINANCIAL SITUATION AND EARLY-STAGE BUSINESS

The Company is not currently generating positive cashflow revenue and may not do so in the near term

The Company is a natural resource focussed prospect generator and seeks to exit equity positions to realise returns in the form of equity or trailing financial interests. Whilst the Company has liquid equity positions to sell on public exchanges, any such sale is dependent on liquidity in the market. Accordingly given the concentrated equity positions that the Company will seek to exit, is not possible to give any assurance that the Company will ever be capable of generating positive cash flow at the current time.

Whilst the Company has raised capital in £ Sterling, it will incur costs in Canadian Dollars and other currencies.

The Company will incur certain costs in Canadian Dollars and other currencies, but it has raised capital in £ Sterling. Fluctuations in exchange rates of the Canadian dollar and other currencies to which it has been exposed against £ Sterling may materially affect the Company's translated results of operations. In addition, given the relatively small size of the Company, it may not be able to effectively hedge against risks associated with currency exchange rates at commercially realistic rates. Accordingly, any significant adverse fluctuations in currency rates could have a material adverse effect on the Company's business, financial condition and prospects to a much greater extent than might be expected for a larger enterprise.

The Company may not be able to draw down under the Equity Drawdown Facility in certain circumstances

The Equity Drawdown Facility that the Company has in place with Crescita Capital contains a provision which restricts the amount that the Company may draw down under, whereby the aggregate number of Ordinary Shares that may be subscribed for by Crescita Capital pursuant to the service of a draw down notice by the Company must not exceed 700% of the average daily trading volume of all of the Company's Ordinary Shares in the ten days of trading following the delivery of such notice. Furthermore, the Company cannot drawdown funds under the facility if, following the issue of Ordinary Shares pursuant to the drawdown, Crescita Capital will hold in excess of 25% of the voting rights attaching to the issued share capital of the Company. Accordingly, where the number of Ordinary Shares to be subscribed for in this manner does exceed the stipulated average daily trading volume or Crescita Capital's holding exceeds 25% of the voting rights attaching to the Company's issued share capital, then the number of Ordinary Shares and consequently the amount the Company is able to draw down at the relevant time will be limited to the stipulated average daily trading volume amount and/or that percentage of the outstanding voting rights, as applicable. In addition, the subscription price at which Ordinary Shares are issued to Crescita Capital pursuant to any draw down notice delivered by the Company is subject to a minimum price that is stipulated by the Company in the relevant drawdown notice. Consequently, should the minimum stipulated price not be met then the Company would need to waive the minimum stipulated subscription price in order to proceed with the relevant draw down of funds under the Equity Drawdown Facility. In certain circumstances, the Company may not wish to proceed with the draw down of funds if the Board determines that the subscription price at which the Ordinary Shares are to be issued to Crescita Capital is too low and will be detrimental to the Company and its shareholders as a whole. Accordingly, these provisions may restrict the Company's ability to draw down the funds it may require under the Equity Drawdown Facility at any given time and in such circumstances the Company would seek alternative sources of capital.

RISKS RELATING TO TAXATION

Changes in tax law and practice may reduce any net returns for Investors

The tax treatment of shareholders of the Company, any special purpose vehicle that the Company may establish and any company which the Company may acquire are all subject to changes in tax laws or practices in England and Wales or any other relevant jurisdiction. Any change may reduce any net return derived by Investors from a shareholding in the Company.

There can be no assurance that the Company will be able to make returns for Shareholders in a tax-efficient manner

It is intended that the Company will structure the Group, including any company or business acquired in the Transactions, to maximise returns for Shareholders in as fiscally efficient a manner as is practicable. The Company has made certain assumptions, in conjunction with advice from paid consultants, regarding taxation. However, if these assumptions are not correct, taxes may be imposed with respect to the Company's assets, or the Company may be subject to tax on its income, profits, gains or distributions (either on a liquidation and dissolution or otherwise) in a particular jurisdiction or jurisdictions in excess of taxes that were anticipated. This could alter the post-tax returns for Shareholders (or Shareholders in certain jurisdictions). The level of return for Shareholders may also be adversely affected. Any change in laws or tax authority practices could also adversely affect any post-tax returns of capital to Shareholders or payments of dividends (if any, which the Company does not envisage the payment of, at least in the short to medium term).

In addition, the Company may incur costs in taking steps to mitigate any such adverse effect on the post-tax returns for Shareholders.

RISKS RELATED TO THE COMPANY'S LISTING AND ORDINARY SHARES

The Acquisitions and Fundraising will dilute Shareholders' interests. Also, the company may require future capital which may dilute Shareholders interest.

The Company will issue 245,613,298 new Ordinary Shares in aggregate in connection with the Acquisitions, in addition to Acquisition Warrants over 28,693,003 new Ordinary Shares. In addition, the Company will issue a further issue 66,666,667 new Ordinary Shares pursuant to the Fundraising. The combined dilutive effect will result in an overall dilution of 80.16% of existing holdings.

The Company may require additional financial resources to in the future for further acquisitions. The Company may therefore in the future seek to raise additional funds. No assurance can be given that any such additional financing will be available or that, if available, it will be available on terms favourable to the Company or the Shareholders. Any such fundraising(s) may also have a dilutive effect on existing Shareholders.

The market price for the Ordinary Shares may be affected by fluctuations and volatility in the price of Ordinary Shares

Stock markets have from time to time experienced severe price and volume fluctuations, a recurrence of which could adversely affect the market price for the Ordinary Shares. The market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, some specific to the Company and some which affect listed companies generally, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic, political or regulatory conditions, overall market or sector sentiment, legislative changes in the Company's sector and other events and factors outside of the Company's control.

The proposed Standard Listing of the Ordinary Shares will afford investors a lower level of regulatory protection than a Premium Listing

Simultaneously with the cancellation of the listing of the Ordinary Shares on AQSE, application will be made for the Enlarged Share Capital to be admitted to a Standard Listing on the Official List. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules. A Standard Listing will not permit the Company to gain a FTSE indexation, which may have an adverse effect on the valuation of the Ordinary Shares. Further details regarding the differences in the protections afforded by a Premium Listing as against a Standard Listing are set out in the section of this Document entitled "Consequences of a Standard Listing".

The Company may be unable to transfer to a Premium Listing or other appropriate listing venue

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules and does not intend to seek to transfer to either a Premium Listing or other listing venue at this time. Even if the Company did determine to seek a transfer to a Premium Listing in the future there is no guarantee that it would be able to fulfil the relevant eligibility criteria. The Company will therefore not be obliged to comply with the higher standards of corporate governance or other requirements to which it would be subject upon achieving a Premium Listing and, for as long as the Company continues to have a Standard Listing, it will be required to continue to comply with the lesser standards applicable to a company with a Standard Listing.

Investors may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable

Investments in Ordinary Shares may be relatively illiquid. There may be a limited number of Shareholders and this factor may contribute both to infrequent trading in the Ordinary Shares on the London Stock Exchange and to volatile share price movements. Investors should not expect that they will necessarily be able to realise their investment in Ordinary Shares within a period that they would regard as reasonable. Accordingly, the Ordinary Shares may not be suitable for short-term investment. Admission should not be taken as implying that there will be an active trading market

for the Ordinary Shares. Even if an active trading market develops, the market price for the Ordinary Shares may fall below the issue price.

Ordinary Shares available for future sale

The Company is unable to predict whether substantial amounts of Ordinary Shares will be sold in the open market following Admission. Any sales of substantial amounts of Ordinary Shares in the public markets or the perception that such sales might occur could materially adversely affect the market price of the Ordinary Shares and the market capitalisation of the Company.

The Company may fail to pay dividends

The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Shareholders or, in the case of interim dividends to the discretion of the Directors, and will depend upon, amongst other things, the Company's earnings, financial position, cash requirements, availability of profits, as well as provisions for relevant laws or generally accepted accounting principles from time to time. As such, there can be no assurance as to the level of future dividends.

CONSEQUENCES OF A STANDARD LISTING

Application will be made for the Enlarged Share Capital to be admitted to listing on the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for standard listings. The Company will comply with the Listing Principles set out in Chapter 7 of the Listing Rules at Listing Rule 7.2.1 which applies to all companies with their securities admitted to the Official List. In addition, the Company will also comply with the Listing Principles at Listing Rule 7.2.1A notwithstanding that they only apply to companies which obtain a Premium Listing on the Official List. With regard to the Listing Principles at 7.2.1A, the Company is not, however, formally subject to such Listing Principles and will not be required to comply with them by the UK Listing Authority.

In addition, while the Company has a Standard Listing, it is not required to comply with the provisions of, among other things:

- Chapter 8 of the Listing Rules regarding the appointment of a sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company has not appointed and does not intend to appoint such a sponsor in connection with the Fundraising and Admission;
- Chapter 9 of the Listing Rules relating to the ongoing obligations for companies admitted to the Premium List and therefore does not apply to the Company.
- Chapter 10 of the Listing Rules relating to significant transactions;
- Chapter 11 of the Listing Rules regarding related party transactions. Nevertheless, the Company will not enter into any transaction which would constitute a 'related party transaction' as defined in Chapter 11 of the Listing Rules without the specific prior approval of the Directors;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares. In particular, the Company has not adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2. Subject to the Companies Act, the Company will have unlimited authority to purchase Ordinary Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules and does not intend to seek to transfer to either a Premium Listing or any other listing venue at this time. Should the Company determine to seek a transfer to a Premium Listing there is no guarantee that it would be able to fulfil the relevant eligibility criteria.

It should be noted that the UK Listing Authority will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply. However, the FCA would be able to impose sanctions for non-compliance where the statements regarding compliance in this Document are themselves misleading, false or deceptive.

IMPORTANT INFORMATION

NOTICE TO INVESTORS

In deciding whether or not to invest in Ordinary Shares prospective investors should rely only on the information contained in this Document. No person has been authorised to give any information or make any representations other than as contained in this Document and, if given or made, such information or representations must not be relied on as having been authorised by the Company or the Directors. Without prejudice to the Company's obligations under FSMA, the UK Prospectus Regulation Rules, the Listing Rules, UK MAR and the Disclosure Guidance and Transparency Rules, neither the delivery of this Document nor any subscription made under this Document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Document or that the information contained herein is correct as at any time after its date of publication.

Prospective investors must not treat the contents of this Document or any subsequent communications from the Company, the Directors, or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

The section headed "Summary" in Part I of this Document should be read as an introduction to this Document. Any decision to invest in the Ordinary Shares should be based on consideration of this Document as a whole by the investor. In particular, investors must read the section headed 'Key Information on the Issuer' and 'Key Information on the Securities' of the Summary, together with the risks set out in the section headed "Risk Factors" in Part II of this Document.

This Document is being furnished by the Company in connection with an offering exempt from registration under the Securities Act solely to enable prospective investors to consider the purchase of Ordinary Shares. Any reproduction or distribution of this Document, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Ordinary Shares hereby is prohibited.

This Document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation or the solicitation of an offer or invitation to subscribe for or buy, any Ordinary Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation. The distribution of this Document in certain jurisdictions may be restricted. Accordingly, persons outside the UK who obtain possession of this Document are required by the Company and the Directors to inform themselves about, and to observe any restrictions as to the distribution of this Document under the laws and regulations of any territory in connection with any applications for Ordinary Shares including obtaining any requisite governmental or other consent and observing any other formality prescribed in such territory. No action has been taken or will be taken in any jurisdiction by the Company or the Directors that would permit a public offering of the Ordinary Shares in any jurisdiction where action for that purpose is required nor has any such action been taken with respect to the possession or distribution of this Document other than in any jurisdiction where action for that purpose is required. Neither the Company nor the Directors accept any responsibility for any violation of any of these restrictions by any person.

The Ordinary Shares have not been and will not be registered under the Securities Act, or under any relevant securities laws of any state or other jurisdiction in the United States, or under the applicable securities laws of Australia, the Republic of South Africa, Canada or Japan. Subject to certain exceptions, the Ordinary Shares may not be offered, sold, resold, reoffered, pledged, transferred, distributed or delivered, directly or indirectly, within, into or in the United States, the Republic of South Africa, Australia, Canada or Japan or to any national, resident or citizen of the United States, Australia, the Republic of South Africa, Canada or Japan.

The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any federal or state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Ordinary Shares or confirmed the accuracy or determined the adequacy of the information contained in this Document. Any representation to the contrary is a criminal offence in the United States.

Investors may be required to bear the financial risk of an investment in the Ordinary Shares for an indefinite period. Prospective investors are also notified that the Company may be classified as a passive foreign investment company for US federal income tax purposes. If the Company is so classified, the Company may, but is not obliged to, provide to US holders of Ordinary Shares the information that would be necessary in order for such persons to make a qualified electing fund election with respect to the Ordinary Shares for any year in which the Company is a passive foreign investment company.

Available information

The Company is not subject to the reporting requirements of section 13 or 15(d) of the Exchange Act. For so long as any Ordinary Shares are “restricted securities” within the meaning of Rule 144(a)(3) of the Securities Act, the Company will, during any period in which it is neither subject to section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide, upon written request, to Shareholders and any owner of a beneficial interest in Ordinary Shares or any prospective purchaser designated by such holder or owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Data protection

The Company may delegate certain administrative functions to third parties and will require such third parties to comply with data protection and regulatory requirements of any jurisdiction in which data processing occurs. Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- carrying out the business of the Company and the administering of interests in the Company;
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in the United Kingdom or elsewhere; and/or
- disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Where appropriate it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:

- disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to prospective investors; and/or
- transfer personal data outside of the UK to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as the UK.

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

In providing such personal data, investors will be deemed to have agreed to the processing of such personal data in the manner described above. Prospective investors are responsible for informing any third party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

Investment considerations

In making an investment decision, prospective investors must rely on their own examination, analysis and enquiry of the Company, this Document and the terms of the Admission, including the merits and risks involved. The contents of this Document are not to be construed as advice relating to legal, financial, taxation, investment decisions or any other matter. Investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares or distributions by the Company, either on a liquidation and distribution or otherwise.

Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's objective will be achieved over any given time period.

It should be remembered that the price of the Ordinary Shares and any income from such Ordinary Shares, can go down as well as up.

This Document should be read in its entirety before making any investment in the Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Articles, which investors should review.

Forward-looking statements

This Document includes statements that are, or may be deemed to be, "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "targets", "believes", "estimates", "anticipates", "expects", "intends", "may", "will", "should", "could" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the Document and include statements regarding the intentions, beliefs or current expectations of the Company and the Board concerning, among other things: (i) the Company's objective and financing strategies, results of operations, financial condition, capital resources, prospects, capital appreciation of the Ordinary Shares and dividends; and (ii) future deal flow and implementation of active management strategies, including with regard to an investment. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performances. The Company's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies may differ materially from the forward-looking statements contained in this Document. In addition, even if the Company's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this Document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to:

- the availability and cost of equity or debt capital for future transactions;
- currency exchange rate fluctuations, as well as the success of the Company's hedging strategies in relation to such fluctuations (if such strategies are in fact used);
- changes in the economic climate; and
- legislative and/or regulatory changes, including changes in taxation regimes.

Prospective investors should carefully review the "Risk Factors" section of this Document for a discussion of additional factors that could cause the Company's actual results to differ materially, before making an investment decision. For the avoidance of doubt, nothing in this

paragraph constitutes a qualification of the working capital statement contained in paragraph 11 of Part VIII of this Document.

Forward-looking statements contained in this Document apply only as at the date of this Document. Subject to any obligations under the Listing Rules, the Disclosure Guidance and Transparency Rules, the Prospectus Regulation Rules and UK MAR, the Company undertakes no obligation publicly to update or review any forward-looking statements, whether as a result of new information, future developments or otherwise.

Third party data

Where information contained in this Document has been sourced from a third party, the Company and the Directors confirm that such information has been accurately reproduced and, so far as they are aware and have been able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Currency presentation

Unless otherwise indicated, all references in this Document to “pounds sterling”, “British pound sterling”, “sterling”, “£”, or “pounds” are to the lawful currency of the UK.

Unless stated otherwise, the following exchange rate have been applied within this Document:

CAN\$ to GBP – \$1: £0.57

No incorporation of website

The contents of any website of the Company or any other person do not form part of this Document.

Definitions

A list of defined terms used in this Document is set out in “Definitions” in Part XIII of this Document.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

| | |
|--|------------------|
| Publication of this Document | 12 May 2021 |
| | 10.00 a.m. (PST) |
| | 6.00 p.m. (GMT) |
| Latest time and date for receipt of Form of Proxy and electronic proxy | 27 May 2021 |
| General Meeting | 1 June 2021 |
| | 8.00 a.m. on |
| Admission and commencement of dealings in Ordinary Shares | 3 June 2021 |

All references to time in this Document are to London time unless otherwise stated.

Each of the above dates is subject to change at the absolute discretion of the Company.

FUNDRAISING AND ADMISSION STATISTICS

| | |
|--|-------------|
| Aggregate number of New Ordinary Shares to be issued pursuant to the Proposals | 312,279,965 |
| Issue price of New Ordinary Shares | £0.03 |
| Number of Consideration Shares to be issued pursuant to the Acquisitions | 245,613,298 |
| Number of Placing Shares and Subscription Shares to be issued pursuant to the Fundraising | 66,666,667 |
| New Ordinary Shares as a percentage of the Enlarged Share Capital | 80% |
| Number of Ordinary Shares in issue on Admission | 389,565,114 |
| Number of Warrants in issue on Admission | 43,615,967 |
| Maximum number of New Ordinary Shares to be issued pursuant to the Equity Drawdown Facility following Admission ¹ | 333,333,333 |
| Number of Options in issue on Admission | 5,050,000 |
| Gross proceeds of Fundraising ¹ | £2,000,000 |
| Estimated expenses of Fundraising and Admission (exclusive of VAT) | £308,450 |
| Market capitalisation of the Company on Admission ² | £11,686,954 |

(1) These relate to estimated commissions, fees and expenses payable by the Company in respect of the Fundraising and Admission.

(2) The market capitalisation of the Company at any given time will depend on the market price of the Ordinary Shares at that time. There can be no assurance that the market price of an Ordinary Share will at any given time equal or exceed the Issue Price.

DEALING CODES

| | |
|--------------|--------------|
| ISIN | GB00B44LQR57 |
| SEDOL | B44LQR5 |
| TIDM | CDL |

DIRECTORS, SECRETARY AND ADVISERS

| | |
|--|---|
| Directors | Samuel Anthony “Kyler” Hardy (Chief Executive Officer and Chairman) Kyle Robert Hookey (Non-Executive Director) Emma Kinder Priestley (Non-Executive Director) Melissa Sturgess (Non-Executive Director) |
| Proposed Director | Andrew Male (Executive Director) – effective from Admission |
| Registered office | 6th Floor 60 Gracechurch Street, London, United Kingdom, EC3V 0HR |
| Head office and business address | Suite 890 – 1140 W Pender St. Vancouver British Columbia V6E 4G1 Canada |
| Company Secretary | Shakespeare Martineau LLP 60 Gracechurch Street, London, United Kingdom, EC3V 0HR |
| Financial Adviser and Broker | Novum Securities Limited 57 Berkeley Square London W1J 6ER |
| Legal advisers to the Company | Bird & Bird LLP 12 New Fetter Lane London EC4A 1JP |
| Canadian Legal Advisers to Cloudbreak | Beadle Raven LLP Suite 600-1090 West Georgia Street Vancouver, BC V6E 3V7 |
| Canadian Legal Advisers to Cabox and Howson | Forooghian + Company Law Corporation 400 Burrard Street, Suite 1050, Vancouver, BC V6C 3A6 |
| Auditors | PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD |
| Reporting accountants | Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW |
| Registrars | Share Registrars Ltd The Courtyard 17 West Street Farnham Surrey GU9 7DR |
| Principal banker | HSBC Bank PLC 94 Kensington High Street London W8 4SH |

PART I
LETTER FROM THE CHIEF EXECUTIVE OFFICER OF
IMPERIAL X PLC

IMPERIAL X PLC

(Incorporated and registered in England & Wales under the Companies Act 1985 with registered number 06275976)

Directors:

Samuel Anthony “Kyler” Hardy, *Chief Executive Officer*
Kyle Hookey, *Non-Executive Director*
Emma Kinder Priestley, *Non-Executive Director*
Melissa Sturgess, *Non-Executive Director*

Registered Office:

6th Floor
60 Gracechurch Street
London
United Kingdom
EC3V 0HR

12 May 2021

To the holders of Existing Ordinary Shares

Dear Shareholder

Proposed Acquisition of Howson Ventures Inc.
Proposed Acquisition of Cloudbreak Discovery Corp.
Proposed Acquisition of Cabox Gold Corp.
Proposed Acquisition of certain interests in Anglo African Minerals plc
Change of name to Cloudbreak Discovery plc
Issue of 312,279,965 New Ordinary Shares at 3 pence per Ordinary Share
Issue of up to 333,333,333 New Ordinary Shares under the Equity Drawdown Facility
Notice of General Meeting
Admission of the Ordinary Share Capital to the Official List
(by way of Standard Listing under Chapter 14 of the Listing Rules) and to trading on the
London Stock Exchange’s Main Market for listed securities

1. Introduction

The Company announced on 28 August 2020 that it had entered into a number of Heads of Agreements to acquire Howson, Cloudbreak, Cabox and the AAM Assets, which together comprise a platform of mineral assets, equity positions and trailing ownership positions, including royalty positions. The Acquisitions will initiate the establishment of Imperial as a new, growth-focused diversified project generator and natural resource business.

The Company’s shares were suspended from trading on AQSE Growth Market on 28 August 2020 as the Acquisitions, when taken together, were expected to constitute a Reverse Takeover under rule 58 of the AQSE Rules. The Company had intended to apply for admission of the Enlarged Share Capital to AQSE Growth Market however the Directors subsequently determined that an application for Admission of the Ordinary Share Capital to the Official List (by way of Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange’s Main Market for listed securities was more appropriate for the Company.

On 16 February 2021, the Company entered into the Acquisition Agreements. The Acquisitions are conditional, *inter alia*, upon Admission.

The purpose of this Document is to explain the background to and reasons for the Acquisitions which is in line with the Company’s strategy.

Accordingly, the General Meeting is being convened at which the resolutions will be proposed, *inter alia*, to approve the Acquisitions and the issue and allotment of the Consideration Shares. The

Resolutions are set out in full in the notice of General Meeting at the end of this Document and are summarised in paragraph 19 of this Part I below. Your attention is drawn to the information set out in Part II and Part III of this Document, which contain important information relating to the Proposals. The attention of Shareholders is also drawn to the sections entitled “Forward Looking Statements” on pages 27 and 28 of this Document.

2. Background to and reasons for the Acquisitions and the Enlarged Group’s strategy

The Company has to date been quoted on the AQSE Growth Market as an investment vehicle and is now seeking to execute its corporate strategy through the completion of the Acquisitions. The total consideration for the Acquisitions is the issue of 245,612,998 Ordinary Shares and 28,693,003 Acquisition Warrants.

Further details about the terms of the Acquisitions are set out in Part III of this Document.

The Directors believe that the Acquisitions will provide a strong base for the Company’s strategy and anticipate further acquisitions following Admission.

The Directors believe, having carried out financial and legal due diligence on the Acquisitions, that the purchase prices are fair and reasonable.

3. Terms and conditions of the Acquisitions

The Acquisition Agreements were entered into on 16 February 2021, the principal terms and conditions of which are set out in Part III of this Document.

4. Risk Factors

The material risks which the Directors believe you should take into account when considering whether to vote in favour of the Resolutions, are set out under “Risk Factors” on pages 12 to 23 of this Document.

5. Directors and Senior Management

Upon completion of the Acquisitions, the Board of Directors on Admission will comprise of:

- Kyler Hardy (Chairman and Chief Executive Officer)
- Andrew Male (Executive Director)
- Kyle Hookey (Non-Executive Director)
- Emma Priestley (Non-Executive Director)
- Melissa Sturgess (Non-Executive Director)

Brief biographies of the Directors on Admission together with information on senior managers are set out in Part IV of this Document. Paragraph 8 of Part VIII of this Document contains further details of directorships and partnerships, and certain other important information regarding the Directors.

6. Current trading, strategy and prospects

The strategy of the Enlarged Group is set out in paragraph 3 of Part II of this Document.

7. Working capital and reasons for Admission

The Company is of the opinion that the working capital available to the Group is sufficient for its present requirements, that is for at least 12 months from the date of this Document.

The Company is seeking Admission in order to take advantage of:

- a listed company’s public profile thereby promoting the Company and its strategy;
- the possibility to create a broad investor base;
- the potential liquidity offered by a Standard Listing;
- access to institutional and other investors not only on Admission but in the secondary market; and

- the ability to issue listed equity as consideration for further acquisitions.

8. Borrowings

The Company does not currently have any borrowings; however, debt may be raised in the future to fund the development for expansion. Further information on the borrowing powers of the Company is set out in paragraph 7.21 of Part VIII of this Document.

9. Dividend policy

The Company intends to pay dividends on the Ordinary Shares and in such amounts (if any) as the Board determines appropriate notwithstanding that the Board may retain future distributable profits from the business, to the extent any are generated, to reinvest to achieve long term capital growth for its Shareholders.

The Company will only pay dividends to the extent that to do so is in accordance with the Companies Act and all other applicable laws.

10. Share options

The Directors consider that an important part of the Company's remuneration policy should include equity incentives through the grant of Share Options to Directors, consultants and employees. Accordingly, the Company has granted certain Directors and consultants options to subscribe for up to 5,050,000 shares in the capital of the Company at an exercise price of £0.025 per share and shall vest and become exercisable in equal monthly instalments starting on the month following the vesting commencement date until fully vested on the second anniversary of the vesting commencement date. The board of Directors has discretion to accelerate vesting. Further details of the Share Options are set out in paragraph 10 of Part VIII of this document.

11. The Fundraising

The Company has conditionally raised approximately £2,000,000 before expenses through the issue of 20,412,485 Placing Shares and 46,254,181 Subscription Shares at the Placing Price of 3 pence per share. The Fundraising is conditional only on Admission occurring on or before 3 June 2021 or such later date as may be agreed by Novum and the Company. Total expenses in relation to the Fundraising and Admission are £304,514.

All Ordinary Shares issued pursuant to the Fundraising will be issued at the Placing Price which has been determined by the Directors.

In accordance with Listing Rule 14.2.2, the Board has ensured that at Admission at least 25 per cent. of the Ordinary Shares (as the listed class) will be in public hands (as defined in the Listing Rules) and that a minimum of 25 per cent. of the Enlarged Share Capital has been allocated to investors whose individual and unconnected shareholdings will each equate to less than 5 per cent. of the Enlarged Share Capital, and who do not fall within any of the other excluded categories of investors in Listing Rule 14.2.2 (4).

Conditional upon Admission occurring and becoming effective by 8.00 a.m. London time on or prior to 3 June 2021 (or such later date as agreed by Novum and the Company), each of the Placees agrees to become a member of the Company and agrees to subscribe for the Ordinary Shares set out in his Placing Letter. To the fullest extent permitted by law, Placees will not be entitled to rescind their agreement at any time. In the event that Admission does not become effective by 8.00 a.m. London time on or prior to 3 June 2021 (or such later date as Novum and the Company may agree), Placees will receive a full refund of monies subscribed. The Fundraising is not being underwritten.

Confirmation of the completion of the Fundraising will be announced via an RIS on Admission, which is expected to take place at 8.00 a.m. on 3 June 2021 (or such later date as may be agreed by the Company and Novum being not later than 8.00 a.m. on 30 June 2021).

The rights attaching to the Placing Shares and Subscription Shares will be uniform in all respects and all of the Ordinary Shares will form a single class for all purposes.

12. Equity Drawdown Facility

The Company has entered into the Equity Drawdown Facility with Crescita Capital LLC. The Equity Drawdown Facility is for an aggregate amount of £10 million and is available for drawdown for a period of three years from the date of the agreement, save for the fact that the Company has agreed that it will not drawdown against this facility for six months from Admission. The funds drawn down will be used for the Company's general working capital purposes, acquisition and other development opportunities in the natural resources sector.

The Company can draw down funds from the Equity Drawdown Facility from time to time during the three year term at the Company's discretion by providing a notice to Crescita Capital and in return the Company will allot and issue fully paid shares to Crescita Capital. The shares issued in connection with any Subscription will be priced at the higher of: (i) the minimum floor share price set by the Company; and (ii) 90% of the average closing bid price resulting from the following ten days of trading after each notice is given, subject to adjustment in certain situations where a pricing exception exists.

The amount requested by the Company in any notice cannot exceed 700% of the average daily trading volume in the ten days of trading following such notice. The Company cannot draw down on the facility if, following the allotment and issue of shares to Crescita Capital in respect of the particular drawdown, Crescita Capital will hold an interest in excess of 25% of the voting rights attaching to the Company's issued share capital.

Based on the Placing Price of 3 pence per share it is expected that up to 333,333,333 Ordinary Shares may be issued under the Equity Drawdown Facility subject to approval of this Document by FCA.

Further details of the Equity Drawdown Facility are set out in paragraph 11.4 of Part VIII of this Document.

13. Admission to trading and settlement

Application will be made for the Enlarged Share Capital to be admitted to the Official List, by way of a Standard Listing, and to trading on the Main Market. Dealings in the Ordinary Shares are expected to commence at 8.00 a.m. on 3 June 2021 (or such later date as may be agreed by the Company and its Brokers being not later than 8.00 a.m. on 30 June 2021). No application will be made for the Ordinary Shares to be admitted to trading or to be listed on any other stock exchange.

Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST System if any Shareholder so wishes. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

14. Cancellation of trading on AQSE

Trading of the Company's Ordinary Shares on AQSE will be cancelled simultaneously with Admission. In accordance with the AQSE Rules the Company is not required to obtain Shareholder approval of the cancellation.

15. CREST

CREST is the system for paperless settlement of trades in listed securities. CREST allows securities to be transferred from one person's CREST account to another's without the need to use share certificates or written instruments of transfer in accordance with the CREST Regulations.

The Articles permit the holding of Ordinary Shares in uncertificated form under the CREST system. Application has been made for the Ordinary Shares to be admitted to CREST with effect from Admission. It is anticipated that the Placing Shares allotted under the Placing will be delivered in uncertificated form and settlement and dealings will take place through CREST on Admission. No temporary documents of title will be issued.

Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within CREST if any Shareholder so wishes. However, CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

16. Takeover Code

The Company is a public company incorporated in the UK and will be admitted to the Official List, by way of a Standard Listing, and to trading on the Main Market. Accordingly, the provisions of the Takeover Code will apply to the Company and Shareholders will therefore be entitled to the protections afforded by the Takeover Code.

Under Rule 9 of the Takeover Code, a person who acquires, whether by a series of transactions over a period of time or not, shares which (taken together with securities in which he is already interested and which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, the person is normally required by the Takeover Panel to make a general offer to all the remaining shareholders of that company to acquire their shares.

Similarly, when any person individually or a group of persons acting in concert, already holds interests in securities which in aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, that person may not normally acquire further securities without making a general offer to the shareholders of that company to acquire their shares.

An offer under Rule 9 must be in cash and at the highest price paid by the person required to make an offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

Investors should be aware that, under the Takeover Code, if a person (or group of persons acting in concert) holds interests in shares carrying more than 50 per cent. of the company's voting rights, that person (or any person(s) acting in concert with him) will normally be entitled to increase their holding or voting rights without incurring any further obligations under Rule 9 to make a mandatory offer, although individual members of a concert party will not be able to increase their percentage shareholding through or between a Rule 9 threshold without Takeover Panel consent.

Under the Takeover Code, a concert party arises, *inter alia*, when persons acting together pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of, or frustrate the successful outcome of an offer for, a company to which the Takeover Code applies. "Control" means an interest or interests in shares carrying an aggregate of 30 per cent. or more of the voting rights of a company, irrespective of whether the holding or holdings give *de facto* control. Persons acting in concert include persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate, to obtain or consolidate control of that company.

17. Lock-in

The following persons ("**Locked-in Shareholders**") have agreed to enter into Lock-in Agreements with the Company, pursuant to which terms each Locked-in Shareholder has undertaken that, save in certain specified circumstances, they will not, dispose of any interest in Ordinary Shares held by them for a period of 24 months from Admission ("**Lock-in Period**"), so as to maintain an orderly market in the Company's Ordinary Shares following Admission:

- Each of the Cabox Shareholders;
- Each of Cronin Capital Corp., Cronin Services Ltd., OCD Consultancy Limited, Regulus Endeavours LLC, David Robinson, Kyle Hookey, Rory Kutluoglu, Tara Holmes, Cely Pacheco, Kurtis Burke and Morgan Tiernan;
- Mr Campbell Smythe;
- Mr Shaun Gibson; and
- Rosemont Capital,

provided that the number of shares the subject of each of the Lock-in Agreements shall be reduced as follows during the Lock-in Period:

- 25% shall be released from lock-in restrictions six months following Admission;
- 25% shall be released from lock-in restrictions twelve months following Admission;
- 25% shall be released from lock-in restrictions eighteen months following Admission; and

- 25% shall be released from lock-in restrictions twenty-four months following Admission.

In addition, the specified circumstances which enable a disposal of shares during the Lock-in Period include:

- (a) a disposal pursuant to acceptance of a general, partial or tender offer made by an offeror to all shareholders of the Company for the whole or a part of the issued share capital of the Company (other than any shares already held by the offeror or persons acting in concert with the offeror) or the execution of an irrevocable commitment to accept a general, partial or tender offer made by an offeror to all shareholders of the Company for the whole or a part of the issued capital of the Company (other than any shares already held by the offeror or persons acting in concert with the offeror);
- (b) any disposal pursuant to an intervening court order;
- (c) pursuant to disposals under any scheme or reconstruction under section 110 of the Insolvency Act 1986, any compromise or arrangement or any takeover effected under part 26 of the Companies Act or pursuant to any decision or ruling by an administrator, administrative receiver or liquidator appointed to the Company in connection with a winding up or liquidation of the Company; and
- (d) any disposal to personal representatives (in the case of an individual) upon the death of a Locked-in Shareholder.

In addition, Crescita Capital has entered into a separate lock-in agreement pursuant to which it has agreed to a lock-in for six months from Admission in respect of the Ordinary Shares received in respect of the Commitment Fee set out in Paragraph 11.4 of Part VIII of this Document.

18. Taxation

Further information on United Kingdom taxation with regard to the Ordinary Shares is set out in Part VII of this Document. All information in relation to taxation in this Document is intended only as a general guide to the current United Kingdom tax position. If you are in any doubt as to your own tax position or are subject to tax in a jurisdiction other than the United Kingdom, you should consult your own independent professional adviser immediately.

19. General Meeting and Proposals

The Notice of General Meeting convenes a general meeting of Shareholders to be held at 10.00 a.m. (PST) 6.00 p.m. (GMT) on 1 June 2021 at 890-1140 W Pender St., Vancouver, BC V6E 4G1.

The Notice of General Meeting is set out at the end of this Document in Part XI. The following Resolutions will be proposed at the General Meeting (each such Resolution being conditional on the passing of all of the other Resolutions):

1. Resolution 1: The Acquisitions will together, constitute a reverse takeover under the AQSE Rules. As such, the approval of Shareholders will be required. Accordingly, Resolution 1 is an ordinary resolution to approve the Acquisitions.
2. Resolution 2: Resolution 2 is an ordinary resolution to ensure that the Directors have sufficient authority under s551 of the Companies Act to issue the Placing Shares and Subscription Shares, Consideration Shares, the shares to be issued in accordance with the terms and conditions of the Equity Drawdown Facility and the Acquisition Warrants pursuant to the Acquisition Agreements. This authority will expire on the earlier of 15 months after the passing of this Resolution or at the completion of the next annual general meeting of the Company.
3. Resolution 3: Resolution 3 is an ordinary resolution to provide the Directors with authority under s551 of the Companies Act to issue further equity securities (in addition to those set out in Resolution 2 above) of up to 33 per cent. of the Enlarged Share Capital before the Company's next annual general meeting. This authority will expire on the earlier of 15 months after the passing of this Resolution or at the completion of the next annual general meeting of the Company and is in addition to the authority set out at Resolution 2.

4. Resolution 4: Resolution 4 is an ordinary resolution to approve the election of Andrew Male as a director of the Company from the time of Admission.
5. Resolution 5: Resolution 5 is a special resolution to empower the Directors and disapply statutory pre-emption rights, pursuant to s570 of the Companies Act in connection with the issue of the Placing Shares and Subscription Shares, the shares to be issued in accordance with the terms and conditions of the Equity Drawdown Facility and the Acquisition Warrants pursuant to the Acquisition Agreements. This authority will expire on the earlier of 15 months after the passing of this Resolution or at the completion of the next annual general meeting of the Company.
6. Resolution 6: Resolution 6 is a special resolution to empower the Directors, pursuant to s570 of the Companies Act, to allot New Ordinary Shares up to a maximum aggregate nominal amount of £77,913 (which equates to approximately 20 per cent. of the Enlarged Share Capital) before the Company's next annual general meeting) on a non pre-emptive basis. This authority will expire on the earlier of 15 months after the passing of this Resolution or at the completion of the next annual general meeting of the Company and is in addition to the authority set out at Resolution 5.
7. Resolution 7 The Board wish to change the name of the Company to Cloudbreak Discovery plc which they consider to be a more appropriate name to reflect the focus on finding and developing new natural resources assets. Accordingly, Resolution 7 is a special resolution to approve the change of name.

The Notice of General Meeting at the end of this Document sets out the Resolutions in full.

The Resolutions to be proposed at the General Meeting shall be held on a poll rather than on a show of hands. The Company believes that this is the best and fairest way to ensure that the votes of all Shareholders can be taken into account, whilst also preventing the Company and Shareholders breaching any travel restrictions which may be in force at the time at which the General Meeting is held.

20. Action To Be Taken

Enclosed with this Document is a Form of Proxy. To vote on the Resolutions, please refer to Note 3 contained in the Notice of General Meeting.

IMPORTANT NOTICE REGARDING THE GENERAL MEETING AND COVID-19

In light of the current COVID-19 situation and related legal and other requirements of governmental authorities, we are requiring that shareholders do not attend in person but instead appoint the Chairman of the meeting as their proxy (either electronically or by post) with their voting instructions. Shareholders should also bear in mind that if they, or any alternative proxy, travel to attend the meeting in person, they would be denied entry based on prevailing circumstances.

A Form of Proxy is enclosed for use at the General Meeting. The Company encourages all Shareholders to either submit their Form of Proxy or use the CREST Proxy Voting Service, rather than attend the meeting in person. Whilst completion and return of the Form of Proxy or using the CREST Proxy Voting Service (as applicable) would not preclude Shareholders from attending, speaking and voting in person at the General Meeting should they so wish, again Shareholders are being discouraged from attending the General Meeting for the reasons stated above. Shareholders are encouraged to vote on all of the Resolutions by appointing the chairman of the General Meeting as your proxy (please do not appoint any other person (apart from the chairman of the General Meeting) as your proxy as the Company may not be able to let them attend the General Meeting). If the chairman of the General Meeting is appointed as proxy, they will vote in accordance with any instructions given to them. The Resolutions to be proposed at the General Meeting shall be held on a poll rather than on a show of hands. The Company believes that this is the best and fairest way to ensure that the votes of all Shareholders can be taken into account, whilst also preventing the Company and Shareholders breaching any travel restrictions which may be in force at the time at which the General Meeting is held.

If you hold your Shares in uncertificated form in CREST, you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual. Further details are also set out in the notes accompanying the Notice of General Meeting at the end of this document.

Forms of Proxy submitted via CREST must be received by the Registrars (CREST **7RA36**) by no later than 10.00 a.m. (PST) 6.00 p.m. (GMT) on 27 May 2021 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting).

If the chairman of the General Meeting is given discretion as to how to vote, they will vote in favour of each of the Resolutions to be proposed at the Meeting. Shareholders are asked to vote online or to complete, sign and return a Form of Proxy by post or by hand to the Registrars as soon as possible but in any event so as to be received by the Registrars, Share Registrars Ltd, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR, no later than 10 a.m. (PST) 6 p.m. (GMT) on 27 May 2021.

19. Recommendation

The Independent Directors believe that the Proposals are in the best interests of the Company's shareholders as a whole and accordingly, each of the Independent Directors unanimously recommends that Shareholders vote in favour of each of the Resolutions, as they intend to do in respect of their own beneficial shareholdings, which amount in aggregate to 4,009,873 Ordinary Shares, representing approximately 5.19 per cent. of the Ordinary Share Capital.

20. Further Information

Shareholders should read the whole of this Document. Your attention is drawn, in particular, to the Risk Factors and to Part II of this Document which contains further additional information on the Enlarged Group.

Yours faithfully

Samuel Anthony "Kyler" Hardy

Chief Executive Officer and Chairman

PART II

INFORMATION ON THE ENLARGED GROUP

1. Introduction

The Company's principal objective is to build a specialist early-stage natural resource prospect generator and development business. The Company seeks to acquire, develop and manage a diverse portfolio of mineral assets in the natural resource sector.

Given present global geopolitical uncertainty and the advent of increased interest in specialist minerals as well as traditional ones, the Company believes we are in the early-stages of another commodity super cycle. While being mineral and commodity agnostic, the Company will build its portfolio with a focus on the technical merits and inherent value of the assets on a case by case basis. The broad nature of the corporate objective will therefore be to incorporate material interests located across multiple jurisdictions, including the Americas, Africa, Australia, Asia and Europe.

Early stage acquisitions in the natural resource sector are often speculative in nature and in turn companies rely on their board of directors and management to take advantage of opportunities which are inherently undervalued at this stage. With a view to this, the Company has brought together a team that it believes is capable of this assessment, investment and development, with over 75 years of experience in the resource sector.

In making early-stage acquisitions of this nature, the Company will seek to create shareholder value from the outset. As part of the Company strategy, acquisitions of royalties, or similar ownership structures, in exchange for investments for exploration or development capital may be considered. Transitioning assets from exploration to development is a key consideration and will include mine processing assets such as beneficiation processing, tailings processing, enhanced recovery methods and overall operations.

The Company intends to emphasise its acquisition and development strategy on assets that are capable of generating positive cash flows within a realistic timeframe which are therefore expected to generate attractive returns for the Company and its Shareholders.

Investment and acquisition of assets may not result in 100% ownership all of the time. However, it will be the Company's primary objective to ensure that its acquisition stake and participation will allow for positions of influence within its projects. Key to this process will be the use of the Company's Management and Consultants to oversee and conduct technical, operational and financial work streams to increase the value of the assets.

Once assets have been identified, acquired, and developed, regardless of stage progression, the objective is to improve value of these assets. It is at this juncture of value accretion that the Company will consider monetisation of the beneficiated assets in question and recapitalise the Company as needed for additional asset acquisition opportunities.

2. History of the Company

The Company was incorporated on 11 June 2007 as a public limited company under the name Latam Resources plc and with registered number 06275976. The Company initially remained dormant until it changed its name to Imperial Minerals PLC on 24 April 2010 and conducted an equity fundraising of approximately £1,000,000 in June 2010 ahead of its admission to the AQSE (then called PLUS Markets) on 24 November 2010.

The Company was admitted to the AQSE as an investment vehicle with the strategy of investing in, or acquiring, companies or assets in the natural resources sector. The Company made its initial investments in pursuance of that strategy in 2014. The first comprised a £422,000 equity investment in North River Resources PLC, an AIM listed and African focussed mining company and the second was made by way of a £150,000 convertible loan note subscription in Symerton Holdings S.A. to fund certain preliminary exploration activities at a South American gold project. These investments were eventually disposed of by the Company and the Board continued to seek potential investment opportunities.

The recent history of the Company is summarised in the following timeline:

7 January 2019 – The Company changed its name to Imperial X plc and adopted a revised investment strategy focused on the medical cannabis sector. No investments were made in this sector.

September 2019 – A new management team conducted a review of the business and its opportunities and decided to refocus on investment opportunities in the energy sector.

24 December 2019 – Management announced its focus to build a royalties platform in the upstream energy and mining sectors which in turn it expected to generate positive cash flows and attractive returns for shareholders.

March 2020 – The global economy entered a period of extreme volatility with consumer spending, consumer confidence, global trade, equity markets and commodity markets were all in a state of flux. This was a direct result of the spread of COVID-19 which was termed a *Global* Pandemic by the World Health Organisation.

11 March 2020 – Concurrent with this timing and while the Company had made significant strides towards completing the refocus of the strategy to energy, the new business conditions and climate warranted even further review. The Board decided to halt the transition of the Company and strategy in extremely uncertain times.

28 August 2020 – The Company announced it had reached Heads of Terms Agreements to acquire a package of mineral assets, equity and investment positions, (the “Acquisitions”). The Acquisitions will initiate the establishment of Imperial X as a, growth-focused, diversified early-stage natural resource prospect generator and development business.

16 December 2020 – The Company undertook a subscription for CAD\$110,000 in a bridge financing round into Imperial Helium Corp. The Company was approached to complete by Imperial Helium Corp. due to its outstanding interest of 450,000 preference shares in Imperial Helium, originating through the acquisition of Cloudbreak Discovery Corp. The Board expects these proceeds will be used to undertake initial production testing on wells prior to large scale investment.

16 February 2021, the Company entered into the Acquisition Agreements which are conditional *inter alia*, on Admission. Further details of the terms of the Acquisition Agreements are contained in Part III of this document.

The Board expects that the material interests to be acquired pursuant to the Acquisition Agreements may be developed by entering into diversified ownership stakes and/or joint ventures including other arrangements with suitable third-party operators, investors and partners.

Following Admission, the Board will continue to target additional acquisitions of Minerals Interests in accordance with its strategy, as detailed below.

The Company has found it difficult to raise funds and gain sufficient visibility or liquidity in its Ordinary Shares whilst it has been listed on the AQSE. Considering this and in order to help support the Company’s revised business strategy, the Board has taken the decision to delist from AQSE and to seek a listing of its Ordinary Shares on the Standard List segment of the Official List and to trading on the Main Market of the London Stock Exchange. The Board believes that the Standard Listing will give the Company greater visibility and thus make it easier to attract the investment required to execute the new business strategy and build the trading liquidity needed for a company like Imperial X that intends to use its share capital as a form of currency

5 January 2021 – The Company completed a private fundraising of £416,348, by way of Subscriptions made by certain investors for 16,653,937 new Ordinary Shares at £0.025 per share. In conjunction with the private fundraising, the Company also issued 8,326,968 Warrants (the first tranche of this private fund raise completed on 23 November 2020 in respect of 14,739,737 new Ordinary Shares). In addition, Warrant holders exercised 4,774,686 £0.01 Warrants at £0.01 each on 31 May 2020, raising additional cash of £47,747. The combined proceeds have been applied to the expenses associated with the Standard Listing and also to provide general working capital for the Company. At present, the Group has interest revenue and cash reserves. The Company’s cash balance is approximately C\$58,000, including the aggregate £416,348 proceeds raised pursuant to equity fundraisings that were conducted by the Company in November 2020 and January 2021.

16 February 2021 – The Company executed an Equity Drawdown Facility with Crescita Capital LLC, a company incorporated under the laws of the UAE. The agreement prescribes the conditions for the drawdown of £10,000,000 by way of non-revolving equity. The facility is further discussed in Part VIII. Any potential capital drawn from this facility will be used to fulfil the Company's business objectives.

3. Business Strategy

The Company's objective is to build a specialist early-stage natural resource prospect generator and development business. The Company seeks to acquire, develop and manage a diverse portfolio of mineral assets in the natural resource sector.

The Company intends to develop its portfolio of assets and interests with a focus on the technical merits and inherent value of the assets on a case-by-case basis. The broad nature of the corporate objective will therefore be to incorporate material interests located across multiple jurisdictions, including the Americas, Africa, Australia, Asia and Europe.

In comparison to mid and large size, producing miners, where grade of product, size of deposits, infrastructure solutions and permitting are known, investment in the early-stage natural resource sector comes with numerous unknown factors. To increase the likelihood of acquiring and developing valuable assets and also mitigate risk as much as possible with assets that may not become economically viable for a multitude of reasons, the Directors and management will utilise the following approaches;

- i) a diversified assets and portfolio approach to match market expectations and indices; and
- ii) strategic development of assets into various stages of value beneficiation which in turn will allow for the monetisation of assets through the deployment of technical, operational and financial expertise

By undertaking the latter approach, the Company seeks to be more opportunistic in its review of assets in all commodities and utilise expertise held by the Board, management and consultants. The Board is confident in this approach and that it will improve the probability of positive returns in early and development stage projects.

The Company intends to broadly continue the business strategy which has been employed by one of the Acquisition companies, Cloudbreak Discovery Corp., described below:

- Develop a project thesis, then research and review prospective assets within that asset class (for example. Helium in the Western Canadian Sedimentary Basin).

The macro-economic environment has a tremendous influence on commodity demand and therefore pricing of commodities. The Company will utilise long-term trend analysis to understand where short term pricing of assets are opportunities that can be taken advantage of over the longer term. Once a particular asset or commodity thesis has been developed, the Company will conduct in depth analysis on jurisdictions that it is familiar with. To assist in sourcing projects that fit the opportunity set the Directors consider are attractive, the Company will engage with trusted partners and historically reputable stakeholders.

- Leverage financial expertise in management and engaged consultants to acquire assets using cash and/or Ordinary Shares as consideration. Financial acquisition structures will be primarily dependent on the needs of the project and the opportunistic nature of the transaction undertaken.

The Company will seek to complete the acquisition of mineral interests and assets using any financeable structures at its disposal so as to ensure flexibility in putting together transactions, something which the Board view as paramount to being a preferred buyer and/or investment entity for its partners.

- Utilise technical and operational expertise to undertake rapid, low-cost, early-stage exploration to generate strong value creation

Once an interest in an asset or group of assets has been acquired, the Directors and management will seek to unlock valuation upside by ensuring the completion of cost-effective work programs including early-stage drill programs, trend analysis and seismic surveys as well as use the latest technology available for analysis intervention.

The Board's understanding of the jurisdiction, regional conditions and property structures will be significant in the ability to target specific features or locations during work programs and to provide for significant outcome-based leverage when compared with a less experienced or knowledgeable exploration company.

Joint-venture on assets and projects with qualified partners is key to the development of the asset portfolio. This will enable the Company to have a continued influence and guidance over the development of the assets through the various development phases.

Once early-stage work programs and/or technical analysis has been undertaken and early-stage value created for the shareholders of the Company, the Board and management will look to divest assets to qualified partners who share the thesis of the Company but can also provide expertise beyond the Company's core knowledge base. Any divestiture will need to be accretive for the Company's stakeholders.

Many mid-tier mining and development companies require the efforts of companies like Imperial X to identify the possible assets and opportunities that the Company will specialise in. Partnering with larger industry participants going forward through the divestiture and or joint venture of assets will be a key to secure value appreciation. Past significant success for the Board and management demonstrates that the team has the skills needed to realise these opportunities.

- Joint ventures and diversified interests in assets and projects allow not only for the addition of knowledge but also for the participation in project investment for development. With possible partners supporting exploration costs to advance an asset and in turn build asset value is key to the inherent valuation

If the Company brings in financial or knowledge-based participants on a project the Company will enjoy the upside of project development with a reduction in the requirement for capital to cover all development costs. A portion of the upside and downside valuation risk is still held by the Company, however, the financial risk is potentially deferred. In the Board's view, this leads to an expected higher value and operating margin.

- De-risking the Company's sensitivity to an asset, reduction of capital exposure and monetisation of investments by completing sales and or joint ventures are all part of the Company's ongoing review of its intended business objectives.

To reduce the Company's exposure to the specific material interest and generate capital to be used on opportunities that the Company sees fit, the Company will seek to monetise assets as valuation uplift occurs. To ensure the Board and Management is best equipped to capture as much upside as possible in the platform's assets.

The Board believes that the Company's business model will offer a significant degree of stability against the backdrop of a relatively volatile industry which has tended to be prone to cyclicalities over the years. This belief is founded on the understanding that the continual reinvestment of capital into opportunities at an early-stage with high speed, strategic and cost-effective development programs is not typically seen in the natural resource sector. The Board sees this as a fundamental difference to its peers.

The Company's strategy will utilise the many years' experience of the directors in this sector, in conjunction with the technical and operational professional relationships that the Company has built with its Partners. These relationships will be further developed as Imperial builds its business and will form a core component of value creation in the assets acquired by Imperial

4. Selection Criteria

Following Admission, the primary focus will be on acquiring further early-stage assets in attractive commodities consistent with the Company's business objectives. Generally, the Company will seek tier one jurisdictions, or jurisdictions that have an established history of mining and resource sector controls, usually endorsed by the World Bank.

To complement the early-stage assets in the portfolio, the Company will continue its due diligence on near term production assets as well. This demonstrates the Company's ability to fit and select assets throughout the development cycle in turn creating a diversified asset portfolio which has multiple points of value for shareholders.

The Board and management understands that the natural resources market, especially at the smaller end, has many opportunistic events where existing owners of assets may not understand the value of the asset or interest, may not have capital to develop or simply may not have the technical expertise or desire to. Considering this, the Board and management will be opportunistic in their view on acquisitions, and will consider a diverse set of opportunities.

The Directors and management will seek to utilise a majority of existing cash resources, current liquid assets and proceeds raised from the Company's fundraisings in December 2020 to make further acquisitions which fall within the prescribed categories further set out in this Part II. Should appropriate opportunities be identified, the Board may also seek to utilise the Equity Drawdown Facility at part of this process. Primarily, the prospective assets and interests must be economic in nature and have attractive terms, sound technical characteristics and be capable of generating positive cash flow returns for the Company.

5. Sourcing of Assets

The Board and management will primarily look to use its internal expertise in order to source suitable acquisitions. At key points the network of industry contacts and experts will be made aware of the Company's objectives and in turn the Company will begin to entertain projects and opportunities sourced by third parties.

The Company has engaged Cronin Capital ("Cronin"), a Vancouver, Canada, based merchant bank, focused exclusively on natural resources, to consult on target acquisitions and potential joint ventures. The working relationship with Cronin is one that brings a wealth of knowledge and expertise into Board and management levels; Kyler Hardy and Kyle Hookey are principals of Cronin. The Management Services Agreement with Cronin is summarised in Part IV of this Document.

In addition, the Board and management will seek to take advantage of the various resources and opportunities made available to it through its membership of various industry trade organisations and bodies.

6. Foundation Acquisitions and Pipeline

Having evaluated a number of acquisition opportunities in response to continuing development in the mining sector, on the 16 February 2021, the Board executed the Acquisition Agreements. The aggregate consideration payable for the Acquisitions is a total of 245,612,998 Ordinary Shares at an issue price of 2.5 pence, together with 28,693,003 Acquisition Warrants. The Acquisition Agreements shall complete with effect from Admission.

The Directors believe that these Acquisitions will assist and fast track the core organic development strategy to build an attractive platform of assets from which the Company can unlock value and create growth. In the shorter-term period, when the Board and management considers value has been captured from particular assets, the Company will seek to monetise a portion of those holdings acquired in the Acquisitions. In the medium to longer-term period, asset positions and ownership stakes are expected to generate ongoing regular cash flow through production profiles and in turn could become potential saleable assets.

At the time the Heads of Terms were agreed with the Acquisition Companies, a number of early-stage properties were either owned or optioned by the Acquisition Companies. Given the stronger natural resource market across 2020 and particularly in the fourth quarter, the Acquisition Companies have sold down all mineral interests and therefore only hold Equities, trailing financial interests. The underlying mineral projects that have been sold or optioned from the Acquisition Companies are located in North America and Africa and include bulk materials, precious metals, specialty gases, industrial minerals and battery metals.

The complimentary nature of business strategies between the Acquisition Companies provides the Company with an opportunity to enhance relationships with service providers and joint venture partners. As the volume of work and attractive early-stage assets coming from the single entity increases, those groups are expected to increase engagement with the broader group and hence increase the economies of scale opportunities for the Company.

Cloudbreak Discovery Corp.

Cloudbreak, a Canadian unlisted reporting issuer, is a prospect generator and diversified royalty business, focused on assets located in North America that have been developing over the five years. Cloudbreaks' assets comprise of a concentrated portfolio of equities, Royalties and other similar assets that have stemmed from the sale or option of mineral properties to partners. The equity positions and similar assets are in privately held businesses and publicly traded companies and of those that are public traded equities, they are primarily listed on the TSX-v exchange in Canada.

As the Company has a strategy to participate in grassroots projects in order to fully utilise internal expertise and extract maximum value for shareholders, the Directors consider the Cloudbreak acquisition provides a track record of staking projects, completing high return exploration work and then vending to partners.

Cloudbreak owns equity positions in:

- Temas Resources Corp. 10,000,000 common equity units
 - Temas Resources is a publicly listed entity (CSE:TMAS – OTCQB: TMASF), currently exploring for Titanium, Vanadium, and Iron Ore in Quebec, Canada. as well as Borate in Serbia. As of the date of admission, Temas has a market capitalisation of GBP38.6m.
 - Temas has entered into a letter of intent with Erin Ventures Inc. (“Erin”) for the joint development of Erin’s Piskanja Borate Project, located in Serbia (“Piskanja”)
 - Temas’ first project, the DAB Property, consists of an option for 100% interest on 128 contiguous mineral claims which covers 6,813 hectares (68.14 km²) within the Grenville Geological Province
 - At it’s flagship La Blache Property, Temas has 100% ownership of 48 semi-contiguous mineral claims which cover 2,653 hectares (26.53 km²) within the Grenville Geological Province
 - Temas has executed a Letter of Intent to acquire a major stake in industry-leading technology ORF Technologies and the patents owned by ORF that are focused on production of Titanium Oxide production
 - The Company will own 15.8% of the issued and outstanding equity of Temas Resources on admission.
 - Information in respect of the acquisition of the common equity units in Temas Resources Corp. is included in paragraph 11.14 of Part VIII of this Document.
- Norseman Silver Corp. 3,370,000 common equity units
 - Norseman Silver Corp. is a publicly listed entity (TSX-V:NOC), focused on acquiring, exploring and developing silver assets. As at the date of Admission, Norseman has a market capitalisation of GBP12.8m.
 - Norseman’s current property portfolio includes the Cariboo, Silver Vista and Silver Switchback projects. All three properties are located a prolific mining region in central British Columbia, Canada. The three projects can be accessed from Smithers, B.C. which has a long history of providing exploration support for the mining industry.
 - The Company will own 14.5% of the issued and outstanding equity of Norseman Silver Corp. on Admission.
 - Information in respect of the acquisition of the common equity units in Norseman Silver Corp. is included in paragraphs 11.10 and 11.16 of Part VIII of this Document.

- Imperial Helium Corp. 450,000 preferred shares
 - Imperial Helium Corp. (“Imperial Helium”) is a private entity, seeking a public listing in the second quarter of 2021. As of the date of admission, Imperial has a valuation of CAD 21 million £12 million based on following an equity fundraise completed on 18 February 2021.
 - Imperial Helium is focused on creating multiple revenue streams, primarily through the acquisition and development of Helium properties and secondarily by capturing value associated with the separation and refinement of helium. More specifically, seeking to acquire working interests in assets with existing well bores and proven helium concentrations, through the acquisition of Helium properties by purchase, lease, or farm-in agreements with the intent to develop and produce helium molecules. Imperial Helium’s flagship asset is in Alberta, Canada.
 - The Company will own 1.2% of the issued and outstanding equity of Imperial Helium, as well as 450,000 preferred shares on Admission.
- Linceo Media Group 4,000 common equity units
 - Linceo Media Group Inc. (“Linceo”) is a private entity, headquartered in Vancouver, Canada. As of the date of Admission, Linceo has a market capitalisation of GBP12.0m.
 - Linceo is an exploration and development company of Industrial Minerals, focussed on Alumina Silicate and High-Grade Silica, important feedstocks for Cement production. The PEM 100 asset is located in British Columbia, a focal point for the Canadian and Pacific North West building materials sector. The PEM 100 quarry is currently in care and maintenance and Linceo is seeking to move the asset back in to production after a capital raise, which is expected to take place in the near term
 - The Company will own 11.5% of the issued and outstanding equity of Linceo on Admission.

Cloudbreak owns royalty positions on the following properties:

- La Blache 2.0% Net Smelter Return (NSR)
 - The La Blache property comprises 48 claims and covers 2,653.25 hectares of ground approximately 100km north of the community of Baie-Comeau, Quebec. located in the North Shore region of the province of Quebec, part of the Grenville Geological Province. The tectonic fabric of the Grenville is predominantly northwest-southeast trending The Grenville consists of gneiss domes and basins with complex and irregular structural patterns, intrusive rocks of variable composition, from gabbros to alkaline rocks. The lithologies are divided into three major units: the gneissic and intrusive rocks of varied composition of the Hulot Complex, intrusive rocks that include the east-west trending La Blache Anorthosite Complex, and late crosscutting gabbroanorthites, gabbros, diabasic gabbros, mangerites, granites and pegmatites The La Blache Anorthosite Complex is an almost ellipsoid batholith of 35 kilometres by 20 kilometres within intrusive rocks that extends for 100 kilometres by up to 20 kilometres.. The anorthosites are cut by granites and pegmatites varying from a few centimetres to several metres of multiple orientations. The mineralisation at the La Blache property is composed of veins, dykes, lenses and tubular bodies of massive titaniferous magnetite linked to anorthosites that are common to the Grenville Geological Province. The property is part of the La Blache Anorthosite Complex and hosts the Farrell-Taylor and Hervieux East-Extension, which are magnetite-ilmenite mineralized lenses. Both targets have been drill tested, but the focus of the drilling to date on the property has been at Farrell-Taylor. An example of the drilled mineralisation at Farrell Taylor is 109m of 66.9% Fe₂O₃, 20.6% TiO₂, and 0.4% V₂O₅ starting at 392m depth in drill hole FT-11-01 which is an ENE trending, moderately dipping to the ENE (~20°) lens 1,150m long, 470m wide 50m thick and starts approximately 90m below surface. Preliminary metallurgical work has also been conducted resulting in high recovery of Iron,

Titanium and Vanadium. The property does not currently have any resources or reserves defined and is still considered an exploration project with identified mineralized targets.

- The NSR relates to any material produced on La Blache.
- Information in respect of the acquisition of the royalty position in La Blache is included in paragraph 11.14 of Part VIII of this Document.
- **Caribou 2.0% NSR**
 - The Caribou is an early-stage exploration property which is located approximately 35km West of Smithers, British Columbia. The property is underlain by interbedded sedimentary and volcanic rocks of jurassic and cretaceous age and eocene and cretaceous plutonic rocks. The property has not been explored to a great extent, with work which includes trenching, rock sampling programs, soil geochemistry surveys, induced polarization geophysics surveys, mapping and drilling. Significant copper and silver mineralisation has been found in bedrock on the property including a trench which yielded 4.93% copper and 242.5 g/t silver in a 7.6 meter trench in the A zone in 1968. Trenching of 7.40% copper and 362.8 g/t silver over 3m of chip samples were taken in 1987. The most interesting with mineralisation comprised of Copper Sulphides in fractures and calcite veinlets from soil anomalies across an area of 1500m x 500m. Drilling denoted porphyry style alterations in volcanics. The property is prospective for copper and silver mineralisation in quartz veins, as well as volcanic redbed copper. The aforementioned soil anomaly and bedrock mineralisation are the most significant mineralisation found on the property to date and there are no resources or reserves on the property.
 - The NSR relates to any material produced on Caribou.
 - Information in respect of the acquisition of the royalty position in Caribou is included in paragraph 11.16 of Part VIII of this Document.
- **Silver Switchback 1.0% NSR**
 - The Silver Switchback property is located 55 kilometres east-southeast of Terrace, British Columbia, in the Stikine terrane. The property is underlain by volcanosedimentary rocks that host copper and silver mineralisation as both fine-grain disseminated copper and silver minerals within volcanic stratigraphy as well as mineralized quartz veins. To date, only limited reconnaissance programs have been conducted on the property, which have started to define a small, anomalous for copper and silver anomaly in soil samples over the northern portion of the Switchback showing. The outcrop sampling includes samples that returned 626.3 grams per tonne Ag and 4.39 per cent Cu. The property is prospective for copper and silver mineralisation in quartz veins, as well as volcanic redbed copper deposit types. This project is an early-stage exploration project and does not contain a resources or reserves.
 - The NSR relates to any material produced on Silver Switchback.
 - Information in respect of the acquisition of the royalty position in Silver Switchback is included in paragraph 11.10 of Part VIII of this Document.
- **Silver Vista 1.0% NSR**
 - The Silver Vista property is located 55 kilometres north-east of Smithers, British Columbia. Malachite and azurite staining was originally discovered in outcrop in 1990. The work conducted since has delineated Ag-Cu mineralized sandstone that is 300 meters long by 50m wide and 3 to 150 m deep. The mineralisation is observed to be weak to strong carbonate-quartz alteration characterized by matrix replacement by carbonate +/- quartz and quartz-carbonate veining and local brecciation. Local Ag-Cu mineralisation is patchy and in veins. Drill hole MR92-02 contained a 1-2 cm thick semi-massive sulfide vein containing 569 g/t Ag and 14.7% Cu as chalcocite and trace bornite at 193.68m depth. Most Ag-Cu mineralisation is very fine grained with no apparent vein or fracture control. Mineralisation can be difficult to estimate visually and an XRF or similar machine

should be used to guide drilling and prospecting. Total sulfide concentrations are low ranging from trace up to 2% with an approximate average of 0.5%. Drilling has intercepted multiple, stacked zones of finely disseminated mineralisation in Hazelton Group sedimentary rocks, which appear to be stratabound to moderately dipping sandstone horizons. The property is an early-stage prospect with limited outcrop and not contain any resources or reserves.

- The NSR relates to any material produced on Silver Vista.
- Information in respect of the acquisition of the royalty position in Silver Vista is included in paragraph 11.11 of Part VIII of this Document.
- Gold Vista 1.5% NSR
 - The Gold Vista property is located 55 kilometres north-east of Smithers, British Columbia and immediately NNW of the Silver Vista property. The property is an early-stage prospect with limited outcrop, only first identified in 2017. Silver values in the soils are enriched and widespread, with more than 37 per cent of the soil samples returning plus one g/t Ag in the soils. The Gold Vista area is an early-stage target. It is an early-stage exploration project and does not contain a resources or reserves.
 - The NSR relates to any material produced on Gold Vista.
 - Information in respect of the acquisition of the royalty position in Gold vista is included in paragraph 11.12 of Part VIII of this Document.
- Apple Bay 1.5% NSR
 - The Apple Bay property is located in Northern Vancouver Island has historically produced high grade silica and aluminosilicate for the Canadian cement industry, producing between 32,000 – 125,000 tonnes per annum between 2004-2016. The associated mineralisation covers the majority of a structurally disrupted ENE-trending graben which preserves virtually all units of the Bonanza Group and the upper Vancouver Group rocks within and along its margins. The graben structure is roughly canoe-shaped, with its centre dipping NNE, and the ends plunging inwards towards the thickest portion of the structure, with the property sitting roughly in the center. These layered rocks have been extensively intruded by differentiated stocks, dykes and sills of the Island Plutonic Suite, mainly exposed in widest portion of the graben. Porphyry copper mineralisation and related alteration are associated with these intrusions. The mine has been in care and maintenance since 2016, pending an upgraded mine plan and refinancing of the operating company. The property does not have resources or reserves in an inventory.
 - The NSR relates to any material produced on Apple Bay.
 - Information in respect of the acquisition of the royalty position in Apple Bay is included in paragraph 11.15 of Part VIII of this Document.

Cloudbreak is due to receive the following equity positions upon certain dates in the future under the terms of the option agreements

- Norseman Silver Corp. 2,130,000 common equity units
- Deep Blue Trading 500,000 common equity units
 - Deep Blue Trading Inc. (“Deep Blue Trading” is a private entity, focused on developing the Gold assets in North America.
 - Given the Deep Blue Trading entity is currently an early development stage shell entity, the Directors of Imperial have not provided further details on the entity, however, will keep the market informed as the Deep Blue Trading progresses their business plan.
 - The Company will not own equity in Deep Blue Trading on Admission.
 - Information in respect of the option agreement with regards to Deep Blue Trading is included in paragraph 11.12 of Part VIII of this Document.

- 1162832 B.C. Ltd. 500,000 common equity units
 - 162832 B.C. Ltd (“1162832”) is a private entity, focused on developing the Gold assets in North America. Given the 162832 B.C. entity is currently an early development stage shell entity, the Directors of Imperial have not provided further details on the entity, however, will keep the market informed as the 162832 B.C. progresses their business plan.
 - The Company will not own equity in 1162832 B.C. on Admission.
 - Information in respect of the option agreement with regards to 1162832 B.C. Ltd is included in paragraph 11.13 of Part VIII of this Document.

Cloudbreak is due to receive the following cash positions upon certain dates in the future due to option agreements

- From Norseman Silver Corp \$115,000
- From Deep Blue Trading \$45,000

As of December 2020, Cloudbreak does not own any mineral properties given a successful six-month period where management successfully sold or optioned all early-stage natural resource properties from the portfolio.

The consideration payable under the Cloudbreak Acquisition Agreement comprised of equity issuance totalling 149,568,502 Imperial shares at 2.5p per share to the shareholders of Cloudbreak, a total value of GBP3,739,213.

Howson Ventures Inc.

Howson is a natural resource focused company that seeks opportunistic investment into attractive thematics.

Howson owns a convertible loan note and warrant position in AAM, an exploration and development company incorporated in the Republic of Ireland and its portfolio comprise of licenses and ownership of the rights to three assets in Guinea, Africa that have targeted production of 1.385 bn metric tons of export quality bauxite resources. AAM has executed a binding term sheet with ASX listed TerraCom Limited (“TerraCom”), who are partnered with the Private Office of His Royal Highness Sheikh Ahmed Bin Dalmook Al Maktoum, Member of the Ruling Family of Dubai, for the acquisition of AAM. AAM is currently progressing due diligence with TerraCom though has been delayed due to COVID-related travel restrictions and therefore at this stage is classing the resource tonnage as an exploration target. The potential quantity and grade of an exploration target is conceptual in nature, there has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of mineral resources or that the production target itself will be realised. Further evaluation work and appropriate studies are required to establish sufficient confidence that the target will be met. The Directors understand that TerraCom has raised additional capital through new equity and debt instruments, specifically to fund mine development in Guinea.

Howson owns equity positions in:

- Buscando Resources Corp. 1,000,000 common equity units
 - Buscando Resources Corp. (“Buscando”) is a private entity, seeking to IPO in the second quarter of 2021, focused on developing the early-stage mineral assets. As of the date of admission, Buscando has a valuation of CAD1.2 million (£0.69 million) following an equity fundraising on 19 March 2021.
 - Buscando’s primary asset is the Rupert property, acquired from Imperial. Given the Buscando entity is currently an early development stage shell entity, the Directors of Imperial have not provided further details on the entity, however, will keep the market informed as Buscando progresses their business plan.
 - The Company will own 8.7% of the issued and outstanding equity in Buscando on Admission.
 - Information in respect of the acquisition of equity of Buscando Resources Corp. is included in paragraph 11.18 of Part VIII of this Document.

Howson owns convertible debt in:

- Anglo African Minerals PLC. £458,342

Howson owns warrant positions in:

- Anglo African Minerals PLC 21,029,978

Howson owns royalty positions on the following properties:

- Rupert 2.0% NSR
 - The Rupert property is located in northern Vancouver Island to the east of BHP's past producing Island Copper Mine. The property has had limited exploration work to date but consist of coincident geophysical signatures and muted soil anomalies of Copper and Molybdenum. The property is under significant till cover and exposure is limited. The exploration target is Mesozoic intrusions and related mineralized breccias resulting in a copper porphyry, similar to the Island copper mine's deposit or Northisle Copper and Gold's Hushamu deposit. There are no resources or reserves on the property.
 - The NSR relates to any material produced on Rupert.
 - Information in respect of the acquisition of the royalty position in the Rupert property is included in paragraph 11.18 of Part VIII of this Document.

Howson is due to receive the following equity positions upon certain dates in the future due to option agreements

- Buscando Resources Corp. 2,750,000 common equity units

Howson is due to receive the following cash positions upon certain dates in the future due to purchase agreements

- From Buscando Resources Corp. \$150,000

Cabox Gold Corp.

Cabox is a prospect generator specialising in grassroots district consolidation in Canada. This strategy employs the staking of promising mineral lands that are often along trend from proven resources and/or producing mines. Many of the assets also have previous exploration work completed on them by predecessors.

Cabox owns equity positions in:

- Norseman Silver Corp. 2,500,000 common equity units

Cabox owns royalty positions on the following properties:

- New Moon 2.0% NSR
 - The New Moon 3522.2Ha Claims package is located 60km east of the port community of Kitimat, or 85km southeast of Terrace, BC. Mineralisation identified to date on the property include epithermal veins with base and precious metal content. Local skarn mineralisation and massive sulphide float, which could indicate VMS-style mineralisation. There are several prospects on the property that require further investigation, below describe some of the target areas and provide examples of the property potential. There are no resources or reserves on the property.
 - The NSR relates to any material produced on New Moon.
 - Information in respect of the acquisition of the royalty position in New Moon is included in paragraph 11.7 of Part VIII of this Document.

Cabox owns the following properties:

- South Timmins
 - The South Timmins property is a large grassroots prospect located approximately 40km south of Timmins, Ontario. The property is part of the Abitibi Greenstone Belt that has produced >170Moz of gold to date and 75% of Canada's gold mined in 2019. There are no resources or reserves on the property.

Anglo African Minerals PLC Acquisitions

The AAM Assets acquired by the Company were acquired from numerous parties in order to gain a larger position in AAM and thereby compliment the AAM debt and warrant position owned by Howson. In addition to the AAM position acquired in Howson, the Company has executed a number of agreements to acquire material interests in Anglo African Minerals PLC.

Anglo-African Minerals plc is a private entity, headquartered in Dublin, Ireland, focused on exploration and development of bauxite with over 1.4 billion of commercial grade metric tons in potential bauxite resources, the primary feedstock for aluminum production. AAM's resources are located in the Republic of Guinea, the world's leading country in terms of bauxite reserves with over 25% of the world's proven resources. AAM currently ranks the amongst the top 10 owners of high-grade bauxite resources globally. AAM currently has three bauxite assets in development stage, summarized as follows; Forward African Resources ("FAR"). A project targeting 73.0 million metric tons of export quality bauxite resources, Société Minière d'Alumine S.A. ("Somalu"). A project with inferred resources of 459.0 million metric tons of export quality bauxite resources and Tougue Bauxite and Alumina Corporations S.A. ("Toubal"). A project targeting 865.0 million metric tons of export quality bauxite resources

The Company will own 33% of the issued and outstanding equity on admission, exclusive of the debt and warrant positions also being acquired.

Information in respect of the acquisition of the material interests and position acquired in Howson of Anglo African Minerals plc is included in paragraph 11.17 of Part VIII of this Document.

Ordinary Shares:

- 11,000,000 common equity units

Warrant Positions:

- 12,500,000 warrants

Convertible Debt Positions:

- £617,759

Pipeline

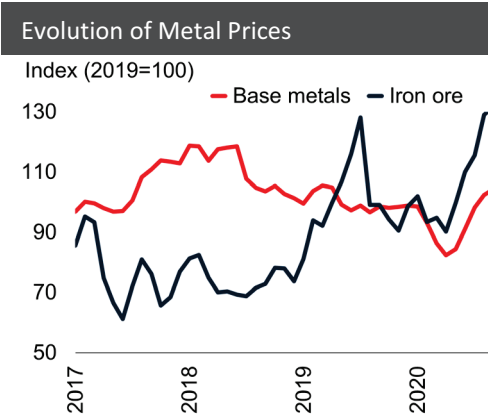
In addition to the Acquisition Companies, the Company has identified a strong pipeline of potentially complimentary further acquisitions that are available. Following the announcement of the Heads of Terms on 28 August 2020, there has been a significant increase in prospective deal flow and opportunities being sourced by and shown to the Board. Importantly, the Company has also identified a number of grassroots mineral assets in tier one jurisdictions that are along trend lines and in attractive locations near infrastructure and transport hubs. It is these assets that Imperial X has found to be one of the most valuable strategies for the Company in the six months leading into 31 December 2020 as the junior mining market looked to acquire projects in several commodities while the market was attracting generalist capital.

As the Company grows in scale, is the Board anticipates that the currency of its equity will improve and that counterparties would more readily recognise the value potential of taking listed equity as part, or the entirety, of a transaction consideration. The Board intends to be mindful of the use of its equity insofar as this form of acquisition currency is given due weight or value by the market. It is emphasised that the completion of any pipeline transactions remains subject to the satisfactory completion of such due diligence to ensure that each potential transaction meets the Company's criteria. Consequently, the process with each pipeline opportunity remains subject to execution risk and there is no certainty that any binding royalty and stream agreements will be entered into by the Company.

7. Natural Resource Markets

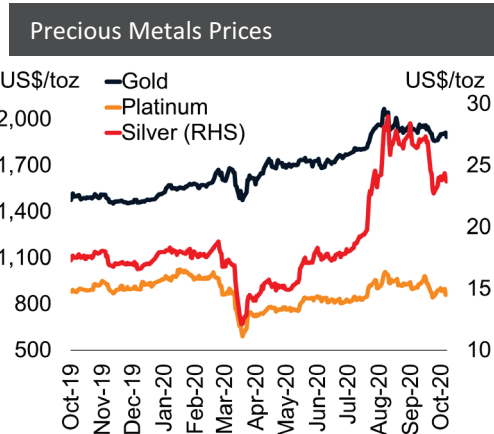
Geopolitical events and the current global pandemic have had significant impacts on the natural resource markets in 2020. As a result, divergent pricing across commodities has been seen and global production has changed significantly.

A sharp increase (19.5%) in the metals and minerals price index has been seen in Q3 2020, expunging losses seen earlier in the year. The prices have since flattened but the considerable net gains, especially for copper and iron ore, offset this and saw an increase from 2019. The heightened recovery is owed to supply disruptions and a rapid rebound in economic activity, especially in China, as measures are established, and COVID-19 restrictions alleviated. The projected metal prices are expected to decline by 1 percent in 2020, a higher prediction than anticipated than April’s forecasts, and a growth of 2 percent is anticipated in 2021. Risks to this forecast comprise of, but not limited to, a second wave in COVID-19 infections, leading to governments reinforcing strict measures and sharp U.S. dollar movements. (Source: World Bank – Commodity Markets Outlook October 2020)



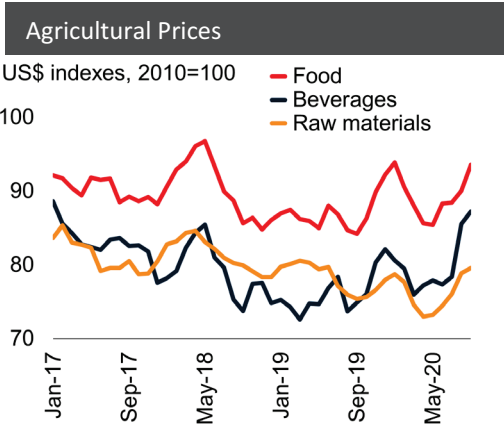
Source: World Bank – Commodity Markets Outlook October 2020

Like the metals and minerals index, the precious metals index has also seen gains (16.5%) in Q3 2020. The growth in prices can be attributed to a shuffle to safe-haven assets, increased uncertainty due to the COVID-19 pandemic and extremely low interest rates caused by expansionary monetary policies implemented at dominant central banks. Once again supply disruptions caused by COVID-19 and the weakening of the U.S. dollar also bolstered prices. It is predicted precious metals will average 27 percent higher this year but decline of around 4 percent in 2021 amid the recovering global economy. Downside risks of this forecast are largely the comeback of the U.S dollar. Meanwhile, upside risks will result from a further waves of COVID-19 infections or a rise in geopolitical and trade tensions. (Source: World Bank – Commodity Markets Outlook October 2020)



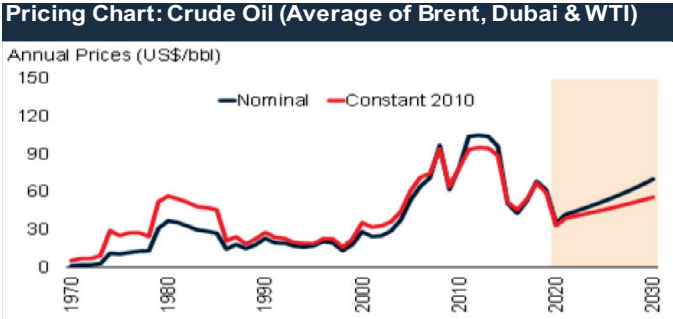
Source: World Bank – Commodity Markets Outlook October 2020

Agricultural commodities are gaining momentum as end-2020 approaches, despite a decline seen earlier in the year. This can largely be attributed to lack of supply of some oils and meals, a strong demand for raw materials and the depreciation of the US dollar. Added to this the concerns of decreased demand and trade restrictions due to COVID-19 have diminished, sees this commodity with a positive forecast to end of year 2020 and looking further into 2021. (Source: World Bank – Commodity Markets Outlook October 2020)



Source: World Bank – Commodity Markets Outlook October 2020

Energy prices increased by one third in Q3 2020, largely due to the rebound in prices after a dramatic decrease in Q2 caused by the curtailed demand for energy as a result of the COVID-19 pandemic. This recovery has been hampered by the growing concerns amid the increase in COVID-19 infections and the impact this will have on oil consumption. Oil production is expected to increase by 5 Mb/d over the outlook to reach 19 Mb/d by 2040, following on from the US becoming a net oil exporter in late 2019. (Source: World Bank – Commodity Markets Outlook October 2020)



Source: World Bank – Commodity Markets Outlook October 2020

The recovery of crude oil prices in Q3 2020 can be attested to an acute reduction in production and recovery in consumption due to the easing of lockdown measures and the increase in return to travel and transport. Prices in oil have since levelled off averaging \$42/bbl in Q3. Global consumption of crude oil plummeted during the beginning of the year due to COVID-19 restrictions and decreased mobility. The fall in demand was generalised worldwide but particularly prominent in EU countries. The exception is China, where after a fall in Q1, consumption rebounded due to increased activity and stockpiling. Global oil production fell by 12 percent in May and has only slightly increased since. The decline was guided by production cuts. (Source: World Bank – Commodity Markets Outlook October 2020)

Oil consumption is predicted to continue recovering in 2021 after dropping by about 8 percent in 2020. This is very much dependant on the outlook of oil and the risks associated with this. Risks to the forecast are skewed towards the downside. The COVID-19 pandemic remains the biggest risk amid uncertainty over the growing number of new infections leading to new lockdowns and reduced mobility. (Source: World Bank – Commodity Markets Outlook October 2020)

8. Current trading and historical financial information

The Group Financial Information presented in this Document consists of audited consolidated financial information of the Group for each of the financial years ended 30 June 2018, 30 June 2019 and 30 June 2020. Unless otherwise stated, no other financial information presented in this Document has been audited.

The Group Financial Information included in Part (B) “*Historical Financial Information of the Group*” of Part VI “*Historical Financial Information*” of this Document has been prepared in accordance with IFRS and included in compliance with item 18.1.1 of Annex 1 to the UK version of Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Commission, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018.. The basis of preparation and the significant accounting policies applied are further explained in Note 2 “*Basis of preparation*” and Note 4 “*Significant accounting policies*” respectively to the Group Financial Information included in Part (B) “*Historical Financial Information of the Group*” of Part VI “*Historical Financial Information*” of this Document.

9. Environmental, Social and Corporate Governance (“ESG”)

Compliance with the highest levels of ESG will form the foundation of the Group’s investments. The Company will seek only to invest in the core assets where the Company and any partners run safe, efficient, cost effective mines and projects, and comply with environmental protection policies, community development, transparency and governance while minimising the potential for harmful impacts from its operations to the lowest levels the Company reasonably expects. As a minimum, where providing primary finance, the Company will insist on full compliance by its investee businesses with antibribery and corruption and anti-slavery legislation, as well as local environmental legislation and regulation. The Company believes that its commitment to these principles will make it an attractive investment partner in jurisdictions in which it proposes to acquire assets.

10. Use of the Fundraising proceeds

The gross proceeds of the Fundraising will be £2,000,000 which, after settling expenses of £308,450, will result in net proceeds of £1,691,550 will be used to:

- pursue the Group’s immediate objective of developing its existing portfolio of assets and interests and acquiring suitable additions thereto. The Group has allocated £1,288,350 to the above development and acquisition process; and
- provide working capital to cover the Group’s ongoing annual operating costs. Such annual costs include directors’ salaries and fees, Cronin Services fees, professional advisers’ fees, audit fees, accounting and bookkeeping fees, registrar and London Stock Exchange fees and other general and administrative expenses. On an annual basis, such fees and expenses are estimated at £268,800. The use of net proceeds includes an allocation of £403,200 to cover ongoing operating costs for a period of 18 months from the date of this Document.

11. Liquidity and capital resources

Sources of cash and liquidity

As at the date of this Document, the Group has a cash balance of £58,000 and will receive the gross proceeds of £2,000,000. The aggregate cash balance of £2,058,000 will be used to:

- fund the legal and professional fees and commissions and expenses (including the FCA application, listing and vetting fee of £17,000, the London Stock Exchange listing fee of £16,000) of the Admission and Fundraising of £308,450;
- pursue the Group’s immediate objective of developing its existing portfolio of assets and interests and acquiring suitable additions thereto. The Group has allocated £1,288,350 to the above development and acquisition process; and
- provide working capital of £403,200 to cover the eighteen-month period following the date of this Document in relation to the Group’s ongoing operating costs. On an annual basis, ongoing operating costs amount to £268,800, comprising:
 - Directors’ salaries and fees of £108,000;
 - Cronin Services fees of £60,000;

- professional advisers' fees of £49,800;
- annual audit fees of £15,000;
- accounting and bookkeeping fees of £12,000;
- registrar's and the London Stock Exchange's fees of £12,000; and
- other general and administration costs of £12,000.

PART III

THE ACQUISITIONS

1. Introduction

The Company has entered into the conditional Acquisition Agreements in order to acquire a number of material interests from which the Board will seek to undertake the business strategy as discussed in Part II.

The consideration payable under the agreements shall comprise the issue of 245,612,998 Ordinary Shares at 2.5 pence per share, a total transaction value of GBP6.140m and 28,693,003 Acquisition Warrants with varying exercise prices and exercise periods (further details of which are set out in paragraph 10.2 of Part VIII).

2. Corporate Acquisitions

The Company announced on the 17 February 2021 that it, and Imperial BC had entered into three separate acquisition agreements with each of Cabox, Cloudbreak and Howson, together, the CCH Acquisition Agreements as well as an Amalgamation Agreement in order to implement an Amalgamation of each of those companies with Imperial BC Sub (as specially incorporated vehicle) into Amalco. Pursuant to the CCH Acquisition Agreements and Amalgamation Agreement, the Company will acquire the total share capital of the Acquisition Companies.

In order to efficiently execute an acquisition of the share capital of the CCH Corporations, each of the individual CCH Acquisition Agreements are structured in a way whereby the Shareholders of each target entity will:

- (a) transfer their respective holdings of shares in the relevant CCH Corporation to Amalco, in exchange for Amalco B Shares issued to them on a *pro rata* basis to their holdings;
- (b) immediately thereafter all of the Amalco B Shares shall be redeemed and cancelled by Amalco;
- (c) Imperial BC will transfer 100% of Imperial BC Sub Shares in exchange for Amalco A Shares;
- (d) the Imperial BC Shareholder (being the holder of 100% of the Imperial BC Shares) will transfer the Imperial BC Shares to the Company;
- (d) the Company shall issue Consideration Shares to the CCH Shareholders and to the Imperial BC Shareholder in exchange for the redemption and cancellation and/or transfer of their shares pursuant to (b) and (d) .

The Acquisition Agreements shall be subject to the satisfaction of various conditions, including (amongst others):

- the approval of the target entity's board of directors and CCH Shareholders;
- the acquisition of each of the CCH Corporations having been approved by the Company's Shareholders;
- each other Acquisition Agreement having been entered into, not been terminated and it having become unconditional in accordance with its terms, save for any term relating to the completion of the Acquisition Agreements;
- the receipt of all necessary regulatory approvals; and
- Admission taking place.

The Amalgamation shall be subject to the satisfaction of various conditions, including (amongst others):

- the approval of the board of directors and the shareholders of each Amalgamating Company
- each Acquisition Agreement having been entered into, not been terminated and it having become unconditional in accordance with its terms, save for any term relating to the completion of the Amalgamation Agreement;
- the receipt of all necessary regulatory approvals; and

- Admission taking place

The consideration payable under the Cloudbreak Acquisition Agreement comprises the issue of 149,568,502 Ordinary shares at 2.5 pence per share to the shareholders of Cloudbreak, a total value of GBP3,739,213. In addition, Cloudbreak Shareholders will become entitled to Warrants over 19,978,776 new Ordinary Shares in aggregate for various exercise prices and periods– further details of these are set out in section 10.2 of Part VIII of this document.

The consideration payable under the Howson Acquisition Agreement comprises the issue of 31,614,118 Ordinary Shares at 2.5 pence per share to the shareholders of Howson, a total value of GBP790,353.

The consideration payable under the Cabox Acquisition Agreement comprises the issue of 35,000,000 Ordinary Shares at 2.5 pence per share to the shareholders of Cabox, a total value of GBP875,000.

3. Material Interest Acquisitions

The Company announced on the 17 February 2021 that it had entered into various agreements with Reyker Nominees, Cronin Services and Cronin Capital ("**AAM Asset Acquisition Agreements**"), pursuant to which it has agreed to acquire certain AAM Assets. A summary of the terms of each AAM Asset Acquisition Agreement is set out below:

i) Reyker Assignment Deed

A deed of amendment and assignment ("**Reyker Assignment Deed**") dated 16 February 2021 between (1) Reyker Nominees (2) the Company and (3) AAM, pursuant to which terms Reyker Nominees agreed to assign to the Company:

- (a) \$250,000 principal amount US\$1.00 denominated unsecured convertible loan notes issued by AMM on the terms of a convertible loan note instrument dated 1 July 2019 and with such loan notes bearing an interest rate of 10% per annum, a repayment date of 31 May 2021 and a conversion price of \$0.02 per share (the "**CLNs**"); and
- (b) warrants to subscribe for 12,500,000 ordinary shares in the capital of AAM with an exercise price of US\$0.03 at any time on or before 1 July 2021.

In consideration of the assignment of the CLNs, the Company shall issue to Reyker Nominees 13,632,756 new Ordinary Shares.

ii) Cronin Services Assignment Deed

A deed of amendment and assignment ("**Cronin Services Assignment Deed**") dated 16 February 2021 between (1) Cronin Services Ltd (2) the Company and (3) AAM, pursuant to which terms Cronin Services agreed to assign to the Company \$420,000 principal amount US\$1.00 denominated unsecured convertible loan notes issued by AMM on the terms of a convertible loan note instrument dated 20 January 2020 and with such loan notes bearing an interest rate of 10% per annum, a repayment date of 31 May 2021 and a conversion price of a \$0.01 per share (the "**CLNs**").

In consideration of the assignment of the CLNs, the Company shall issue to Cronin Services 14,166,790 new Ordinary Shares and AAM Acquisition Warrants to subscribe for 7,083,395 Ordinary Shares at a subscription price of £0.05 per warrant at any time on or before the fourth anniversary of the date of issue.

iii) Cronin Capital Assignment Deed

A deed of amendment and assignment ("**Cronin Capital Assignment Deed**") dated 16 February 2021 between (1) Cronin Capital (2) the Company and (3) AAM, pursuant to which terms Cronin Capital agreed to assign to the Company a promissory note of \$45,264 principal amount issued by AMM on 11 February 2020 (the "**Promissory Notes**"). The Promissory Note carries an interest rate of 15% per annum, is repayable on 31 May 2021 and may be converted into shares in AAM at a price of \$0.005 per share.

In consideration of the assignment of the Promissory Note, the Company shall issue 1,630,832 new Ordinary Shares and acquisitions Warrants to subscribe for 1,630,832 Ordinary Shares at a

subscription price of £0.05 per Warrant at any time on or before the fourth anniversary of the date of the Cronin Capital Assignment Deed.

iv) Reyker Nominees Share Purchase Agreement

A share purchase and sale agreement ("**Share Purchase Agreement**") dated 16 February 2021 between (1) Reyker Nominees and (2) the Company, pursuant to which terms Reyker Nominees agreed to sell and the Company agreed to purchase 11,000,000 ordinary shares of €0.001 each in the capital of AAM ("**Sale Shares**").

The consideration for acquisition of the Sale Shares shall be the sum of £88,000, which shall be payable in cash upon completion.

The consideration payable under the Agreements comprised the issue of 29,430,378 Ordinary Shares at 2.5 pence per share to the certain parties, a total value of GBP735,759 and 8,714,227 AAM Acquisition Warrants with an exercise price of 5.0 pence and term of two (2) years from Admission.

PART IV

EXISTING DIRECTORS, PROPOSED DIRECTOR, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE

1. Directors and Senior Managers

The Existing Directors are Kyler Hardy (Chief Executive Officer), Melissa Sturgess (Non-Executive Director), Emma Priestley (Non-Executive Director) and Kyle Hardy (Non-Executive Director).

Andrew Male will be appointed to the Board at the time of Admission, following the passing of a Resolution being proposed at the General Meeting.

Brief biographies of the Existing Directors, Proposed Director and senior managers are set out below. Paragraph 8 of Part VIII of this Document contains further details of current and past directorships and certain other important information regarding the Directors and senior managers.

Existing Directors

Kyler Hardy (Age 37)

Kyler has over 18 years of experience in the global resource sector where he has operated, advised and raised venture capital and private equity for business he has founded and been involved with. His combination of hands on field experience, entrepreneurship and corporate management has provided him with a dynamic knowledge base. Kyler's experience includes founding and growing a number of companies, including Cronin Capital, Linceo Media Group Inc., Equitas Resources Ltd., UTM Exploration Services Ltd., among others. He is currently the CEO and a partner in the Cronin Group where he provides merchant banking and advisory services to a select client base.

Melissa Sturgess (Age 54)

Melissa Sturgess holds a BSc and an MBA and has more than 20 years of experience as a director of UK and Australian Stock Exchange quoted companies, mainly focused on the acquisition, structuring and financing of natural resources deals across Africa. She has served on the boards of quoted companies in the roles of Chairman, CEO, executive and non-executive director and served on audit and remuneration committees. Miss Sturgess commenced her listed company career as a member of the Executive Committee of Aquarius Platinum Limited, an Australian/UK dual listed company and a miner of platinum in South Africa and Zimbabwe. She was also founding director of Sylvania Resources Limited and a number of other companies operating in the metals and mining sector throughout Africa and listed on the AIM Market in London. She has also been on the board of AQSE quoted Ananda Developments plc. She has been appointed to the board of the Company since 11 July 2018 as a non-executive director.

Kyle Robert Hookey (Age 31)

Kyle is a Chartered Financial Analyst Charterholder and an Associate at Cronin and has over 8 years' experience in the international capital markets, consulting on equity and debt portfolios, corporate transactions and broad investment mandates. Mr Hookey specialises in providing corporate advisory in M&A, financing and corporate restructuring and has advised across both private and public companies, primarily in Canada and Australia.

Emma Kinder Priestley (Age 48)

Emma has a background in mining and financial services having worked with mining companies and consultants, IMC Mackay & Schnellmann, investment bank CSFB, advisers VSA Resources, Ambrian Partners, where she worked as corporate broker and adviser, and most recently as an executive director of Lonrho Plc until its successful takeover. Emma is a graduate of Camborne School of Mines, is a chartered Mining Engineer and Chartered Mineral Surveyor.

Proposed Director

Andrew Male (Age 54) – effective from Admission

Andrew, based in the UK, is an experienced Director holding senior positions at international public and private investment and operational companies. He is an Associate of Columbus Energy Partners, an incubator and accelerator of companies in the energy sector, a Director of Global UAV Technologies Ltd., a geotechnical drone services company, a Non-Executive Director of Graph Blockchain Inc. and Managing Director of a privately held Corporate Finance & Investment entity. He also works closely with several Family Offices that seek access to an array of transformational opportunities and is also a former Founder and CEO of a TSX Venture Exchange Top 50 Company.

Senior Managers

Rory Kutluoglu

Rory Kutluoglu is a Canadian geologist with more than fifteen years of exploration experience in a wide variety of commodities across North America. He has worked for Wallbridge Mining, Aeroquest Surveys Limited, Equity Exploration Consultants Ltd., Goldfields Canada, Kiska Metals Corp. and Kaminak Gold Corporation. Currently he works on the technical team with Cronin Capital Corp. and is a Director of Temas Resources Corp. Rory obtained his Bachelor of Science degree in Geology from Lakehead University is a registered Professional Geoscientist and is a Fellow of the Society of Economic Geologists.

David Robinson

David Robinson is a CPA and CA with over 10 years of accounting and capital markets experience. Mr. Robinson provided audit, tax and consulting services to private and public companies for a number of years at MNP LLP before moving to the TELUS Pension Fund as a senior analyst where he gained significant exposure to equity portfolio management and commercial lending. He is currently the CFO for the Cronin Group, Imperial Helium Ltd. and Temas Resources Corp.

2. Corporate governance

As a Company with a Standard Listing, the Company is not required to comply with the provisions of the UK Corporate Governance Code. The Directors are committed to maintaining high standards of corporate governance and propose, so far as practicable given the Company's size and nature, to adopt and comply with the QCA Code.

The Company will hold timely board meetings as issues arise which require the attention of the Board. The Board is responsible for the management of the business of the Company, setting the strategic direction of the Company and establishing the policies of the Company. It is the Directors' responsibility to oversee the financial position of the Company and monitor the business and affairs of the Company, on behalf of the Shareholders, to whom they are accountable. The primary duty of the Directors is to act in the best interests of the Company at all times. The Board also addresses issues relating to internal control and the Company's approach to risk management and has formally adopted an anti-corruption and bribery policy.

The Directors have established an audit committee, a nomination committee and a remuneration committee with formally delegated duties and responsibilities.

Emma Priestley and Melissa Sturgess are each considered by the Board to be an independent Non-Executive Director.

Audit committee

The audit committee, which currently comprises Kyle Hookey (chairperson), Emma Priestley and Melissa Sturgess and has the primary responsibility for monitoring the quality of internal control and ensuring that the financial performance of the Company is properly measured and reported on and for reviewing reports from the Company's auditors relating to the Company's accounting and internal controls. The committee is also responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring the financial performance of the Company is properly monitored and reported. The audit committee will meet not less than three times a year.

Remuneration committee

The remuneration committee, which currently comprises Emma Priestley (chairperson) Melissa Sturgess and Kyle Hookey and is responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and the performance of the Company.

Nomination committee

The nomination committee, which currently comprises Melissa Sturgess (chairperson) Emma Priestley and Kyle Hookey is responsible for reviewing and recommending nominees as new directors to the Board.

Market Abuse Regulation

The Company has adopted a share dealing policy which sets out the requirements and procedures for the Board and applicable employees' dealings in any of its Ordinary Shares in accordance with the provisions of UK MAR.

3. Managing Conflicts of Interest

Kyler Hardy and Kyle Hookey, both directors of the Company are also directors of and in respect of Kyler Hardy, a significant shareholder in Cronin Services. Pursuant to the terms of a management services agreement dated 1 February 2020, Cronin Services was appointed to provide certain services to the Company, including but not limited to back office management services, Chief Financial Officer services, full cycle accounting services, the preparation of quarterly and annual financial statements and MD&A, liaising with and coordinating with auditors and legal counsel, company secretarial services, compliance and continuous disclosure services and arranging regulatory filings.

In return for the provision of such services, Cronin Services Ltd shall be paid a sum of £60,000 per annum, payable monthly in arrears. Cronin Services shall appoint an individual, initially being David Robinson, who shall carry out the services on behalf of Cronin Services. The engagement of Cronin Services shall remain in force indefinitely until either party gives not less than three months' written notice. The Company shall reimburse all reasonable expenses properly and necessarily incurred by the Cronin Services or the individual appointed thereunder.

In view of Kyler Hardy's and Kyle Hookey's relationship with Cronin, provisions have been included in the management services agreement to manage the relationship between the Company and Cronin to ensure that it is conducted at arms length and on normal commercial terms.

Accordingly, it has been agreed by the Board that in the event of any proposed amendment or waiver to the terms of the agreement, a committee of the Board comprising a majority of independent non-executives shall negotiate and determine and such amendments or waivers. In addition, in the event of any dispute between the Company and Cronin in relation to the management services agreement, such committee shall be responsible for managing such dispute on behalf of the Company.

The management services agreement also contains certain covenants which prevent Cronin Services Ltd or the group of companies of which it is a member ("Cronin Group") from competing with the Company's business. In particular, it requires the Cronin Group to give a first right of refusal on any potential acquisition opportunities it becomes aware of to the Company. Those Cronin Group companies must also not, without the prior written consent of the Board or as previously disclosed, be interested in any other business which is of a similar nature to and competes with, that carried out by the Company.

PART V

OPERATING AND FINANCIAL REVIEW

SECTION (A) OPERATING AND FINANCIAL REVIEW OF THE GROUP

The following operating and financial review contains financial information that has been extracted or derived, without material adjustment, from the Group Financial Information included in Section (A) "Financial Information of the Group of Part VI of this Document, prepared in accordance with IFRS.

The following discussion should be read in conjunction with the other information in this Document and the Group Financial Information. This discussion contains forward-looking statements, which, although based on assumptions that the Directors consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. Investors should read the notice in relation to forward-looking statements contained on pages 27 to 28 of this Document.

The key risks and uncertainties include but are not limited to those described in the section of this Document entitled "Risk Factors" on pages 12 to 23 of this Document.

Summary statements of comprehensive income

Summarised below are the audited consolidated statements of comprehensive income of the Group for each of the years ended 30 June 2018, 30 June 2019 and 30 June 2020, together with the unaudited consolidated statement of comprehensive income of the Group for the six-month period ended 31 December 2020:

| | Audited Year ended 30 June 2018 £ | Audited Year ended 30 June 2019 £ | Audited Year ended 30 June 2020 £ | Unaudited 6 months ended 31 December 2020 £ |
|--------------------------|--|--|--|--|
| Administrative expenses | (100,183) | (309,248) | (370,963) | (240,063) |
| Finance income | 7 | 59 | 1,010 | 330 |
| Loss before tax | (100,176) | (309,189) | (369,953) | (239,733) |
| Income tax | — | — | — | — |
| Loss for the year | (100,176) | (309,189) | (369,953) | (239,733) |

Source: Audited financial statements and unaudited interim financial information

Summary statements of financial position

Summarised below are the audited consolidated statements of financial position of the Group as at 30 June 2018, 30 June 2019 and 30 June 2020, together with the unaudited consolidated statement of financial position of the Group as at 31 December 2020:

| | <i>Audited</i> As at 30 June 2018 £ | <i>Audited</i> As at 30 June 2019 £ | <i>Audited</i> As at 30 June 2020 £ | <i>Unaudited</i> As at 31 December 2020 £ |
|--|--|--|--|--|
| Other receivables | 6,135 | 6,335 | 40,018 | 95,674 |
| Cash and cash equivalents | 20,206 | 1,332 | 34,430 | 110,653 |
| Current assets | 26,341 | 7,667 | 74,448 | 206,327 |
| Total assets | 26,341 | 7,667 | 74,448 | 206,327 |
| Share capital | 202,786 | 202,786 | 227,586 | 242,326 |
| Share premium | 876,297 | 876,297 | 1,328,494 | 1,654,479 |
| Shares to be issued | 27,265 | 31,215 | 15,200 | 15,200 |
| Share option and warrant reserve | 1,600 | 161,753 | 112,406 | 112,406 |
| Retained deficit | (1,089,467) | (1,398,656) | (1,719,262) | (1,958,995) |
| Equity attributable to Shareholders | 18,481 | (126,605) | (35,576) | 65,416 |
| Trade and other payables | 7,860 | 134,272 | 110,024 | 140,911 |
| Current liabilities | 7,860 | 134,272 | 110,024 | 140,911 |
| Total equity and liabilities | 26,341 | 7,667 | 74,448 | 206,327 |

Source: Audited financial statements and unaudited interim financial information

Summary statements of cash flows

Summarised below are the audited consolidated statements of cash flows of the Group for each of the years ended 30 June 2018, 30 June 2019 and 30 June 2020, together with the unaudited consolidated statement of cash flows of the Group for the six-month period ended 31 December 2020:

| | <i>Audited</i> Year ended 30 June 2018 £ | <i>Audited</i> Year ended 30 June 2019 £ | <i>Audited</i> Year ended 30 June 2020 £ | <i>Unaudited</i> 6 months ended 31 December 2020 £ |
|--|--|--|--|---|
| Loss before tax | (100,176) | (309,189) | (369,953) | (239,733) |
| Interest receivable | (7) | (51) | (1,010) | (330) |
| Interest payable | — | — | 1,122 | — |
| Share-based payments | 28,990 | 160,153 | 97,905 | — |
| Share options expense | — | 3,950 | — | — |
| <i>Working capital adjustments:</i> | | | | |
| Change in other receivables | (4,783) | (1,549) | (33,683) | (55,656) |
| Change in trade and other payables | 3,502 | 77,761 | 21,903 | 30,887 |
| Cash used in operating activities | (72,474) | (68,925) | (283,716) | (264,832) |
| Interest received | 7 | 51 | 1,010 | 330 |
| Interest paid | — | — | (1,122) | — |
| Cash from/(used in) investing activities | 7 | 51 | (112) | 330 |
| Proceeds from loan notes issued | — | 50,000 | — | — |
| Repayment of loans receivable | — | — | 446 | — |
| Proceeds from the issue of Shares, net | 20,000 | — | 316,480 | 340,725 |
| Cash from financing activities | 20,000 | 50,000 | 316,926 | 340,725 |
| Net cash (outflow)/inflow for the year/period | (52,467) | (18,874) | 33,098 | 76,223 |
| <i>Cash brought forward</i> | <i>72,673</i> | <i>20,206</i> | <i>1,332</i> | <i>34,430</i> |
| Cash carried forward | 20,206 | 1,332 | 34,430 | 110,653 |

Source: Audited financial statements and unaudited interim financial information

Results for the year ended 30 June 2018

Overview

During the year ended 30 June 2018, the Directors investigated a number of acquisition opportunities in the minerals and oil & gas sectors. These due diligence activities did not produce an opportunity that the Directors believed was suitable of pursuing.

Trading results

No revenues were reported during the year ended 30 June 2018. The Group reported a loss before tax of £100,176, comprising administrative expenditure of £100,183 and finance income of £7. Of the £100,176 administrative fees, £39,600 related to Directors' fees and salaries and £5,000 to Group audit fees. The retained deficit carried forward as at 30 June 2018 was £1,089,467.

Cash flows, financing and capital reserves

During the year ended 30 June 2018, the Group reported a net cash outflow of £52,467 from all sources, resulting in a closing cash balance of £20,206 as at 30 June 2018.

The principal source of cash inflow during the year was the Group's financing cash flows, comprising a cash inflow of £20,000 from the issue of 1,000,000 new Shares at £0.02 per Share. This cash inflow was offset by a £72,474 net cash outflow for the year from operating activities, comprising administrative expenses. During the year, the Group reported a net cash inflow from investing activities of £7, comprising interest on cash deposits.

Current and total assets

As at 30 June 2018, the Group's current and total assets of £26,341 comprised cash of £20,206 as discussed above, a fully impaired loan receivable from Symerton Holdings SA, VAT receivable of £4,410 and prepayments of £1,725.

On 20 December 2014, the Group entered into a loan agreement with Symerton Holdings SA in which the Group lent Symerton Holdings SA US\$150,000 (£95,417). The loan is unsecured and bears interest at 12% per annum. The Directors have fully impaired the loan and accrued interest as at 30 June 2018, based on its expected non-recovery at that date. As such, the carrying value of the Symerton Holdings SA loan was £nil as at the year end.

During the year, VAT recoverable increased by £3,058 to £4,410 and prepayments by £1,725 to £1,725, resulting in an aggregate increase to other receivables of £4,783 to £6,135.

Equity

As at 30 June 2018, the Group's equity comprised share capital of £202,786, share premium of £876,297, shares to be issued of £27,265, a share option and warrant reserve of £1,600 and a retained deficit of £1,089,467. In aggregate, the Group's equity had a carrying value of £18,481 at the year end.

The share capital balance of £202,786 comprises the aggregate nominal value of the issued Shares of £0.001 and the issued deferred shares of £0.009 of the Company. During the year, 1,086,250 new Shares were issued at £0.02 each, of which 1,000,000 Shares were issued for cash consideration of £20,000 and 86,250 Shares to satisfy payment of outstanding corporate consulting fees of £1,725. Following the above issues, the Company had 31,831,250 Shares in issue with a nominal value of £31,831. No Deferred Shares were issued during the year, resulting in the Company having 18,995,000 Deferred Shares in issue at the year end with a nominal value of £170,955.

The share premium balance of £876,297 comprises the difference between the aggregate prices of issued Shares of the Company and their aggregate nominal values. The carrying value of the share premium account increased by £20,639 during the year as a result of the issue of the 1,086,250 new Shares set out above. There is no share premium in relation to the 18,995,000 Deferred Shares in issue as at 30 June 2018.

Shares to be issued of £27,265 relates to Shares to be issued to various creditors to the Group which have yet to be issued as at the year end. With respect to 30 June 2018, various creditors to the value of £27,265 had agreed to have their obligations satisfied by a future issue of Shares. No Shares were issued during the subsequent year in respect of the balance of £27,265.

The share option and warrant reserve of £1,600 represents the value of Shares to be issued under the Company's options and warrants. No options or warrants were exercised or issued during the year. As at 30 June 2018, the Company had 5,000,000 options and 875,000 warrants in issue, comprising:

- 875,000 warrants issued on 9 December 2016, with an exercise price of £0.04 and a weighted average remaining expected and contractual life of 1.5 years; and
- 5,000,000 options issued on 13 January 2017, with an exercise price of £0.04 and a weighted average remaining expected and contractual life of 3.54 years.

The retained deficit of £1,089,467 is the aggregate value of all retained profits and losses of the Group since incorporation. The movement of £100,176 reflects the reported loss after tax for the year.

Current and total liabilities

As at 30 June 2018, the Group's current and total liabilities of £7,860 comprised trade payables of £2,860 and accruals and other payables of £5,000.

There were no increases to either the trade payables balance or the accruals and other payables balance during the year.

Net assets

As at 30 June 2018, the Group had total assets of £26,341 and total liabilities of £7,860, resulting in net assets of £18,481.

Results for the year ended 30 June 2019

Overview

During the year ended 30 June 2019, the Directors investigated a number of acquisition opportunities in the minerals and oil & gas sectors. These due diligence activities did not produce an opportunity that the Directors believed was suitable of pursuing.

Trading results

No revenues were reported during the year ended 30 June 2019 (2018: £nil). The Group reported a loss before tax of £309,189 (2018: £100,176), comprising administrative expenditure of £309,248 (2018: £100,183) and finance income of £59 (2018: £7). Of the £309,248 (2018: £100,176) administrative fees, £93,395 (2018: £39,600) related to Directors' fees and salaries and £7,000 (2018: £5,000) to Group audit fees. Of the £93,395 Directors' fees and salaries, £76,895 (2018: £nil) related to non-cash share option charges. The retained deficit carried forward as at 30 June 2019 was £1,398,656 (2018: £1,089,467).

Cash flows, financing and capital reserves

During the year ended 30 June 2019, the Group reported a net cash outflow of £18,874 (2018: outflow of £52,467) from all sources, resulting in a closing cash balance of £1,332 as at 30 June 2019 (2018: £20,206).

The principal source of cash inflow during the year was the Group's financing cash flows, comprising a cash inflow of £50,000 from the issue of the first tranche of a convertible loan note. With effect from 31 October 2018, the Group intended to issue up to £300,000 of unsecured convertible notes, which are convertible into Shares at a conversion price of £0.01 each and with interest at a rate of 10% per annum. The conversion of the loan is at the option of the lender. An initial £50,000 of loan notes was subscribed immediately. The repayment date is one year from draw down, being 1 October 2019 for the amounts in issue at the year end.

The £50,000 cash inflow from the issue of the convertible loan note was offset by a £68,925 (2018: £72,474) net cash outflow for the year from operating activities, comprising administrative expenses. During the year, the Group reported a net cash inflow from investing activities of £51 (2018: £7), comprising interest on cash deposits.

Current and total assets

As at 30 June 2019, the Group's current and total assets of £7,667 (2018: £26,341) comprised cash of £1,332 (2018: £20,206) as discussed above, a fully impaired loan receivable from Symerton Holdings SA, VAT receivable of £nil (2018: £4,410) and prepayments of £6,335 (2018: £1,725).

On 20 December 2014, the Group entered into a loan agreement with Symerton Holdings SA in which the Group lent Symerton Holdings SA US\$150,000 (£95,417). The loan is unsecured and bears interest at 12% per annum. The Directors have fully impaired the loan and accrued interest as at 30 June 2019, based on its expected non-recovery at that date. As such, the carrying value of the Symerton Holdings SA loan was £nil as at the year end (2018: £nil).

During the year, VAT receivable decreased by £4,410 (2018: increased by £3,058) to £nil (2018: £4,410) and prepayments increased by £4,610 (2018: increased by £1,725) to £6,335 (2018: £1,725), resulting in an aggregate increase to other receivables of £200 (2018: £4,783) to £6,335 (2018: £6,135).

Equity

As at 30 June 2019, the Group's equity comprised share capital of £202,786 (2018: £202,786), share premium of £876,297 (2018: £876,297), shares to be issued of £31,215 (2018: £27,265), a share option and warrant reserve of £161,753 (2018: £1,600) and a retained deficit of £1,398,656 (2018: £1,089,467). In aggregate, the Group's equity had a carrying value of £(126,605) at the year end (2018: £18,481).

The share capital balance of £202,786 (2018: £202,786) comprises the aggregate nominal value of the issued Shares of £0.001 and the issued deferred shares of £0.009 of the Company. No Shares or Deferred Shares were issued during the year. As at 30 June 2019, the Company had 31,831,250 (2018: 31,831,250) Shares in issue with a nominal value of £31,831 (2018: £31,831) and 18,995,000 (2018: 18,995,000) Deferred Shares in issue with a nominal value of £170,955 (2018: £170,955).

The share premium balance of £876,297 (2018: £876,297) comprises the difference between the aggregate prices of issued Shares of the Company and their aggregate nominal values. As no Shares were issued during the year, there was no change to the carrying value of the share premium account. There is no share premium in relation to the 18,995,000 Deferred Shares in issue as at 30 June 2019 (2018: 18,995,000).

Shares to be issued of £31,215 (2018: £27,265) relates to Shares to be issued to various creditors to the Group which have yet to be issued as at the year end. With respect to 30 June 2019, various creditors to the value of £3,950 (2018: £27,265) agreed to have their obligations satisfied by a future issue of Shares, resulting in a year end carrying value of £31,215 (2018: £27,265). No Shares were issued during the year in respect of the brought forward balance of £27,265.

The share option and warrant reserve of £161,753 (2018: £1,600) represents the value of Shares to be issued under the Company's options and warrants. No options or warrants were exercised during the year. The movement during the year of £160,153 (2018: £nil) related to the Black Scholes model valuations of the issue during the year of:

- 636,625 options and warrants issued on 7 January 2019, with an exercise price of £0.02 and a weighted average remaining expected and contractual life of 4.5 years; and
- 4,774,686 options and warrants issued on 8 January 2019, with an exercise price of £0.01 and a weighted average remaining expected and contractual life of 4.5 years.

As at 30 June 2019, the Company had 5,000,000 (2018: 5,000,000) options and 6,286,311 (2018: 875,000) warrants in issue, comprising:

- 875,000 warrants issued on 9 December 2016, with an exercise price of £0.04 and a weighted average remaining expected and contractual life of 0.5 years; and
- 5,000,000 options issued on 13 January 2017, with an exercise price of £0.04 and a weighted average remaining expected and contractual life of 2.54 years;
- 636,625 warrants issued on 7 January 2019, with an exercise price of £0.02 and a weighted average remaining expected and contractual life of 4.5 years; and
- 4,774,686 warrants issued on 8 January 2019, with an exercise price of £0.01 and a weighted average remaining expected and contractual life of 4.5 years.

The retained deficit of £1,398,656 (2018: deficit of £1,089,467) is the aggregate value of all retained profits and losses of the Group since incorporation. The movement of £309,189 (2018: £100,176) reflects the reported loss after tax for the year.

Current and total liabilities

As at 30 June 2019, the Group's current and total liabilities of £134,272 (2018: £7,860) comprised trade payables of £55,124 (2018: £2,860), accruals and other payables of £25,836 (2018: £5,000) and convertible loan notes payable of £53,312 (2018: £nil).

During the year, trade payables increased by £52,264 (2018: £nil) to £55,124 (2018: £2,860), accruals and other payables increased by £20,836 (2018: £nil) to £25,836 (2018: £5,000) and convertible loan notes payable increased by £53,312 (2018: £nil) to £53,212 (2018: £nil), resulting in an aggregate increase to other receivables of £126,412 (2018: £nil) to £134,272 (2018: £7,860).

The £50,000 convertible loan note was issued on 31 October 2018. The note is unsecured, is repayable one year from draw down, being 1 October 2019, and bears interest at 10% per annum. The balance of the convertible loan note as at 30 June 2019 of £53,312 represents the capital and accrued interest as at that date.

Net assets

As at 30 June 2019, the Group had total assets of £7,667 (2018: £26,341) and total liabilities of £134,272 (2018: £7,860), resulting in net liabilities of £126,605 (2018: net assets of £18,481).

Results for the year ended 30 June 2020

Overview

During the year ended 30 June 2020, the Directors investigated a number of acquisition opportunities in the minerals and oil & gas sectors. These due diligence activities did not produce an opportunity that the Directors believed was suitable of pursuing. Part way through the year, the Directors changed the Group's acquisition strategy to focus on the wider energy sector.

Trading results

No revenues were reported during the year ended 30 June 2020 (2019: £nil). The Group reported a loss before tax of £369,953 (2019: £309,189), comprising administrative expenditure of £370,963 (2019: £309,248) and finance income of £1,010 (2019: £59). Of the £370,963 (2019: £309,248) administrative fees, £12,000 (2019: £93,395) related to Directors' fees and salaries, £8,000 (2019: £7,000) to Group audit fees and £1,250 (2019: £1,250) to Group tax compliance services. Of the £12,000 (2019: £93,395) Directors' fees and salaries, £nil (2019: £76,895) related to non-cash share option charges. The retained deficit carried forward as at 30 June 2020 was £1,719,262 (2019: £1,398,656).

Cash flows, financing and capital reserves

During the year ended 30 June 2020, the Group reported a net cash inflow of £34,430 (2019: outflow of £18,874) from all sources, resulting in a closing cash balance of £34,430 as at 30 June 2020 (2019: £1,332).

The principal source of cash inflow during the year was the Group's financing cash flows of £316,926 (2019: £50,000), comprising a net cash inflow of £316,480 from the issue of 11,855,986 new Shares at £0.025 per Share, the exercise of 4,774,686 warrants at £0.01 each and the receipt of £446 (2019: £nil) in respect of loans receivable.

The £316,926 cash inflow from financing activities was offset by a £283,716 (2019: £68,925) net cash outflow for the year from operating activities, comprising administrative expenses. During the year, the Group reported a net cash outflow from investing activities of £112 (2019: inflow of £51), comprising loan interest receivable and interest on cash deposits of £1,010 (2019: £51), offset by convertible loan interest paid of £1,122 (2019: £nil).

During the year, the Group entered into a promissory note with Anglo African Minerals Plc for US\$40,000 in February 2020. The loan was subsequently assigned to, and repaid by, Cronin Capital Corp. The loan was unsecured and yielded interest of 10% which was fully repaid in June 2020.

Current and total assets

As at 30 June 2020, the Group's current and total assets of £74,448 (2019: £7,667) comprised cash of £34,430 (2019: £1,332) as discussed above, a fully impaired loan receivable from Symerton Holdings SA, sundry receivables of £27,700 (2019: £nil) and prepayments of £12,318 (2019: £6,335).

On 20 December 2014, the Group entered into a loan agreement with Symerton Holdings SA in which the Group lent Symerton Holdings SA US\$150,000 (£95,417). The loan is unsecured and bears interest at 12% per annum. The Directors have fully impaired the loan and accrued interest as at 30 June 2020, based on its expected non-recovery at that date. As such, the carrying value of the Symerton Holdings SA loan was £nil as at the year end (2019: £nil).

During the year, sundry receivables increased by £27,700 (2019: £nil) to £27,700 (2019: £nil) and prepayments increased by £5,983 (2019: increased by £4,610) to £12,318 (2019: £6,335), resulting in an aggregate increase to other receivables of £33,683 (2019: £200) to £40,018 (2019: £6,335).

Equity

As at 30 June 2020, the Group's equity comprised share capital of £227,586 (2019: £202,786), share premium of £1,328,494 (2019: £876,297), shares to be issued of £15,200 (2019: £31,215), a share option and warrant reserve of £112,406 (2019: £161,753) and a retained deficit of £1,719,262 (2019: £1,398,656). In aggregate, the Group's equity had a carrying value of £(35,576) at the year end (2019: £(126,605)).

The share capital balance of £227,586 (2019: £202,786) comprises the aggregate nominal value of the issued Shares of £0.001 and the issued deferred shares of £0.009 of the Company. During the year, an aggregate 24,799,962 Shares were issued, comprising:

- 11,855,986 Shares at £0.025 each for cash consideration of £296,400;
- 4,615,000 Shares at £0.01 each in settlement of £46,150 of the convertible loan notes payable;
- 3,554,290 Shares at £0.0243 each for cash consideration of £86,700; and
- 4,774,686 Shares at £0.025 each on the exercise of £47,747 of warrants and options.

As at 30 June 2020, the Company had 56,631,212 (2019: 31,831,250) Shares in issue with a nominal value of £56,631 (2019: £31,831) and 18,995,000 (2019: 18,995,000) Deferred Shares in issue with a nominal value of £170,955 (2019: £170,955).

The share premium balance of £1,328,494 (2019: £876,297) comprises the difference between the aggregate prices of issued Shares of the Company and their aggregate nominal values. The increase in share premium during the year reflects the aggregate share premium of £452,197 arising from the issue of the above Shares. There is no share premium in relation to the 18,995,000 Deferred Shares in issue as at 30 June 2020 (2019: 18,995,000).

Shares to be issued of £15,200 (2019: £31,125) relates to Shares to be issued to various creditors to the Group which have yet to be issued as at the year end. During the year:

- the brought forward creditors were issued Shares to the value of £31,125;
- additional creditors to the value of £55,575 agreed to have their obligations satisfied by a future issue of Shares, of which £40,375 were issued during the year.

Following the above, the year end carrying value of Shares to be issued was £15,200 (2019: £31,215).

The share option and warrant reserve of £112,406 (2019: £161,753) represents the value of Shares to be issued under the Company's options and warrants. The decrease on the reserve during the year of £49,347 (2019: increase of £160,153) related to the following:

- the expiration on 1 December 2019 of 875,000 warrants issued on 9 December 2016 with an exercise price of £0.04;
- the surrender on 1 June 2020 of 5,000,000 options issued on 13 January 2017 with an exercise price of £0.04 and a weighted average remaining expected and contractual life of 2.54 years;
- the issue on 1 June 2020 of 5,050,000 options with an exercise price of £0.025 and a weighted average remaining expected and contractual life of 10 years; and
- the exercise on 18 June 2020 of 4,774,686 warrants issued on 8 January 2019 at an exercise price of £0.01.

As at 30 June 2020, the Company had 5,050,000 (2019: 5,000,000) options and 636,625 (2019: 6,286,311) warrants in issue, comprising:

- 636,625 warrants issued on 7 January 2019, with an exercise price of £0.01 and a weighted average remaining expected life of 1.5 years and a contractual life of 2.5 years; and
- 5,050,000 options with an exercise price of £0.025 and a weighted average remaining expected and contractual life of 10 years.

The retained deficit of £1,719,262 (2019: deficit of £1,398,656) is the aggregate value of all retained profits and losses of the Group since incorporation. The movement of £369,953 (2019: £309,189) reflects the reported loss after tax for the year.

Current and total liabilities

As at 30 June 2020, the Group's current and total liabilities of £110,024 (2019: £134,272) comprised trade payables of £69,721 (2019: £55,124), accruals and other payables of £32,019 (2019: £25,836) and convertible loan notes payable of £8,284 (2019: £53,312).

During the year, trade payables increased by £14,597 (2019: £52,264) to £69,721 (2019: £55,124), accruals and other payables increased by £6,183 (2019: £20,836) to £32,019 (2019: £25,836) and convertible loan notes payable decreased by £45,028 (2019: increased by £53,312) to £8,284 (2019: £53,212), resulting in an aggregate decrease to other receivables of £24,248 (2019: increase of £126,412) to £110,024 (2019: £134,272).

Of the initial £50,000 convertible loan note issued on 31 October 2018, £46,150 was converted into 4,615,000 Shares at £0.01 each on 9 August 2019. The note is unsecured, is repayable one year from draw down, being 1 October 2019, and bears interest at 10% per annum. The balance of the convertible loan note as at 30 June 2020 of £8,284 (2019: £53,312) represents the outstanding capital of £3,850 (2019: £50,000) and accrued interest of £4,434 (2019: £3,312) as at that date.

Net assets

As at 30 June 2020, the Group had total assets of £74,448 (2019: £7,667) and total liabilities of £110,024 (2019: £134,272), resulting in net liabilities of £35,576 (2019: net liabilities of £126,605).

Results for the six-month period ended 31 December 2020

Trading results

No revenues were reported during the six-month period ended 31 December 2020 (six months ended 31 December 2019: £nil). The Group reported a loss before tax of £239,733 (six months ended 31 December 2019: £191,891), comprising administrative expenditure of £240,063 (six months ended 31 December 2019: £191,891) and finance income of £330 (six months ended 31 December 2019: £nil).

Cash flows, financing and capital reserves

During the six-month period ended 31 December 2020, the Group reported a net cash inflow of £76,223 (six months ended 31 December 2019: inflow of £177,982) from all sources, resulting in a closing cash balance of £110,643 as at 31 December 2020 (30 June 2020: £34,430).

The principal source of cash inflow during the period was the Group's financing cash flows of £340,725 (six months ended 31 December 2019: £401,551), comprising a net cash inflow from the issue of 14,739,737 Shares at £0.025 each.

The £340,725 cash inflow from financing activities (six months ended 31 December 2019: £401,551) was offset by a £264,501 (six months ended 31 December 2019: £223,569) net cash outflow for the period from operating activities, comprising administrative expenses. During the period, the Group reported a net cash inflow from investing activities of £330 (six months ended 31 December 2019: £nil), comprising loan interest receivable and interest on cash deposits of £330 (six months ended 31 December 2019: £nil).

Current and total assets

As at 31 December 2020, the Group's current and total assets of £206,327 (30 June 2020: £74,448) comprised cash of £110,653 (30 June 2020: £34,430) as discussed above, a £63,628 (C\$110,000) convertible debenture undertaken by Imperial Helium Corp. (30 June 2020: £nil), sundry receivables of £27,700 (30 June 2020: £27,700) and prepayments of £4,346 (30 June 2020: £12,318). The £63,628 (C\$110,000) convertible debenture was in relation to a private placement undertaken by Imperial Helium Corp. The convertible debentures yield a 10% coupon, mature 18 months from the date of issuance, converting automatically into common shares of Imperial Helium on its IPO at a 20% discount to the IPO price.

Equity

As at 31 December 2020, the Group's equity comprised share capital of £242,326 (30 June 2020: £227,586), share premium of £1,654,479 (30 June 2020: £1,328,494), shares to be issued of £15,200 (30 June 2020: £15,200), a share option and warrant reserve of £112,406 (30 June 2020: £112,406) and a retained deficit of £1,958,995 (30 June 2020: deficit of £1,719,262). In aggregate, the Group's equity had a carrying value of £65,416 at the period end (30 June 2020: £(35,576)).

The share capital balance of £242,326 (30 June 2020: £227,586) comprises the aggregate nominal value of the issued Shares of £0.001 and the issued deferred shares of £0.009 of the Company. During the period, an aggregate 14,739,737 Shares were issued, comprising the first tranche of a two-tranche placement. The nominal value of the new Shares issued was £14,740. Each placee received one warrant for every two placing shares resulting in 7,369,868 warrants issued, exercisable at £0.05 per Share, expiring 30 November 2022. As at 31 December 2020, the Company had 71,370,949 (30 June 2020: 56,631,212) Shares in issue with a nominal value of £71,371 (30 June 2020: £56,631) and 18,995,000 (30 June 2020: 18,995,000) Deferred Shares in issue with a nominal value of £170,955 (30 June 2020: £170,955).

The share premium balance of £1,654,479 (30 June 2020: £1,328,494) comprises the difference between the aggregate prices of issued Shares of the Company and their aggregate nominal values. The increase in share premium during the period reflects the aggregate share premium of £325,985 arising from the issue of the above Shares. There is no share premium in relation to the 18,995,000 Deferred Shares in issue as at 31 December 2020 (30 June 2020: 18,995,000).

Shares to be issued of £15,200 (30 June 2020: £15,200) relates to Shares to be issued to various creditors to the Group which have yet to be issued as at the period end.

The share option and warrant reserve of £112,406 (30 June 2020: £112,406) represents the value of Shares to be issued under the Company's options and warrants. As part of the issue of the 14,739,737 new Shares on 26 November 2020, 7,369,868 new warrants were issued. No warrants were exercised or lapsed during the period. As at 31 December 2020, the Company had 5,050,000 (30 June 2020: 5,050,000) options and 8,006,493 (30 June 2020: 636,625) warrants in issue, comprising:

- 636,625 warrants issued on 7 January 2019, with an exercise price of £0.01 and a weighted average remaining expected life of 0.99 years and a contractual life of 1.98 years;
- 7,369,868 warrants issued on 26 November 2020, with an exercise price of £0.05 and a weighted average remaining expected life of 2 years and a contractual life of 2 years;
- 5,050,000 options with an exercise price of £0.025 and a weighted average remaining expected and contractual life of 9.5 years.

The retained deficit of £1,958,995 (30 June 2020: deficit of £1,719,262) is the aggregate value of all retained profits and losses of the Group since incorporation. The movement of £239,733 (six months ended 31 December 2019: £191,891) reflects the reported loss after tax for the period.

Current and total liabilities

As at 31 December 2020, the Group's current and total liabilities of £140,911 (30 June 2020: £110,024) comprised trade payables of £104,350 (30 June 2020: £69,721), accruals and other payables of £27,860 (30 June 2020: £32,019) and convertible loan notes payable of £8,702 (30 June 2020: £8,284).

Of the initial £50,000 convertible loan note issued on 31 October 2018, £46,150 was converted into 4,615,000 Shares at £0.01 each on 9 August 2019. The note is unsecured, is repayable one year from draw down, being 1 October 2019, and bears interest at 10% per annum. The balance of the convertible loan note as at 30 June 2020 of £8,702 (30 June 2020: £8,284) represents the outstanding capital of £3,850 (30 June 2020: £3,850) and accrued interest of £4,852 (30 June 2020: £4,434) as at that date.

Net assets

As at 31 December 2020, the Group had total assets of £206,327 (30 June 2020: £74,448) and total liabilities of £140,911 (30 June 2020: £110,024), resulting in net assets of £65,416 (30 June 2020: net liabilities of £35,576).

Events subsequent to 31 December 2020

On 14 January 2021, the Company completed the second tranche of a two tranche placement by placing 1,914,200 new Shares at a price of £0.025 per Share for total value of £47,855, net of expenses. Each placee received one warrant for every two placing shares, resulting in 957,100 warrants issued, exercisable at £0.05 per Share, expiring 5 January 2023.

On 15 February 2021, the Company entered into the £10,000,000 Equity Drawdown Facility with Crescita Capital. The Company has agreed to pay to Crescita Capital certain commitment fees which shall comprise a two per cent (2%) commission on the amount of the Equity Drawdown Facility (being £200,000) which will be settled by way of the issue of 4,000,000 new Shares at an issue price of £0.05 per Share and warrants over 8% of the issued share capital of the Company as at 10 September 2020 (equating to warrants over 4,530,497 Shares), with an exercise price of £0.10 per Share for a period of three years.

On 15 February 2021 the Company entered into acquisition agreements to acquire a platform of mineral assets, equity positions and royalty positions. The acquisitions will constitute a reverse take-over and are as follows:

- the acquisition of 100% of Cloudbreak for consideration of 149,558,502 new Shares;
- the acquisition of 100% of Howson for consideration of 31,614,118 new Shares;
- the acquisition of 100% of Cabox for consideration of 35,000,000 new Shares; and
- the acquisition of the AAM Assets for consideration of 29,430,378 new Shares.

SECTION (B) OPERATING AND FINANCIAL REVIEW OF CLOUDBREAK

The following operating and financial review contains financial information that has been extracted or derived, without material adjustment, from the Cloudbreak Financial Information included in Section (B) "Financial Information of Cloudbreak" and the Cloudbreak Interim Financial Information included in Section (C) "Unaudited Interim Financial Information of Cloudbreak" of Part VI "Financial Information" prepared in accordance with IFRS.

The following discussion should be read in conjunction with the other information in this Document and the Cloudbreak Financial Information. This discussion contains forward-looking statements, which, although based on assumptions that the Directors consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. Investors should read the notice in relation to forward-looking statements contained on pages 27 to 28 of this Document.

The key risks and uncertainties include but are not limited to those described in the section of this Document entitled "Risk Factors" on pages 12 to 23 of this Document.

Summary statements of comprehensive income

Summarised below are the audited statements of comprehensive income of Cloudbreak for each of the years ended 30 April 2018, 30 April 2019 and 30 April 2020, together with the unaudited statement of comprehensive income for the six-month period ended 31 October 2020:

| | Audited Year ended 30 April 2018 C\$ | Audited Year ended 30 April 2019 C\$ | Audited Year ended 30 April 2020 C\$ | Unaudited Six months ended 31 October 2020 C\$ |
|--|---|---|---|--|
| Revenue | — | — | — | 2,233,250 |
| Cost of sales | — | — | — | (50,000) |
| Gross profit | — | — | — | 2,183,250 |
| Administrative expenses | (10,553) | (54,865) | (158,105) | (1,198,130) |
| (Loss)/income before tax | (10,553) | (54,865) | (158,105) | 985,120 |
| Income tax | — | — | — | — |
| Loss for the year | (10,553) | (54,865) | (158,105) | 985,120 |
| <u>Other comprehensive income</u> | | | | |
| Change in fair value of investments | — | — | — | 5,140,750 |
| Total comprehensive (loss)/income | (10,553) | (54,865) | (158,105) | 6,125,870 |

Source: Audited financial statements and unaudited interim financial information

Summary statements of financial position

Summarised below are the audited statements of financial position of Cloudbreak as at 30 April 2018, 30 April 2019 and 30 April 2020, together with unaudited statement of financial position as at 31 October 2020::

| | <i>Audited</i> As at 30 April 2018 C\$ | <i>Audited</i> As at 30 April 2019 C\$ | <i>Audited</i> As at 30 April 2020 C\$ | <i>Unaudited</i> As at 31 October 2020 C\$ | |
|--|--|--|--|--|-----------|
| Exploration and evaluation assets | — | 48,941 | 127,722 | 667,724 | |
| Deposit | — | — | 80,000 | — | |
| Non-current assets | — | 48,941 | 207,722 | 667,724 | |
| Investments | — | — | — | 7,321,645 | 7,321,645 |
| Prepayments | — | 4,802 | — | — | |
| Cash and cash equivalents | 191,461 | 147,394 | 14,473 | 21,713 | |
| Current assets | 191,461 | 152,196 | 14,473 | 7,343,358 | |
| Total assets | 191,461 | 201,137 | 222,195 | 8,011,082 | |
| Share capital | 201,001 | 201,001 | 339,701 | 2,967,847 | |
| Shares to be issued | — | 44,450 | — | — | |
| Retained (deficit)/earnings | (12,053) | (66,918) | (225,023) | 4,773,312 | |
| Equity attributable to Shareholders | 188,948 | 178,533 | 114,678 | 7,741,159 | |
| Trade payables | — | 8,487 | 14,127 | 13,548 | |
| Accrued liabilities | 2,513 | 13,439 | 5,000 | — | |
| Due to related parties | — | 678 | 88,390 | 256,375 | |
| Current liabilities | 2,513 | 22,604 | 107,517 | 269,923 | |
| Total equity and liabilities | 191,461 | 201,137 | 222,195 | 8,011,082 | |

Source: Audited financial statements and unaudited interim financial information

Summary statements of cash flows

Summarised below are the audited statements of cash flows of Cloudbreak for each of the years ended 30 April 2018, 30 April 2019 and 30 April 2020, together with the unaudited statement of cash flows for the six-month period ended 31 October 2020:

| | <i>Audited</i> Year ended 30 April 2018 C\$ | <i>Audited</i> Year ended 30 April 2019 C\$ | <i>Audited</i> Year ended 30 April 2020 C\$ | <i>Unaudited</i> Six months Ended 31 October 2020 C\$ | |
|--|---|---|---|--|-------------|
| (Loss)/income for the year/period | (10,553) | (54,865) | (158,105) | 6,125,870 | |
| <i>Non-cash transactions:</i> | | | | (5,140,750) | |
| Change in fair value of investments | — | — | — | 944,011 | (5,140,750) |
| Listing expense | — | — | — | (2,083,297) | 944,011 |
| Mineral property sale and option payments | — | — | — | 135,500 | (2,083,297) |
| Share-based payments | — | — | — | — | 135,500 |
| <i>Working capital adjustments:</i> | | | | — | |
| Change in prepayments | — | (4,802) | 4,802 | (9,516) | |
| Change in trade payables | — | 8,487 | 5,640 | — | |
| Change in accrued liabilities | (1,013) | 10,926 | (8,439) | (28,182) | |
| Cash used in operating activities | (9,540) | (40,254) | (156,102) | — | |
| Expenditure on exploration and evaluation assets | — | (48,941) | (61,281) | — | |
| Payments for deposits | — | — | (80,000) | (17,500) | |
| Mineral property option | — | — | — | (17,500) | (17,500) |
| Cash used in investing activities | — | (48,941) | (141,281) | 51,200 | |
| Proceeds from related parties | — | 678 | 87,712 | — | |
| Proceeds from the issue of shares | 201,000 | 44,450 | 76,750 | 1,722 | |
| Cash received in reverse takeover | — | — | — | 52,922 | 1,722 |
| Cash from financing activities | 201,000 | 45,128 | 164,462 | 7,240 | |
| Net cash inflow/(outflow) for the year | 191,460 | (44,067) | (132,921) | 14,473 | |
| <i>Cash brought forward</i> | <i>1</i> | <i>191,461</i> | <i>147,394</i> | 21,713 | |
| Cash carried forward | 191,461 | 147,394 | 14,473 | | |

Source: Audited financial statements and unaudited interim financial information

Results for the year ended 30 April 2018

Trading results

No revenues were reported during the year ended 30 April 2018. Cloudbreak reported a loss before tax of C\$10,553, comprising administrative expenditure for this amount. Of the C\$10,553 administrative fees, C\$5,795 related to professional fees, C\$2,271 to transfer agent and filing fees and C\$2,487 to general costs. The retained deficit carried forward as at 30 April 2018 was C\$12,053.

Cash flows, financing and capital reserves

During the year ended 30 April 2018, Cloudbreak reported a net cash inflow of C\$191,460 from all sources, resulting in a closing cash balance of C\$191,461 as at 30 April 2018.

The only source of cash inflow during the year was Cloudbreak's financing cash flows, comprising a cash inflow of C\$201,000 from the issue of:

- 1,010,549 Class A common shares on 28 July 2017 for cash proceeds of C\$1,000;

- 7,600,000 units at C\$0.025 each on 18 December 2017 for total cash proceeds of C\$190,000. Each unit consisted of one Class A common share and one share purchase warrant exercisable at C\$0.05 for a period of 24 months into one Class A common share; and
- 400,000 units at C\$0.025 each on 18 January 2018 for total proceeds of C\$10,000. Each unit consisted of one Class A common share and one share purchase warrant exercisable at C\$0.05 for a period of 24 months into one Class A common share.

This cash inflow was offset by a C\$9,540 net cash outflow for the year from operating activities, comprising administrative expenses.

Current and total assets

As at 30 April 2018, Cloudbreak's current and total assets comprised cash of C\$191,461, arising from the issue of common shares during the year as set out above.

Equity

As at 30 April 2018, Cloudbreak's equity comprised share capital of C\$201,001 and a retained deficit of C\$12,053. In aggregate, Cloudbreak's equity had a carrying value of C\$188,948 at the year end.

The share capital balance of C\$201,001 comprises the aggregate nominal value of the issued Class A common shares and the issued Class B preferred shares. During the year, 9,010,549 new common shares were issued for cash consideration of C\$201,000, resulting in there being 9,010,550 Class A common shares in issue as at 30 April 2018. No Class B preferred shares were issued during the year and there were no Class B preferred shares in issue as at 30 April 2018.

During the year, an aggregate 8,000,000 warrants were issued and these represented the only warrants in issue as at 30 April 2018. As at 30 April 2018, Cloudbreak's 8,000,000 warrants in issue comprised:

- 7,600,000 warrants issued on 18 December 2017, with an exercise price of C\$0.05 and expiring 18 December 2019; and
- 400,000 warrants issued on 18 January 2018, with an exercise price of C\$0.05 and expiring 18 January 2020.

The retained deficit of C\$12,053 is the aggregate value of all retained profits and losses of Cloudbreak since incorporation on 11 November 2014. The movement of C\$(10,553) reflects the reported loss after tax for the year.

Current and total liabilities

As at 30 April 2018, Cloudbreak's current and total liabilities of C\$2,513 comprised accrued liabilities. During the year, accrued liabilities increased by C\$1,013.

Net assets

As at 30 April 2018, Cloudbreak had total assets of C\$191,461 and total liabilities of C\$2,513, resulting in net assets of C\$188,948.

Results for the year ended 30 April 2019

Trading results

No revenues were reported during the year ended 30 April 2019 (2018: C\$nil). Cloudbreak reported a loss before tax of C\$54,865 (2018: loss of C\$10,553), comprising administrative expenditure for this amount. Of the C\$54,865 (2018: C\$10,553) administrative fees, C\$28,801 (2018: C\$5,795) related to professional fees, C\$5,836 (2018: C\$2,271) to transfer agent and filing fees and C\$20,228 (2018: C\$2,487) to general costs. The retained deficit carried forward as at 30 April 2019 was C\$66,918 (2018: C\$12,053).

Cash flows, financing and capital reserves

During the year ended 30 April 2019, Cloudbreak reported a net cash outflow of C\$44,067 (2018: inflow of C\$191,460) from all sources, resulting in a closing cash balance of C\$147,394 as at 30 April 2019 (2018: C\$191,461).

The principal cash inflow during the year was Cloudbreak's financing cash flows, comprising a cash inflow of C\$44,450 from the issue of Class A common shares issued after the year end. Subsequent to 30 April 2019, Cloudbreak closed a non-brokered private placement on 10 June 2019 under which it raised gross proceeds of C\$121,200 by way of the issuance of 1,212,000 units at the price of \$0.10 per unit. Each unit consisted of one Class A common share and one-half of one Class A common share purchase warrant. Each whole warrant entitles the holder to purchase one additional Class A common share at a price of \$0.20 per Class A common share for two years. As at 30 April 2019, Cloudbreak had received C\$44,450 of the C\$121,200.

A financing cash inflow of C\$678 (2018: C\$nil) was received from related parties, being Cloudbreak's Chief Executive Officer, who paid expenditure for, and on behalf of, Cloudbreak.

These cash inflows were offset by a C\$48,941 (2018: C\$nil) cash outflow in respect of the acquisition of an exploration asset and subsequent exploration expenditure, together with a C\$40,254 (2018: C\$9,540) net cash outflow for the year from operating activities, comprising administrative expenses.

Non-current assets

As at 30 April 2019, Cloudbreak's non-current assets comprised exploration and evaluation assets of C\$48,941 (2018: C\$nil).

On 8 October 2018, Cloudbreak entered into an option agreement to acquire a 100% interest in the Southern Spectrum Mineral Property located in the Lilloet Mining Division of British Columbia. In order to exercise the option, Cloudbreak was liable to pay an aggregate of C\$70,000 in cash and issue 1,200,000 Class A common shares as set out below:

| <i>Due on or before</i> | Cash element C\$ | Share element Class A common shares |
|---|-----------------------------|--|
| Due prior to becoming a listed issuer (<i>paid during the year</i>) | 40,000 | 500,000 |
| 31 December 2019 | 10,000 | 175,000 |
| 31 December 2020 | 10,000 | 175,000 |
| 31 December 2021 | 10,000 | 350,000 |
| Total | 70,000 | 1,200,000 |

Of the C\$48,941 carrying value of the asset as at 30 April 2019, C\$40,000 related to the initial element of the above cash payment schedule.

In addition to the above acquisition schedule, Cloudbreak also needed to incur C\$1,250,000 of exploration expenditure within the following timeline:

| <i>Due on or before</i> | Cash element C\$ |
|--------------------------------|-----------------------------|
| 31 December 2019 | 50,000 |
| 31 December 2020 | 100,000 |
| 31 December 2021 | 350,000 |
| 31 December 2022 | 750,000 |
| Total | 1,250,000 |

Of the C\$48,941 carrying value of the asset as at 30 April 2019, C\$8,941 related to the initial exploration expenditure requirement for the year ended 31 December 2019.

Current assets

As at 30 April 2019, Cloudbreak had current assets of C\$152,196 (2018: C\$191,461), comprising cash of C\$147,394 (2018: C\$191,461) and prepayments of C\$4,802 (2018: C\$nil).

Total assets

As at 30 April 2019, Cloudbreak had non-current assets of C\$48,941 (2018: C\$nil) and current assets of C\$152,196 (2018: C\$191,461), resulting in total assets of C\$201,137 (2018: C\$191,461).

Equity

As at 30 April 2019, Cloudbreak's equity comprised share capital of C\$201,001 (2018: C\$201,001), shares to be issued of C\$44,450 (2018: C\$nil) and a retained deficit of C\$66,918 (2018: deficit of C\$12,053). In aggregate, Cloudbreak's equity had a carrying value of C\$178,533 (2018: C\$188,948) at the year end.

The share capital balance of C\$201,001 (2018: C\$201,001) comprises the aggregate nominal value of the issued Class A common shares and the issued Class B preferred shares. During the year, no new shares were issued. As such, there were 9,010,550 (2018: 9,010,550) Class A common shares in issue as at 30 April 2019 and no (2018: none) Class B preferred shares.

Shares to be issued of C\$44,450 (2018: C\$nil) represents the cash received during the year in advance of the issue of new Class A common shares issued subsequent to 30 April 2019 in relation to the C\$121,200 private placement completed on 10 June 2019.

No new warrants were issued during the year and none of the brought forward warrants were exercised. As such, Cloudbreak had 8,000,000 warrants in issue as at 30 April 2019, comprising:

- 7,600,000 warrants issued on 18 December 2017, with an exercise price of C\$0.05 and expiring 18 December 2019; and
- 400,000 warrants issued on 18 January 2018, with an exercise price of C\$0.05 and expiring 18 January 2020.

The retained deficit of C\$66,918 (2018: deficit of C\$12,053) is the aggregate value of all retained profits and losses of Cloudbreak since incorporation on 11 November 2014. The movement of C\$(54,865) (2018: C\$(10,553)) reflects the reported loss after tax for the year.

Current and total liabilities

As at 30 April 2019, Cloudbreak's current and total liabilities of C\$22,604 (2018: C\$2,513) comprised accrued liabilities of C\$13,439 (2018: C\$2,513), trade payables of C\$8,487 (2018: C\$nil) and amounts due to related parties of C\$678 (2018: C\$nil).

Accrued liabilities of C\$13,439 (2018: C\$nil) related to the value of exploration and administrative expenditures yet to be invoiced as at 30 April 2019.

During the year, amounts payable to trade payables increased by C\$8,487 (2018: C\$nil).

Amounts due to related parties of C\$678 (2018: C\$nil) related to expenditures paid by the Cloudbreak Chief Executive Officer on behalf of Cloudbreak. The balance due to the Cloudbreak Chief Executive Officer is due on demand, is interest free and unsecured.

Net assets

As at 30 April 2019, Cloudbreak had total assets of C\$201,137 (2018: C\$191,461) and total liabilities of C\$22,604 (2018: C\$2,513), resulting in net assets of C\$178,533 (2018: C\$188,948).

Results for the year ended 30 April 2020

Trading results

No revenues were reported during the year ended 30 April 2020 (2019: C\$nil). Cloudbreak reported a loss before tax of C\$158,105 (2019: loss of C\$54,865), comprising administrative expenditure for this amount. Of the C\$158,105 (2019: C\$54,865) administrative fees, C\$48,500 (2019: C\$nil) related to consulting fees, C\$40,476 (2019: C\$28,801) to professional fees, C\$13,923 (2019: C\$5,836) to transfer agent and filing fees, C\$7,112 (2019: C\$nil) to travel and C\$48,094 (2019: C\$20,228) to general costs. The retained deficit carried forward as at 30 April 2020 was C\$225,023 (2019: C\$66,918).

Cash flows, financing and capital reserves

During the year ended 30 April 2020, Cloudbreak reported a net cash outflow of C\$132,921 (2019: outflow of C\$44,067) from all sources, resulting in a closing cash balance of C\$14,473 as at 30 April 2020 (2019: C\$147,394).

The principal cash inflow during the year was Cloudbreak's financing cash flows, comprising a cash inflow of C\$76,750 (2019: C\$44,450) from the issue of Class A common shares during the year and further cash from related parties of C\$87,712 (2019: C\$678).

Cash inflows during the year of C\$76,750 (2019: C\$44,450) arose from the completion of the private placement set out above. On 10 June 2019, Cloudbreak issued 1,212,000 units at C\$0.10 each for total cash proceeds of C\$121,200. Of this amount, C\$44,450 of cash was received in the prior year and was recorded within "Shares to be issued" within "equity" on the Statement of Financial Position. The balance of C\$76,750 was recorded as cash received during the current year.

In addition to the cash inflows from the issue of common shares, additional cash was received from related parties. During the year, C\$87,712 (2019: C\$678) was received from Cloudbreak's Chief Executive Officer, who paid expenditure for, and on behalf of, Cloudbreak.

These cash inflows were offset by a C\$141,281 (2019: C\$48,941) cash outflow from investing activities. During the year, Cloudbreak paid a further C\$61,281 (2019: C\$48,941) of cash in relation to its acquisition and exploration commitments at its Southern Spectrum Mineral Property asset purchased in the prior year.

Subsequent to 30 April 2020, and as discussed below in paragraph "Events subsequent to 30 April 2020", Cloudbreak entered into a series of options to acquire several mineral assets in British Columbia with 1975647 Alberta Ltd, a third party company incorporated in Canada. One of the option agreements related to a 100% interest in the Silver Vista Project. For Cloudbreak to fully exercise the option, Cloudbreak must pay 1975647 Alberta Limited an aggregate amount of C\$110,000 in cash and issue 2,300,000 Class A common shares over three years. As at 30 April 2020, Cloudbreak had paid a deposit of C\$80,000 in relation to this acquisition.

During the year ended 30 April 2020, a net cash outflow of C\$156,102 (2019: outflow of C\$40,254) was recorded from operating activities.

Non-current assets

As at 30 April 2020, Cloudbreak's non-current assets comprised exploration and evaluation assets of C\$127,722 (2019: C\$48,941) and acquisition deposits of C\$80,000 (2019: C\$nil).

On 8 October 2018, Cloudbreak entered into an option agreement to acquire a 100% interest in the Southern Spectrum Mineral Property located in the Lilloet Mining Division of British Columbia. In order to exercise the option, Cloudbreak was liable to pay an aggregate of C\$70,000 in cash and issue 1,200,000 Class A common shares.

As at 30 April 2020, Cloudbreak had paid the following cash and share instalments:

| <i>Due on or before</i> | Cash element C\$ | Share element Class A common shares |
|---|-----------------------------|--|
| Due prior to becoming a listed issuer (<i>paid in the prior year</i>) | 40,000 | 500,000 |
| 31 December 2019 (<i>paid in the current year</i>) | 10,000 | 175,000 (<i>issued</i>) |
| 31 December 2020 | 10,000 | 175,000 |
| 31 December 2021 | 10,000 | 350,000 |
| Total | 70,000 | 1,200,000 |

In addition to the above acquisition schedule, Cloudbreak is also required to incur C\$1,250,000 of exploration expenditure within the following timeline:

| <i>Due on or before:</i> | Cash element C\$ |
|--------------------------------------|-----------------------------|
| 31 December 2019 (<i>incurred</i>) | 50,000 |
| 31 December 2020 | 100,000 |
| 31 December 2021 | 350,000 |
| 31 December 2022 | 750,000 |
| Total | 1,250,000 |

As at 30 April 2020, the carrying value of the Southern Spectrum Mineral Property was as follows:

| | Audited As at 30 April 2020 C\$ |
|--|--|
| As at 30 April 2018 | — |
| Acquisition cost – tranche 1 (<i>cash</i>) | 40,000 |
| Exploration expenditure – 31 December 2019 commitment (<i>cash</i>) | 8,941 |
| As at 30 April 2019 | 48,941 |
| Acquisition cost – tranche 2 (<i>cash</i>) | 10,000 |
| Acquisition cost – tranche 2 (<i>shares</i>) | 17,500 |
| Exploration expenditure – balance of 31 December 2019 commitment (<i>cash</i>) | 41,059 |
| Exploration expenditure – balance of 31 December 2020 commitment (<i>cash</i>) | 10,222 |
| As at 30 April 2020 | 127,722 |

On 8 May 2020, Cloudbreak entered into three option agreements with 1975647 Alberta Limited to acquire interests in three mineral projects in British Columbia.

- Silver Vista Project;
- Silver Switchback Project; and
- Gold Vista Project

With respect to the Silver Vista Project, Cloudbreak must pay 1975647 Alberta Limited an aggregate amount of C\$65,000 in cash and issue 1,375,000 Class A common shares and incur exploration expenditure to the value of C\$275,000 over three years to fully exercise the option. 1975647 Alberta Limited will retain a 2% net smelter royalty with Cloudbreak having an option to purchase up to 50% (i.e. 1.0% net smelter royalty) of this net smelter royalty for C\$1,000,000. As at 30 April 2020, Cloudbreak had paid a deposit of C\$80,000 in relation to this acquisition.

Current assets

As at 30 April 2020, Cloudbreak had current assets of C\$14,473 (2019: C\$152,196), comprising cash of C\$14,473 (2019: C\$147,394) and prepayments of C\$nil (2019: C\$4,802).

Total assets

As at 30 April 2020, Cloudbreak had non-current assets of C\$207,722 (2019: C\$48,941) and current assets of C\$14,473 (2019: C\$152,196), resulting in total assets of C\$222,195 (2019: C\$201,137).

Equity

As at 30 April 2020, Cloudbreak's equity comprised share capital of C\$339,701 (2019: C\$201,001), shares to be issued of C\$nil (2019: C\$44,450) and a retained deficit of C\$225,023 (2019: deficit of

C\$66,918). In aggregate, Cloudbreak's equity had a carrying value of C\$114,678 (2019: C\$178,533) at the year end.

The share capital balance of C\$339,701 (2019: C\$201,001) comprises the aggregate nominal value of the issued Class A common shares and the issued Class B preferred shares. During the year, Cloudbreak issued:

- 1,212,000 units at \$0.10 each on 10 June 2019 for total proceeds of \$121,200, of which \$44,450 of the proceeds were received during the prior year. Each unit consisted of one Class A common share and one-half of a Class A common share purchase warrant exercisable at \$0.20 for a period of 24 months into one Class A common share; and
- 175,000 Class A common shares on the 5 December 2019 with fair value of \$17,500 pursuant to the Southern Spectrum Mineral Property option agreement entered into in the prior year.

Following the above share issues, Cloudbreak had 10,397,550 (2019: 9,010,550) Class A common shares in issue and no (2019: none) Class B preferred shares.

The brought forward balance of shares to be issued of C\$44,450 represented the cash received during the prior year in advance of the issue of the new Class A common shares pursuant to the C\$121,200 private placement completed on 10 June 2019. These shares were issued on that date, giving rise to a C\$nil balance as at 30 April 2020.

As set out above, Cloudbreak issued 1,212,000 units on 10 June 2019, with each unit consisting of one Class A common share and one-half of a Class A common share purchase warrant, exercisable at \$0.20 for a period of 24 months into one Class A common share. Following this issue of 606,000 warrants, Cloudbreak had 8,606,000 warrants in issue as at 30 April 2020 (2019: 8,000,000), comprising:

- 7,600,000 warrants issued on 18 December 2017, with an exercise price of C\$0.05 and expiring 18 December 2021 (originally 18 December 2019 but extended by 24 months during the year);
- 400,000 warrants issued on 18 January 2018, with an exercise price of C\$0.05 and expiring 18 January 2022 (originally 18 December 2019 but extended by 24 months during the year);
- 606,000 warrants issued on 10 June 2019, with an exercise price of C\$0.20 and expiring 10 June 2021.

The retained deficit of C\$225,023 (2019: deficit of C\$66,918) is the aggregate value of all retained profits and losses of Cloudbreak since incorporation on 11 November 2014. The movement of C\$(158,105) (2019: C\$(54,865)) reflects the reported loss after tax for the year.

Current and total liabilities

As at 30 April 2020, Cloudbreak's current and total liabilities of C\$107,517 (2019: C\$22,604) comprised amounts due to related parties of C\$88,390 (2019: C\$678), trade payables of C\$14,127 (2019: C\$8,487) and accrued liabilities of C\$5,000 (2019: C\$13,439).

Amounts due to related parties of C\$88,390 (2019: C\$678) related to expenditures paid by the Cloudbreak Chief Executive Officer on behalf of Cloudbreak. The balance due to the Cloudbreak Chief Executive Officer is due on demand, is interest free and unsecured.

During the year, amounts payable to trade payables increased by C\$5,640 (2019: increased by C\$8,487).

Accrued liabilities of C\$5,000 (2019: C\$13,439) related to the value of exploration and administrative expenditures yet to be invoiced as at 30 April 2020. The balance reduced by C\$ 8,439 during the year (2019: increased by C\$10,926).

Net assets

As at 30 April 2020, Cloudbreak had total assets of C\$222,195 (2019: C\$201,137) and total liabilities of C\$107,517 (2019: C\$22,604), resulting in net assets of C\$114,678 (2019: C\$178,533).

Results for the six-month period ended 31 October 2020

Overview of significant events during the period

During the six-month period ended 31 October 2020, Cloudbreak undertook several significant transactions, including the acquisition of Ridge Royalty Corporation by way of a reverse takeover and the acquisition and sale of options. A summary of the key material events during the period is as follows:

- *Share consolidation*

On 5 May 2020, Cloudbreak completed a consolidation of its Class A common shares on the basis of one post-consolidation share for every two pre-consolidation shares. Subsequent to the consolidation, Cloudbreak had 5,198,778 Class A common shares and no Class B preferred shares in issue.

- *Acquisition of options*

On 8 May 2020, Cloudbreak entered into separate option agreements with 1975647 Alberta Limited to acquire:

- a 100% interest in the Silver Switchback Project, located in British Columbia. For Cloudbreak to fully exercise the option, Cloudbreak must pay 1975647 Alberta Limited an aggregate amount of C\$75,000 in cash and issue 2,000,000 Class A common shares over three years. 1975647 Alberta Limited will retain a 2% net smelter royalty, with Cloudbreak having an option to purchase up to 1.5% of the net smelter royalty for C\$1,250,000;
- a 100% interest in the Silver Vista Project, located in British Columbia. For Cloudbreak to fully exercise the option, Cloudbreak must pay 1975647 Alberta Limited an aggregate amount of C\$110,000 in cash and issue 2,300,000 Class A common shares over three years. 1975647 Alberta Limited will retain a 2% net smelter royalty, with Cloudbreak having an option to purchase up to 1.0% of the net smelter royalty for C\$1,000,000. As at 30 April 2020, Cloudbreak had paid a deposit of C\$80,000 in relation to this acquisition;
- a 100% interest in the Gold Vista Project, located in British Columbia. For Cloudbreak to fully exercise the option, Cloudbreak must pay 1975647 Alberta Limited an aggregate amount of C\$65,000 in cash consideration and issue 1,375,000 Class A common shares over three years. A 2% net smelter royalty will be retained, with Cloudbreak having an option to purchase up to 1.0% of the net smelter royalty for C\$1,000,000.

- *Acquisition of Ridge Royalty Corporation by way of a reverse takeover*

On 19 May 2020, Cloudbreak merged with Ridge Royalty Corporation, pursuant to which Ridge Royalty Corporation amalgamated with Cloudbreak's wholly owned subsidiary, 1237611 B.C. Limited, and became a 100% owned subsidiary of Cloudbreak. Under the transaction, Cloudbreak issued an aggregate 26,485,071 post-consolidated Class A common shares *pro rata* to Ridge Royalty Corporation shareholders. Following the merger, Cloudbreak had 31,683,849 Class A common shares in issue. Upon closing, former Ridge Royalty Corporation shareholders held approximately 84% of Cloudbreak's Class A common shares. On acquisition, Cloudbreak acquired the following exploration and evaluation assets:

- La Blache Property (*sold on 23 September 2020 to Temas Resources Corporation*);
- Rupert Property;
- Caribou Property; and
- Apple Bay Property.

The merger was considered a reverse takeover as Ridge Royalty Corporation shareholders obtained control of Cloudbreak. The transaction was therefore accounted for in accordance with IFRS 2 "*Share-based Payment*" whereby Ridge Royalty Corporation was deemed to have issued shares in exchange for the net assets of Cloudbreak, together with its Reporting Issuer status at the fair value of consideration received by Ridge Royalty Corporation.

- *Sale of option*

On 2 June 2020, Cloudbreak entered into an option agreement with Norseman Capital Limited, under which Norseman Capital Limited may acquire up to a 100% interest in Cloudbreak's Caribou Property, subject to a 2% net smelter return to Cloudbreak. In order for Norseman Capital Limited to fully exercise the option on the Caribou Property, it must pay Cloudbreak an aggregate of C\$80,000 and issue 2,750,000 common shares over three years. Norseman Capital Limited will have the right to repurchase one-half of the 2% net smelter in return for C\$1,000,000 cash.

Sale of La Blache Property On 23 September 2020, Cloudbreak entered into a definitive agreement to sell 100% of the La Blache property acquired as part of the Ridge Royalty Corporation reverse takeover on 19 May 2020 to Temas Resources Corporation, in return for 10,000,000 Temas Resources Corporation shares and C\$30,000 in cash and deliver a 2% net smelter return to Cloudbreak. Temas Resources Corporation is a related party to Cloudbreak by virtue of a common directorship.

Trading results

During the six-month period ended 31 October 2020, Cloudbreak recorded its maiden revenues. Total revenue for the period was C\$2,183,250, comprising C\$2,030,000 from the sale of property and C\$203,250 from the sale of options.

- *Sale of property*

Cloudbreak acquired the La Blache Property in Core-Nord, Quebec, on its acquisition of Ridge Royalty Corporation on 19 May 2020. Ridge Royalty Corporation purchased 100% of the La Blache Property for C\$50,000. On 18 June 2020, Cloudbreak entered into a definitive agreement with Temas Resources Corp. for the sale of 100% interest in the La Blache Property for an aggregate of 20,000,000 Temas Resources Corp. common shares, C\$60,000 in cash payments and deliver a net smelter royalty of 2%, subject to the right of Temas Resources Corporation to repurchase 50% of the net smelter royalty (i.e. 1% net smelter royalty) for C\$2,500,000 at any time. On 23 September 2020, the transaction closed with Cloudbreak receiving 10,000,000 Temas Resources Corporation common shares, C\$30,000 cash and a 2% net smelter royalty. The 10,000,000 Temas Resources Corporation common shares received are subject to pooling restrictions as follows:

- 25% of the Temas Resources Corporation common shares will be released from the pool on 23 March 2021; and
- 75% will be released 23 September 2021.

During the period ended 31 October 2020, Cloudbreak received C\$30,000 in cash and 10,000,000 Temas Resources Corporation common shares valued at C\$2,000,000. The aggregate C\$2,030,000 cash and shares has been recognised as revenue during the period.

Temas Resources Corporation is a related party to Cloudbreak by virtue of a common directorship. The sale value of the La Blache property was measured at an established and agreed to by the related parties.

- *Sale of options*

Revenue of C\$203,250 arose during the period from the sale of options over several of Cloudbreak's properties. As set out below in "non-current assets", Cloudbreak acquired numerous options on properties during the period and, in certain circumstance, sold elements of these options onwards. Specifically, revenue was earned on the sale of options on the following properties:

| | <i>Option holder</i> | Unaudited As at 31 October 2020 C\$ |
|---|----------------------|--|
| Silver Vista Property | Norseman Silver Inc. | 20,000 |
| Silver Switchback Property | Norseman Silver Inc. | 65,987 |
| Gold Vista Property | Deep Blue Trading | 10,000 |
| Caribou Property | Norseman Silver Inc. | 107,263 |
| Revenue from the sale of options | | 203,250 |

Cost of sales for the period of C\$50,000 (year ended 30 April 2020: C\$nil) comprised the original acquisition cost paid by Ridge Royalty Corporation for the La Blache Property on 20 May 2019, sold to Teras Resources Corporation on 23 September 2020.

Gross profit for the six-month period was C\$2,183,250 (year ended 30 April 2020: C\$nil).

Administrative expenses for the six-month period of C\$1,198,130 (year ended 30 April 2020: C\$ 158,105) comprised:

| | Unaudited Six months ended 31 October 2020 C\$ | Audited Year ended 30 April 2020 C\$ |
|-----------------------------------|---|---|
| Listing expense* | 944,011 | — |
| Share-based payments | 135,500 | — |
| Professional fees | 80,772 | 40,476 |
| Consulting fees | 25,000 | 48,500 |
| Transfer agent and filing fees | 8,389 | 13,923 |
| General and administrative costs | 4,145 | 48,094 |
| Interest payable and bank charges | 313 | — |
| Travel | — | 7,112 |
| Administrative expenses | 1,198,130 | 158,105 |

* Listing expense of C\$944,011 arose during the period as a result of the reverse takeover of Cloudbreak by Ridge Resources Corporation. The expense represents the excess of the fair value of the equity consideration paid over the fair value of the net assets of Cloudbreak acquired.

During the period ended 31 October 2020, Cloudbreak reported its maiden profit. Profit before tax for the period was C\$985,120 (year ended 30 April 2020: loss before tax of C\$158,105).

Other comprehensive income of C\$5,140,750 (year ended 30 April 2020: C\$nil) comprised the increase in value of Cloudbreak’s investments since 30 April 2020, as set out within “current assets” below.

Cash flows, financing and capital reserves

During the six-month period ended 31 October 2020, Cloudbreak reported a net cash inflow of C\$7,240 (year ended 30 April 2020: outflow of C\$132,921) from all sources, resulting in a closing cash balance of C\$21,713 as at 31 October 2020 (30 April 2020: C\$14,473).

The principal cash inflow during the year was Cloudbreak’s financing cash flows, comprising a cash inflow of C\$51,200 (year ended 30 April 2020: C\$87,712) from related parties and C\$1,722 (year ended 30 April 2020: C\$nil) acquired on the reverse acquisition of Ridge Royalty Corporation.

The C\$51,200 (year ended 30 April 2020: C\$87,712) cash from related parties was received from Cloudbreak’s Chief Executive Officer, who paid expenditure for, and on behalf of, Cloudbreak during the period.

These cash inflows were offset by a C\$17,500 cash outflow (year ended 30 April 2020: C\$141,281) from investing activities. The cash outflows related to payments for options at the following properties acquired during the period:

| | <i>Unaudited</i> |
|--|-------------------------|
| | Six months |
| | ended |
| | 31 October |
| | 2020 |
| | C\$ |
| | <hr/> |
| Silver Vista Property | 20,000 |
| Silver Switchback Property | 15,000 |
| Gold Vista Property | 10,000 |
| | <hr/> |
| Cash outflows for the purchase of options | 45,000 |
| | <hr/> <hr/> |

During the six-month period ended 31 October 2020, a net cash outflow of C\$28,182 (year ended 30 April 2020: outflow of C\$156,102) was recorded from operating activities.

Non-current assets

As at 31 October 2020, Cloudbreak's non-current assets of C\$667,724 (30 April 2020: C\$207,722) comprised exploration and evaluation assets of C\$667,724 (30 April 2020: C\$127,722) and deposits of C\$nil (2019: C\$80,000). The exploration and evaluation assets comprised:

| | Unaudited As at 31 October 2020 C\$ | Audited As at 30 April 2020 C\$ |
|--|--|--|
| All assets are located in British Columbia | | |
| Southern Spectrum Property | 127,723 | 127,722 |
| <u>Acquired from 1975647 Alberta Limited (8 May 2020):</u> | | |
| Silver Vista Property | 175,000 | — |
| Silver Switchback Property | 55,000 | — |
| Gold Vista Property | 10,000 | — |
| <u>Acquired with Ridge Royalty Corporation reverse takeover (19 May 2020):</u> | | |
| Apple Bay Property | 300,000 | — |
| Caribou Property | 1 | — |
| Exploration and evaluation assets | 667,724 | 127,722 |

- *Southern Spectrum Property*

On 8 October 2018, Cloudbreak entered into an option agreement to acquire a 100% interest in the Southern Spectrum Mineral Property located in the Lilloet Mining Division of British Columbia. In order to exercise the option, Cloudbreak was liable to pay an aggregate of C\$70,000 in cash and issue 1,200,000 Class A common shares.

As at 31 October 2020, Cloudbreak had paid the following cash and share instalments:

| | Cash element C\$ | Share element Class A common shares |
|--|---|--|
| Due prior to becoming a listed issuer (<i>paid / issued</i>) | 40,000 | 500,000 |
| 31 December 2019 (<i>paid / issued</i>) | 10,000 | 175,000 |
| 31 December 2020 | 10,000 | 175,000 |
| 31 December 2021 | 10,000 | 350,000 |
| Total | 70,000 | 1,200,000 |

In addition to the above acquisition schedule, Cloudbreak is also required to incur C\$1,250,000 of exploration expenditure within the following timeline:

| <i>Due on or before:</i> | Cash element C\$ |
|--------------------------------------|---------------------------------|
| 31 December 2019 (<i>incurred</i>) | 50,000 |
| 31 December 2020 | 100,000 |
| 31 December 2021 | 350,000 |
| 31 December 2022 | 750,000 |
| Total | 1,250,000 |

The Southern Spectrum Property is subject to a 3% net smelter return.

As at 31 October 2020, the carrying value of the Southern Spectrum Property was as follows:

| | Unaudited As at 31 October 2020 C\$ |
|--|--|
| As at 30 April 2018 | — |
| Acquisition cost – tranche 1 (<i>cash</i>) | 40,000 |
| Exploration expenditure – 31 December 2019 commitment (<i>cash</i>) | 8,941 |
| As at 30 April 2019 | 48,941 |
| Acquisition cost – tranche 2 (<i>cash</i>) | 10,000 |
| Acquisition cost – tranche 2 (<i>shares</i>) | 17,500 |
| Exploration expenditure – balance of 31 December 2019 commitment (<i>cash</i>) | 41,059 |
| Exploration expenditure – balance of 31 December 2020 commitment (<i>cash</i>) | 10,222 |
| As at 30 April 2020 and 31 October 2020 | 127,722 |

- *Silver Vista Property*

On 8 May 2020, Cloudbreak entered into an option agreement with 1975647 Alberta Limited to purchase 100% of the rights to the Silver Vista Property located in British Columbia, Canada. To earn a 100% interest, Cloudbreak will need to make cash payments of C\$145,000, issue 1,375,000 Cloudbreak common shares as follows:

| <i>Due on or before:</i> | Cash element C\$ | Share element # |
|--|---------------------------------|--------------------------------|
| 31 December 2020 (<i>cash paid / common shares issued</i>) | 20,000 | 375,000 |
| 31 December 2021 | — | — |
| 31 December 2022 | 20,000 | 500,000 |
| 31 December 2023 | 25,000 | 500,000 |
| Total | 65,000 | 1,375,000 |

In addition to the above acquisition schedule, Cloudbreak is also required to incur C\$275,000 of exploration expenditure within the following timeline:

| <i>Due on or before:</i> | Cash element C\$ |
|---------------------------------|---------------------------------|
| 31 December 2022 | 100,000 |
| 31 December 2023 | 175,000 |
| Total | 275,000 |

The Silver Switchback Property is subject to a 2% net smelter return, of which Cloudbreak may acquire 50% of (i.e. 1% net smelter return) for C\$1,000,000.

As at 31 October 2020, the carrying value of the Silver Vista Property was as follows:

| | <i>Unaudited As at 31 October 2020 C\$</i> |
|---|---|
| As at 30 April 2020 | — |
| Acquisition cost – tranche 1 (<i>cash</i>) | 20,000 |
| Acquisition cost – tranche 1 (<i>issue of 375,000 common shares</i>) | 75,000 |
| Payments paid to prior optionor to fulfil prior option agreement obligations (<i>cash</i>)* | 80,000 |
| As at 31 October 2020 | 175,000 |

* The C\$80,000 payments paid to prior optionor to fulfil prior option agreement obligations were recorded as a “deposit” within “non-current assets” on the Statement of Financial Position as at 30 April 2020.

On 21 September 2020, Cloudbreak entered into an option agreement with Norseman Silver Inc. under which Norseman Silver Inc. may acquire up to a 100% interest in the Silver Vista Property subject to a 1% net smelter return to Cloudbreak. In order for Norseman Silver Inc. to fully exercise the option on the Silver Vista Property, it must pay Cloudbreak and/or the previous option holder an aggregate of C\$95,000 cash and issue 3,000,000 common shares of Norseman Silver Inc. over three years and incur C\$375,000 in exploration expenses on the Silver Vista Property. Norseman Silver Inc. will have the right to repurchase 50% of the 1% net smelter royalty (i.e. 0.5% net smelter return) for C\$500,000, which is in addition to the underlying 2% net smelter royalty already in place owing to the previous optionor.

During the six-month period ended 31 October 2020, Cloudbreak received C\$20,000 for the first option payment due under the agreement.

- *Silver Switchback Property*

On 8 May 2020, Cloudbreak entered into an option agreement with 1975647 Alberta Limited to purchase 100% of the rights to the Silver Switchback Property located in British Columbia, Canada. To earn a 100% interest, Cloudbreak will need to make cash payments of C\$75,000, issue 1,800,000 Cloudbreak common shares as follows:

| <i>Due on or before:</i> | Cash element C\$ | Share element # |
|---|---------------------------------|--------------------------------|
| 31 December 2020 (<i>cash paid / shares issued</i>) | 15,000 | 200,000 |
| 31 December 2021 | — | — |
| 31 December 2022 | 20,000 | 600,000 |
| 31 December 2023 | 40,000 | 1,000,000 |
| Total | 75,000 | 1,800,000 |

In addition to the above acquisition schedule, Cloudbreak is also required to incur C\$475,000 of exploration expenditure within the following timeline:

| <i>Due on or before:</i> | Cash element C\$ |
|---------------------------------|---------------------------------|
| 31 December 2021 | 75,000 |
| 31 December 2022 | 150,000 |
| 31 December 2023 | 250,000 |
| Total | 475,000 |

The Silver Switchback Property is subject to a 2% net smelter return, of which Cloudbreak may acquire 75% of (i.e. 1.5% net smelter return) for C\$1,250,000.

As at 31 October 2020, the carrying value of the Silver Switchback Property was as follows:

| | <i>Unaudited As at 31 October 2020 C\$</i> |
|--|---|
| As at 30 April 2020 | — |
| Acquisition cost – tranche 1 (<i>cash</i>) | 15,000 |
| Acquisition cost – tranche 1 (<i>issue of 200,000 common shares</i>) | 40,000 |
| As at 31 October 2020 | 55,000 |

On 27 August 2020, Cloudbreak entered into an option agreement with Norseman Silver Inc. under which Norseman Silver Inc. may acquire up to a 100% interest in the Silver Switchback Property subject to a 1% net smelter return to Cloudbreak. In order for Norseman Silver Inc. to fully exercise the option on the Silver Switchback Property, it must pay Cloudbreak and/or the previous option holder an aggregate of C\$90,000 cash and issue 2,600,000 common shares of Norseman Silver Inc. over three years and incur C\$475,000 in exploration expenses on the Silver Switchback Property. Norseman Silver Inc. will have the right to repurchase 50% of the 1% net smelter royalty (i.e. 0.5% net smelter return) for C\$500,000, which is in addition to the underlying 2% net smelter royalty already in place owing to the previous optionor.

During the six-month period ended 31 October 2020, Cloudbreak received C\$30,000 in relation to the option agreement and 370,000 Norseman Silver Inc. common shares valued at C\$83,250.

- **Gold Vista Property**

On 8 May 2020, Cloudbreak entered into an option agreement with 1975647 Alberta Limited to purchase 100% of the rights to the Gold Vista Property located in British Columbia, Canada. To earn a 100% interest, Cloudbreak will need to make cash payments of C\$65,000, issue 1,375,000 Cloudbreak common shares as follows:

| Due on or before: | Cash element C\$ | Share element # |
|---|---------------------------------|--------------------------------|
| 31 December 2020 (<i>cash element paid</i>) | 10,000 | 500,000 |
| 31 December 2021 | 20,000 | 375,000 |
| 31 December 2022 | 50,000 | 500,000 |
| Total | 80,000 | 1,375,000 |

In addition to the above acquisition schedule, Cloudbreak is also required to incur C\$225,000 of exploration expenditure within the following timeline:

| Due on or before: | Cash element C\$ |
|--------------------------|---------------------------------|
| 31 December 2022 | 75,000 |
| 31 December 2023 | 150,000 |
| Total | 225,000 |

The Gold Vista Property is subject to a 2% net smelter return which Cloudbreak may acquire 50% (i.e. 1% net smelter return) for C\$1,000,000.

As at 31 October 2020, the carrying value of the Gold Vista Property was as follows:

| | Unaudited As at 31 October 2020 C\$ |
|--|--|
| As at 30 April 2020 | — |
| Acquisition cost – tranche 1 (<i>cash</i>) | 10,000 |
| As at 31 October 2020 | 10,000 |

On 6 October 2020, Cloudbreak entered into an option agreement with Deep Blue Trading under which Deep Blue Trading may acquire up to a 100% interest in the Gold Vista Property, subject to a 2% net smelter return to Cloudbreak. In order for Deep Blue Trading to fully exercise the option on the Gold Vista Property, it must pay Cloudbreak an aggregate of C\$55,000 in cash and issue 1,500,000 Deep Blue Trading common shares and incur exploration expenses of C\$375,000 all over three years. During the period ended 31 October 2020, Cloudbreak had received the cash payment of C\$10,000 from Deep Blue Trading in relation to the option agreement.

- *Apple Bay Property*

Cloudbreak acquired the Apple Bay Property on its acquisition of Ridge Royalty Corporation on 19 May 2020. Ridge Royalty Corporation acquired the Apple Bay Property on 29 February 2017. The production royalty was purchased for 3,000,000 common shares of Ridge Royalty Corporation at C\$0.10 per common share for a value of C\$300,000.

- *Caribou Property*

Cloudbreak acquired the Caribou Property on its acquisition of Ridge Royalty Corporation on 19 May 2020. Ridge Royalty Corporation acquired the Caribou Property on 20 November 2017 for C\$1. On 2 June 2020, Ridge Royalty Corporation entered into an option agreement with Norseman Capital Ltd. under which Norseman Capital Ltd. may acquire up to a 100% interest in the Caribou Property subject to a 2% net smelter return to Ridge Royalty Corporation. In order for Norseman Capital Ltd. to fully exercise the option on the Caribou Property, they must pay Ridge Royalty Corporation an aggregate of C\$80,000 (of which C\$10,000 has been paid), issue 2,750,000 common shares of Norseman Capital Ltd. (of which 1,000,000 have been issued) and incur exploration expenses of C\$225,000, all over three years. Norseman Capital Ltd. will have the right to repurchase one-half of the 2% net smelter return for C\$1,000,000. During the period ended 31 October 2020, Cloudbreak received cash payment of C\$10,000 and 1,000,000 Norseman Capital Ltd. common shares in relation to the option payment due under the agreement valued at C\$50,000.

Current assets

As at 31 October 2020, Cloudbreak had current assets of C\$7,343,358 (30 April 2020: C\$14,473), comprising investments of C\$7,321,645 (30 April 2020: C\$nil) and cash of C\$21,713 (30 April 2020: C\$14,473).

Investments of C\$7,321,645 (30 April 2020: C\$nil) represents the fair values of Cloudbreak's shareholdings in the following companies:

| | <i>Unaudited</i> Date of acquisition | <i>Unaudited</i> As at acquisition C\$ | <i>Unaudited</i> Fair value Adjustment C\$ | <i>Unaudited</i> As at 31 October 2020 C\$ |
|------------------------------|--|--|--|--|
| Temas Resources Corporation | 23 September 2020 | 2,000,000 | 5,000,000 | 7,000,000 |
| Noresman Silver Inc. | 19 / 27 August 2020 | 133,250 | 140,750 | 274,000 |
| Linceo Media Inc. | 17 August 2019 | 47,600 | — | 47,600 |
| Imperial Helium Corporation | 20 April 2020 | 45 | — | 45 |
| As at 31 October 2020 | | | 5,140,750 | 7,321,645 |

On the reverse takeover of Cloudbreak by Ridge Royalty Corporation on 19 May 2020, Cloudbreak acquired the La Blache Property. On 23 September 2020, the La Blache Property to Temas Resources Corporation for a cash payment of C\$30,000 and 10,000,000 Temas Resources Corporation common shares which had a value at that time of C\$2,000,000.

On 27 August 2020, Cloudbreak received 370,000 shares from Norseman Silver Inc. in relation to the option agreement over the Silver Switchback property. The Norseman Silver Inc. shares had a value of C\$83,250 when received.

On 19 August 2020, Cloudbreak received 1,000,000 shares from Norseman Silver Inc. in relation to the option agreement over the Caribou Property. The Norseman Silver Inc. shares had a value of C\$50,000 when received.

On 17 August 2019, Cloudbreak sold the Granny Smith Project and the Fuji mineral claims to Linceo Media Group for 4,000 Linceo Media Group shares at a value of C\$47,600.

On the reverse takeover of Cloudbreak by Ridge Royalty Corporation on 19 May 2020, Cloudbreak acquired 450,000 preferred shares in Imperial Helium Corporation. Ridge Royalty Corporation purchased the shares on 20 April 2020 for C\$45.

Total assets

As at 31 October 2020, Cloudbreak had non-current assets of C\$667,724 (30 April 2020: C\$207,722) and current assets of C\$7,343,358 (30 April 2020: C\$14,473), resulting in total assets of C\$8,011,082 (30 April 2020: C\$222,195).

Equity

As at 31 October 2020, Cloudbreak's equity comprised share capital of C\$2,967,847 (30 April 2020: C\$339,701) and retained earnings of C\$4,773,312 (30 April 2020: deficit of C\$225,023). In aggregate, Cloudbreak's equity had a carrying value of C\$7,741,159 (30 April 2020: C\$114,678) at the period end.

The share capital balance of C\$2,967,847 (30 April 2020: C\$339,701) comprises the aggregate nominal value of the issued Class A common shares and the issued Class B preferred shares.

| | Unaudited As at 31 October 2020 # | Unaudited As at 31 October 2020 C\$ |
|---|--|--|
| As at 30 April 2020 (<i>pre-share consolidation</i>) | 10,397,550 | 339,701 |
| Share consolidation (<i>5 May 2020</i>) | (5,198,772) | — |
| Post share consolidation | 5,198,778 | 339,701 |
| Deemed value adjustment on reverse takeover (<i>19 May 2020</i>) | — | 1,000,054 |
| Reverse acquisition of Ridge Royalty Corporation (<i>19 May 2020</i>) | 26,485,071 | 1,513,092 |
| Silver Vista Property option agreement (<i>23 October 2020</i>) | 375,000 | 75,000 |
| Silver Switchback Property option agreement (<i>23 October 2020</i>) | 200,000 | 40,000 |
| As at 31 October 2020 | 32,258,849 | 2,967,847 |

As at 30 April 2020, Cloudbreak had 8,606,000 warrants in issue. Following the 1-for-2 share consolidation undertaken on 5 May 2020, the number of warrants was reduced to 4,303,000, comprising:

- 3,800,000 warrants issued on 18 December 2017, with an exercise price of C\$0.10 and expiring 18 December 2021;
- 200,000 warrants issued on 18 January 2018, with an exercise price of C\$0.10 and expiring 18 January 2022; and
- 303,000 warrants issued on 10 June 2019, with an exercise price of C\$0.40 and expiring 10 June 2021.

Retained earnings of C\$4,773,312 (30 April 2020: deficit of C\$225,023) is the aggregate value of all retained profits and losses of Cloudbreak since incorporation on 11 November 2014. The movement of C\$4,998,335 reflects the reported profit for the year of C\$6,125,870 less the deemed value adjustment on the reverse takeover of Ridge Royalty Corporation of C\$(1,127,535).

Current and total liabilities

As at 31 October 2020, Cloudbreak's current and total liabilities of C\$269,923 (30 April 2020: C\$107,517) comprised amounts due to related parties of C\$256,375 (30 April 2020: C\$88,390), trade payables of C\$13,548 (30 April 2020: C\$14,127) and accrued liabilities of C\$nil (30 April 2020: C\$5,000).

Amounts due to related parties of C\$256,375 (30 April 2020: C\$88,390) related to C\$156,093 (30 April 2020: C\$88,390) of expenditures paid by the Cloudbreak Chief Executive Officer on behalf

of Cloudbreak. This is due on demand, is interest free and unsecured. The balance of C\$100,283 (30 April 2020: C\$nil) are payable to companies controlled by a director of Cloudbreak.

During the period, amounts payable to trade payables decreased by C\$9,517 (year ended 30 April 2020: increased by C\$5,640).

Net assets

As at 31 October 2020, Cloudbreak had total assets of C\$8,011,082 (30 April 2020: C\$222,195) and total liabilities of C\$269,923 (30 April 2020: C\$107,517), resulting in net assets of C\$7,741,159 (30 April 2020: C\$114,678).

Events subsequent to 31 October 2020

On 27 November 2020, Cloudbreak sold, transferred and assigned all of its rights, title interests and obligations under its original Spectrum Property option agreement to 1162832 BC Ltd. for C\$10,000 cash. Upon 1162832 BC Ltd., receiving at least 500,000 shares from the transfer, option or other disposition of some or all of its interest in the Spectrum Property, 1162832 BC Ltd. will transfer to Cloudbreak at least 500,000 of those future consideration shares.

SECTION (C) OPERATING AND FINANCIAL REVIEW OF HOWSON

The following operating and financial review contains financial information that has been extracted or derived, without material adjustment, from the Howson Financial Information included in Section (D) "Historical Financial Information of Howson" and the Howson Interim Financial Information included in Section (E) "Unaudited Interim Financial Information of Howson" of Part VI "Financial Information" of this Document, prepared in accordance with IFRS.

The following discussion should be read in conjunction with the other information in this Document, the Howson Financial Information and the Howson Interim Financial Information. This discussion contains forward-looking statements, which, although based on assumptions that the Directors consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. Investors should read the notice in relation to forward-looking statements contained on pages 27 to 28 of this Document.

The key risks and uncertainties include but are not limited to those described in the section of this Document entitled "Risk Factors" on pages 12 to 23 of this Document.

Summary statements of comprehensive income

Summarised below are the audited statements of comprehensive income of Howson for the six-month period from incorporation on 20 July 2018 to 31 December 2018 and the year ended 31 December 2019, together with the unaudited statement of comprehensive income for the six-month period ended 30 June 2020:

| | Audited 6 months ended 31 December 2018 C\$ | Audited Year ended 31 December 2019 C\$ | Unaudited 6 months ended 30 June 2020 C\$ |
|-------------------------------------|--|--|--|
| Administrative expenses | (174,889) | (176,480) | (63,809) |
| Interest receivable | — | 52,708 | 37,241 |
| Foreign exchange (losses)/gains | — | (25,335) | 34,862 |
| BC METC | — | 19,430 | — |
| (Loss)/profit before tax | (174,889) | (129,677) | 8,294 |
| Income tax | — | — | — |
| (Loss)/profit for the period | (174,889) | (129,677) | 8,294 |

Source: Audited financial statements and unaudited interim financial information

Summary statements of financial position

Summarised below are the audited statements of financial position of Howson as at 31 December 2018 and 31 December 2019, together with unaudited statement of financial position as at 30 June 2020:

| | <i>Audited</i> <i>As at</i> <i>31 December</i> <i>2018</i> <i>C\$</i> | <i>Audited</i> <i>As at</i> <i>31 December</i> <i>2019</i> <i>C\$</i> | <i>Unaudited</i> <i>As at</i> <i>30 June</i> <i>2020</i> <i>C\$</i> |
|--|--|--|--|
| Exploration and evaluation assets | 100,000 | 100,000 | 100,000 |
| Convertible loan note receivable | — | 702,108 | 774,211 |
| Non-current assets | 100,000 | 802,108 | 874,211 |
| Taxes receivable | 8,457 | 12,119 | 13,937 |
| Cash and cash equivalents | 215,164 | 432 | 297 |
| Current assets | 223,621 | 12,551 | 14,234 |
| Total assets | 323,621 | 814,659 | 888,445 |
| Share capital | 100,010 | 872,060 | 872,060 |
| Shares to be issued | 215,400 | — | — |
| Share option reserve | — | 35,530 | 35,530 |
| Warrant reserve | — | — | 26,150 |
| Retained deficit | (174,889) | (304,566) | (296,272) |
| Equity attributable to shareholders | 140,521 | 603,024 | 637,468 |
| Trade and other payables | 183,100 | 211,635 | 250,977 |
| Current liabilities | 183,100 | 211,635 | 250,977 |
| Total equity and liabilities | 323,621 | 814,659 | 888,445 |

Source: Audited financial statements and unaudited interim financial information

Summary statements of cash flows

Summarised below are the audited statements of cash flows of Howson for the six-month period from incorporation on 20 July 2018 to 31 December 2018 and the year ended 31 December 2019, together with the unaudited statement of cash flow for the six-month period ended 30 June 2020:

| | <i>Audited</i> 6 months ended 31 December 2018 C\$ | <i>Audited</i> Year ended 31 December 2019 C\$ | <i>Unaudited</i> 6 months ended 30 June 2020 C\$ |
|---|---|---|---|
| (Loss)/profit before tax | (174,889) | (129,677) | 8,294 |
| Share-based payments | — | 35,530 | — |
| Finance costs – warrants | — | — | 26,150 |
| <i>Working capital adjustments:</i> | | | |
| Change in taxes receivable | (8,457) | (3,662) | (1,818) |
| Change in trade and other payables | 183,100 | 28,535 | 39,341 |
| Cash (used in)/from operating activities | (246) | (69,274) | 71,968 |
| Convertible loan note subscription | — | (702,108) | (72,103) |
| Cash used in investing activities | — | (702,108) | (72,103) |
| Subscription receipts | 215,400 | — | — |
| Proceeds from the issue of shares | 10 | 556,650 | — |
| Cash from financing activities | 215,410 | 556,650 | — |
| Net cash inflow/(outflow) for the period | 215,164 | (214,732) | (135) |
| <i>Cash brought forward</i> | — | 215,164 | 432 |
| Cash carried forward | 215,164 | 432 | 297 |
| Cash carried forward | 215,164 | 432 | 297 |

Source: Audited financial statements and unaudited interim financial information

Results for the initial 6-month period ended 31 December 2018

Trading results

No revenues were reported during the six-month period from the incorporation of Howson on 20 July 2018 to 31 December 2018. Howson reported a loss before tax of C\$174,889, comprising administrative expenditure as follows:

| | Audited 6 months ended 31 December 2018 C\$ |
|--------------------------------|--|
| Exploration expenses | 96,140 |
| Professional fees* | 77,958 |
| Bank charges | 246 |
| Sundry expenses | 545 |
| Administrative expenses | 174,889 |

* During the period ended 31 December 2018, Howson incurred professional fees of C\$28,206 to a company owned by a director of Howson.

Cash flows, financing and capital reserves

During the six-month period ended 31 December 2018, Howson reported a net cash inflow of C\$215,164 from all sources, resulting in a closing cash balance of C\$215,164 as at 31 December 2018.

The only source of cash inflow during the year was Howson's financing cash flows of C\$215,410, comprising cash inflows from the issue of common shares on incorporation and from cash received in advance of the completion of a private placement completed post-period end. On incorporation on 20 July 2018, Howson issued 1,000 common shares at C\$0.01 each for cash proceeds of C\$10. Subsequent to 31 December 2018, Howson completed a private placement on 24 January 2019, issuing 4,464,000 common shares at C\$0.05 per common share for a gross cash proceeds of C\$223,200. Of this balance, C\$215,400 was received prior to 31 December 2018.

The above cash inflow from financing activities was offset by a C\$246 net cash outflow for the period from operating activities, comprising administrative expenses.

Non-current assets

As at 31 December 2018, Howson's non-current assets comprised exploration and evaluation assets of C\$100,000.

On 11 September 2018, Howson entered into an asset purchase agreement to purchase the Rupert Property, located in British Columbia, Canada. Howson issued 2,000,000 common shares, valued at C\$100,000, to the two vendors, and granted a 2% net smelter return. At any time, 1% of the net smelter return can be purchased by Howson for C\$1,500,000, being C\$750,000 to each of the two vendors. 1,000,000 of the common shares were issued to a company that was controlled by a director of Howson. Howson also agreed to incur expenditures on the property as follows:

| <i>To be incurred on or before:</i> | C\$ |
|-------------------------------------|----------------|
| 11 September 2019 | 100,000 |
| 11 September 2020 | 200,000 |
| 11 September 2021 | 500,000 |
| Total exploration commitment | 800,000 |

During the period, Howson incurred C\$96,140 of the C\$100,000 exploration and evaluation commitment. This amount was recorded as “*exploration expenditure*” within “*administrative expenses*” in the Statement of Comprehensive Income.

Current assets

As at 31 December 2018, Howson’s current assets of C\$223,621 comprised cash of C\$215,164 and taxes receivable of C\$8,457.

Total assets

As at 31 December 2018, Howson had non-current assets of C\$100,000 and current assets of C\$223,621, resulting in total assets of C\$323,621.

Equity

As at 31 December 2018, Howson’s equity comprised share capital of C\$100,010, shares to be issued of C\$215,400 and a retained deficit of C\$174,889. In aggregate, Howson’s equity had a carrying value of C\$140,521 at the period end.

The share capital balance of C\$100,010 comprises the aggregate nominal value of the issued common shares since incorporation. During the period, the following common shares were issued:

- 1,000 common shares on incorporation on 20 July 2018 at C\$0.01 each for an aggregate value of C\$10; and
- 2,000,000 common shares on 28 September 2018 at C\$0.05 each for an aggregate value of C\$100,000 in relation to the purchase of the Rupert Property. Of these common shares, 1,000,000 were issued to a company controlled by a director of Howson.

Following the above common share issues, Howson had 2,001,000 common shares in issue as at 31 December 2018.

Shares to be issued of C\$215,400 represents the cash received during the period in advance of the issue of new common shares issued subsequent to 31 December 2018 in relation to the C\$223,200 private placement completed on 24 January 2019.

The retained deficit of C\$174,889 is the aggregate value of all retained profits and losses of Howson since incorporation on 20 July 2018. The movement of C\$(174,889) reflects the reported loss after tax for the period.

Current and total liabilities

As at 31 December 2018, Howson’s current and total liabilities of C\$183,100 comprised trade and other payables. Of this balance, C\$30,154 was owed to a company owned by a director of the Company.

Net assets

As at 31 December 2018, Howson had total assets of C\$323,621 and total liabilities of C\$183,100, resulting in net assets of C\$140,521.

Results for the year ended 31 December 2019

Trading results

No revenues were reported during the year ended 31 December 2019. Howson reported a loss before tax of C\$129,677 for the year (six months ended 31 December 2018: loss of C\$174,889), comprising administrative expenditure of C\$176,480 (six months ended 31 December 2018: C\$174,889), interest receivable from a convertible loan of C\$52,708 (six months ended 31 December 2018: C\$nil), a foreign exchange loss on the convertible loan of C\$25,335 (six months ended 31 December 2018: C\$nil) and a mining exploration tax credit refund of C\$19,430 (six months ended 31 December 2018: C\$nil).

During the year, administrative expenditure comprised:

| | Audited Year ended 31 December 2019 C\$ | Audited 6 months ended 31 December 2018 C\$ |
|--|--|--|
| Professional fees* | 77,576 | 77,958 |
| Corporate finance fees* | 50,000 | — |
| Share-based payments (<i>issue of options</i>)** | 35,530 | — |
| Exploration expenses | 12,457 | 96,140 |
| Bank charges | 570 | 246 |
| Sundry expenses | 347 | 545 |
| Administrative expenses | 176,480 | 174,889 |

* During the year ended 31 December 2019, Howson incurred professional fees of C\$60,000 (six months ended 31 December 2018: C\$28,206) and corporate finance fees of C\$50,000 (six months ended 31 December 2018: C\$nil) to companies owned by a director of Howson.

** During the year ended 31 December 2019, Howson incurred share-based payments of C\$20,570 (six months ended 31 December 2018: C\$nil) to officers and directors of Howson.

Interest receivable of C\$52,708 during the year (six months ended 31 December 2018: C\$nil) related to interest earned on the US\$500,000 convertible loan note issued on 20 March 2019 to Anglo-African Minerals plc. The loan note bears interest at 10% per annum and compounds monthly.

The foreign exchange loss of C\$25,335 during the year (six months ended 31 December 2018: C\$nil) related to the translation at the year end of the US\$500,000 convertible loan note set out above. The loss arose due the movement in the US\$:C\$ exchange rate between the date of issue of the convertible loan and the year-end date.

During the year ended 31 December 2018, Howson received a C\$19,430 (six months ended 31 December 2018: C\$nil) refund from British Columbian mining authorities in relation to mining exploration tax credits previously paid for Howson's Rupert Property.

Cash flows, financing and capital reserves

During the year ended 31 December 2018, Howson reported a net cash outflow of C\$214,732 (six months ended 31 December 2018: inflow of C\$215,164) from all sources, resulting in a closing cash balance of C\$432 as at 31 December 2019 (2018: C\$215,164).

The only source of cash inflow during the year was Howson's financing cash flows of C\$556,650 (six months ended 31 December 2018: C\$215,410), comprising cash inflows from the issue of common shares. During the year, Howson issued:

- 4,464,000 common shares on 24 January 2019 at C\$0.05 per common share, raising cash proceeds of C\$223,200. Of this amount, C\$215,400 was received in the prior period, with the balance of C\$7,800 being received during the year;
- 965,000 common shares on 19 March 2019 at C\$0.05 per common share, raising cash proceeds of \$148,250; and
- 4,006,000 common shares on 2 April 2019 at \$0.10 per common share, raising cash proceeds of C\$400,600;

The above cash inflows from financing activities were offset by a C\$702,108 (six months ended 31 December 2018: C\$nil) convertible loan note issue and a C\$69,274 (six months ended 31 December 2018: C\$246) net cash outflow from operating activities.

On 20 March 2019, Howson issued a US\$500,000 (C\$702,108) convertible loan note to Anglo-African Minerals plc. The loan note remained outstanding as at 31 December 2019.

Non-current assets

As at 31 December 2019, Howson's non-current assets of C\$802,108 (2018: C\$100,000) comprised a convertible loan note of C\$702,108 (2018: C\$nil) and exploration and evaluation assets of C\$100,000 (2018: C\$100,000).

On 20 March 2019, Howson issued a US\$500,000 convertible loan note to Anglo-African Minerals plc. The convertible loan note bears interest at 10% per annum and compounds monthly, is unsecured, and had an original maturity date of 20 September 2019. The convertible loan note is convertible into common shares of Anglo-African Minerals plc at US\$0.01 per share. The maturity date of the convertible loan note was subsequently extended to 20 March 2020, and Howson was issued 21,029,978 Anglo-African Minerals plc warrants per the terms of the extension. These warrants have a strike price of US\$0.025 per share, with an expiry date of 19 September 2021. As at 31 December 2019, the convertible loan had a balance of US\$540,582 (C\$702,108) (2018: C\$nil). Subsequent to 31 December 2019, the convertible loan note matured without repayment. The loan continued to accrue interest at the stated rate.

On 11 September 2018, Howson entered into an asset purchase agreement to purchase the Rupert Property, located in British Columbia, Canada. Howson issued 2,000,000 common shares, valued at C\$100,000, to the two vendors, and granted a 2% net smelter return. At any time, 1% of the net smelter return can be purchased by Howson for C\$1,500,000, being C\$750,000 to each of the two vendors. 1,000,000 of the common shares were issued to a company that was controlled by a director of Howson. Howson originally agreed to incur expenditures on the property as follows:

| <i>To be incurred on or before:</i> | C\$ |
|--|----------------|
| 11 September 2019 (<i>paid</i>) | 100,000 |
| 11 September 2020 (<i>paid up to C\$8,597</i>) | 200,000 |
| 11 September 2021 | 500,000 |
| Total exploration commitment | 800,000 |

The above expenditure requirements were subsequently amended as follows:

| <i>To be incurred on or before:</i> | C\$ |
|--|----------------|
| 11 September 2019 (<i>paid</i>) | 100,000 |
| 11 September 2020 | — |
| 11 September 2021 (<i>paid up to C\$8,597</i>) | 200,000 |
| 11 September 2022 | 500,000 |
| Total exploration commitment | 800,000 |

During the year, Howson incurred C\$12,457 (six months ended 31 December 2018: C\$96,140) of exploration and evaluation expenditure. Together with the C\$96,140 expenditure in the prior period, Howson had incurred and aggregate C\$108,597 of exploration and evaluation expenditure as at 31 December 2019. Of this amount, C\$100,000 had been expensed on or before 11 September 2019, in compliance with its first year commitments under the acquisition agreement. The balance of C\$8,597 incurred during the year is in advance of Howson's revised third year commitment of C\$200,000. The C\$12,457 incurred during the year was recorded as "*exploration expenditure*" within "*administrative expenses*" in the Statement of Comprehensive Income.

Current assets

As at 31 December 2019, Howson's current assets of C\$12,551 (2018: C\$223,621) comprised taxes receivable of C\$12,119 (2018: C\$8,457) and cash of C\$432 (2018: C\$215,164).

Taxes receivable increased by C\$3,662 during the year (six months ended 31 December 2018: increase of C\$8,457).

Total assets

As at 31 December 2019, Howson had non-current assets of C\$802,108 (2018: C\$100,000) and current assets of C\$12,551 (2018: C\$223,621), resulting in total assets of C\$814,659 (2018: C\$323,621).

Equity

As at 31 December 2019, Howson's equity comprised share capital of C\$872,060 (2018: C\$100,010), shares to be issued of C\$nil (2018: C\$215,400), a share option reserve of C\$35,530 (2018: C\$nil) and a retained deficit of C\$304,566 (2018: deficit of C\$174,889). In aggregate, Howson's equity had a carrying value of C\$603,024 (2018: C\$140,521) at the year end.

The share capital balance of C\$872,060 (2018: C\$100,010) comprises the aggregate nominal value of the issued common shares since incorporation. Howson had 2,001,000 common shares in issue at the start of the year. During the year, Howson issued:

- 4,464,000 common shares on 24 January 2019 at \$0.05 per common share at a value of \$223,200;
- 2,000,000 flow-through common shares on 19 March 2019 and 965,000 common shares at \$0.05 per common share at a value of \$148,250; and
- 4,006,000 common shares on 2 April 2019 at \$0.10 per common share at a value of \$400,600.

Following the above common share issues, Howson had 13,436,000 common shares in issue as at 31 December 2019 (2018: 2,001,000).

Brought forward shares to be issued of C\$215,400 represented the cash received during the prior period in advance of the issue of the 4,006,000 new common shares issued on 24 January 2019.

The share option reserve of C\$35,530 (2018: C\$nil) represents the value of common shares to be issued under Howson's options. The increase during the year of C\$35,530 (six months ended 31 December 2018: C\$nil) related to the Black Scholes model valuations of the issue during the year of 950,000 options on 21 March 2019 to Howson directors, officers and consultants. The options have an exercise price of C\$0.05 and a weighted average remaining expected life of 4.22 years as at 31 December 2019. Of the C\$35,350 share option expense incurred during the year, C\$20,570 (six months ended 31 December 2018: C\$nil) related to officers and directors of Howson.

The retained deficit of C\$304,566 (2018: deficit of C\$174,889) is the aggregate value of all retained profits and losses of Howson since incorporation on 20 July 2018. The movement of C\$129,677 (six months ended 31 December 2018: C\$(174,889)) reflects the reported loss after tax for the year.

Current and total liabilities

As at 31 December 2019, Howson's current and total liabilities of C\$211,635 (2018: C\$183,100) comprised trade and other payables. Of this amount, C\$67,606 (2018: C\$30,154) was owed to a company owned by a Howson director. Trade and other payables increased by C\$28,535 during the year (six months ended 31 December 2018: increase of C\$183,100).

Net assets

As at 31 December 2019, Howson had total assets of C\$814,659 (2018: C\$323,621) and total liabilities of C\$211,635 (2018: C\$183,100), resulting in net assets of C\$603,024 (2018: C\$140,521).

Results for the interim 6-month period ended 30 June 2020

Trading results

No revenues were reported during the six-month period ended 30 June 2020. Howson reported a profit before tax of C\$8,294 for the period (30 June 2019: loss of C\$88,765), comprising administrative expenditure of C\$63,809 (30 June 2019: C\$127,430), interest receivable from a convertible loan of C\$37,241 (30 June 2019: C\$19,235), a foreign exchange gain on the convertible loan of C\$34,862 (30 June 2019: C\$nil) and a mining exploration tax credit refund of C\$nil (30 June 2019: C\$19,430).

During the period, administrative expenditure comprised:

| | <i>Unaudited</i> Six months ended 30 June 2020 C\$ | <i>Unaudited</i> Six months ended 31 June 2019 C\$ |
|---|---|---|
| Professional fees* | 36,832 | 41,248 |
| Financing costs (<i>issue of warrants</i>) * | 26,842 | — |
| Bank charges | 135 | 419 |
| Corporate finance fees* | — | 50,000 |
| Share-based payments (<i>issue of options</i>) ** | — | 35,530 |
| Sundry expenses | — | 234 |
| Administrative expenses | 63,809 | 127,430 |

* During the six months ended 30 June 2020, Howson incurred consulting fees of C\$Nil (30 June 2019: C\$50,000), professional fees of C\$30,000 (30 June 2019: C\$30,000) and finance costs of C\$26,842 (30 June 2019: C\$nil) to companies owned by a Howson director.

** During the six months ended 30 June 2019, Howson incurred share-based payments of C\$35,530, of which C\$20,570 related to officers and directors of Howson.

Interest receivable of C\$37,241 during the period (30 June 2019: C\$19,235) related to interest earned on the US\$500,000 convertible loan note issued on 20 March 2019 to Anglo-African Minerals plc. The loan note bears interest at 10% per annum and compounds monthly.

The foreign exchange gain of C\$34,862 during the period (30 June 2019: C\$nil) related to the translation at the year end of the US\$500,000 convertible loan note set out above. The loss arose due the movement in the US\$:C\$ exchange rate between the reporting dates.

During the comparative period ended 30 June 2019, Howson received a C\$19,430 refund from British Columbian mining authorities in relation to mining exploration tax credits previously paid for Howson's Rupert Property.

Cash flows, financing and capital reserves

During the six-month period ended 30 June 2019, Howson reported a net cash outflow of C\$135 (30 June 2019: outflow of C\$211,074) from all sources, resulting in a closing cash balance of C\$297 as at 30 June 2020 (31 December 2019: C\$432).

The only source of cash inflow during the period was Howson's operating cash flows of C\$71,968 (30 June 2019: outflow of C\$73,754).

The above cash inflow from operating activities was offset by a C\$72,103 (30 June 2019: C\$693,970) convertible loan note issue.

Non-current assets

As at 30 June 2020, Howson's non-current assets of C\$874,211 (31 December 2019: C\$802,108) comprised a convertible loan note of C\$774,211 (31 December 2019: C\$702,108) and exploration and evaluation assets of C\$100,000 (31 December 2019: C\$100,000).

On 20 March 2019, Howson issued a US\$500,000 convertible loan note to Anglo-African Minerals plc. The convertible loan note bears interest at 10% per annum and compounds monthly, is unsecured, and had an original maturity date of 20 September 2019. The convertible loan note is convertible into common shares of Anglo-African Minerals plc at US\$0.01 per share. The maturity date of the convertible loan note was subsequently extended and matured on 20 March 2020. An additional 21,029,978 Anglo-African Minerals plc warrants were issued with the extension with a strike price of US\$0.025 per share and with an expiry date of 19 September 2021. As at 30 June 2020, the convertible loan had a balance of US\$568,103 (C\$774,211) (31 December 2019: C\$702,108).

On 11 September 2018, Howson entered into an asset purchase agreement to purchase the Rupert Property, located in British Columbia, Canada. Howson issued 2,000,000 common shares, valued at C\$100,000, to the two vendors, and granted a 2% net smelter return. At any time, 1% of the net smelter return can be purchased by Howson for C\$1,500,000, being C\$750,000 to each of the two vendors. 1,000,000 of the common shares were issued to a company that was controlled by a director of Howson. Howson is committed to incur expenditures on the property as follows:

| <i>To be incurred on or before:</i> | C\$ |
|--|----------------|
| 11 September 2019 (<i>paid</i>) | 100,000 |
| 11 September 2020 | — |
| 11 September 2021 (<i>paid up to C\$8,597</i>) | 200,000 |
| 11 September 2022 | 500,000 |
| Total exploration commitment | 800,000 |

No expenditure was incurred on the Rupert Property during the period. Together with the C\$96,140 expenditure in the prior period, Howson had incurred and aggregate C\$108,597 of exploration and evaluation expenditure as at 30 June 2020. Of this amount, C\$100,000 had been expensed on or before 11 September 2019, in compliance with its first year commitments under the acquisition agreement. The balance of C\$8,597 incurred during the prior year is in advance of Howson's revised third year commitment of C\$200,000.

Current assets

As at 30 June 2020, Howson's current assets of C\$14,234 (31 December 2019: C\$12,551) comprised taxes receivable of C\$13,937 (31 December 2019: C\$12,119) and cash of C\$297 (31 December 2019: C\$432).

Taxes receivable increased by C\$1,818 during the period (year ended 31 December 2019: increase of C\$3,662).

Total assets

As at 30 June 2020, Howson had non-current assets of C\$874,211 (31 December 2019: C\$802,108) and current assets of C\$14,234 (31 December 2019: C\$12,551), resulting in total assets of C\$888,445 (31 December 2019: C\$814,659).

Equity

As at 30 June 2020, Howson's equity comprised share capital of C\$872,060 (31 December 2019: C\$872,060), a share option reserve of C\$35,530 (31 December 2019: C\$35,530), a warrant reserve of C\$26,150 (31 December 2019: C\$nil) and a retained deficit of C\$296,272 (31 December 2019: deficit of C\$304,566). In aggregate, Howson's equity had a carrying value of C\$637,468 (31 December 2019: C\$603,024) at the year end.

The share capital balance of C\$872,060 (31 December 2019: C\$872,060) comprises the aggregate nominal value of the issued common shares since incorporation. No common shares were issued during the period. As at 30 June 2020, Howson had 13,436,000 common shares in issue as at 31 December 2019 (31 December 2019: 13,436,000).

The share option reserve of C\$35,530 (31 December 2019: C\$35,530) represents the value of common shares to be issued under Howson's options. The brought forward balance of C\$35,530 related to the Black Scholes model valuations of the issue during the prior year of 950,000 options on 21 March 2019 to Howson directors, officers and consultants. The options have an exercise price of C\$0.05 and a weighted average remaining expected life of 3.62 years as at 30 June 2020. Of the C\$35,350 share option expense incurred during the prior year, C\$20,570 related to officers and directors of Howson.

The warrant reserve of C\$26,842 (31 December 2019: C\$nil) represents the value of common shares to be issued under Howson's warrants. On 1 March 2020, Howson entered a C\$50,000 line of credit facility with a company owned by a Howson director. As at 30 June 2020, C\$22,500 (31 December 2019: C\$nil) of the line of credit had been drawn on and is included within trade

payables. The line of credit bears interest at 15% and expires on 28 February 2022. Howson issued 500,000 warrants upon issuance of the line of credit, which have a strike price of C\$0.10 and expire on 28 February 2022. The Black Scholes model valuation of the warrants is recorded as “*finance costs*” within “*administrative expenditure*” on the Statement of Comprehensive Income in connection with the issuance of these warrants.

The retained deficit of C\$296,272 (31 December 2019: deficit of C\$304,566) is the aggregate value of all retained profits and losses of Howson since incorporation on 20 July 2018. The movement of C\$8,294 reflects the reported profit after tax for the period (30 June 2019: loss of C\$88,765).

Current and total liabilities

As at 30 June 2020, Howson’s current and total liabilities of C\$250,977 (31 December 2019: C\$211,635) comprised trade and other payables. Of this amount, C\$122,298 (31 December 2019: C\$67,606) was owed to a company owned by a Howson director. Trade and other payables increased by C\$39,341 during the year (30 June 2019: decrease of C\$19,057).

Net assets

As at 30 June 2020, Howson had total assets of C\$888,445 (31 December 2019: C\$814,659) and total liabilities of C\$250,977 (31 December 2019: C\$211,635), resulting in net assets of C\$637,468 (31 December 2019: C\$603,024).

Events subsequent to 30 June 2020

On 6 August 2020, Howson entered into a non-binding heads-of-terms agreement with the Company whereby the Company will purchase the entire issued and outstanding common shares of Howson for 31,614,118 Ordinary Shares at a price of £0.025p per Ordinary Share.

SECTION (D) OPERATING AND FINANCIAL REVIEW OF CABOX

The following operating and financial review contains financial information that has been extracted or derived, without material adjustment, from the Cabox Financial Information included in Section (F) "Historical Financial Information of Cabox" and the Cabox Interim Financial Information included in Section (G) "Unaudited Interim Financial Information of Cabox" of Part VI "Financial Information" of this Document, prepared in accordance with IFRS.

The following discussion should be read in conjunction with the other information in this Document, the Cabox Financial Information and the Cabox Interim Financial Information. This discussion contains forward-looking statements, which, although based on assumptions that the Directors consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. Investors should read the notice in relation to forward-looking statements contained on pages 27 to 28 of this Document.

The key risks and uncertainties include but are not limited to those described in the section of this Document entitled "Risk Factors" on pages 12 to 23 of this Document.

Summary statements of comprehensive income

Summarised below are the audited statements of comprehensive income of Cabox for the twelve-month period from incorporation on 19 January 2018 to 31 December 2018 and the year ended 31 December 2019, together with the unaudited statement of comprehensive income for the six-month period ended 30 June 2020:

| | Audited 12 months ended 31 December 2018 C\$ | Audited Year ended 31 December 2019 C\$ | Unaudited 6 months ended 30 June 2020 C\$ |
|-------------------------------------|---|--|--|
| Administrative expenses | (16,520) | (5,943) | (411) |
| (Loss)/profit before tax | (16,520) | (5,943) | (411) |
| Income tax | — | — | — |
| (Loss)/profit for the period | (16,520) | (5,943) | (411) |

Source: Audited financial statements and unaudited interim financial information

Summary statements of financial position

Summarised below are the audited statements of financial position of Cabox as at 31 December 2018 and 31 December 2019, together with unaudited statement of financial position as at 30 June 2020:

| | <i>Audited</i> As at 31 December 2018 C\$ | <i>Audited</i> As at 31 December 2019 C\$ | <i>Unaudited</i> As at 30 June 2020 C\$ |
|--|--|--|--|
| GST receivable | — | — | 34 |
| Cash and cash equivalents | 500 | 735 | 699 |
| Current assets | 500 | 735 | 733 |
| Total assets | 500 | 735 | 733 |
| Share capital | 500 | 500 | 500 |
| Retained deficit | (16,520) | (22,463) | (22,874) |
| Equity attributable to shareholders | (16,020) | (21,963) | (23,374) |
| Accruals | — | 5,000 | 5,000 |
| Related party payables | 16,520 | 17,698 | 18,107 |
| Current liabilities | 16,520 | 22,698 | 23,107 |
| Total equity and liabilities | 500 | 735 | 733 |

Source: Audited financial statements and unaudited interim financial information

Summary statements of cash flows

Summarised below are the audited statements of cash flows of Cabox for the twelve-month period from incorporation on 19 January 2018 to 31 December 2018 and the year ended 31 December 2019, together with the unaudited statement of cash flow for the six-month period ended 30 June 2020:

| | Audited 12 months ended 31 December 2018 C\$ | Audited Year ended 31 December 2019 C\$ | Unaudited 6 months ended 30 June 2020 C\$ |
|--|--|--|---|
| (Loss) before tax | (16,520) | (5,943) | (411) |
| <i>Working capital adjustments:</i> | | | |
| Change in GST receivable | — | — | (34) |
| Change in accruals | — | 5,000 | — |
| Change in related party payables | 16,520 | 1,178 | 409 |
| Cash from/(used in) operating activities | — | 235 | (428) |
| Proceeds from the issue of shares | 500 | — | — |
| Cash from financing activities | 500 | — | — |
| Net cash inflow/(outflow) for the year/period | 500 | 235 | (36) |
| <i>Cash brought forward</i> | — | 500 | 735 |
| Cash carried forward | 500 | 735 | 699 |

Source: Audited financial statements and unaudited interim financial information

Results for the initial 12-month period ended 31 December 2018

Cabox was incorporated on 19 January 2018 and the 12-month period ended 31 December 2018 represents Cabox's first reporting period.

Trading results

No revenues were reported during the period from the incorporation of Cabox on 19 January 2018 to 31 December 2018. Cabox reported a loss before tax of C\$16,520, comprising administrative expenditure as follows:

| | Audited Twelve months ended 31 December 2018 C\$ |
|--------------------------------|---|
| Travel and entertainment | 9,796 |
| Accounting and legal fees | 5,740 |
| Subsistence and entertainment | 599 |
| Business fees and licenses | 385 |
| Administrative expenses | 16,520 |

Cash flows, financing and capital reserves

During the twelve-month period ended 31 December 2018, Cabox reported a net cash inflow of C\$500 from all sources, resulting in a closing cash balance of C\$500 as at 31 December 2018.

The only source of cash inflow during the year was Cabox's financing cash flows of C\$500, comprising cash inflows from the issue of common shares on incorporation. On incorporation on 19 January 2018, Cabox issued 5,000,000 common shares at C\$0.0001 each for cash proceeds of C\$500.

No cash flow was reported from operating activities during the period as the expenditure items comprising the C\$16,520 loss for the period were unpaid at the period end and included within "related party payables" on the Statement of Financial Position.

Current assets and total assets

As at 31 December 2018, Cabox's current and total assets of C\$500 comprised its cash balance.

Equity

As at 31 December 2018, Cabox's equity comprised share capital of C\$500 and a retained deficit of C\$16,520. In aggregate, Cabox's equity had a carrying value of C\$(16,020) at the period end.

The share capital balance of C\$500 comprises the aggregate nominal value of the issued common shares since incorporation. During the period, 5,000,000 common shares on incorporation on 19 January 2018 at C\$0.0001 each for an aggregate value of C\$500.

The retained deficit of C\$16,520 is the aggregate value of all retained profits and losses of Cabox since incorporation on 19 January 2018. The movement of C\$(16,520) reflects the reported loss after tax for the period.

Current and total liabilities

As at 31 December 2018, Cabox's current and total liabilities of C\$16,520 comprised related party payables. All of this amount was due to Cronin Services Limited, a related party by virtue of that company being owned by a director of the Company.

Net liabilities

As at 31 December 2018, Cabox had total assets of C\$500 and total liabilities of C\$16,520, resulting in net liabilities of C\$16,020.

Results for the year ended 31 December 2019

Trading results

No revenues were reported during the year ended 31 December 2019. Cabox reported a loss before tax of C\$5,943 (2018: C\$16,520), comprising administrative expenditure as follows:

| | Audited Year ended 31 December 2019 C\$ | Audited Twelve months ended 31 December 2018 C\$ |
|-----------------------------------|--|---|
| Audit fees | 5,000 | — |
| Business fees and licenses | 504 | 385 |
| Accounting and legal fees | 391 | 5,740 |
| Interest payable and bank charges | 48 | — |
| Travel and entertainment | — | 9,796 |
| Subsistence and entertainment | — | 599 |
| Administrative expenses | 5,943 | 16,520 |

Cash flows, financing and capital reserves

During the year ended 31 December 2019, Cabox reported a net cash inflow of C\$235 (2018: C\$500) from all sources, resulting in a closing cash balance of C\$735 as at 31 December 2019 (2018: C\$500).

The only source of cash inflow during the year was Cabox's operating cash flow of C\$235 (2018: C\$nil).

No cash flow was reported from financing activities during the year.

Current assets and total assets

As at 31 December 2019, Cabox's current and total assets of C\$735 (2018: C\$500) comprised its cash balance.

Equity

As at 31 December 2019, Cabox's equity comprised share capital of C\$500 (2018: C\$500) and a retained deficit of C\$22,463 (2018: C\$16,520). In aggregate, Cabox's equity had a carrying value of C\$(21,963) (2018: C\$(16,020)) at the year end.

The share capital balance of C\$500 (2018: C\$500) comprises the aggregate nominal value of the issued common shares since incorporation. No common shares were issued during the year. As at 31 December 2019, Cabox's issued share capital comprised 5,000,000 (2018: 5,000,000) common shares.

The retained deficit of C\$22,463 (2018: C\$16,520) is the aggregate value of all retained profits and losses of Cabox since incorporation on 19 January 2018. The movement of C\$(5,943) (2018: C\$(16,520)) reflects the reported loss after tax for the year.

Current and total liabilities

As at 31 December 2019, Cabox's current and total liabilities of C\$22,698 (2018: C\$16,520) comprised related party payables of C\$17,698 (2018: C\$16,520) and accruals of C\$5,000 (2018: C\$nil). The related party payables were due to Cronin Services Limited, a related party by virtue of that company being owned by a director of the Company. The accruals were in relation to year-end audit services.

Net liabilities

As at 31 December 2019, Cabox had total assets of C\$735 (2018: C\$500) and total liabilities of C\$22,698 (2018: C\$16,520), resulting in net liabilities of C\$21,963 (2018: C\$16,020).

Results for the interim 6-month period ended 30 June 2020

Trading results

No revenues were reported during the six-month period ended 31 December 2019 (30 June 2019: C\$nil). Cabox reported a loss before tax of C\$411 (30 June 2019: C\$907), comprising administrative expenditure as follows:

| | Unaudited Six months ended 30 June 2020 C\$ | Unaudited Six months ended 30 June 2019 C\$ |
|-----------------------------------|--|--|
| Accounting and legal fees | 375 | 391 |
| Interest payable and bank charges | 36 | 12 |
| Travel and entertainment | — | 504 |
| Administrative expenses | 411 | 907 |

Cash flows, financing and capital reserves

During the six-month period ended 30 June 2020, Cabox reported a net cash outflow of C\$36 (30 June 2019: outflow of C\$641) from all sources, resulting in a closing cash balance of C\$699 as at 30 June 2020 (31 December 2019: C\$735).

The only cash outflow during the period was Cabox's operating cash outflow of C\$36 (30 June 2019: outflow of C\$641).

No cash flow was reported from financing activities during the period (30 June 2019: C\$nil).

Current assets and total assets

As at 30 June 2020, Cabox's current and total assets of C\$733 (31 December 2019: C\$735) comprised its cash balance of C\$699 (31 December 2019: C\$735) and Goods and Services Tax receivable of C\$34 (31 December 2019: C\$nil).

Equity

As at 30 June 2020, Cabox's equity comprised share capital of C\$500 (31 December 2019: C\$500) and a retained deficit of C\$22,874 (31 December 2019: C\$22,463). In aggregate, Cabox's equity had a carrying value of C\$(23,374) at the period end (31 December 2019: C\$(21,963)).

The share capital balance of C\$500 (31 December 2019: C\$500) comprises the aggregate nominal value of the issued common shares since incorporation. No common shares were issued during the period. As at 30 June 2020, Cabox's issued share capital comprised 5,000,000 (31 December 2019: 5,000,000) common shares.

The retained deficit of C\$22,874 (31 December 2019: C\$22,463) is the aggregate value of all retained profits and losses of Cabox since incorporation on 19 January 2018. The movement of C\$(411) reflects the reported loss after tax for the period.

Current and total liabilities

As at 30 June 2020, Cabox's current and total liabilities of C\$23,107 (31 December 2019: C\$22,698) comprised related party payables of C\$18,107 (31 December 2019: C\$17,698) and accruals of C\$5,000 (31 December 2019: C\$5,000). The related party payables were due to Cronin Services Limited, a related party by virtue of that company being owned by a director of the Company. The accruals were in relation to period-end audit services.

Net liabilities

As at 30 June 2020, Cabox had total assets of C\$733 (31 December 2019: C\$735) and total liabilities of C\$23,107 (31 December 2019: C\$22,698), resulting in net liabilities of C\$23,374 (31 December 2019: C\$21,963).

Events subsequent to 30 June 2020

On 27 July 2020, 4,999,999 common shares of Cabox were surrendered and cancelled.

On 15 August 2020, Cabox issued 5,000,000 common shares for proceeds of C\$5,000. On the same date, the Cabox surrendered and cancelled 1 common share.

On 20 August 2020, Cabox acquired four mineral titles in British Columbia, Canada known as the New Moon Property.

On 26 August 2020, Cabox entered into a non-binding heads of term agreement with the Company whereby the Company will purchase the New Moon Property for 35,000,000 Ordinary Shares, at a deemed price of £0.025 per Ordinary Share.

On 20 October 2020, Cabox acquired 550 mineral titles in Ontario, Canada known as the South Timmins property.

On 9 December 2020, Cabox sold the New Moon Property to Norseman Silver Inc. in exchange for C\$10,000 and 2,500,000 Norseman Silver Inc. common shares. Cabox retained a 2.0% net smelter return royalty on the New Moon Property.

PART VI

FINANCIAL INFORMATION

SECTION (A) FINANCIAL INFORMATION OF THE GROUP

PKF Littlejohn LLP, of 15 Westferry Circus, Canary Wharf, London E14 4HD, Chartered Accountants and statutory auditors to the Company, has given its consent for:

1. the inclusion of their statutory audit reports issued with respect to the Group Financial Information included in this Part VI "*Financial Information of the Group*" of the Document; and
2. the inclusion of their name,

in the form and context in which it they are included in the Prospectus.

Their consent and authorisation is provided as required by item 1.3 of Annex 1 of Commission Delegated Regulation (EU) 2019/980 supplementing the Prospectus Regulation.

PKF Littlejohn LLP has no material interest in the Company.

Imperial X Plc

Incorporated in England and Wales with
Registered Number 06275976

Annual Report

For the year ended 30 June 2020

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Directors

Melissa Sturgess
Samuel “Kyler” Hardy
Kyle Hookey
Emma Priestley

Company Secretary

SGH Company Secretaries Limited

Auditor

PKF Littlejohn LLP
Statutory auditor
15 Westferry Circus
London
E14 4HD

Corporate Adviser

Novum Securities Limited
8-10 Grosvenor Gardens
London
SW1W 0DH

Solicitors

Bird & Bird LLP
12 New Fetter Lane
London
EC4A 1JP

Registered Office

6th Floor
60 Gracechurch Street
London
EC3V 0HR

Registrar

Share Registrars Ltd
Suite E, First Floor
9 Lion and Lamb Yard
Farnham, Surrey GU9 7LL

Bankers

HSBC Bank Plc
69 Pall Mall
London
SW1Y 5EY

Dear Shareholder,

Enclosed are the financial results of Imperial X Plc (“Imperial” or the “Company”) and its subsidiary (together “the Group”) for the year ended 30 June 2020.

During the year, the Company investigated a number of investment opportunities in the medical cannabis sector. These due diligence activities did not produce an opportunity the directors believed was suitable of pursuing. Part way through the year the Board, with the support of a majority of the Company’s shareholders, changed its investing strategy to focus on the Energy sector. As part of the new strategy the Company also reviewed the listing of the Company’s ordinary shares on the AQSE Growth Market and subsequent to the year suspended its listing in order to seek a re-listing on the Standard List of the London Stock Exchange.

Financial Review

The Group currently only has interest revenue and its cash reserves will be used in the short term to cover compliance costs, initial due diligence and other costs incidental to the identification and development of acquisition opportunities.

Subsequent to the year end, the Company has entered into a number of heads of agreement to acquire a platform of mineral assets, equity positions and royalty positions. The acquisitions will initiate the establishment of the Company as a new, growth-focused diversified project generator and natural resource royalty business.

In addition, the Company announced a non-brokered private placement of up to 30,000,000 new shares at a price of 2.5p per share in order to raise up to £750,000, net of expenses and which shares are to be admitted to trading on the Aquis Exchange PLC’s AQSE Growth Market together with the issuance of unsecured convertible loan notes of £500,000 principal.

The loss for the year was £369,953 (2019: £309,189). The result for the year ended 30 June 2020 consisted mainly of legal and professional fees associated with the proposed investment activities.

Financial Position

The Group’s Statement of Financial Position as at 30 June 2020 and comparatives at 30 June 2019 are summarised below:

| | 30 June 2020 | 30 June 2019 |
|---------------------------------|-----------------|------------------|
| | £ | £ |
| Current assets | 74,448 | 7,667 |
| Non-current assets | - | - |
| Total assets | 74,448 | 7,667 |
| Current liabilities | 110,024 | 134,272 |
| Total liabilities | 110,024 | 134,272 |
| Net (liabilities)/assets | (35,576) | (126,605) |

On behalf of the Board, I would like to record our thanks to those who have helped the Company throughout the year.



Kyler Hardy
Chief Executive Officer
Imperial X Plc

**Samuel “Kyler” Hardy,
Chief Executive Officer (aged 37)**

is the Chief Executive Officer and majority shareholder of Cronin Capital Corp ("Cronin"), a merchant banking group based in Vancouver, Canada. Kyler has over 15 years' experience in the global resource sector where he has operated, advised and raised funds via venture capital and private equity. Kyler's experience includes founding and growing a number of companies, including Cronin, CSM Corp, Equitas and UTM Exploration.

**Kyle Hookey
Non-executive director (aged 30)**

is an Associate at Cronin and has over 8 years' experience in the international capital markets, consulting on equity and debt portfolios, corporate transactions and broad investment mandates. Kyle specialises in providing corporate advisory in M&A, financing and corporate restructuring and has advised across both private and public companies, primarily in Canada and Australia.

**Emma Priestley
Non-executive director (aged 47)**

is the Chief Executive Officer at AIM-listed Goldstone Resources Limited and has a background in mining and financial services, having worked with mining companies and consultants, IMC Mackay & Schnellmann, investment bank CSFB, advisers VSA Resources and Ambrian Partners, where she worked as corporate broker and adviser. Emma is a graduate of Camborne School of Mines, is a chartered Mining Engineer and Chartered Mineral Surveyor.

**Melissa Sturgess,
Non-executive director (aged 54)**

Melissa holds a BSc and an MBA and has many years of experience as a director of AIM and ASX quoted companies, mainly involved in the acquisition, structuring and financing of natural resources deals across Africa. She was most recently a key driver in the successful recapitalisation of Messaging International plc which subsequently changed its name to SigmaRoc Plc, acquired a building materials business via a reverse takeover and raised £50 million from a range of investors in the Channel Islands and the UK. She has an extensive background in corporate management, development and financing. She is one of the founders of Ananda Developments Plc, a medicinal cannabis company that commenced trading on the AQSE Growth Market on 4 July 2019 and is a director of Richland Resources Limited.

The Directors present their Strategic Report of the Group for the year ended 30 June 2020.

REVIEW OF OPERATIONS

A review of the business of the Group during the year and an indication of likely future developments may be found in the Chief Executive Officer's Statement.

KEY PERFORMANCE INDICATORS

The Board monitors the activities and performance of the Group on a regular basis. The primary performance indicator applicable to the Group is a return based on targeting a suitable investment in the Energy sector and management of its cash reserves.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the Group's strategy are subject to a number of risks. The key business risks affecting the Group are set out below.

Risks are reviewed by the Board, and appropriate processes are put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Group.

General and economic risks:

- Contractions in the world economy or increases in the rate of inflation resulting from international conditions.
- Movements in global equity and share markets.
- The situation and guidance being given in respect of COVID-19 is an evolving one, which the Board will continue to actively monitor. In this unprecedented time, it is our priority and responsibility to ensure the safety of our team. Accordingly, we are taking measures to ensure we limit travel and movement and are following the guidance of the authorities in the areas we operate. We are all working remotely to progress investments and discussions to ensure that we protect and advance the long-term value of our Company and the interests of our shareholders.

Funding risk:

- The Group may not be able to raise, either by debt or further equity, sufficient funds to enable it to finance its future acquisitions or investments and working capital requirements.

Project availability risk:

- The Group may not be able to identify or acquire a suitable project for its investment target.

Financial Risk Management

The Group's principal financial instruments comprise other receivables, other payables, convertible loan notes and cash on deposit.

Internal Controls

The Board recognises the importance of both financial and non-financial controls and has reviewed the Group's control environment and any related shortfalls during the year. Since the Group was established, the Directors are satisfied that, given the current size and activities of the Group, adequate internal controls have been implemented. The Directors are aware that no system can provide absolute assurance against material misstatement or loss, however, in light of the current activity and proposed future development of the Group, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

This Strategic Report was approved by the Board of Directors on 23 November 2020.



Kyler Hardy
Chief Executive Officer
Imperial X Plc

The Directors are pleased to present their Report and the audited consolidated Financial Statements of the Company and its subsidiary for the year ended 30 June 2020.

1. PRINCIPAL ACTIVITY

The principal activity of Imperial X plc (“the Company”) and its subsidiary (together “the Group”) during the year was to locate investments and/or acquire projects in the medical cannabis sector and, following a new mandate as announced on 14 January 2020, assess suitable transactions in the energy sector.

2. RESULTS AND DIVIDENDS

Loss on ordinary activities of the Group after taxation amounted to £369,953 (2019: £309,189).

The Directors do not recommend the payment of a dividend (2019: £Nil).

3. DIRECTORS

The following have been Directors of the Company during the financial year ended 30 June 2020 and to the date of this report:

Melissa Sturgess (appointed 11 July 2018)

Samuel “Kyler” Hardy (appointed 10 September 2019)

Kyle Hookey (appointed 10 September 2019)

Emma Priestley (appointed 10 September 2019)

Michael Langoulant (resigned 10 September 2019)

Fezile Mzazi (resigned 10 September 2019)

Directors’ Interests in Shares, Options and Warrants

The Directors who held office at 30 June 2020 had the following beneficial interests in shares of the Company:

| Ordinary Shares | Number of shares at 30 June 2020 | Number of shares at 30 June 2019 |
|--|---|---|
| Melissa Sturgess (appointed 11 July 2018) | 5,078,482 | - |
| Samuel “Kyler” Hardy (appointed 10 September 2019) | 4,965,000 | - |
| Kyle Hookey (appointed 10 September 2019) | 300,000 | - |
| Emma Priestley (appointed 10 September 2019) | 2,000,000 | - |
| Michael Langoulant (resigned 10 September 2019) | - | - |
| Fezile Mzazi (resigned 10 September 2019) | 358,102 | - |
| Total | 12,701,584 | - |

| Share Options | Options held at 30 June 2020 | Grant date | Exercise price | Expiry date |
|----------------------|------------------------------|-------------|----------------|-------------|
| Melissa Sturgess | 500,000 | 1 June 2020 | 2.5p | 1 June 2030 |
| Samuel “Kyler” Hardy | 1,500,000 | 1 June 2020 | 2.5p | 1 June 2030 |
| Kyle Hookey | 500,000 | 1 June 2020 | 2.5p | 1 June 2030 |
| Emma Priestley | 500,000 | 1 June 2020 | 2.5p | 1 June 2030 |
| Total | 3,000,000 | | | |

The options issued to the directors in the year were issued as part of their remuneration. The options vest monthly in equal proportions for 24 months. Details of the amounts paid to the Director’s for remuneration during the year are set out in Note 6.

| Share warrants | Options held at 30 June 2020 | Options held at 30 June 2019 | Grant date | Exercise price | Expiry date |
|------------------|------------------------------|------------------------------|----------------|----------------|----------------|
| Melissa Sturgess | - | 1,193,671 | 8 January 2019 | 1p | 1 January 2024 |
| Total | - | 1,193,671 | | | |

Re-election of Directors

The Articles of Association require one third of the Directors who are subject to retirement by rotation to retire and submit themselves for re-election each year. In addition, all directors who are appointed to fill a casual vacancy are required to retire and submit themselves for re-election at the next forthcoming AGM.

4. ANNUAL GENERAL MEETING

Details of the Company’s forthcoming Annual General Meeting are set out in a separate circular that will be sent to all Shareholders with the Annual Report and Accounts.

5. DIRECTORS’ INDEMNITY PROVISIONS

All of the previous and current Directors benefited from qualifying third-party indemnity insurance in place during the year ended 30 June 2020 and as at the date of approval of the Financial Statements.

6. SECTION 172 DISCLOSURES

Under section 172 (1) (a)-(f) of the Companies Act 2006 the directors act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- (a) the likely consequences of any decision in the long term
- (b) the interests of the Company’s employees
- (c) the need to foster the Company’s business relationships with suppliers, customers and others
- (d) the impact of the Company’s operations on the community and the environment
- (e) the desirability of the Company maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly as between members of the Company

The Directors believe that the Board have due regard to the above requirements in their decision making and have acted in the best interest of all its members during the period and subsequent to the period end.

7. POST YEAR END EVENTS

Details of any post year end events are set out in Note 12 to the Financial Statements.

8. GOING CONCERN

The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future and, therefore, continue to adopt the going concern basis in preparing the Annual Report and Financial Statements. Further details on their assumptions and their conclusion thereon are included in the statement on going concern within accounting policies.

The spread of COVID-19 will continue to have a material impact on many economies globally both through the effects of the virus itself and the measures taken by government to restrict its spread. The situation and guidance being given in respect of COVID-19 is an evolving one, which the Board will continue to actively monitor. We are all working remotely to progress investments and discussions to ensure that we protect and advance the long-term value of our Company and the interests of our shareholders.

9. FUTURE DEVELOPMENTS

For further details on the future developments of the Group and Company, see the Chief Executive Officer's Statement.

10. DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

11. DIRECTORS RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the annual report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have prepared the Group and Parent Company Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under Company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group and Parent Company for that year.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the Financial Statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the annual report and the Financial Statements are made available on a website. Financial Statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of Financial Statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the Financial Statements contained therein.

12. AUDITOR

The auditor, PKF Littlejohn LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006. PKF Littlejohn LLP has indicated its willingness to continue in office.

This report was approved by the Board on 23 November 2020 and signed on its behalf.



Kyler Hardy
Chief Executive Officer
Imperial X Plc

Opinion

We have audited the Financial Statements of Imperial X Plc (the ‘Parent Company’) and its subsidiaries (the ‘Group’) for the year ended 30 June 2020 which comprise the Consolidated Statement of Comprehensive Income, the Group and Parent Company Statements of Financial Position, the Group and Parent Company Statements of Changes in Equity, the Group and Parent Company Statements of Cash Flows and notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company Financial Statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the Financial Statements give a true and fair view of the state of the Group’s and of the Parent Company’s affairs as at 30 June 2020 and of the Group’s and Parent Company’s loss for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company Financial Statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the Financial Statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC’s Ethical Standard as applied to listed entities, 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 relating to going concern

We draw your attention to the ‘Going concern’ section of the accounting policies on page 22. The Group incurred losses of £369,953 during the year and as at 30 June 2020 has net current liabilities. The Group is reliant on additional capital funding through the issue of new ordinary shares. Furthermore, the ongoing economic uncertainty of the Covid-19 pandemic could impact the ability of the Group to raise new funds in a timely manner. These events or conditions indicate that a material uncertainty exists that may cast doubt on the Group’s ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Our application of materiality

The scope of our audit was influenced by our application of materiality, which determines the scope of our audit and the nature, timing and extent of our procedures. The materiality applied to the Group Financial Statements was £19,500 (2019: £15,000) and £19,000 (2019: £14,999) for the Parent Company Financial Statements, based on the benchmark of the total expenditure in the year. The performance materiality for the Group and Parent Company Financial Statements was £15,600 and £15,200 respectively (2019: £12,000 and £11,999). Triviality was calculated at 5% of overall materiality.

Scope of our audit

A full scope audit was performed on the Parent Company and its subsidiary undertaking.

In designing our audit, we determined materiality, and assessed the risk of material misstatement in the Financial Statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates in calculating the share option charge and the assessment of the going concern assumption. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the ‘Material uncertainty relating to going concern’ section, we have determined that there are no other key audit matters to communicate in our report.

Other information

The other information comprises the information included in the Annual Report, other than the Financial Statements and our auditor’s report thereon. The directors are responsible for the other information. Our opinion on the Group and Parent Company Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Financial Statements or a material misstatement of the other information. If, based on the work we have performed, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors’ report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the strategic report and the directors’ report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors’ report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors’ remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the statement of directors’ responsibilities, the directors are responsible for the preparation of the Group and Parent Company Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Group and Parent Company Financial Statements, the directors are responsible for assessing the Group and Parent 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 the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs (UK) 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 Financial Statements.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Thompson (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

23 November 2020

| | | For the year ended 30 June 2020 £ | For the year ended 30 June 2019 £ |
|--|---|--|--|
| Continuing operations | | | |
| Administrative expenses | | (370,963) | (309,248) |
| Finance income – interest receivable | | 1,010 | 59 |
| Loss before taxation | | (369,953) | (309,189) |
| Income tax | 4 | - | - |
| Loss for the year attributable to the equity shareholders of the parent | | (369,953) | (309,189) |
| Other comprehensive income for the year, net of tax | | - | - |
| Total comprehensive income for the year attributable to the equity shareholders of the parent | | (369,953) | (309,189) |
| Earnings per share | | | |
| Basic and diluted loss per share attributable to the equity shareholders of the parent (pence) | 5 | (0.81p) | (0.97p) |

The Notes on pages 20 to 30 form an integral part of these Financial Statements.

| <i>Company number: 06275976</i> | | Group | | Company | |
|---|-------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | Note | As at 30 June 2020 £ | As at 30 June 2019 £ | As at 30 June 2020 £ | As at 30 June 2019 £ |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Investments in subsidiaries | 7 | - | - | 10 | 10 |
| Total non-current assets | | - | - | 10 | 10 |
| Current assets | | | | | |
| Trade and other receivables | 8 | 40,018 | 6,335 | 40,018 | 6,335 |
| Cash and cash equivalents | | 34,430 | 1,332 | 34,430 | 1,299 |
| Total current assets | | 74,448 | 7,667 | 74,448 | 7,634 |
| TOTAL ASSETS | | 74,448 | 7,667 | 74,458 | 7,644 |
| LIABILITIES | | | | | |
| Current Liabilities | | | | | |
| Trade and other payables | 9 | 110,024 | 134,272 | 111,374 | 135,621 |
| Total current liabilities | | 110,024 | 134,272 | 111,374 | 135,621 |
| TOTAL LIABILITIES | | 110,024 | 134,272 | 111,374 | 135,621 |
| NET ASSETS | | (35,576) | (126,605) | (36,916) | (127,977) |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY | | | | | |
| Share capital | 10 | 227,586 | 202,786 | 227,586 | 202,786 |
| Share premium | 10 | 1,328,494 | 876,297 | 1,328,494 | 876,297 |
| Equity to be issued | 10 | 15,200 | 31,215 | 15,200 | 31,215 |
| Other reserve | | 112,406 | 161,753 | 112,406 | 161,753 |
| Retained losses | | (1,719,262) | (1,398,656) | (1,720,602) | (1,400,028) |
| TOTAL EQUITY | | (35,576) | (126,605) | (36,916) | (127,977) |

The loss for the Company for the year was £369,920 (30 June 2019: loss of £309,093). The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting the Parent Company Statement of Comprehensive Income.

The Financial Statements were approved and authorised for issue by the Board of Directors on 23 November 2020 and were signed on its behalf by:


Kyler Hardy
 Chief Executive Officer
 Imperial X Plc

The Notes on pages 20 to 30 form an integral part of these Financial Statements.

| Group | Share capital £ | Share premium £ | Equity to be issued £ | Shares to be issued under options £ | Retained losses £ | Total Equity £ |
|--|--------------------|-----------------------|-----------------------------|---|-------------------------|-------------------|
| At 1 July 2018 | 202,786 | 876,297 | 27,265 | 1,600 | (1,089,467) | 18,481 |
| Loss for the year | - | - | - | - | (309,189) | (309,189) |
| Other comprehensive income for the year | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - | (309,189) | (309,189) |
| Issue of ordinary shares | - | - | - | - | - | - |
| Equity to be issued - movement | - | - | 3,950 | - | - | 3,950 |
| Share based payments | - | - | - | 160,153 | - | 160,153 |
| Balance at 30 June 2019 | 202,786 | 876,297 | 31,215 | 161,753 | (1,398,656) | (126,605) |
| At 1 July 2019 | 202,786 | 876,297 | 31,215 | 161,753 | (1,398,656) | (126,605) |
| Loss for the year | - | - | - | - | (369,953) | (369,953) |
| Other comprehensive income for the year | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - | (369,953) | (369,953) |
| Issue of ordinary shares | 24,800 | 452,197 | - | - | - | 476,997 |
| Equity to be issued - movement | - | - | (16,015) | - | - | (16,015) |
| Exercise of warrants | - | - | - | (49,347) | 49,347 | - |
| Balance at 30 June 2020 | 227,586 | 1,328,494 | 15,200 | 112,406 | (1,719,262) | (35,576) |

| Company | Share capital £ | Share premium £ | Equity to be issued £ | Shares to be issued under options £ | Retained losses £ | Total Equity £ |
|--|--------------------|-----------------------|-----------------------------|---|-------------------------|-------------------|
| At 1 July 2018 | 202,786 | 876,297 | 27,265 | 1,600 | (1,090,936) | 17,012 |
| Loss for the year | - | - | - | - | (309,093) | (309,093) |
| Other comprehensive income for the year | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - | (309,093) | (309,093) |
| Issue of ordinary shares | - | - | - | - | - | - |
| Equity to be issued - movement | - | - | 3,950 | - | - | 3,950 |
| Share based payments | - | - | - | 160,153 | - | 160,153 |
| Balance at 30 June 2019 | 202,786 | 876,297 | 31,215 | 161,753 | (1,400,029) | (127,978) |
| At 1 July 2019 | 202,786 | 876,297 | 31,215 | 161,753 | (1,400,029) | (127,978) |
| Loss for the year | - | - | - | - | (369,920) | (369,920) |
| Other comprehensive income for the year | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - | (369,920) | (369,920) |
| Issue of ordinary shares | 24,800 | 452,197 | - | - | - | 476,997 |
| Equity to be issued - movement | - | - | (16,015) | - | - | (16,015) |
| Exercise of warrants | - | - | - | (49,347) | 49,347 | - |
| Balance at 30 June 2020 | 227,586 | 1,328,494 | 15,200 | 112,406 | (1,720,602) | (36,916) |

The Notes on pages 20 to 30 form an integral part of these Financial Statements.

| | Note | Group | | Company | |
|---|------|------------------|-----------------|------------------|-----------------|
| | | 2020 | 2019 | 2020 | 2019 |
| | | £ | £ | £ | £ |
| Cash flows from operating activities | 11 | (283,716) | (68,925) | (283,683) | (68,079) |
| Net cash used in operating activities | | (283,716) | (68,925) | (283,683) | (68,079) |
| Cash flows from investing activities | | | | | |
| Interest received | | 1,010 | 51 | 1,010 | 51 |
| Interest paid | | (1,122) | - | (1,122) | - |
| Net cash (used in)/generated from investing activities | | (112) | 51 | (112) | 51 |
| Cash Flows from financing activities | | | | | |
| Proceeds from loan notes issued | | - | 50,000 | - | 50,000 |
| Repayment of loans | | 446 | - | 446 | - |
| Proceeds from issue of shares | | 316,480 | - | 316,480 | - |
| Net cash generated from financing activities | | 316,926 | 50,000 | 316,926 | 50,000 |
| Net increase/(decrease) in cash and cash equivalents | | 33,098 | (18,874) | 33,131 | (18,028) |
| Cash and cash equivalents at beginning of year | | 1,332 | 20,206 | 1,299 | 19,327 |
| Cash and cash equivalents at end of year | | 34,430 | 1,332 | 34,430 | 1,299 |

Non-cash transactions

During the year, the Company issued 3,261,776 shares in settlement of consultancy fees incurred in the year and in prior years totalling £86,701.

The Notes on pages 20 to 30 form an integral part of these Financial Statements.

General Information

The Company is a public limited company incorporated and domiciled in England (registered number: 06275976), which is listed on the AQSE Growth Market. The registered office of the Company is 6th Floor, 60 Gracechurch Street, London, EC3V 0HR.

Summary of significant accounting policies

The principal Accounting Policies applied in the preparation of these Financial Statements are set out below. These Policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of Preparation of Financial Statements

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and IFRIC interpretations as adopted by the European Union and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets at fair value through other comprehensive income.

Imperial X plc, the legal Parent, is domiciled and incorporated in the United Kingdom. The functional currency of Imperial X plc and its subsidiary undertaking is £ sterling.

The Financial Statements are presented in sterling (£), rounded to the nearest pound.

The preparation of Financial Statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company's accounting policies.

Basis of consolidation

The Group Financial Statements consolidate the Financial Statements of Imperial X plc and the Financial Statements of its subsidiary undertaking made up to 30 June 2020.

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The cost of acquisition is measured as the fair value of the assets acquired, equity instruments issued, and liabilities acquired or assumed at the date of exchange. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated.

Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Company:

Of the IFRSs and IFRICs adopted in 2020, none have had a material effect on the Group or Company's Financial Statements. IFRS 16 *Leases* was adopted during the period, however the Group and Company have no leases and as such there has been no impact on the financial statements.

(b) New and amended standards issued but not yet effective and not early adopted:

Standards, amendments and interpretations that are not yet effective and have not been early adopted are as follows:

| Standard | Impact on initial application | Effective date |
|---------------------|--|-----------------|
| 2018-2020 Cycle | Annual improvements to IFRS Standards | *1 January 2020 |
| IFRS 3 (Amendments) | Business combinations | *1 January 2022 |
| IAS 37 (Amendments) | Provisions, Contingent Assets and Contingent Liabilities | *1 January 2022 |
| IAS 1 (Amendments) | Presentation of Financial Statements | *1 January 2022 |

**subject to EU endorsement*

Of these IFRSs and IFRICs, none are expected to have a material effect on future Group financial statements.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash at hand and current and deposit balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. This definition is also used for the Statement of Cash Flows.

Financial instruments

Financial assets and financial liabilities are recognised when the Group and Company become party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual right to the cash flow expires or when all the risks and rewards of ownership are substantially transferred. Financial liabilities are derecognised when the obligations specified in the contract are either discharged or cancelled.

Financial assets

The Group and Company classify their financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The classification depends on the purpose for which the financial assets were acquired. Financial assets are either held at amortised cost, fair value through profit or loss; or fair value through other comprehensive income. Management determines the classification of its financial assets at initial recognition. The Group's and Company's accounting policy for each category is as follows:

(i) Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They incorporate various types of contractual monetary assets, such as advances made to affiliated entities which give rise to other receivables and cash and cash equivalents includes cash in hand and deposits held at call with banks. Other receivables are carried at amortised cost less any provision for impairment, as the contracted cashflows solely relate to the payment of principal and interest. Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty) that the Group and Company will be unable to collect all of the amounts due under the terms of the receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

Financial liabilities

The Group's financial liabilities, which consist of trade and other payables are initially stated at fair value and subsequently at their amortised cost using the effective interest method.

Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder. The number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to their initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method.

Taxation

Current tax is the tax currently payable or receivable based on the taxable loss for the year.

Deferred tax is provided in full, using the liability method, on temporary differences between the carrying amounts of assets and liabilities and their tax bases, except when, at the initial recognition of the asset or liability, there is no effect on accounting or taxable profit or loss. Deferred tax is determined using tax rates and laws that have been substantially enacted by the Statement of Financial Position date, and that are expected to apply when the temporary difference reverses.

Tax losses available to be carried forward are recognised as deferred tax assets, to the extent that it is probable that there will be future taxable profits against which the temporary differences can be utilised.

Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Going Concern

The Group and Company's business activities together with the factors likely to affect their future development, performance and position are set out in the Chief Executive Officer's Statement. In addition, Note 2 to the financial statements include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposure to credit and liquidity risk. As part of their assessment, the Directors have also taken into account the ability to raise additional funding whilst maintaining sufficient cash resources to meet all commitments.

The Financial Statements have been prepared on a going concern basis notwithstanding that the Group incurred a net loss of £369,953 and has net current liabilities as at 30 June 2020. The Group is reliant on additional future capital funding through the issue of new ordinary shares to fund the working capital requirements of the Group. The Directors have concluded that the going concern assumption is appropriate as it is expected that the Group will have access to the required capital and to date the Group has been successful in securing funding when required.

The spread of COVID-19 will continue to have a material impact on many economies globally both through the effects of the virus itself and the measures taken by government to restrict its spread. The situation and guidance being given in respect of COVID-19 is an evolving one, which the Board will continue to actively monitor. The Directors acknowledge that the market volatility may impact the ability of the Company to raise funds in the near future. The auditors have included a 'material uncertainty' paragraph in their audit report as a result of the uncertainty. The Directors, in light of all of the above circumstances, have a reasonable expectation that the Group and Company will have access to adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

NOTE 1: CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Estimated impairment of loan receivable

The Group and Company has assessed whether the loan receivable from Symerton Holdings S.A. continues to be fully impaired based upon all available information, which includes assumptions and judgments regarding circumstances in the future, which could have an impact upon recoverability (see Note 8).

Estimate of Share Option Valuation

The Group has made awards of options and warrants over its unissued share capital to certain Directors and consultants as part of their remuneration package and service performed.

The valuation of these options and warrants involves making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and forfeiture rates. These assumptions have been described in more detail in Note 10.

NOTE 2: FINANCIAL RISK MANAGEMENT

Capital Management

The Group's objectives when managing capital are to safeguard the Group and Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Treasury policy and financial instruments

During the years under review, the only financial instruments were cash and cash equivalents and other receivables which were or will be required for the normal operations of the Group.

The Group operates informal treasury policies which include ongoing assessments of interest rate management and borrowing policy. The Board approves all decisions on treasury policy.

The Company has raised funds to finance future activities through the placing of shares, together with share options and warrants. There are no differences between the book value and fair value of the above financial assets. The risks arising from the Group's financial instruments are liquidity and interest rate risk. The Directors review and agree policies for managing these risks and they are summarised below:

Liquidity and interest rate risk

The Group seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. This is achieved by the close control by the Directors of the Company in the day to day management of liquid resources. Cash is invested in deposit accounts which provide a modest return on the Group's resources whilst ensuring there is limited risk of loss to the Group.

Credit Risk

Credit risk arises from cash and cash equivalents. The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk. The long-term Moody's credit rating of HSBC Bank Plc is Aa3.

NOTE 3: EXPENSES BY NATURE

| Loss on ordinary activities before tax is stated after charging: | Group | |
|--|-------------------------------|-------------------------------|
| | For the year ended 30 June | For the year ended 30 June |
| | 2020 | 2019 |
| | £ | £ |
| Fees payable to the Company's auditor for the audit of the Group and Company's annual financial statements | 8,000 | 7,000 |
| Fees payable to the Company's auditor for tax compliance services | 1,250 | 1,200 |

NOTE 4: TAXATION ON LOSS FROM ORDINARY ACTIVITIES

| | Group | |
|---|-------------------------------|-------------------------------|
| | For the year ended 30 June | For the year ended 30 June |
| | 2020 | 2019 |
| | £ | £ |
| Loss before tax | (369,953) | (309,189) |
| Tax on loss for the year multiplied by the UK corporation tax rate of 19% (2019: 19%) | (70,291) | (58,746) |
| Tax losses carried forward on which no deferred tax asset has been recognised | 54,209 | 26,395 |
| Expenses not deducted for tax purposes | 16,082 | 32,351 |
| Tax charge for the year | - | - |

The Group has carried forward excess management expenses and trade losses of approximately £709,000 (2019: £591,000) available to carry forward against future taxable profits. A deferred tax asset of approximately £152,000 (2019: £101,000) has not been recognised because of uncertainty over the timing of future taxable profits against which the losses may be offset.

NOTE 5: EARNINGS PER SHARE

The calculation of the basic loss per share of 0.81 pence is based on the loss attributable to ordinary shareholders of £369,953 and on the weighted average number of ordinary and deferred shares of 45,928,947 in issue during the year.

In accordance with IAS 33, no diluted earnings per share is presented as the effect on the exercise of share options or warrants would be to decrease the loss per share.

Details of share options and warrants that could potentially dilute earnings per share in future periods are set out in Note 10.

NOTE 6: DIRECTORS AND EMPLOYEES

The total number of Directors who served in the year was 4 (2019: 5). There are no other employees of the Group.

The following amounts were paid during the year to Directors:

| | Group | |
|-----------------------------|---------------|---------------|
| | 2020 | 2019 |
| | £ | £ |
| Directors Fees and Salaries | 12,000 | 93,395 |
| | 12,000 | 93,395 |

Amounts included in Directors fees and salaries include £Nil (2019: £76,895) in relation to share option charges. 3,000,000 options were issued to directors on 1 June 2020 for their services. These options vest in equal proportions over 24 months, with 125,000 vesting in the year to 30 June 2020. The charge for these options has not been included in the financial statements as it is trivial. Details of the Share Option charges can be found in Note 10.

NOTE 7: INVESTMENT IN SUBSIDIARIES

| | Company | |
|--|-----------|-----------|
| | 2020 | 2019 |
| | £ | £ |
| Cost at the start and end of the year | 10 | 10 |

Investments in group undertakings are stated at cost which is the fair value of the consideration paid.

Details of subsidiary undertaking

Details of the subsidiary undertaking at 30 June 2020 are as follows:

| Name | Registered Office | Proportion of ownership interest and voting rights |
|---|--|--|
| Imperial Minerals (UK) Limited – the nature of business is to make investments in the Group’s chosen business sector. | 6 th Floor, 60 Gracechurch Street, London, EC3V 0HR | 100% |

NOTE 8: TRADE AND OTHER RECEIVABLES

| | Group | | Company | |
|---|---------------|--------------|----------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Non-current | | | | |
| Amounts due from subsidiary undertaking | - | - | 97,818 | 97,818 |
| Provision for impairment | - | - | (97,818) | (97,818) |
| | - | - | - | - |
| Current | | | | |
| Loan receivable | 119,468 | 119,468 | 119,468 | 119,468 |
| Provision for impairment to loan | (119,468) | (119,468) | (119,468) | (119,468) |
| Sundry Debtors | 27,700 | - | 27,700 | - |
| Prepayments | 12,318 | 6,335 | 12,318 | 6,335 |
| | 40,018 | 6,335 | 40,018 | 6,335 |

The fair value of all current receivables is as stated above.

On 20 December 2014 the Company entered into a loan agreement with Symerton Holdings S.A (“Symerton”) in which the Company lent Symerton US\$150,000 (equivalent to £119,468). The loan is unsecured and bears an interest rate of 12% per annum. The Directors have fully impaired the loan.

The Company entered into a Promissory Note with Anglo African Minerals Plc (“AAM”) for USD \$40,000 in February 2020. The loan was subsequently assigned to and repaid by Cronin Capital Corp. Further details of Cronin Capital Corp can be found in Note 13. The loan was unsecured and yielded interest of 10% which was fully repaid in June 2020. The Company received 200,000 warrants in AAM whose value are deemed to be insignificant.

The maximum exposure to credit risk at the year-end date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security. Except for the above-mentioned loan, trade and other receivables are all denominated in £ sterling.

NOTE 9: TRADE AND OTHER PAYABLES

| | Group | | Company | |
|--------------------------------|----------------|----------------|----------------|----------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Current | | | | |
| Trade payables | 69,721 | 55,124 | 69,721 | 55,124 |
| Accruals and other payables | 32,019 | 25,836 | 33,369 | 27,185 |
| Convertible loan notes payable | 8,284 | 53,312 | 8,284 | 53,312 |
| | 110,024 | 134,272 | 111,374 | 135,621 |

Of the initial £50,000 Convertible Loan Notes which were subscribed to in October 2018, £46,150 was converted into 4,615,000 ordinary shares on 9 August 2019.

NOTE 10: SHARE CAPITAL

| | As at 30 June 2020 | | As at 30 June 2019 | |
|--------------------------------|-----------------------|----------------|-----------------------|----------------|
| | Number | £ | Number | £ |
| Allotted and called up: | | | | |
| Ordinary Shares of £0.001 each | 56,631,212 | 56,631 | 31,831,250 | 31,831 |
| Deferred Shares of £0.009 each | 18,995,000 | 170,955 | 18,995,000 | 170,955 |
| | | <u>227,586</u> | | <u>202,786</u> |

The holders of the deferred shares have no right to attend or vote at any general meeting and the shares carry no right to receive any dividend or distribution on winding up.

Share capital and share premium

| Issued | Number of shares | Group and Company | | |
|---------------------------------|---------------------|-------------------------|-----------------------|------------|
| | | Ordinary shares £ | Share premium £ | Total £ |
| At 30 June 2019 | 31,831,250 | 202,786 | 876,297 | 1,079,083 |
| Issued for cash | 11,855,986 | 11,856 | 284,544 | 296,400 |
| Settlement of convertible loans | 4,615,000 | 4,615 | 41,535 | 46,150 |
| Issued for services | 3,554,290 | 3,554 | 83,146 | 86,700 |
| Exercise of warrants | 4,774,686 | 4,775 | 42,972 | 47,747 |
| At 30 June 2020 | 56,631,212 | 227,586 | 1,328,494 | 1,556,080 |

Other reserves

Other reserves consist of:

Equity to be issued

As at 30 June 2020 various creditors to the Company, to the value of £15,200 (2019: £31,215), have agreed to have their obligations satisfied by a future issue of share equity. These shares were not issued as at 30 June 2020. The number of shares to be issued will be determined by reference to the fair value of the share at the time of issue.

Share option and warrant reserve

As at 30 June 2020 £112,406 (2019: £161,753) is included in a share option reserve in relation to the below options and warrants in issue as at the year end.

Options and warrants in issue

The outstanding share options and warrants as at 30 June 2020 are shown below:

| | Number | Weighted average exercise price (£) |
|------------------------------------|-------------------|-------------------------------------|
| As at 1 July 2019 | 5,875,000 | 0.04 |
| Issued 7 January 2019 | 636,625 | 0.02 |
| Issued 8 January 2019 | 4,774,686 | 0.01 |
| Exercisable at 30 June 2019 | 11,286,311 | 0.03 |
| Surrendered 1 June 2020 | (5,000,000) | 0.04 |
| Expired 1 December 2019 | (875,000) | 0.025 |
| Exercised 18 June 2020 | (4,774,686) | 0.01 |
| Issued 1 June 2020 | 5,050,000 | 0.025 |
| At 30 June 2020 | 5,686,625 | 0.023 |
| Exercisable at 30 June 2020 | 761,625 | 0.013 |

| 30 June 2020 | | | | |
|------------------------------|-------------------------------------|----------------------------|--|--|
| Range of exercise prices (£) | Weighted average exercise price (£) | Number of options/warrants | Weighted average remaining life expected (years) | Weighted average remaining life contracted (years) |
| 0.01 | 0.01 | 636,625 | 1.5 | 2.5 |
| 0.025 | 0.025 | 5,050,000 | 10 | 10 |

| 30 June 2019 | | | | |
|------------------------------|-------------------------------------|----------------------------|--|--|
| Range of exercise prices (£) | Weighted average exercise price (£) | Number of options/warrants | Weighted average remaining life expected (years) | Weighted average remaining life contracted (years) |
| 0.01p | 0.01 p | 4,774,868 | 4.5 | 4.5 |
| 0.02p | 0.02 p | 636,625 | 2.5 | 2.5 |
| 0.04p | 0.04p | 5,000,000 | 2.54 | 2.54 |
| 0.04p | 0.04p | 875,000 | 0.5 | 0.5 |

The valuation of the options issued on 1 June 2020 was carried out using the Black Scholes model. Key assumptions used in the valuation included; volatility of 40%, continuous growth rate of 0.53%, dividend yield 0% and time to maturity of 10 years. The options vest over 24 months and as a result the total fair value of these options will be recognised over this period. The fair value attributed to the year ended 30 June 2020 was immaterial and has not been recognised in the financial statements.

NOTE 11: NOTES TO THE CASH FLOW STATEMENT

| | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Reconciliation of loss from operations to cash flows from operating activities | | | | |
| Loss from operations | (369,953) | (309,189) | (369,920) | (309,093) |
| Interest receivable | (1,010) | (51) | (1,010) | (51) |
| Interest payable | 1,122 | - | 1,122 | - |
| Share based payments | 97,905 | 160,153 | 97,905 | 160,153 |
| Share options expense | - | 3,950 | - | 3,950 |
| (Increase) in trade and other receivables | (33,683) | (1,549) | (33,683) | (799) |
| Increase in trade and other payables | 21,903 | 77,761 | 21,903 | 77,761 |
| Cash flow from operating activities | (283,716) | (68,925) | (283,683) | (68,079) |

NOTE 12: SUBSEQUENT EVENTS

Subsequent to the year end the Company has entered into a number of heads of agreement to acquire a platform of mineral assets, equity positions and royalty positions. The acquisitions will initiate the establishment of the Company as a new, growth-focused diversified project generator and natural resource royalty business. These heads of terms were as announced by the Company on 28 August 2020.

In addition, the Company announced a non-brokered private placement of up to 30,000,000 new shares at a price of 2.5p per share in order to raise up to £750,000, net of expenses and which shares are to be admitted to trading on the Aquis Exchange PLC's AQSE Growth Market together with the issuance of unsecured convertible loan notes of £500,000 principal.

NOTE 13: RELATED PARTIES

During the year the Company charged its subsidiary undertaking £Nil (2019: £Nil) for the provision of advisory services. The amount receivable from the subsidiary undertaking as at 30 June 2012 of £97,818 has been fully impaired.

During the year, the Company received amounts totalling £Nil (2019: £1,350) from its subsidiary undertakings in order to fund working capital requirements. The full amount remained payable at the year end.

Details of the directors' remuneration can be found in Note 6. Key Management Personnel are considered to be the directors.

Amounts totalling £Nil (2019: £4,800) were paid to Jeremy Sturgess-Smith, related party by way of family relation to M Sturgess, for company secretarial and administrative work during the year. The amount outstanding owing to Jeremy at the year-end was £Nil (2019: £2,400).

An amount was paid to Fezile Mzazi for professional fees totalling £Nil (2019: £1,200).

During the year, the Company paid amounts totalling £57,757 (2019: £Nil) to Cronin Capital Corp. through Cronin Services Limited, which is a related party by way of Kyler Hardy being the CEO and majority shareholder in Cronin Capital Corp. These were in relation to consultancy fees and reimbursement of travelling expenses under a management service agreement dated 1 February 2020. The amount outstanding owing to Cronin Capital at the year-end was £7,859 (2019: £Nil).

Cronin Capital Corp. also settled the Company's Promissory Note with Anglo African Minerals Plc for USD \$40,000 in June 2020. The loan was unsecured and yielded interest of 10%. The Company received 200,000 warrants in Anglo African Minerals Plc as part of the transaction.

NOTE 14: ULTIMATE CONTROLLING PARTY

The Directors believe there to be no ultimate controlling party.

Imperial X Plc (formerly Imperial Minerals plc)

Incorporated in England and Wales with
Registered Number 6275976

Annual Report

For the year ended
30 June 2019

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Directors

Melissa Sturgess
Samuel Hardy
Kyle Hookey
Emma Priestley

Company Secretary

Shakespeare Martineau LLP

Auditor

PKF Littlejohn LLP
Statutory Auditor
15 Westferry Circus
Canary Wharf
London E14 4HD

Corporate Adviser

Peterhouse Capital Ltd
15 Eldon Street
London EC2M 7LD

Solicitors

Hill Dickinson LLP
The Broadgate Tower
20 Primrose Street
London EC2A 2EW

Registered Office

6th Floor
60 Gracechurch Street
London
EC3V 0HR

Registrar

Share Registrars Ltd
Suite E, First Floor
9 Lion and Lamb Yard
Farnham, Surrey GU9 7LL

Bankers

HSBC Bank Plc
94 Kensington High Street
London W8 4SH

Dear Shareholder,

Enclosed are the financial results of Imperial X Plc (“Imperial” or the “Company”) and its subsidiaries (together “the Group”) for the year ended 30 June 2019.

During the year the Company investigated a number of investment opportunities in the minerals and oil & gas industries. These due diligence activities did not produce an opportunity the directors believed was suitable of pursuing.

Subsequent to year end and with the support of the Company’s major shareholders a new Board of directors was appointed. The new Board has a mandate to continue to assess suitable transactions in the medicinal cannabis sector and will consider other sectors if appropriate opportunities arise.

Financial Review

The Group currently only has interest revenue and its cash reserves will be used in the short term to cover compliance costs, initial due diligence and other costs incidental to the identification and development of acquisition opportunities.

Subsequent to the year end the Company raised £346,776 at 0.025p from a range of high net worth investors. These funds will be used for working capital and to assess investment opportunities. The Company also converted £46,150 of the unsecured convertible loan notes in to 4,615,000 new ordinary shares post year end.

The loss for the year was £309,189 (2018: £100,176). The result for the year ended 30 June 2019 consisted mainly of share option expenses and legal and professional fees.

Financial Position

The Group’s Statement of Financial Position as at 30 June 2019 and comparatives at 30 June 2018 are summarised below:

| | 30 June 2019 | 30 June 2018 |
|---------------------------------|------------------|---------------|
| | £ | £ |
| Current assets | 7,667 | 26,341 |
| Non-current assets | - | - |
| Total assets | 7,667 | 26,341 |
| Current liabilities | 134,272 | 7,860 |
| Total liabilities | 134,272 | 7,860 |
| Net (liabilities)/assets | (126,605) | 18,481 |

On behalf of the Board, I would like to record our thanks to those who have helped the Company throughout the year.

A handwritten signature in blue ink, appearing to read 'Kyler Hardy', with a stylized flourish at the end.

Kyler Hardy
Chief Executive Officer
Imperial X Plc

28 November 2019

**Kyler Hardy,
Chief Executive Officer (aged 36)**

is the Chief Executive Officer and majority shareholder of Cronin Capital Corp ("Cronin"), a merchant banking group based in Vancouver, Canada. Kyler has over 15 years' experience in the global resource sector where he has operated, advised and raised funds via venture capital and private equity. Kyler's experience includes founding and growing a number of companies, including Cronin, CSM Corp, Equitas and UTM Exploration.

**Kyle Hookey
Non-executive director (aged 29)**

is an Associate at Cronin and has over 8 years' experience in the international capital markets, consulting on equity and debt portfolios, corporate transactions and broad investment mandates. Kyle specialises in providing corporate advisory in M&A, financing and corporate restructuring and has advised across both private and public companies, primarily in Canada and Australia.

**Emma Priestley
Non-executive director (aged 46)**

is the Chief Executive Officer at AIM-listed Goldstone Resources Limited and has a background in mining and financial services, having worked with mining companies and consultants, IMC Mackay & Schnellmann, investment bank CSFB, advisers VSA Resources and Ambrian Partners, where she worked as corporate broker and adviser. Emma is a graduate of Camborne School of Mines, is a chartered Mining Engineer and Chartered Mineral Surveyor.

**Melissa Sturgess,
Non-executive director (aged 53)**

Melissa holds a BSc and an MBA and has many years of experience as a director of AIM and ASX quoted companies, mainly involved in the acquisition, structuring and financing of natural resources deals across Africa. She was most recently a key driver in the successful recapitalisation of Messaging International plc during 2016 which subsequently changed its name to SigmaRoc Plc, acquired a building materials business via a reverse takeover and raised £50 million from a range of investors in the Channel Islands and the UK. She has an extensive background in corporate management, development and financing. She is one of the founders of Ananda Developments Plc, a medicinal cannabis company that commenced trading on the NEX Exchange on 4 July.

The Directors present their Strategic Report of the Group for the year ended 30 June 2019.

REVIEW OF OPERATIONS

A review of the business of the Group during the year and an indication of likely future developments may be found in the Chairman's Statement.

KEY PERFORMANCE INDICATORS

The Board monitors the activities and performance of the Group on a regular basis. The primary performance indicator applicable to the Group is a return based on targeting a suitable investment in the minerals sector. During the year the Company was unable to identify a suitable investment and has changed its investment strategy to the medicinal cannabis sector.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the Group's strategy are subject to a number of risks. The key business risks affecting the Group are set out below.

Risks are reviewed by the Board, and appropriate processes are put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Group.

General and economic risks:

- Contractions in the world economy or increases in the rate of inflation resulting from international conditions.
- Movements in global equity and share markets and changes in market sentiment towards the medicinal cannabis industry.

Funding risk:

- The Group may not be able to raise, either by debt or further equity, sufficient funds to enable it to finance its future acquisitions or investments.

Project availability risk:

- The Group may not be granted approval to change its investment strategy.
- The Group may not be able to identify or acquire a suitable project for its investment target.

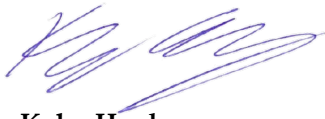
Financial Risk Management

The Group's principal financial instruments comprise other receivables, other payables, convertible loan notes and cash on deposit. £46,150 of the convertible loan notes was converted into shares post year end.

Internal Controls

The Board recognises the importance of both financial and non-financial controls and has reviewed the Group's control environment and any related shortfalls during the year. Since the Group was established, the Directors are satisfied that, given the current size and activities of the Group, adequate internal controls have been implemented. The Directors are aware that no system can provide absolute assurance against material misstatement or loss, however, in light of the current activity and proposed future development of the Group, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

This Strategic Report was approved by the Board of Directors on 28 November 2019.



Kyler Hardy
Chief Executive Officer
Imperial X Plc

The Directors are pleased to present their Report and the audited consolidated Financial Statements of the Company and its subsidiary for the year ended 30 June 2019.

1. PRINCIPAL ACTIVITY

The principal activity of Imperial X plc (“the Company”) and its subsidiary (together “the Group”) during the year was to locate investments and/or acquire projects in the mineral sector, which may include exploration, development or production projects in various minerals and, following a new Board mandate assess suitable transactions in the medicinal cannabis sector.

The Company changed its name from Imperial Minerals plc to Imperial X plc on 7 January 2019.

2. RESULTS AND DIVIDENDS

Loss on ordinary activities of the Group after taxation amounted to £309,189 (2018: £100,176).

The Directors do not recommend the payment of a dividend (2018: £Nil).

3. DIRECTORS

The following have been Directors of the Company during the financial year ended 30 June 2019 and to the date of this report:

Michael Langoulant (Appointed 11 July 2018)
 Melissa Sturgess (Appointed 11 July 2018)
 Fezile Mzazi (Appointed 26 September 2018)
 Russell Hardwick (Resigned 11 July 2018)
 James Hamilton (Resigned 11 July 2018)
 Samuel Hardy (Appointed 10 September 2019)
 Kyle Hookey (Appointed 10 September 2019)
 Emma Priestly (Appointed 10 September 2019)

Directors’ Interests in Shares and Options

The Directors who held office at 30 June 2019 had the following beneficial interests in shares of the Company:

| Ordinary Shares | Number of shares at 30 June 2019 | Number of shares at 30 June 2018 |
|---|--|--|
| Russell Hardwick (resigned 11 July 2018) | - | 1,000,000 |
| James Hamilton (resigned 11 July 2018) | - | 5,250,000 |
| Michael Langoulant (appointed 11 July 2018) | - | - |
| Melissa Sturgess (appointed 11 July 2018) | - | - |
| Fezile Mzazi (appointed 26 September 2018) | - | - |
| Total | - | 6,250,000 |

| Share Options | Options held at 30 June 2019 | Grant date | Exercise price | Expiry date |
|--------------------|------------------------------|-----------------|----------------|----------------|
| Russell Hardwick | 2,500,000 | 13 January 2017 | 4p | 1 January 2022 |
| James Hamilton | 2,500,000 | 13 January 2017 | 4p | 1 January 2022 |
| Melissa Sturgess | 1,193,671 | 8 January 2019 | 1p | 1 January 2024 |
| Fezile Mzazi | 596,836 | 8 January 2019 | 1p | 1 January 2024 |
| Michael Langoulant | 596,836 | 8 January 2019 | 1p | 1 January 2024 |
| Total | 7,387,343 | | | |

Details of the amounts paid to the Director's for remuneration during the year are set out in Note 6.

Re-election of Directors

The Articles of Association require one third of the Directors who are subject to retirement by rotation to retire and submit themselves for re-election each year. In addition, all directors who are appointed to fill a casual vacancy are required to retire and submit themselves for re-election at the next forthcoming AGM.

4. ANNUAL GENERAL MEETING

Details of the Company's forthcoming Annual General Meeting are set out in a separate circular that will be sent to all Shareholders with the Annual Report and Accounts.

5. DIRECTORS' INDEMNITY PROVISIONS

All of the previous and current Directors benefited from qualifying third-party indemnity insurance in place during the year ended 30 June 2018 and as at the date of approval of the Financial Statements.

6. POST YEAR END EVENTS

Details of any post year end events are set out in Note 12 to the Financial Statements.

7. GOING CONCERN

The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future and, therefore, continue to adopt the going concern basis in preparing the Annual Report and Financial Statements. Further details on their assumptions and their conclusion thereon are included in the statement on going concern within accounting policies.

8. FUTURE DEVELOPMENTS

For further details on the future developments of the Group, see the Chairman's Statement.

9. DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

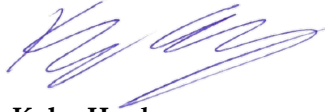
So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

10. AUDITOR

The auditor, PKF Littlejohn LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006. PKF Littlejohn LLP has indicated its willingness to continue in office.

This report was approved by the Board on 28 November 2019 and signed on its behalf.



Kyler Hardy
Chief Executive Officer
Imperial X Plc

The Directors are responsible for preparing the annual report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have prepared the Group and Parent Company Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under Company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group and Parent Company for that year.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the Financial Statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the annual report and the Financial Statements are made available on a website. Financial Statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of Financial Statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the Financial Statements contained therein.

Opinion

We have audited the Financial Statements of Imperial X Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2019 which comprise the Consolidated Statement of Comprehensive Income, the Group and Parent Company Statements of Financial Position, the Group and Parent Company Statements of Changes in Equity, the Group and Parent Company Statements of Cash Flows and notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company Financial Statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the Financial Statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2019 and of the Group's and Parent Company's loss for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company Financial Statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard as applied to listed entities, 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our application of materiality

The scope of our audit was influenced by our application of materiality, which determine the scope of our audit and the nature, timing and extent of our procedures. The materiality applied to the Group Financial Statements was £15,000 (2018: £20,000) and £14,999 (2018: £20,000) for the Parent Company Financial Statements, based on the benchmark of the total expenditure in the year. The performance materiality for the Group and Parent Company Financial Statements was £12,000 and £11,999 respectively (2018: £16,000). Triviality was calculated at 5% of overall materiality.

Scope of our audit

A full scope audit was performed on the Parent Company and its subsidiary undertaking.

In designing our audit, we determined materiality, and assessed the risk of material misstatement in the Financial Statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter | How the scope of our audit responded to the key audit matter |
|--|---|
| <p>Going Concern</p> <p>When preparing financial statements in the UK, those charged with governance should satisfy themselves as to whether the going concern basis is appropriate.</p> <p>ISA 570 “Going concern” specifically requires the auditor, when planning and performing audit procedures and in evaluating the results, to consider the appropriateness of the Directors use of the going concern assumption in the preparation of the financial statements and the adequacy of any relevant disclosures in the financial statements.</p> | <ul style="list-style-type: none"> • We reviewed management’s budget and cash flow forecast prepared for a period covering in excess of 12 months from the date of signing the financial statements. Taking into consideration the funds raised subsequent to the year-end, the Group and Parent Company have sufficient funds to meet contracted and committed expenditure. Additional funds will need to be raised in order to complete any transaction. • We substantively tested the funds raised subsequent to the year-end. • We reviewed and considered the assumptions underlying the cash flow forecasts, including the accuracy of historically prepared forecasts, and sensitised the cash flows to reasonably probable change. |

Other information

The other information comprises the information included in the Annual Report, other than the Financial Statements and our auditor’s report thereon. The directors are responsible for the other information. Our opinion on the Group and Parent Company Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the

Financial Statements or a material misstatement of the other information. If, based on the work we have performed, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the Group and Parent Company Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Group and Parent Company Financial Statements, the directors are responsible for assessing the Group and Parent 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 the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs (UK) 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 Financial Statements.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the

company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Thompson (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

28 November 2019

| | | For the year ended 30 June 2019 £ | For the year ended 30 June 2018 £ |
|--|------|--|--|
| | Note | | |
| Continuing operations | | | |
| Administrative expenses | | (309,248) | (100,183) |
| Finance income – interest receivable | | 59 | 7 |
| Loss before taxation | | (309,189) | (100,176) |
| Income tax | 4 | - | - |
| Loss for the year attributable to the equity shareholders of the parent | | (309,189) | (100,176) |
| Other comprehensive income for the year, net of tax | | - | - |
| Total comprehensive income for the year attributable to the equity shareholders of the parent | | (309,189) | (100,176) |
| Earnings per share | | | |
| Basic and diluted loss per share attributable to the equity shareholders of the parent (pence) | 5 | (0.97p) | (0.32p) |

The Notes on pages 22 to 32 form an integral part of these Financial Statements.

| <i>Company number: 06275976</i> | | Group | | Company | |
|---|-------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | Note | As at 30 June 2019 £ | As at 30 June 2018 £ | As at 30 June 2019 £ | As at 30 June 2018 £ |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Investments in subsidiaries | 7 | - | - | 10 | 10 |
| Total non-current assets | | - | - | 10 | 10 |
| Current assets | | | | | |
| Trade and other receivables | 8 | 6,335 | 6,135 | 6,335 | 5,535 |
| Cash and cash equivalents | | 1,332 | 20,206 | 1,299 | 19,327 |
| Total current assets | | 7,667 | 26,341 | 7,634 | 24,862 |
| TOTAL ASSETS | | 7,667 | 26,341 | 7,644 | 24,872 |
| LIABILITIES | | | | | |
| Current Liabilities | | | | | |
| Trade and other payables | 9 | 134,272 | 7,860 | 135,621 | 7,860 |
| Total current liabilities | | 134,272 | 7,860 | 135,621 | 7,860 |
| TOTAL LIABILITIES | | 134,272 | 7,860 | 135,621 | 7,860 |
| NET ASSETS | | (126,605) | 18,481 | (127,977) | 17,012 |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY | | | | | |
| Share capital | 10 | 202,786 | 202,786 | 202,786 | 202,786 |
| Share premium | 10 | 876,297 | 876,297 | 876,297 | 876,297 |
| Equity to be issued | 10 | 31,215 | 27,265 | 31,215 | 27,265 |
| Other reserve | | 161,753 | 1,600 | 161,753 | 1,600 |
| Retained losses | | (1,398,656) | (1,089,467) | (1,400,028) | (1,090,936) |
| TOTAL EQUITY | | (126,605) | 18,481 | (127,977) | 17,012 |

The loss for the Company for the year was £309,093 (30 June 2018: loss of £97,521). The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting the Parent Company Statement of Comprehensive Income.

The Financial Statements were approved and authorised for issue by the Board of Directors on 28 November 2019 and were signed on its behalf by:

Melissa Sturgess
Director

The Notes on pages 22 to 32 form an integral part of these Financial Statements.

| Group | Share capital £ | Share premium £ | Equity to be issued £ | Shares to be issued under options £ | Retained losses £ | Available for sale reserve £ | Total Equity £ |
|--|--------------------|-----------------------|-----------------------------|---|-------------------------|------------------------------------|-------------------|
| At 1 July 2017 | 201,700 | 855,658 | - | 1,600 | (989,291) | - | 69,667 |
| Loss for the year | - | - | - | - | (100,176) | - | (100,176) |
| Other comprehensive income for the year | - | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - | (100,176) | - | (100,176) |
| Issue of ordinary shares | 1,086 | 20,639 | - | - | - | - | 21,725 |
| Equity to be issued | - | - | 27,265 | - | - | - | 27,265 |
| Balance at 30 June 2018 | 202,786 | 876,297 | 27,265 | 1,600 | (1,089,467) | - | 18,481 |
| At 1 July 2018 | 202,786 | 876,297 | 27,265 | 1,600 | (1,089,467) | - | 18,481 |
| Loss for the year | - | - | - | - | (309,189) | - | (309,189) |
| Other comprehensive income for the year | - | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - | (309,189) | - | (309,189) |
| Equity to be issued | - | - | 3,950 | - | - | - | 3,950 |
| Share based payments | - | - | - | 160,153 | - | - | 160,153 |
| Balance at 30 June 2019 | 202,786 | 876,297 | 31,215 | 161,753 | (1,398,656) | - | (126,605) |

The Notes on pages 22 to 32 form an integral part of these Financial Statements.

| Company | Share capital £ | Share premium £ | Equity to be issued £ | Shares to be issued under options £ | Retained losses £ | Available for sale reserve £ | Total Equity £ |
|--|--------------------|-----------------------|-----------------------------|---|-------------------------|------------------------------------|-------------------|
| At 1 July 2017 | 201,700 | 855,658 | - | 1,600 | (993,415) | - | 65,543 |
| Loss for the year | - | - | - | - | (97,521) | - | (97,521) |
| Other comprehensive income for the year | - | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - | (97,521) | - | (97,521) |
| Issue of ordinary shares | 1,086 | 20,639 | - | - | - | - | 21,725 |
| Equity to be issued | - | - | 27,265 | - | - | - | 27,265 |
| Balance at 30 June 2018 | 202,786 | 876,297 | 27,265 | 1,600 | (1,090,936) | - | 17,012 |
| At 1 July 2018 | 202,786 | 876,297 | 27,265 | 1,600 | (1,090,936) | - | 17,012 |
| Loss for the year | - | - | - | - | (309,093) | - | (309,093) |
| Other comprehensive income for the year | - | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - | (309,093) | - | (309,093) |
| Equity to be issued | - | - | 3,950 | - | - | - | 3,950 |
| Share based payments | - | - | - | 160,153 | - | - | 160,153 |
| Balance at 30 June 2019 | 202,786 | 876,297 | 31,215 | 161,753 | (1,400,029) | - | (127,978) |

The Notes on pages 22 to 32 form an integral part of these Financial Statements.

| | Note | Group | | Company | |
|---|------|-----------------|-----------------|-----------------|-----------------|
| | | 2019 | 2018 | 2019 | 2018 |
| | | £ | £ | £ | £ |
| Cash flows from operating activities | 11 | (68,925) | (72,474) | (68,079) | (69,819) |
| Net cash used in operating activities | | (68,925) | (72,474) | (68,079) | (69,819) |
| Cash flows from investing activities | | | | | |
| Interest received | | 51 | 7 | 51 | 7 |
| Net cash generated from investing activities | | 51 | 7 | 51 | 7 |
| Cash Flows from financing activities | | | | | |
| Proceeds from loan notes issued | | 50,000 | - | 50,000 | - |
| Proceeds from issue of shares | | - | 20,000 | - | 20,000 |
| Net cash generated from financing activities | | 50,000 | 20,000 | 50,000 | 20,000 |
| Net (decrease) in cash and cash equivalents | | (18,874) | (52,467) | (18,028) | (49,812) |
| Cash and cash equivalents at beginning of year | | 20,206 | 72,673 | 19,327 | 69,139 |
| Cash and cash equivalents at end of year | | 1,332 | 20,206 | 1,299 | 19,327 |

The Notes on pages 22 to 32 form an integral part of these Financial Statements.

General Information

The Company is a public limited company incorporated and domiciled in England (registered number: 6275976), which is listed on the NEX Exchange. The registered office of the Company is 6th Floor, 60 Gracechurch Street, London, EC3A 0HR.

Summary of significant accounting policies

The principal Accounting Policies applied in the preparation of these Financial Statements are set out below. These Policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of Preparation of Financial Statements

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and IFRIC interpretations as adopted by the European Union and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets at fair value through other comprehensive income.

Imperial X plc, the legal Parent, is domiciled and incorporated in the United Kingdom. The functional currency of Imperial X plc and its subsidiary undertaking is £ sterling.

The Financial Statements are presented in sterling (£), rounded to the nearest pound.

The preparation of Financial Statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company's accounting policies.

Basis of consolidation

The Group Financial Statements consolidate the Financial Statements of Imperial X plc and the Financial Statements of its subsidiary undertaking made up to 30 June 2019.

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The cost of acquisition is measured as the fair value of the assets acquired, equity instruments issued, and liabilities acquired or assumed at the date of exchange. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated.

Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Company:

As of 1 July 2018, the Company has adopted IFRS 9 and IFRS 15.

The Company adopted IFRS 9, Financial Instruments ('IFRS 9'), which replaced IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 addresses the classification, measurement and recognition of financial assets and liabilities.

The Company reviewed the financial assets and liabilities reported on its Statement of Financial Position and completed an assessment between IAS 39 and IFRS 9 to identify any accounting changes. The financial assets subject to this review were intercompany loans receivable. The financial liabilities subject to this review were intercompany loans payable and convertible loan notes. Based on this assessment of the classification and measurement model, there were no changes to classification and measurement other than changes in terminology.

IFRS 15 requires an expected quantitative impact of the application of IFRS 15 to be included within the financial statements. The Group and Company have no revenue and as such there is no impact of IFRS 15.

Of the other IFRSs and IFRICs adopted in 2019, none have had a material effect on the Group or Company's Financial Statements.

(b) New and amended standards issued but not yet effective and not early adopted:

Standards, amendments and interpretations that are not yet effective and have not been early adopted are as follows:

| Standard | Impact on initial application | Effective date |
|---------------------|--|-----------------|
| IFRS 16 | Leases | 1 January 2019 |
| IFRIC 23 | Uncertainty over Income Tax treatments | 1 January 2019 |
| IFRS 9 (Amendments) | Prepayment features with negative compensation | 1 January 2019 |
| IAS 28 (Amendments) | Long term interests in associates and joint ventures | 1 January 2019 |
| 2015-2017 Cycle | Annual improvements to IFRS Standards | 1 January 2019 |
| IFRS 3 (Amendments) | Business combinations | *1 January 2020 |

*subject to EU endorsement

Of these IFRSs and IFRICs, none are expected to have a material effect on future Group financial statements.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash at hand and current and deposit balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. This definition is also used for the Statement of Cash Flows.

Financial instruments

Financial assets and financial liabilities are recognised when the Group and Company become party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual right to the cash flow expires or when all the risks and rewards of ownership are substantially transferred. Financial liabilities are derecognised when the obligations specified in the contract are either discharged or cancelled.

Financial assets

The Group and Company classify their financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The classification depends on the purpose for which the financial assets were acquired. Financial assets are either held at amortised cost, fair value through profit or loss; or fair value through other comprehensive income. Management determines the classification of its financial assets at initial recognition. The Group's and Company's accounting policy for each category is as follows:

(i) Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They incorporate various types of contractual monetary assets, such as advances made to affiliated entities which give rise to other receivables and cash and cash equivalents includes cash in hand and deposits held at call with banks. Other receivables are carried at amortised cost less any provision for impairment, as the contracted cashflows solely relate to the payment of principal and interest. Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty) that the Group and Company will be unable to collect all of the amounts due under the terms of the receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

Financial liabilities

The Group's financial liabilities, which consist of trade and other payables are initially stated at fair value and subsequently at their amortised cost using the effective interest method.

Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder. The number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to their initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method.

Taxation

Current tax is the tax currently payable or receivable based on the taxable loss for the year.

Deferred tax is provided in full, using the liability method, on temporary differences between the carrying amounts of assets and liabilities and their tax bases, except when, at the initial recognition of the asset or liability, there is no effect on accounting or taxable profit or loss. Deferred tax is determined

using tax rates and laws that have been substantially enacted by the Statement of Financial Position date, and that are expected to apply when the temporary difference reverses.

Tax losses available to be carried forward are recognised as deferred tax assets, to the extent that it is probable that there will be future taxable profits against which the temporary differences can be utilised.

Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Going Concern

The Group and Company's business activities together with the factors likely to affect their future development, performance and position are set out in the Chairman's Statement. In addition, Note 2 to the financial statements include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposure to credit and liquidity risk.

The Financial Statements have been prepared on a going concern basis notwithstanding that the Group incurred a net loss of £309,189 during the year ended 30 June 2019. The Directors have concluded that the going concern assumption is appropriate.

The Company raised £225,000 subsequent to the year end, by way of issuance of new ordinary shares. The Directors deem this to be sufficient to fund the working capital requirements of the Group through the going concern period.

The Directors have a reasonable expectation that the Group and Company will have access to adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

NOTE 1: CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Estimated impairment of loan receivable

The Group and Company has assessed whether the loan receivable from Symerton Holdings S.A. continues to be fully impaired based upon all available information, which includes assumptions and judgments regarding circumstances in the future, which could have an impact upon recoverability (see Note 8).

Estimate of Share Option Valuation

The Group has made awards of options and warrants over its unissued share capital to certain Directors and consultants as part of their remuneration package and service performed.

The valuation of these options and warrants involves making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and forfeiture rates. These assumptions have been described in more detail in Note 10.

NOTE 2: FINANCIAL RISK MANAGEMENT

Capital Management

The Group's objectives when managing capital are to safeguard the Group and Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Treasury policy and financial instruments

During the years under review, the only financial instruments were cash and cash equivalents and other receivables which were or will be required for the normal operations of the Group.

The Group operates informal treasury policies which include ongoing assessments of interest rate management and borrowing policy. The Board approves all decisions on treasury policy.

The Company has raised funds to finance future activities through the placing of shares, together with share options and warrants. There are no differences between the book value and fair value of the above financial assets. The risks arising from the Group's financial instruments are liquidity and interest rate risk. The Directors review and agree policies for managing these risks and they are summarised below:

Liquidity and interest rate risk

The Group seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. This is achieved by the close control by the Directors of the Company in the day to day management of liquid resources. Cash is invested in deposit accounts which provide a modest return on the Group's resources whilst ensuring there is limited risk of loss to the Group.

Credit Risk

Credit risk arises from cash and cash equivalents. The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk. The long-term Moody's credit rating of HSBC Bank Plc is Aa3.

NOTE 3: EXPENSES BY NATURE

| Loss on ordinary activities before tax is stated after charging: | Group | |
|--|---------------------------------|---------------------------------|
| | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
| | £ | £ |
| Fees payable to the Company's auditor for the audit of the Group and Company's annual financial statements | 7,000 | 5,000 |

NOTE 4: TAXATION ON LOSS FROM ORDINARY ACTIVITIES

| | Group | |
|---|---------------------------------|---------------------------------|
| | For the year ended 30 June 2019 | For the year ended 30 June 2018 |
| | £ | £ |
| Loss before tax | (309,189) | (100,176) |
| Tax on loss for the year multiplied by the UK corporation tax rate of 19% (2018: 19%) | (58,746) | (19,033) |
| Tax losses carried forward on which no deferred tax asset has been recognised | 26,395 | 19,033 |
| Expenses not deducted for tax purposes | 32,351 | - |
| Tax charge for the year | - | - |

The Group has carried forward excess management expenses and trade losses of approximately £591,000 (2018: £492,000) available to carry forward against future taxable profits. A deferred tax asset of approximately £101,000 (2018: £116,000) has not been recognised because of uncertainty over the timing of future taxable profits against which the losses may be offset.

NOTE 5: EARNINGS PER SHARE

The calculation of the basic loss per share of 0.97 pence is based on the loss attributable to ordinary shareholders of £309,189 and on the weighted average number of ordinary shares of 31,831,250 in issue during the year.

In accordance with IAS 33, no diluted earnings per share is presented as the effect on the exercise of share options or warrants would be to decrease the loss per share.

Details of share options and warrants that could potentially dilute earnings per share in future periods are set out in Note 10.

NOTE 6: DIRECTORS AND EMPLOYEES

The total number of Directors who served in the year was 5 (2018: 2). There are no other employees of the Group.

The following amounts were paid during the year to Directors:

| | Group | |
|-----------------------------|---------------|---------------|
| | 2019 | 2018 |
| | £ | £ |
| Directors Fees and Salaries | 93,395 | 39,600 |
| | 93,395 | 39,600 |

Amounts included in Directors fees and salaries include £76,895 (2018 £Nil) in relation to share option charges. Details of the Share Option charges can be found in Note 10.

NOTE 7: INVESTMENT IN SUBSIDIARIES

| | Company | |
|---------------------------------------|---------|------|
| | 2019 | 2018 |
| | £ | £ |
| Cost at the start and end of the year | 10 | 10 |

Investments in group undertakings are stated at cost which is the fair value of the consideration paid.

Details of subsidiary undertaking

Details of the subsidiary undertaking at 30 June 2019 are as follows:

| Name | Registered Office | Proportion of ownership interest and voting rights |
|---|--|--|
| Imperial Minerals (UK) Limited – the nature of business is to make investments in the Group’s chosen business sector. | 6 th Floor, 60 Gracechurch Street, London, EC3V 0HR | 100% |

NOTE 8: TRADE AND OTHER RECEIVABLES

| | Group | | Company | |
|---|--------------|--------------|--------------|--------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Non-current | | | | |
| Amounts due from subsidiary undertaking | - | - | 97,818 | 97,818 |
| Provision for impairment | - | - | (97,818) | (97,818) |
| | - | - | - | - |
| Current | | | | |
| Loan receivable | 119,468 | 119,468 | 119,468 | 119,468 |
| Provision for impairment to loan | (119,468) | (119,468) | (119,468) | (119,468) |
| VAT receivable | - | 4,410 | - | 3,810 |
| Prepayments | 6,335 | 1,725 | 6,335 | 1,725 |
| | 6,335 | 6,135 | 6,335 | 5,535 |

The fair value of all current receivables is as stated above.

On 20 December 2014 the Company entered into a loan agreement with Symerton Holdings S.A (“Symerton”) in which the Company lent Symerton US\$150,000 (equivalent to £95,417). The loan is unsecured and bears an interest rate of 12% per annum. The Directors have fully impaired the loan and considered the loan unrecoverable.

The maximum exposure to credit risk at the year-end date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security. Except for the above-mentioned loan, trade and other receivables are all denominated in £ sterling.

NOTE 9: TRADE AND OTHER PAYABLES

| | Group | | Company | |
|--------------------------------|----------------|--------------|----------------|--------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Current | | | | |
| Trade payables | 55,124 | 2,860 | 55,124 | 2,860 |
| Accruals and other payables | 25,836 | 5,000 | 27,185 | 5,000 |
| Convertible loan notes payable | 53,312 | - | 53,312 | - |
| | 134,272 | 7,860 | 135,621 | 7,860 |

Imperial X Plc issued a convertible loan note from 31 October 2018 intending to issue up to £300,000 nominal of unsecured convertible notes, which are convertible into ordinary shares at a conversion price of £0.01 each and with interest at a rate of 10% per annum. The conversion of the loan is at the option of the lender. An initial £50,000 of Loan Notes was subscribed immediately and the proceeds were utilised to fund the Group’s general working capital requirements. The repayment date is one year from draw down, being 1 October 2019 for the amounts in issue at the year end.

NOTE 10: SHARE CAPITAL

| | As at 30 June 2019 | | As at 30 June 2018 | |
|--------------------------------|-----------------------|----------------|-----------------------|----------------|
| | Number | £ | Number | £ |
| Allotted and called up: | | | | |
| Ordinary Shares of £0.001 each | 31,831,250 | 31,831 | 31,831,250 | 31,831 |
| Deferred Shares of £0.009 each | 18,995,000 | 170,955 | 18,995,000 | 170,955 |
| | | <u>202,786</u> | | <u>202,786</u> |

The holders of the deferred shares have no right to attend or vote at any general meeting and the shares carry no right to receive any dividend or distribution on winding up.

Share capital and share premium

| Issued | Group and Company | | | |
|-----------------|---------------------|-------------------------|-----------------------|------------|
| | Number of shares | Ordinary shares £ | Share premium £ | Total £ |
| At 30 June 2018 | 31,831,250 | 202,786 | 876,297 | 1,079,083 |
| At 30 June 2019 | 31,831,250 | 202,786 | 876,297 | 1,079,083 |

Other reserves

Other reserves consist of:

Equity to be issued

As at 30 June 2019 various creditors to the Company, to the value of £31,215 (2018: £27,265), have agreed to have their obligations satisfied by a future issue of share equity. These shares were not issued as at 30 June 2019. The number of shares to be issued will be determined by reference to the fair value of the share at the time of issue.

Share option and warrant reserve

As at 30 June 2019 £161,753 (2018: £1,600) is included in a share option reserve in relation to the below options and warrants in issue as at the year end.

Options and warrants in issue

The outstanding share options and warrants as at 30 June 2019 are shown below:

| | Number | Weighted average exercise price (£) |
|------------------------------------|-------------------|--|
| Issued 9 December 2016 | 875,000 | 0.04 |
| Issued 13 January 2017 | 5,000,000 | 0.04 |
| Exercisable at 30 June 2018 | 5,875,000 | 0.04 |
| Issued 7 January 2019 | 636,625 | 0.02 |
| Issued 8 January 2019 | 4,774,686 | 0.01 |
| Exercisable at 30 June 2019 | 11,286,311 | 0.03 |

| 30 June 2019 | | | | | |
|------------------------------|-------------------------------------|----------------------------|--|--|--|
| Range of exercise prices (£) | Weighted average exercise price (£) | Number of options/warrants | Weighted average remaining life expected (years) | Weighted average remaining life contracted (years) | |
| 0.01p | 0.01p | 4,774,868 | 4.5 | 4.5 | |
| 0.02p | 0.02p | 636,625 | 4.5 | 4.5 | |
| 0.04p | 0.04p | 5,000,000 | 2.54 | 2.54 | |
| 0.04p | 0.04p | 875,000 | 0.5 | 0.5 | |

| 30 June 2018 | | | | | |
|------------------------------|-------------------------------------|----------------------------|--|--|--|
| Range of exercise prices (£) | Weighted average exercise price (£) | Number of options/warrants | Weighted average remaining life expected (years) | Weighted average remaining life contracted (years) | |
| 0.04p | 0.04p | 5,000,000 | 3.54 | 3.54 | |
| 0.04p | 0.04p | 875,000 | 1.5 | 1.5 | |

The valuation of the warrants issued in the year was carried out using the Black Scholes model. Key assumptions used in the valuation included; volatility of 20% (2018: 20%), continuous growth rate of 0.53% (2018: 0.53%), dividend yield 0% (2018: 0%) and time to maturity of 5 years (2018: 5 years)

NOTE 11: NOTES TO THE CASH FLOW STATEMENT

| | Group | | Company | |
|---|------------------|------------------|------------------|-----------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Reconciliation of loss from operations to cash flows from operating activities | | | | |
| Loss from operations | (309,189) | (100,176) | (309,093) | (97,521) |
| Interest receivable | (51) | (7) | (51) | (7) |
| Share based payments | 160,153 | 28,990 | 160,153 | 28,990 |
| Share options expense | 3,950 | - | 3,950 | - |
| (Increase) in trade and other receivables | (1,549) | (4,783) | (799) | (4,783) |
| Increase in trade and other payables | 77,761 | 3,502 | 77,761 | 3,502 |
| Cash flow from operating activities | (68,925) | (72,474) | (68,079) | (69,819) |

NOTE 12: SUBSEQUENT EVENTS

Part of the convertible loan notes at 30 June 2019 were converted into shares post year end on 06 August 2019. £46,150 was converted and the number of shares issued was 4,615,000 to Charlie Morgan.

NOTE 13: RELATED PARTIES

During the year the Company charged its subsidiary undertaking £Nil (2018: £12,000) for the provision of advisory services. The amount receivable from the subsidiary undertaking as at 30 June 2019 of £97,818 has been fully impaired (2018: receivable of £97,818 fully impaired).

During the year, the Company received amounts totalling £1,350 (2018: £Nil) from its subsidiary undertakings in order to fund working capital requirements, the full amount remained payable at the year end.

Details of the directors' remuneration can be found in Note 6. Key Management Personnel are considered to be the directors.

Amounts totalling £4,800 (2018: £Nil) were paid to Jeremy Sturgess-Smith, related party by way of family relation to M Sturgess, for company secretarial and administrative work during the year. The amount outstanding owing to Jeremy at the year-end was £2,400 (2018: £ Nil)

An amount was paid to Fezile Mzazi for professional fees totalling £1,200 (2018: £Nil).

NOTE 14: ULTIMATE CONTROLLING PARTY

The Directors believe there to be no ultimate controlling party.



Incorporated in England and Wales with
Registered Number 6275976

Annual Report

For the year ended
30 June 2018

IMPERIAL MINERALS PLC
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Fezile Mzazi
Melissa Sturgess

Company Secretary

Michael Langoulant

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Bankers

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94 Kensington High Street
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Dear Shareholder,

Enclosed are the financial results of Imperial Minerals Plc ("Imperial" or the "Company") and its subsidiaries (together "the Group") for the year ended 30 June 2018.

During the year the Company investigated a number of investment opportunities in the minerals and oil & gas industries. These due diligence activities did not produce an opportunity the directors believed was suitable of pursuing.

Subsequent to year end and with the support of the Company's major shareholders a new Board of directors was appointed with a clear mandate to change the investment strategy of the Company. In due course, the Company will announce and post a circular to shareholders proposing, inter alia, a change of investment strategy.

The Company has applied to the NEX Exchange for approval to seek the above proposed change of investment strategy at a general meeting of shareholders which will be held as soon as possible.

Financial Review

The Group currently only has interest revenue and its cash reserves will be used in the short term to cover compliance costs, initial due diligence and other costs incidental to the identification and development of acquisition opportunities.

Since year end the Company has secured £50,000 in funding from an initial convertible loan note issue. The Company intends to issue up to £300,000 in convertible notes to fund the costs associated with changing the Company's investment strategy and on initial due diligence of opportunities.

The loss for the year was £100,176 (2017: £398,251). The result for the year ended 30 June 2017 consisted mainly of the loss on disposal £361,777 of its investment in North River Resources Plc (available for sale investment).

Financial Position

The Group's Statement of Financial Position as at 30 June 2018 and comparatives at 30 June 2017 are summarised below:

| | 30 June 2018 | 30 June 2017 |
|--------------------------|---------------|---------------|
| | £ | £ |
| Current assets | 26,341 | 74,025 |
| Non-current assets | - | - |
| Total assets | 26,341 | 74,025 |
| Current liabilities | 7,860 | 4,358 |
| Total liabilities | 7,860 | 4,358 |
| Net assets | 18,481 | 69,667 |

On behalf of the Board, I would like to record our thanks to those who have helped the Company throughout the year.

Michael Langoulant

Chairman

Imperial Minerals Plc

29 November 2018

**Michael Langoulant,
Chairman (aged 61)**

Michael is a Chartered Accountant with over 30 years' experience in capital raisings, corporate governance and compliance and has a strong background in international business and financial management. He has acted as Chairman, finance director, Non-executive director and company secretary for a range of companies listed upon AIM, LSE, ASX, TSX and NEX.

Michael is a Member of the Institute of Directors, UK.

**Fezile Mzazi,
Non-executive director (aged 38)**

Fezile has nearly 20 years corporate experience in international public markets and is based in Vienna and South Africa.

Fezile is on the advisory board and a major shareholder of medicinal cannabis company Corix Bioscience, a leading research and development firm of cannabidiol (CBD). Corix has secured a medicinal cannabis license in Lesotho. Fezile is also on the advisory board of Bronson Group Limited, ASX listed (ASX:BGR), an ex-cosmetics trading company that has now changed its focus to become a medicinal cannabis business .

Fezile is also a member of, and advisor to, the Cannabis Development Council of South Africa (CDCSA) which is an inclusive self-regulated Cannabis Industry association foundation to help regulate and control the cannabis industry of South Africa.

**Melissa Sturgess,
Non-executive director (aged 52)**

Melissa holds a BSc and an MBA and has many years of experience as a director of AIM and ASX quoted companies, mainly involved in the acquisition, structuring and financing of natural resources deals across Africa. She was most recently a key driver in the successful recapitalisation of Messaging International plc during 2016 which subsequently changed its name to SigmaRoc Plc, acquired a building materials business via a reverse takeover and raised £50 million from a range of investors in the Channel Islands and the UK. She has an extensive background in corporate management, development and financing. She is one of the founders of Ananda Developments Plc, a medicinal cannabis company that commenced trading on the NEX Exchange on 4 July.

The Directors present their Strategic Report of the Group for the year ended 30 June 2018.

REVIEW OF OPERATIONS

A review of the business of the Group during the year and an indication of likely future developments may be found in the Chairman's Statement.

KEY PERFORMANCE INDICATORS

The Board monitors the activities and performance of the Group on a regular basis. The primary performance indicator applicable to the Group is a return based on targeting a suitable investment in the minerals sector. During the year the Company was unable to identify a suitable investment and will seek shareholder approval to change its investment strategy..

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the Group's strategy are subject to a number of risks. The key business risks affecting the Group are set out below.

Risks are reviewed by the Board, and appropriate processes are put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Group.

General and economic risks:

- Contractions in the world economy or increases in the rate of inflation resulting from international conditions.
- Movements in global equity and share markets and changes in market sentiment towards the resource industry.

Funding risk:

- The Group may not be able to raise, either by debt or further equity, sufficient funds to enable it to finance its future acquisitions or investments.

Project availability risk:

- The Group may not be granted approval to change its investment strategy.
- The Group may not be able to identify or acquire a suitable project for its investment target.

Financial Risk Management

The Group's principal financial instruments comprise available for sale investments, other receivables, other payables and cash on deposit. No bank loans or other financing arrangements have been entered into.

Until year end the Company had no borrowings. However, since year end the Company has issued £50,000 in 10% pa convertible notes to finance working capital. Therefore, the Group's exposure to credit risk, liquidity risk and market risk is limited to the convertible notes on issue.

Internal Controls

The Board recognises the importance of both financial and non-financial controls and has reviewed the Group's control environment and any related shortfalls during the year. Since the Group was established, the Directors are satisfied that, given the current size and activities of the Group, adequate internal controls have been implemented. The Directors are aware that no system can provide absolute assurance against material misstatement or loss, however, in light of the current activity and proposed future development of the Group, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

This Strategic Report was approved by the Board of Directors on 29 November 2018.

Michael Langoulant
Director
Imperial Minerals Plc

The Directors are pleased to present their Report and the audited consolidated Financial Statements of the Company and its subsidiary for the year ended 30 June 2018.

1. PRINCIPAL ACTIVITY

The principal activity of Imperial Minerals plc ("the Company") and its subsidiary (together "the Group") during the year was to make investments and/or acquire projects in the mineral sector, which may include exploration, development or production projects in various minerals.

2. RESULTS AND DIVIDENDS

Loss on ordinary activities of the Group after taxation amounted to £100,176 (2017: loss of £398,251).

The Directors do not recommend the payment of a dividend (2017: £Nil).

3. DIRECTORS

The following have been Directors of the Company during the financial year ended 30 June 2018 and to the date of this report:

Michael Langoulant (Appointed 11 July 2018)

Melissa Sturgess (Appointed 11 July 2018)

Fezile Mzazi (Appointed 1 October 2018)

Russell Hardwick (Resigned 11 July 2018)

James Hamilton (Resigned 11 July 2018)

Directors' Interests in Shares and Options

The Directors who held office at 30 June 2018 had the following beneficial interests in shares of the Company:

| Ordinary Shares | Number of shares at 30 June 2018 | Number of shares at 30 June 2017 |
|------------------|----------------------------------|----------------------------------|
| Russell Hardwick | 1,000,000 | 1,000,000 |
| James Hamilton | 5,250,000 | 5,250,000 |
| Total | 6,250,000 | 6,250,000 |

| Share Options | Options held at 30 June 2018 | Grant date | Exercise price | Expiry date |
|------------------|------------------------------|-----------------|----------------|----------------|
| Russell Hardwick | 2,500,000 | 13 January 2017 | 4p | 1 January 2022 |
| James Hamilton | 2,500,000 | 13 January 2017 | 4p | 1 January 2022 |
| Total | 5,000,000 | | | |

Re-election of Directors

The Articles of Association require one third of the Directors who are subject to retirement by rotation to retire and submit themselves for re-election each year. In addition all directors who are appointed to fill a casual vacancy are required to retire and submit themselves for re-election at the next forthcoming AGM.

4. ANNUAL GENERAL MEETING

Details of the Company's forthcoming Annual General Meeting are set out in a separate circular that will be sent to all Shareholders with the Annual Report and Accounts.

5. DIRECTORS' INDEMNITY PROVISIONS

All of the previous and current Directors benefited from qualifying third-party indemnity insurance in place during the year ended 30 June 2018 and as at the date of approval of the Financial Statements.

6. POST YEAR END EVENTS

Details of any post year end events are set out in Note 12 to the Financial Statements.

7. GOING CONCERN

The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future and, therefore, continue to adopt the going concern basis in preparing the Annual Report and Financial Statements. Further details on their assumptions and their conclusion thereon are included in the statement on going concern within accounting policies. The auditors have included a material uncertainty paragraph in relation to going concern in their report.

8. FUTURE DEVELOPMENTS

For further details on the future developments of the Group, see the Strategic Report.

9. DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

10. AUDITOR

The auditor, PKF Littlejohn LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006. PKF Littlejohn LLP has indicated its willingness to continue in office.

This report was approved by the Board on 29 November 2018 and signed on its behalf.

Michael Langoulant

Director

Imperial Minerals Plc

The Directors are responsible for preparing the annual report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have prepared the Group and Parent Company Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under Company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group and Parent Company for that year.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the Financial Statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the annual report and the Financial Statements are made available on a website. Financial Statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of Financial Statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the Financial Statements contained therein.

Opinion

We have audited the Financial Statements of Imperial Minerals plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company Financial Statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the Financial Statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2018 and of the Group's and Parent Company's loss for the year then ended;
- the group Financial Statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company Financial Statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard as applied to listed entities, 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 your attention to Significant Accounting Policies 'Going Concern' in the Financial Statements, which details events and conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. As stated in that note, these events and conditions, along with other matters disclosed in the Annual Report, indicate that a material uncertainty exists that may cast significant doubt on the Group's and Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Our application of materiality

The scope of our audit was influenced by our application of materiality, which determine the scope of our audit and the nature, timing and extent of our procedures. The materiality applied to the Group and Parent Company Financial Statements was £20,000 (2017: £20,000), based on the benchmark of the loss before taxation. The performance materiality for the Group and Parent Company Financial Statements was £16,000 (2017: £16,000).

Scope of our audit

A full scope audit was performed on the Parent Company and its subsidiary undertaking.

As part of designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the Financial Statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other information

The other information comprises the information included in the Annual Report, other than the Financial Statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Financial Statements or a material misstatement of the other information. If, based on the work we have performed, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or

- the parent company Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; and
- we have not received all the information and explanations we require for our audit report.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the group and parent company Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company Financial Statements, the directors are responsible for assessing the group and parent 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs (UK) 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 Financial Statements.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Thompson (Senior statutory auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

1 Westferry Circus
Canary Wharf
London E14 4HD

29 November 2018

IMPERIAL MINERALS PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2018

| | | For the year ended 30 June 2018 £ | For the year ended 30 June 2017 £ |
|--|-------------|--|--|
| | Note | | |
| Continuing operations | | | |
| Revenue | | - | - |
| Impairment of receivable and loss on disposal of available for sale investment | | - | (361,777) |
| Administrative expenses | | (100,183) | (36,479) |
| Loss before taxation | | (100,183) | (398,256) |
| Finance income – interest receivable | | 7 | 5 |
| Income tax | 4 | - | - |
| Loss for the year attributable to the equity shareholders of the parent | | (100,176) | (398,251) |
| Other comprehensive income | | | |
| Items that may be subsequently reclassified to profit or loss | | | |
| Reclassification of cumulative loss on available for sale assets on disposal | | - | 329,908 |
| Other comprehensive income for the year, net of tax | | - | 329,908 |
| Total comprehensive income for the year attributable to the equity shareholders of the parent | | (100,176) | (68,343) |
| Earnings per share | | | |
| Basic and diluted loss per share attributable to the equity shareholders of the parent (pence) | 5 | (0.32p) | (1.33p) |

The Notes on pages 20 to 29 form an integral part of these Financial Statements.

IMPERIAL MINERALS PLC
STATEMENT OF FINANCIAL POSITION
As at 30 June 2018

| <i>Company number: 6275976</i> | | Group | | Company | |
|---|-------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | Note | As at 30 June 2018 £ | As at 30 June 2017 £ | As at 30 June 2017 £ | As at 30 June 2017 £ |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Investments in subsidiaries | 7 | - | - | 10 | 10 |
| Total non-current assets | | - | - | 10 | 10 |
| Current assets | | | | | |
| Trade and other receivables | 8 | 6,135 | 1,352 | 5,535 | 752 |
| Cash and cash equivalents | | 20,206 | 72,673 | 19,327 | 69,139 |
| Total current assets | | 26,341 | 74,025 | 24,862 | 69,891 |
| TOTAL ASSETS | | 26,341 | 74,025 | 24,872 | 69,901 |
| LIABILITIES | | | | | |
| Current Liabilities | | | | | |
| Trade and other payables | 9 | 7,860 | 4,358 | 7,860 | 4,358 |
| Total current liabilities | | 7,860 | 4,358 | 7,860 | 4,358 |
| TOTAL LIABILITIES | | 7,860 | 4,358 | 7,860 | 4,358 |
| NET ASSETS | | 18,481 | 69,667 | 17,012 | 65,543 |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY | | | | | |
| Share capital | 10 | 202,786 | 201,700 | 202,786 | 201,700 |
| Share premium | 10 | 876,297 | 855,658 | 876,297 | 855,658 |
| Equity to be issued | 10 | 27,265 | - | 27,265 | - |
| Other reserve | | 1,600 | 1,600 | 1,600 | 1,600 |
| Retained losses | | (1,089,467) | (989,291) | (1,090,936) | (993,415) |
| TOTAL EQUITY | | 18,481 | 69,667 | 17,012 | 65,543 |

The loss for the Company for the year was £97,521 (30 June 2017: loss of £400,605). The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting the Parent Company Statement of Comprehensive Income.

The Financial Statements were approved and authorised for issue by the Board of Directors on 29 November 2018 and were signed on its behalf by:

Michael Langoulant
Director

The Notes on pages 20 to 29 form an integral part of these Financial Statements.

IMPERIAL MINERALS PLC
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2018

| Group | Share capital £ | Share premium £ | Equity to be issued £ | Shares to be issued under options £ | Retained losses £ | Available for sale reserve £ | Total Equity £ |
|--|--------------------|-----------------------|-----------------------------|---|-------------------------|------------------------------------|-------------------|
| At 1 July 2016 | 199,950 | 822,408 | - | 24,241 | (615,281) | (329,908) | 101,410 |
| Loss for the year | - | - | - | - | (398,251) | - | (398,251) |
| Other comprehensive income for the year | - | - | - | - | - | 329,908 | 329,908 |
| Total comprehensive income for the year | - | - | - | - | (398,251) | 329,908 | (68,343) |
| Issue of ordinary shares | 1,750 | 33,250 | - | - | - | - | 35,000 |
| Issue of share options | - | - | - | 1,600 | - | - | 1,600 |
| Transfer on expiry of share options | - | - | - | (24,241) | 24,241 | - | - |
| Balance at 30 June 2017 | 201,700 | 855,658 | - | 1,600 | (989,291) | - | 69,667 |
| At 1 July 2017 | 201,700 | 855,658 | - | 1,600 | (989,291) | - | 69,667 |
| Loss for the year | - | - | - | - | (100,176) | - | (100,176) |
| Other comprehensive income for the year | - | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - | (100,176) | - | (100,176) |
| Issue of ordinary shares | 1,086 | 20,639 | - | - | - | - | 21,725 |
| Equity to be issued | - | - | 27,265 | - | - | - | 27,265 |
| Balance at 30 June 2018 | 202,786 | 876,297 | 27,265 | 1,600 | (1,089,467) | - | 18,481 |

The Notes on pages 20 to 29 form an integral part of these Financial Statements.

IMPERIAL MINERALS PLC
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2018

| Company | Share capital £ | Share premium £ | Equity to be issued £ | Shares to be issued under options £ | Retained losses £ | Available for sale reserve £ | Total Equity £ |
|--|--------------------|-----------------------|-----------------------------|---|-------------------------|------------------------------------|-------------------|
| At 1 July 2016 | 199,950 | 822,408 | - | 24,241 | (617,051) | (329,908) | 99,640 |
| Loss for the year | - | - | - | - | (400,605) | - | (400,605) |
| Other comprehensive income for the year | - | - | - | - | - | 329,908 | 329,908 |
| Total comprehensive income for the year | - | - | - | - | (400,605) | 329,908 | (70,697) |
| Issue of ordinary shares | 1,750 | 33,250 | - | - | - | - | 35,000 |
| Issue of share options | - | - | - | 1,600 | - | - | 1,600 |
| Expiry of share options | - | - | - | (24,241) | 24,241 | - | - |
| Balance at 30 June 2017 | 201,700 | 855,658 | - | 1,600 | (93,415) | - | 65,543 |
| At 1 July 2017 | 201,700 | 855,658 | - | 1,600 | (93,415) | - | 65,543 |
| Loss for the year | - | - | - | - | (97,521) | - | (97,521) |
| Other comprehensive income for the year | - | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - | (97,521) | - | (97,521) |
| Issue of ordinary shares | 1,086 | 20,639 | - | - | - | - | 21,725 |
| Equity to be issued | - | - | 27,265 | - | - | - | 27,265 |
| Balance at 30 June 2018 | 202,786 | 876,297 | 27,265 | 1,600 | (1,090,936) | - | 17,012 |

The Notes on pages 20 to 29 form an integral part of these Financial Statements.

IMPERIAL MINERALS PLC
STATEMENT OF CASH FLOWS
For the year ended 30 June 2018

| | Note | Group | | Company | |
|---|------|-----------------|-----------------|-----------------|-----------------|
| | | 2018 | 2017 | 2018 | 2017 |
| | | £ | £ | £ | £ |
| Cash flows from operating activities | 11 | (72,474) | (34,194) | (69,819) | (36,548) |
| Net cash used in operating activities | | (72,474) | (34,194) | (69,819) | (36,548) |
| Cash flows from investing activities | | | | | |
| Interest received | | 7 | 5 | 7 | 5 |
| Proceeds from disposal of available for sale financial assets | | - | 28,999 | - | 28,999 |
| Net cash generated from investing activities | | 7 | 29,004 | 7 | 29,004 |
| Cash Flows from financing activities | | | | | |
| Proceeds from issue of shares* | | 20,000 | 35,000 | 20,000 | 35,000 |
| Net cash generated from financing activities | | 20,000 | 35,000 | 20,000 | 35,000 |
| Net (decrease)/ increase in cash and cash equivalents | | (52,467) | 29,810 | (49,812) | 27,456 |
| Cash and cash equivalents at beginning of year | | 72,673 | 42,863 | 69,139 | 41,683 |
| Cash and cash equivalents at end of year | | 20,206 | 72,673 | 19,327 | 69,139 |

* During the year 86,250 ordinary shares were issued at £0.02 each to satisfy corporate consulting fee liabilities with a fair value of £1,725.

The Notes on pages 20 to 29 form an integral part of these Financial Statements.

General Information

The Company is a public limited company incorporated and domiciled in the UK (registered number: 6275976), which is listed on the NEX Exchange. The registered office of the Company is 6th Floor, 60 Gracechurch Street, London, EC3A 0HR.

Summary of significant accounting policies

The principal Accounting Policies applied in the preparation of these Financial Statements are set out below. These Policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of Preparation of Financial Statements

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and IFRIC interpretations as adopted by the European Union and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets at fair value through other comprehensive income.

Imperial Minerals plc, the legal Parent, is domiciled and incorporated in the United Kingdom. The functional currency of Imperial Minerals plc and its subsidiary undertaking is £ sterling.

The Financial Statements are presented in sterling (£), rounded to the nearest pound.

The preparation of Financial Statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company's accounting policies.

Basis of consolidation

The Group Financial Statements consolidate the Financial Statements of Imperial Minerals plc and the Financial Statements of its subsidiary undertaking made up to 30 June 2018.

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The cost of acquisition is measured as the fair value of the assets acquired, equity instruments issued and liabilities acquired or assumed at the date of exchange. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated.

Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Company:

There are no new standards or amendments to standards and interpretations effective for the annual periods beginning on or after 1 July 2017 which are material to the Group or Company. These accounting policies adopted in preparation of these Financial Statements are consistent with prior years.

(b) New and amended standards issued but not yet effective and not early adopted:

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Financial Statements are disclosed below. The Directors are assessing the possible impact of the following standards on the Group or Company's Financial Statements:

| Standard | | Effective Date |
|-----------------------|--|----------------|
| IFRS 9 | Financial Instruments | 1 January 2018 |
| IFRS 15 | Revenue from Contracts with Customers | 1 January 2018 |
| IFRS 16 | Leases | 1 January 2019 |
| IFRS 2 (Amendments) | Classification and measurement of share based payments | 1 January 2018 |
| Annual Improvements | Annual Improvements to IFRS 2014-16 cycle | 1 January 2018 |
| IFRIC 23 | Uncertainty over income tax treatments | 1 January 2019 |
| Annual Improvements * | Annual Improvements to IFRS 2015-17 cycle | |

*Not yet endorsed by the EU and EU effective date not yet determined

Due to the current non-revenue generating nature of the Group and Company, IFRS 15 is not expected to have a material impact on the Group or Company financial statements.

Cash and Cash Equivalents

Cash and cash equivalents comprises cash at hand and current and deposit balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. This definition is also used for the Statement of Cash Flows.

Financial instruments

Financial assets and financial liabilities are recognised when the Group and Company become party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual right to the cash flow expires or when all the risks and rewards of ownership are substantially transferred. Financial liabilities are derecognised when the obligations specified in the contract are either discharged or cancelled.

Financial assets

The Group and Company classify their financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Group's and Company's accounting policy for each category is as follows:

(i) Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They incorporate various types of contractual monetary assets, such as advances made to affiliated entities which give rise to other receivables and cash and cash equivalents includes cash in hand and deposits held at call with banks. Other receivables are carried at cost less any provision for impairment. Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the

counterparty) that the Group and Company will be unable to collect all of the amounts due under the terms of the receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

Financial liabilities

The Group's financial liabilities, which consist of trade and other payables are initially stated at fair value and subsequently at their amortised cost using the effective interest method.

Taxation

Current tax is the tax currently payable or receivable based on the taxable loss for the year.

Deferred tax is provided in full, using the liability method, on temporary differences between the carrying amounts of assets and liabilities and their tax bases, except when, at the initial recognition of the asset or liability, there is no effect on accounting or taxable profit or loss. Deferred tax is determined using tax rates and laws that have been substantially enacted by the Statement of Financial Position date, and that are expected to apply when the temporary difference reverses.

Tax losses available to be carried forward are recognised as deferred tax assets, to the extent that it is probable that there will be future taxable profits against which the temporary differences can be utilised.

Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Going Concern

The Group and Company's business activities together with the factors likely to affect their future development, performance and position are set out in the Chairman's Statement. In addition, Note 2 to the financial statements include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposure to credit and liquidity risk.

The Financial Statements have been prepared on a going concern basis notwithstanding that the Group incurred a net loss of £100,176 during the year ended 30 June 2018. The Directors have concluded that the current circumstances represents a material uncertainty that casts significant doubt upon the Group's and Company's ability to continue as a going concern and that, therefore, the Group and Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Group and Company will be required to raise additional funds before being able to meet their contracted operating expenditure during the going concern period and further invest in existing projects and acquisition targets. Since year end £50,000 has been raised by the issue of a 10% convertible note. The Directors are confident that sufficient additional funds will become available in order to meet contracted operating expenditure. The amount of funding for investment in projects and targets is unforeseen at the point of approval of these Financial Statements; however, the Group and Company will be required to raise additional funds either via an issue of equity or through the issuance of debt.

Nevertheless, after making enquiries and considering the uncertainties described above, the Directors have a reasonable expectation that the Group and Company will have access to adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

NOTE 1: CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Estimated impairment of loan receivable

The Group and Company has assessed whether the loan receivable from Symerton Holdings S.A. continues to be fully impaired based upon all available information, which includes assumptions and judgments regarding circumstances in the future, which could have an impact upon recoverability (see Note 8).

NOTE 2: FINANCIAL RISK MANAGEMENT

Capital Management

The Group's objectives when managing capital are to safeguard the Group and Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Treasury policy and financial instruments

During the years under review, the only financial instruments were cash and cash equivalents and other receivables which were or will be required for the normal operations of the Group.

The Group operates informal treasury policies which include ongoing assessments of interest rate management and borrowing policy. The Board approves all decisions on treasury policy.

The Company has raised funds to finance future activities through the placing of shares, together with share options and warrants. There are no differences between the book value and fair value of the above financial assets. The risks arising from the Group's financial instruments are liquidity and interest rate risk. The Directors review and agree policies for managing these risks and they are summarised below:

Liquidity and interest rate risk

The Group seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. This is achieved by the close control by the Directors of the Company in the day to day management of liquid resources. Cash is invested in deposit accounts which provide a modest return on the Group's resources whilst ensuring there is limited risk of loss to the Group.

Credit Risk

Credit risk arises from cash and cash equivalents. The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk. The long term Moody's credit rating of HSBC Bank Plc is Aa3.

NOTE 3: EXPENSES BY NATURE

| | Group | |
|--|--|--|
| | For the year ended 30 June 2018 £ | For the year ended 30 June 2017 £ |
| Loss on ordinary activities before tax is stated after charging: | | |
| Fees payable to the Company's Auditor for the audit of the Group and Company's annual financial statements | 5,000 | 3,200 |

NOTE 4: TAXATION ON LOSS FROM ORDINARY ACTIVITIES

| | Group | |
|---|--|--|
| | For the year ended 30 June 2018 £ | For the year ended 30 June 2017 £ |
| Loss before tax | (100,176) | (398,251) |
| Tax on loss for the year multiplied by the UK corporation tax rate of 19% (2017: 20%) | (19,033) | (79,650) |
| Tax losses carried forward on which no deferred tax asset has been recognised | 19,033 | 79,650 |
| Tax charge for the year | - | - |

The Group has carried forward excess management expenses and trade losses of approximately £492,000 (2017: £392,000) available to carry forward against future taxable profits. A deferred tax asset of approximately £84,000 (2017: £78,000) has not been recognised because of uncertainty over the timing of future taxable profits against which the losses may be offset.

NOTE 5: EARNINGS PER SHARE

The calculation of the basic loss per share of 0.32 pence is based on the loss attributable to ordinary shareholders of £100,176 and on the weighted average number of ordinary shares of 31,042,603 in issue during the year.

In accordance with IAS 33, no diluted earnings per share is presented as the effect on the exercise of share options or warrants would be to decrease the loss per share.

Details of share options and warrants that could potentially dilute earnings per share in future periods are set out in Note 10.

NOTE 6: DIRECTORS AND EMPLOYEES

The total number of Directors who served in the year was two (2017: two). There are no other employees of the Group.

The following amounts were paid during the year to Directors:

| | Group | |
|-----------------------------|---------------|-----------|
| | 2018 £ | 2017 £ |
| Directors Fees and Salaries | 39,600 | - |
| | 39,600 | - |

NOTE 7: INVESTMENT IN SUBSIDIARIES

| | Company | |
|--|-----------|-----------|
| | 2018 | 2017 |
| | £ | £ |
| Cost at the start and end of the year | 10 | 10 |

Investments in group undertakings are stated at cost which is the fair value of the consideration paid.

Details of subsidiary undertaking

Details of the subsidiary undertaking at 30 June 2018 are as follows:

| Name | Registered Office | Proportion of ownership interest and voting rights |
|---|--|--|
| Imperial Minerals (UK) Limited – the nature of business is to make investments in the Group’s chosen business sector. | 6 th Floor, 60 Gracechurch Street, London, EC3V 0HR | 100% |

NOTE 8: TRADE AND OTHER RECEIVABLES

| | Group | | Company | |
|---|--------------|--------------|--------------|------------|
| | 2018 | 2017 | 2018 | 2017 |
| | £ | £ | £ | £ |
| Non-current | | | | |
| Amounts due from subsidiary undertaking | - | - | 97,818 | 88,418 |
| Provision for impairment | - | - | (97,818) | (88,418) |
| | - | - | - | - |
| Current | | | | |
| Loan receivable | 119,468 | 119,468 | 119,468 | 119,468 |
| Provision for impairment to loan | (119,468) | (119,468) | (119,468) | (119,468) |
| VAT receivable | 4,410 | 1,352 | 3,810 | 752 |
| Prepayments | 1,725 | - | 1,725 | - |
| | 6,135 | 1,352 | 5,535 | 752 |

The fair value of all current receivables is as stated above.

On 20 December 2014 the Company entered into a loan agreement with Symerton Holdings S.A (“Symerton”) in which the Company lent Symerton US\$150,000 (equivalent to £95,417). The loan is unsecured and bears an interest rate of 12% per annum. The Directors have fully impaired the loan and accrued interest at 30 June 2018 based on expected non-recovery at that date.

The maximum exposure to credit risk at the year end date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security. Except for the above mentioned loan, trade and other receivables are all denominated in £ sterling.

NOTE 9: TRADE AND OTHER PAYABLES

| | Group | | Company | |
|-----------------------------|--------------|--------------|--------------|--------------|
| | 2018 | 2017 | 2018 | 2017 |
| | £ | £ | £ | £ |
| Current | | | | |
| Trade payables | 2,860 | 1,158 | 2,860 | 1,158 |
| Accruals and other payables | 5,000 | 3,200 | 5,000 | 3,200 |
| | 7,860 | 4,358 | 7,860 | 4,358 |

NOTE 10: SHARE CAPITAL

| | As at 30 June 2018 | | As at 30 June 2017 | |
|--------------------------------|-----------------------|----------------|-----------------------|----------------|
| | Number | £ | Number | £ |
| Allotted and called up: | | | | |
| Ordinary Shares of £0.001 each | 31,831,250 | 31,831 | 30,745,000 | 30,745 |
| Deferred Shares of £0.009 each | 18,995,000 | 170,955 | 18,995,000 | 170,955 |
| | | 202,786 | | 201,700 |

The holders of the deferred shares have no right to attend or vote at any general meeting and the shares carry no right to receive any dividend or distribution on winding up.

Share capital and share premium

| Issued | Number of shares | Group and Company | | |
|------------------------|---------------------|-------------------------|-----------------------|------------|
| | | Ordinary shares £ | Share premium £ | Total £ |
| At 30 June 2017 | 30,745,000 | 201,700 | 855,658 | 1,057,358 |
| At 30 June 2018 | 31,831,250 | 202,786 | 876,297 | 1,079,083 |

1,000,000 ordinary shares of £0.001 each were issued fully paid during the year at £0.02 per share for cash consideration of £20,000. In addition, 86,250 ordinary shares were issued fully paid at £0.02 per share to satisfy payment of outstanding corporate consulting fees of £1,725.

Equity to be issued

As at 30 June 2018 various creditors to the Company, to the value of £27,265 (2017:Nil), have agreed to have their obligations satisfied by a future issue of share equity. These shares were not issued as at 30 June 2018. The number of shares to be issued will be determined by reference to the fair value of the share at the time of issue.

Options and warrants on issue

The outstanding share options and warrants as at 30 June 2018 are shown below:

| | Number | Weighted average exercise price (£) |
|---------------------------------------|------------------|-------------------------------------|
| Exercisable as at 30 June 2016 | 3,000,000 | 0.113 |
| Less options expired 15 November 2016 | (3,000,000) | 0.113 |
| Add warrants issued 9 December 2016 | 875,000 | 0.04 |
| Add options issued 13 January 2017 | 5,000,000 | 0.04 |
| Exercisable at 30 June 2017 | 5,875,000 | 0.04 |
| Exercisable at 30 June 2018 | 5,875,000 | 0.04 |

| 30 June 2018 | | | | | |
|------------------------------|-------------------------------------|----------------------------|--|--|--|
| Range of exercise prices (£) | Weighted average exercise price (£) | Number of options/warrants | Weighted average remaining life expected (years) | Weighted average remaining life contracted (years) | |
| 0.04p | 0.04p | 5,000,000 | 3.54 | 3.54 | |
| 0.04p | 0.04p | 875,000 | 1.5 | 1.5 | |

| 30 June 2017 | | | | | |
|------------------------------|-------------------------------------|----------------------------|--|--|--|
| Range of exercise prices (£) | Weighted average exercise price (£) | Number of options/warrants | Weighted average remaining life expected (years) | Weighted average remaining life contracted (years) | |
| 0.04p | 0.04p | 5,000,000 | 4.54 | 4.54 | |
| 0.04p | 0.04p | 875,000 | 2.5 | 2.5 | |

NOTE 11: NOTES TO THE CASH FLOW STATEMENT

| | Group | | Company | |
|---|------------------|------------------|-----------------|------------------|
| | 2018 | 2017 | 2018 | 2017 |
| | £ | £ | £ | £ |
| Reconciliation of loss from operations to cash flows from operating activities | | | | |
| Loss from operations | (100,176) | (398,251) | (97,521) | (400,605) |
| Interest receivable | (7) | (5) | (7) | (5) |
| Loss from disposal of available for sale financial assets | - | 361,777 | - | 361,777 |
| Share based payments | 28,990 | - | 28,990 | - |
| Share options expense | - | 1,600 | - | 1,600 |
| Decrease/ (increase) in trade and other receivables | (4,783) | 6,251 | (4,783) | 6,251 |
| (Decrease)/ increase in trade and other payables | 3,502 | (5,566) | 3,502 | (5,566) |
| Cash flow from operating activities | (72,474) | (34,194) | (69,819) | (36,548) |

NOTE 12: POST YEAR END EVENTS

In October 2018, the Company issued a 3 year 10% pa yielding convertible note to the value of £50,000 to raise £50,000 in general working capital. The Company has also announced that it intends to issue up to £300,000 in 10%pa convertible notes for the purposes of raising general working capital.

NOTE 13: RELATED PARTIES

During the year the Company charged its subsidiary undertaking £12,000 (2017: £12,000) for the provision of advisory services. The amount receivable from the subsidiary undertaking as at 30 June 2018 of £97,818 has been fully impaired (2017: receivable of £88,418 fully impaired).

Details of the directors' remuneration can be found in Note 6. Key Management Personnel are considered to be the directors.

NOTE 14: ULTIMATE CONTROLLING PARTY

The Directors believe there to be no ultimate controlling party.

SECTION (B) UNAUDITED INTERIM FINANCIAL INFORMATION OF THE GROUP

IMPERIAL X PLC

Incorporated in England and Wales with
Registered Number 6275976

Condensed Interim Financial Report

For the period
1st July 2020 – 31st December 2020

IMPERIAL X PLC CHAIRMAN'S STATEMENT

Dear Shareholder,

I am pleased to present the unaudited financial results for Imperial X plc for the six months ended 31 December 2020.

During the period, the Company entered into a number of heads of agreement to acquire a platform of mineral assets, equity positions and royalty positions. The acquisitions will initiate the establishment of the Company as a new, growth-focused diversified project generator and natural resource royalty business. As the acquisitions are expected to constitute a reverse takeover, the Company's shares were suspended from trading on the AQSE. The Company entered into acquisition agreements to acquire these assets, equity positions and royalty positions on February 15, 2021. The Company also announced its intention to apply for its ordinary shares to be admitted to the Official List and to trading on the London Stock Exchange's Main Market for listed securities.

In addition, the Company completed the first tranche of a non-brokered private placement by placing 14,739,737 shares of 0.1p each at a price of 2.5p per share for a total value of £340,725 net of expenses. Each placee also received one warrant for every two placing shares, resulting in 7,369,868 warrants issued which are exercisable at 5.0p per share at any time until 30 November 2022. The second tranche was completed after the period end.

Financial Position

The Group's Statement of Financial Position as at 31 December 2020 and comparatives at 31 December 2019 and 30 June 2020 are summarized below:

| | 31 Dec 2020 | 31 Dec 2019 | 30 June 2020 |
|--------------------------|------------------------|------------------------|-------------------------|
| | £ | £ | £ |
| Current assets | 206,327 | 209,348 | 74,448 |
| Total assets | 206,327 | 209,348 | 74,448 |
| Current liabilities | 140,911 | 129,743 | 110,024 |
| Total liabilities | 140,911 | 129,743 | 110,024 |
| Net assets | 65,416 | 79,605 | (35,576) |

Kyler Hardy

Chief Executive Officer

Imperial X plc – March 25, 2021

IMPERIAL X PLC (formerly Imperial Minerals plc)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 31 December 2020

| | | 6 months to 31 Dec 2020 Unaudited £ | 6 months to 31 Dec 2019 Unaudited £ | Year ended 30 June 2020 Audited £ |
|---|------|--|--|---|
| | Note | | | |
| Continuing operations | | | | |
| Administrative expenses | | (240,063) | (191,891) | (370,963) |
| Loss before taxation | | (240,063) | (191,891) | (370,963) |
| Finance income – interest receivable | | 330 | — | 1,010 |
| Income tax | 2 | — | — | — |
| Loss for the year attributable to the equity shareholders of the parent | | (239,733) | (191,891) | (369,953) |
| Other comprehensive income | | | | |
| Items that may be subsequently reclassified to profit or loss | | — | — | — |
| Other comprehensive income for the year, net of tax | | — | — | — |
| Total comprehensive income for the period/year attributable to the equity shareholders of the parent | | (239,733) | (191,891) | (369,953) |
| Loss per share | | | | |
| Basic and diluted loss per share attributable to the equity shareholders of the parent (pence) | 4 | (0.41p) | (0.47p) | (0.81p) |

IMPERIAL X PLC (formerly Imperial Minerals plc)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

| | As at 31 Dec 2020 Unaudited £ | As at 31 Dec 2019 Unaudited £ | As at 30 June 2020 Audited £ |
|---|---|---|--|
| ASSETS | | | |
| Total non-current assets | — | — | — |
| Current assets | | | |
| Trade and other receivables | 95,674 | 30,034 | 40,018 |
| Cash and cash equivalents | 110,653 | 179,314 | 34,430 |
| Total current assets | 206,327 | 209,348 | 74,448 |
| TOTAL ASSETS | 206,327 | 209,348 | 74,448 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and other payables | 140,911 | 129,743 | 110,024 |
| Total current liabilities | 140,911 | 129,743 | 110,024 |
| TOTAL LIABILITIES | 140,911 | 129,743 | 110,024 |
| NET ASSETS | 65,416 | 79,605 | (35,576) |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY | | | |
| Share capital | 242,326 | 221,703 | 227,586 |
| Share premium | 1,654,479 | 1,258,931 | 1,328,494 |
| Equity to be issued | 15,200 | 27,765 | 15,200 |
| Other reserve | 112,406 | 161,753 | 112,406 |
| Retained losses | (1,958,995) | (1,590,547) | (1,719,262) |
| TOTAL EQUITY | 65,416 | 79,605 | (35,576) |

MPERIAL X PLC (formerly Imperial Minerals plc)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2020

| | Share capital £ | Share premium £ | Equity to be issued £ | Other reserves £ | Retained losses £ | Total Equity £ |
|---|-----------------------|-----------------------|-----------------------------|------------------------|-------------------------|----------------------|
| At 1 July 2019 | 202,786 | 876,297 | 31,215 | 161,753 | (1,398,656) | (126,605) |
| Loss for the period | — | — | — | — | (191,891) | (191,891) |
| Other comprehensive income for the period | — | — | — | — | — | — |
| Total comprehensive income for the period | — | — | — | — | (191,891) | (191,891) |
| Issue of ordinary options | 18,917 | 382,634 | — | — | — | 401,551 |
| Equity to be issued – movement | — | — | (3,450) | — | — | (3,450) |
| Balance at 31 December 2019 | 221,703 | 1,258,931 | 27,765 | 161,753 | (1,590,547) | 79,605 |
| At 1 July 2020 | 227,586 | 1,328,494 | 15,200 | 112,406 | (1,719,262) | (35,576) |
| Loss for the period | — | — | — | — | (240,063) | (240,063) |
| Other comprehensive income for the period | — | — | — | — | 330 | 330 |
| Total comprehensive income for the period | — | — | — | — | (239,733) | (239,733) |
| Issue of shares – private placements | 14,740 | 325,985 | — | — | — | 340,725 |
| Equity to be issued | — | — | — | — | — | — |
| Balance at 31 December 2020 | 242,326 | 1,654,479 | 15,200 | 112,406 | (1,958,995) | 65,416 |

IMPERIAL X PLC (formerly Imperial Minerals plc)
CONSOLIDATED STATEMENT OF CASH FLOWS

| | 6 months to 31 Dec 2020 | 6 months to 31 Dec 2019 | Year ended 30 June 2020 |
|---|----------------------------|----------------------------|-------------------------------|
| Note | Unaudited £ | Unaudited £ | Audited £ |
| Cash flows from operating activities | 5 | (264,832) | (283,716) |
| Net cash used in operating activities | | (264,501) | (283,716) |
| Cash flows from investing activities | | | |
| Interest received | 330 | — | 1,010 |
| Interest paid | — | — | (1,122) |
| Cash flows generated from investing activities | 330 | — | (112) |
| Cash flows from financing activities | | | |
| Repayment of loans | — | — | 446 |
| Proceeds from issue of shares | 340,725 | 401,551 | 316,480 |
| Cash Flows generated from financing activities | 340,725 | 401,551 | 316,926 |
| Net increase/(decrease) in cash and cash equivalents | 76,223 | 177,982 | 33,098 |
| Cash and cash equivalents at beginning of the period | 34,430 | 1,332 | 1,332 |
| Cash and cash equivalents at end of the period | 110,653 | 179,314 | 34,430 |

For the six months ended 31 December 2020

IMPERIAL X PLC

(formerly Imperial Minerals plc)

Notes to the Financial Statements

For the six months ended 31 December 2020

NOTE 1: BASIS OF PREPARATION

The condensed consolidated interim financial information of the Group for the six months ended 31 December 2020 which comprise the Company and its subsidiaries (together referred to as the "Group") were approved by the Board on March 25, 2021. The interim financial information has not been reviewed or audited. The interim financial information has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS and IFRIC interpretations) issued by the International Accounting Standards Board ("IASB") as adopted for use in the EU. The financial information for the six months to 31 December 2020 does not constitute statutory accounts of the Group. This financial information has been prepared in accordance with the accounting policies that are expected to be applied in the Report and Accounts of Imperial X plc for the year ending 30 June 2020. The statutory accounts for the year ended 30 June 2020 have been filed with the Registrar of Companies. The auditor's report on those accounts was unqualified, included reference to a material uncertainty relating to going concern and did not contain a statement under section 498(2)-(3) of the Companies Act 2006.

Going Concern

The financial statements have been prepared on a going concern basis notwithstanding that the Group incurred a net loss of £239,733 during the six months ended 31 December 2020. The Directors have concluded that the current circumstances represents a material uncertainty that casts significant doubt upon the Group's and Company's ability to continue as a going concern and that, therefore, the Group and Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Group and Company will be required to raise additional funds before being able to meet their contracted operating expenditure during the going concern period and further invest in existing projects and acquisition targets. The Directors are confident that sufficient additional funds will become available in order to meet contracted operating expenditure. The amount of funding for investment in projects and targets is unforeseen at the point of approval of these financial statements, however, the Group and Company will be required to raise additional funds either via an issue of equity or through the issuance of debt.

Nevertheless, after making enquiries and considering the uncertainties described above, the Directors have a reasonable expectation that the Group and Company will have access to adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

Imperial X plc, the legal parent, is domiciled and incorporated in the United Kingdom. The functional currency of Imperial X plc is £ sterling.

The Financial Statements are presented in sterling (£), rounded to the nearest pound and have been prepared on the going concern basis.

NOTE 2: TAXATION

No taxation has been provided due to losses in the period. No deferred tax asset has been recognised for past or current losses as the recoverability of any such assets is not probable in the foreseeable future.

NOTE 3: TRADE AND OTHER RECEIVABLES

Included within the trade and other receivables balance is C\$110,000 of convertible debentures in a private placement undertaken by Imperial Helium Corp. The convertible debentures yield a 10% coupon, mature 18 months from the date of issuance, converting automatically into common shares of Imperial Helium at the IPO at a 20% discount to the IPO price.

NOTE 4: LOSS PER SHARE

The calculation of the basic loss per share of 0.41 pence is based on the loss attributable to ordinary shareholders of £239,733 and on the weighted average number of ordinary shares of 59,127,188 in issue during the period.

In accordance with IAS 33, no diluted earnings per share is presented as the effect on the exercise of share options or warrants would be to decrease the loss per share.

NOTE 5: NOTES TO THE CASH FLOW STATEMENT

| | 6 months to 30 Dec 2020 Unaudited £ | 6 months to 30 Dec 2019 Unaudited £ | Year ended 30 June 2020 Audited £ |
|---|--|--|---|
| Reconciliation of loss from operations to cash flows from operating activities | | | |
| Loss from operations | (239,733) | (191,891) | (369,953) |
| Interest receivable | — | — | (1,010) |
| Accrued interest | — | — | 1,122 |
| Share based payments | — | (3,450) | 97,905 |
| Share options expense | — | — | — |
| (Increase)/Decrease in trade and other receivables | (55,656) | (23,699) | (33,683) |
| Increase / (Decrease) in trade and other payables | 30,888 | (4,529) | 21,903 |
| Cash flow from operating activities | (264,832) | (223,569) | (283,716) |

NOTE 6: SHARE CAPITAL

| | As at 31 Dec 2020 Number | £ | As at 30 June 2020 Number | £ |
|--------------------------------|--------------------------------|----------------|------------------------------------|----------------|
| Allotted and called up: | | | | |
| Ordinary Shares of £0.001 each | 71,370,949 | 71,371 | 56,631,212 | 56,631 |
| Deferred Shares of £0.009 each | 18,995,000 | 170,955 | 18,995,000 | 170,955 |
| | | 242,326 | | 227,586 |

The holders of the deferred shares have no right to attend or vote at any general meeting and the shares carry no right to receive any dividend or distribution on winding up.

On November 26, 2020 the Company completed the first tranche of a two tranche placement by placing 14,739,737 new ordinary shares at 0.1p each at a price of 2.5p per share for a total value of £340,725 net of expenses. Each placee received one warrant for every two placing shares resulting in 7,369,868 warrants issued, exercisable at 5.0p per share expiring November 30, 2022. The Company also announced its intention to apply for its ordinary shares to be admitted to the Official List and to trading on the London Stock Exchange's Main Market for listed securities.

Other reserves consist of:

Equity to be issued

As at 31 December 2020 various creditors to the Company, to the value of £15,200 (30 June 2020: £15,200), have agreed to have their obligations satisfied by a future issue of share equity. These shares were not issued as at 31 December 2020. The number of shares to be issued will be determined by reference to the fair value of the share at the time of issue.

Share option and warrant reserve

As at 31 December 2020 £112,406 (30 June 2020: £112,406) is included in a share option reserve in relation to the below options and warrants in issue as at the period end.

Options and warrants in issue:

| Range of exercise prices (£) | December 31 2020 | | | |
|------------------------------|-------------------------------------|----------------------------|--|--|
| | Weighted average exercise price (£) | Number of options/warrants | Weighted average remaining life expected (years) | Weighted average remaining life contracted (years) |
| 0.01 | 0.01 | 636,625 | 0.99 | 1.98 |
| 0.025 | 0.025 | 12,419,869 | 4.96 | 4.96 |

| Range of exercise prices (£) | 30 June 2020 | | | |
|------------------------------|-------------------------------------|----------------------------|--|--|
| | Weighted average exercise price (£) | Number of options/warrants | Weighted average remaining life expected (years) | Weighted average remaining life contracted (years) |
| 0.02 | 0.01 | 636,625 | 1.5 | 2.5 |
| 0.025 | 0.025 | 5,050,000 | 10 | 10 |

The valuation of the options issued on 1 June 2020 was carried out using the Black Scholes model. Key assumptions used in the valuation included; volatility of 40%, continuous growth rate of 0.53%, dividend yield 0% and time to maturity of 10 years. The options vest over 24 months and as a result the total fair value of these options will be recognised over this period. The fair value attributed to the year ended 30 June 2020 was immaterial and has not been recognised in the financial statements.

NOTE 7: RELATED PARTY TRANSACTIONS

As at December 31, 2020, in trade and other payables £15,000 (June 30, 2020 – £7,859) is owing to a company with a director in common and £2,000 (June 30, 2020 – £1,033) to a director of the company. During the period, the Company incurred director fees of £6,000 (December 31, 2019 – £6,000) and consulting fees of £15,000 (December 31, 2019 – £nil) and share issuance costs of £15,000 (December 31, 2019 – £nil) to a company with director in common.

NOTE 8: SUBSEQUENT EVENTS

On January 14, 2021 the Company completed the second tranche of a two tranche placement by placing 1,914,200 new ordinary shares at 0.1p each at a price of 2.5p per share for a total value of £47,855 net of expenses. Each placee received one warrant for every two placing shares resulting in 957,100 warrants issued, exercisable at 5.0p per share expiring January 5, 2023.

On February 15, 2021 Company entered into a £10 million equity drawdown agreement (“the Facility”) with Crescita Capital LLC (“Crescita”) for an aggregate amount of £10 million, with the facility being made available for drawdown for a period of three years. The Company has agreed to pay to Crescita certain commitment fees which shall comprise a two per cent (2%) commission on the amount of the facility (£200,000) which will be settled by way of the issue of 4,000,000 Ordinary Shares at an issue price of £0.05 per share and warrants over 8% of the issued share capital of the Company as of 10 September 2020 (equating to warrants over 4,530,497 Ordinary Shares) with an exercise price of £0.10 per share for a period of three years (together, the “Commitment Fee”).

On February 15, 2021 the Company entered into acquisition agreements to acquire a platform of mineral assets, equity positions and royalty positions (the "Acquisitions"). The acquisitions will constitute a reverse take-over and are as follows:

- I. The acquisition of 100 per cent of Cloudbreak Discovery Corp. ("Cloudbreak") for consideration of 149,558,502 new ordinary shares in the Company;
- II. The acquisition of 100 per cent of Howson Ventures Inc. for consideration of 31,614,118 new ordinary shares in the Company ("Howson");
- III. The acquisition of 100 per cent of Cabox Gold Corp. ("Cabox") for consideration of 35,000,000 new ordinary shares in the Company; and
- IV. The acquisition of certain assets in Anglo African Minerals PLC ("AAM") in the form of certain share acquisitions in AAM, the acquisition of two separate warrants to subscribe for shares in AAM and three acquisitions of convertible loan notes from various parties for consideration of 29,430,378 new ordinary shares in the Company

NOTE 9: POST BALANCE SHEET EVENTS

There have not been any matter or circumstance occurring subsequent to the end of the half year, that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

NOTE 10: FORWARD LOOKING STATEMENTS

This report contains certain forward looking statements, which include assumptions with respect to future plans, results and expenditures. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. All such forward looking statements involve substantial known and unknown risks and uncertainties, certain of which are beyond the Company's control. Please refer to the Company's Annual Report available from the Company's web site for a list of risk factors. The Company's actual results could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Company will derive therefrom. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Furthermore, the forward-looking statements contained in this report are made as at the date of this report.

NOTE 11: INTERIM REPORT

Copies of this interim report for the six months ended December 31 2020 will be available from the offices of Imperial X plc, 6th Floor, 60 Gracechurch Street London EC3V 0HR, and on the Company's website www.imperialx.co.uk.

SECTION (C) FINANCIAL INFORMATION OF CLOUDBREAK

Dale Matheson Carr-Hilton Labonte LLP, of 1500 – 1140 West Pender Street, Vancouver, BC V6E 4G1, Canada, Chartered Professional Accountants and statutory auditors to Cloudbreak, has given its consent for:

- the inclusion of their statutory audit reports issued with respect to the Cloudbreak Financial Information included in this Part VI “*Financial Information*” of the Document; and
- the inclusion of their name,

in the form and context in which it they are included in the Prospectus.

Their consent and authorisation is provided as required by item 1.3 of Annex 1 of Commission Delegated Regulation (EU) 2019/980 supplementing the Prospectus Regulation.

Dale Matheson Carr-Hilton Labonte LLP has no material interest in the Company.

CLOUDBREAK DISCOVERY CORP.
(Formerly Rain Resources Corp.)

**Consolidated Financial Statements For
Years Ended April 30, 2020 and 2019**

(Expressed in Canadian Dollars)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Cloudbreak Discovery Corp. (Formerly Rain Resources Corp.)

Opinion

We have audited the consolidated financial statements of Cloudbreak Discovery Corp. (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2020 and 2019, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit 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 Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the 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 to the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty 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 the information included in Management's Discussion and Analysis.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, 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, 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 Financial Statements

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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 Barry Hartley.



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

August 27, 2020



CLOUDBREAK DISCOVERY CORP. (Formerly Rain Resources Corp.)
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

| | <i>Notes</i> | As at April 30, 2020 \$ | As at April 30, 2019 \$ |
|---|--------------|----------------------------------|----------------------------------|
| Current Assets | | | |
| Cash | | 14,473 | 147,394 |
| Prepaid expenses | | - | 4,802 |
| Total Current Assets | | 14,473 | 152,196 |
| Exploration and evaluation asset | 4 | 127,722 | 48,941 |
| Deposit | 10 | 80,000 | - |
| Total Assets | | 222,195 | 201,137 |
| Liabilities | | | |
| Accounts payable | | 14,127 | 8,487 |
| Accrued liabilities | | 5,000 | 13,439 |
| Due to related party | 6 | 88,390 | 678 |
| Total Liabilities | | 107,517 | 22,604 |
| Shareholders' Equity | | | |
| Share capital | 5 | 339,701 | 201,001 |
| Shares to be issued | 5 | - | 44,450 |
| Accumulated deficit | | (225,023) | (66,918) |
| Total Shareholders' Equity | | 114,678 | 178,533 |
| Total Liabilities and Shareholders' Equity | | 222,195 | 201,137 |

Nature and Continuance of Operations (Note 1)
Subsequent Events (Note 10)

Approved on behalf of the Board:

"Bob Meister"

Bob Meister, President & CEO

"Kyler Hardy"

Kyler Hardy, Director

Vancouver, British Columbia
August 27, 2020

The accompanying notes are integral to these consolidated financial statements.

CLOUDBREAK DISCOVERY CORP. (Formerly Rain Resources Corp.)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

| | <i>Notes</i> | Year Ended April 30, 2020 \$ | Year Ended April 30, 2019 \$ |
|--|--------------|---------------------------------------|---------------------------------------|
| Expenses | | | |
| Consulting fees | 6 | 48,500 | - |
| General and administrative | | 48,094 | 20,228 |
| Professional fees | | 40,476 | 28,801 |
| Travel | | 7,112 | - |
| Transfer agent and filing fees | | 13,923 | 5,836 |
| | | 158,105 | 54,865 |
| Net loss and comprehensive loss | | (158,105) | (54,865) |
| Basic and diluted loss per common share | | (0.03) | (0.01) |
| Weighted average number of common shares outstanding ^(*) | | 5,080,104 | 4,505,275 |

(*) Basic and diluted loss per common share and the weighted number of common shares outstanding for the year reflect the share consolidation described in Note 10. The comparative period loss per common share and the weighted number of common shares outstanding for the year have also been restated.

The accompanying notes are integral to these consolidated financial statements

CLODBREAK DISCOVERY CORP. (Formerly Rain Resources Corp.)
Consolidated Statements of Changes in Shareholders' Equity
Years Ended April 30, 2020 and 2019

(Expressed in Canadian dollars)

| | Notes | Number of Outstanding Shares | Share Capital \$ | Shares to be issued | Deficit \$ | Total Shareholders' Equity \$ |
|--|-------|------------------------------------|------------------------|------------------------|---------------|--|
| Balance, April 30, 2018 | | 9,010,550 | 201,001 | - | (12,053) | 188,948 |
| Proceeds for shares to be issued | 5 | - | - | 44,450 | - | 44,450 |
| Net and comprehensive loss | | - | - | - | (54,865) | (54,865) |
| Balance, April 30, 2019 | | 9,010,550 | 201,001 | 44,450 | (66,918) | 178,533 |
| Proceeds for shares to be issued | 5 | 1,212,000 | 121,200 | (44,450) | - | 76,750 |
| Issuance of shares pursuant to property option agreement | 5 | 175,000 | 17,500 | - | - | 17,500 |
| Net loss and comprehensive loss | | - | - | - | (158,105) | (158,105) |
| Balance, April 30, 2020 | | 10,397,550 | 339,701 | - | (225,023) | 114,678 |

These accompanying notes are integral to these consolidated financial statements

CLOUDBREAK DISCOVERY CORP. (Formerly Rain Resources Corp.)**Consolidated Statements of Cash Flows****Years Ended April 30, 2020 and 2019***(Expressed in Canadian dollars)*

| | For Year Ended April 30, 2020 | For Year Ended April 30, 2019 |
|--|-------------------------------------|-------------------------------------|
| | \$ | \$ |
| Operating Activities | | |
| Net loss | (158,105) | (54,865) |
| Change in non-cash working capital | | |
| Prepaid expenses | 4,802 | (4,802) |
| Account payable and accrued liabilities | (2,799) | 20,091 |
| Net cash used in operating activities | (156,102) | (39,576) |
| Financing activities | | |
| Due to related party | 87,712 | - |
| Proceeds for shares issued | 76,750 | 44,450 |
| Net cash provided by financing activities | 164,462 | 44,450 |
| Investing activities | | |
| Exploration and evaluation asset | (61,281) | (48,941) |
| Deposit | (80,000) | - |
| Net cash used in investing activities | (141,281) | (48,941) |
| Change in cash | (132,921) | (44,067) |
| Cash, beginning of the year | 147,394 | 191,461 |
| Cash, end of the year | 14,473 | 147,394 |
| Non-Cash Transaction: | | |
| | Year Ended April 30, 2020 | Year Ended April 30, 2019 |
| Shares issued for property option agreement | \$ 17,500 | \$ - |

The accompanying notes are integral to these consolidated financial statements.

CLOUDBREAK DISCOVERY CORP. (Formerly Rain Resources Corp.)

Notes to the Consolidated Financial Statements

Years Ended April 30, 2020 and 2019

(Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Cloudbreak Discovery Corp. (formerly Rain Resources Corp.) (the "Company") was incorporated on November 11, 2014 under the laws of British Columbia, Canada. The Company is engaged in the business of acquiring, exploring and developing natural resource properties located in Canada. Its head office and registered office is located at 1153 West 22nd Street, North Vancouver, BC, V7P 2E9, Canada.

On February 11, 2020, the Company entered into an acquisition and an amalgamation agreement with Ridge Royalty Corp. (the "Ridge") pursuant to which the Company and Ridge will complete a "three-cornered amalgamation", with Ridge amalgamating with the Company's wholly-owned subsidiary. The acquisition and amalgamation was completed subsequent to year-end (Note 10).

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at April 30, 2020, the Company has not generated any revenue and has an accumulated deficit of \$225,023 (2019 – \$66,918), has limited resources, no sources of operating cash flow and no assurances that sufficient funding will be available to continue operations for an extended period of time. The Company's continuation as a going concern is dependent on its ability to generate future cash flows and/or obtain additional financing. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and companies controlled by directors and/or private placements of common stock. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company.

These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PRESENTATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Standards Interpretations Committee ("IFRIC"). These consolidated financial statements have been prepared on the basis of IFRS that are effective for the Company's reporting year ended April 30, 2020.

The consolidated financial statements were approved by the Board of Directors on August 27, 2020.

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

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, if applicable, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, as follows:

| Percentage owned | Country of incorporation | April 30, 2020 | April 30, 2019 |
|------------------|--------------------------|----------------|----------------|
| 1237611 BC Ltd. | Canada | 100% | N/A |

CLOUDBREAK DISCOVERY CORP. (Formerly Rain Resources Corp.)
Notes to the Consolidated Financial Statements
Years Ended April 30, 2020 and 2019
(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

a. Use of estimates and assumptions

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets, provisions for restoration and environmental obligations and contingent liabilities.

b. Significant judgments

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's consolidated financial statements include:

- i. The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- ii. The classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses.

c. Cash

Cash includes cash on hand and deposits held at call with banks.

d. Restoration, rehabilitation, and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other assets.

The increase in the restoration provision due to the passage of time is recognized as interest expense.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to the statement of comprehensive loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

e. Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Option payments are recorded as exploration and evaluation property when the payments are made.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

CLOUDBREAK DISCOVERY CORP. (Formerly Rain Resources Corp.)
Notes to the Consolidated Financial Statements
Years Ended April 30, 2020 and 2019
(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Exploration and evaluation expenditures (continued)

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

f. 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.

g. Loss per share

Basic loss per share is calculated by dividing net loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is determined by adjusting the net loss attributable to common shares and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares.

h. Warrants

The Company makes certain estimates and assumptions when calculating the estimated fair value of warrants issued. The significant assumptions used include the estimate of expected volatility, expected life, expected dividend rate and expected risk-free rate of return. Changes in these assumptions may result in a material change to the value of the warrants issued

i. Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instrument issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is credited to the share-based payment reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted, shall be based on the number of equity instruments that eventually vest.

j. Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

CLOUDBREAK DISCOVERY CORP. (Formerly Rain Resources Corp.)
Notes to the Consolidated Financial Statements
Years Ended April 30, 2020 and 2019
(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Income taxes (continued)

Deferred income tax

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

k. Financial instruments

Classification

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

The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

| Financial assets/liabilities | Classification IFRS 9 |
|-------------------------------------|------------------------------|
| Cash | FVTPL |
| Accounts payable | Amortized cost |
| Due to related party | Amortized cost |

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Accounts payable and due to related party are classified in this category.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net (loss) income in the period in which they arise. Cash is classified in this category.

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive loss ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. There are no financial instruments classified in this category as at April 30, 2020 and 2019.

CLOUDBREAK DISCOVERY CORP. (Formerly Rain Resources Corp.)
Notes to the Consolidated Financial Statements
Years Ended April 30, 2020 and 2019
(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

k. Financial instruments (continued)

Measurement (continued)

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss. There are no financial instruments classified in this category as at April 30, 2020 and 2019.

Impairment of financial assets at amortized cost

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

Derecognition

Financial assets

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

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are recognized in profit or loss.

l. Leases

IFRS 16 Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control an identified asset for a period of time in exchange for consideration.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

CLOUDBREAK DISCOVERY CORP. (Formerly Rain Resources Corp.)
Notes to the Consolidated Financial Statements
Years Ended April 30, 2020 and 2019
(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Leases (continued)

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

4. EXPLORATION AND EVALUATION ASSET

On October 8, 2018, the Company entered into an option agreement to acquire 100% interests in the Southern Spectrum Mineral Property located in the Lilloet Mining Division of British Columbia.

In order to exercise the option, the Company must pay an aggregate of \$70,000 in cash and issue 1,200,000 common shares as set out below:

| Date | Cash \$ | Shares # |
|-----------------------------------|--------------------|---------------------------|
| Prior to becoming a listed issuer | 40,000 (paid) | 500,000 (issued) |
| December 31, 2019 | 10,000 (paid) | 175,000 (issued) (Note 5) |
| December 31, 2020 | 10,000 | 175,000 |
| December 31, 2021 | 10,000 | 350,000 |
| Total | 70,000 | 1,200,000 |

The Company also needs to incur \$1,250,000 in exploration costs as follow:

| Date | \$ |
|-------------------|-------------------|
| December 31, 2019 | 50,000 (incurred) |
| December 31, 2020 | 100,000 |
| December 31, 2021 | 350,000 |
| December 31, 2022 | 750,000 |
| Total | 1,250,000 |

The exploration and evaluation assets as at April 30, 2020 and 2019 are as follow:

| | April 30, 2020 | April 30, 2019 |
|--------------------------|---------------------------|---------------------------|
| | \$ | \$ |
| Beginning balance | 48,941 | - |
| Acquisition costs | 27,500 | 40,000 |
| Exploration expenditures | 51,281 | 8,941 |
| Closing balance | 127,722 | 48,941 |

CLOUDBREAK DISCOVERY CORP. (Formerly Rain Resources Corp.)
Notes to the Consolidated Financial Statements
Years Ended April 30, 2020 and 2019
(Expressed in Canadian dollars)

5. SHARE CAPITAL

Shares

Authorized: Unlimited Common shares without par value.

Issued and Outstanding Common Shares:

On June 10, 2019, the Company issued 1,212,000 units at \$0.10 each for total proceeds of \$121,200. \$44,450 of the proceeds were received during the year ended April 30, 2019. Each unit consists of one Class A common share and one-half of a Class A common share purchase warrant exercisable at \$0.20 for a period of 24 months into one Class A common share.

On December 5, 2019, the Company issued 175,000 common shares with fair value of \$17,500 pursuant to a property option agreement (Note 4).

Warrants

The following is a summary of warrants outstanding at April 30, 2020:

| Number of Shares | Exercise Price | Expiry Date | Exercisable |
|-------------------------|-----------------------|--------------------|--------------------|
| 7,600,000 | \$0.05 | December 18, 2021* | 7,600,000 |
| 400,000 | \$0.05 | January 18, 2022* | 400,000 |
| 606,000 | \$0.20 | June 10, 2021 | 606,000 |
| 8,606,000 | | | 8,606,000 |

* As at April 30, 2020, expiry date of these warrants have been extended for additional 24 months.

As at April 30, 2020, the warrants have a weighted average exercise price of \$0.06 and a weighted average life remaining of 1.60 years.

6. RELATED PARTIES

As at April 30 due to related party includes \$88,390 (2019 - \$678) payable to the CEO of the Company related to expenditures paid on behalf of the Company. The balance is due on demand, non-interest bearing and unsecured.

During the year ended April 30, 2020, the Company incurred consulting fees of \$2,500 (2019 - \$Nil) to the CEO and \$23,500 (2019 - \$Nil) to a director of the Company.

7. INCOME TAXES

A reconciliation of income taxes at statutory tax rates is as follows:

| | 2020 | 2019 |
|-----------------------------------|-------------|-------------|
| | \$ | \$ |
| Loss for the year | (158,105) | (54,865) |
| Statutory tax rate | 27.00% | 27.00% |
| Expected recovery of income taxes | (42,688) | (14,814) |
| Effect on change in tax rates | - | (510) |
| Change in benefit not recognized | 42,688 | 15,324 |
| Deferred income tax recovery | - | - |

CLOUDBREAK DISCOVERY CORP. (Formerly Rain Resources Corp.)
Notes to the Consolidated Financial Statements
Years Ended April 30, 2020 and 2019
(Expressed in Canadian dollars)

7. INCOME TAXES (continued)

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statements of financial position are as follows:

| | 2020 | 2019 |
|--------------------|--------|--------|
| | \$ | \$ |
| Non-capital losses | 60,756 | 18,068 |

As at April 30, 2020, the Company has operating losses available for carry-forward of approximately \$225,023 available to apply against future Canadian income tax purposes. The operating losses expire between 2037 and 2040.

8. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity and cash as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the commercialization of the licensed proprietary asset. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through the equity or debt financing. The Company is not subject to any capital requirements imposed by a regulator and there have been no changes in the Company's approach to capital management during the year.

9. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

The Company's financial instruments consist of cash, accounts payable and amounts due to related party.

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

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The fair value of cash is determined using level 1 inputs. The fair value of accounts payable and amounts due to related party approximates its carrying value due to short-term maturity of these items.

The Company's financial instruments are exposed to certain financial risks, which include the following:

Credit risk

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. Credit risk is assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. As at April 30, 2020, the Company had a cash balance of \$14,473 to settle current liabilities of \$107,517. Liquidity risk is assessed as high.

CLOUDBREAK DISCOVERY CORP. (Formerly Rain Resources Corp.)
Notes to the Consolidated Financial Statements
Years Ended April 30, 2020 and 2019
(Expressed in Canadian dollars)

9. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk, price risk and foreign exchange risk:

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not hold any financial instruments that are subject to fluctuations in interest rates. Interest rate risk has been assessed as low.

Foreign currency Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. As at April 30, 2020, the Company does not have any financial instruments denominated in a foreign currency. Foreign currency risk has been assessed as low.

10. SUBSEQUENT EVENTS

- a) On May 5, 2020, the Company has changed its name from Rain Resources Corp. to Cloudbreak Discovery Corp. and completed a consolidation of its common shares on the basis of one (1) post-consolidation share for every two (2) pre-consolidation shares. Subsequent to the consolidation, the Company had 5,198,778 common shares issued and outstanding.
- b) On May 8, 2020, the Company entered into an option agreement with 1975647 Alberta Ltd. ("197") to acquire 100% interest in Silver Switchback which is located in British Columbia. For the Company to fully exercise the option, the Company must pay 197 an aggregate amount of \$75,000 in cash consideration and issue 2,000,000 common shares of the Company over three years. 197 will retain a 2% net smelter royalty with the Company having an option to purchase up to 1.5% of the net smelter royalty for \$1,250,000.
- c) On May 8, 2020, the Company entered into an option agreement with 197 to acquire 100% interest in Silver Vista which is located in British Columbia. For the Company to fully exercise the option, the Company must pay 197 an aggregate amount of \$110,000 in cash consideration and issue 2,300,000 common shares of the Company over three years. 197 will retain a 2% net smelter royalty with the Company having an option to purchase up to 1.0% of the net smelter royalty for \$1,000,000. As at April 30, 2020, the Company paid a deposit of \$80,000 relating to this acquisition.
- d) On May 8, 2020, the Company entered into an option agreement with 197 to acquire 100% interest in Gold Vista which is located in British Columbia. For the Company to fully exercise the option, the Company must pay 197 an aggregate amount of \$65,000 in cash consideration and issue 1,375,000 common shares of the Company over three years. A 2% net smelter royalty will be retained with the Company having an option to purchase up to 1.0% of the net smelter royalty for \$1,000,000.
- e) On May 19, 2020, the Company merged with Ridge pursuant to which Ridge amalgamated with the Company's wholly owned subsidiary 1237611 B.C. Ltd. and became a 100% owned subsidiary of the Company. Under the transaction, the Company issued an aggregate of 26,485,071 post consolidated common shares pro rata to Ridge shareholders. After the merger, the Company had 31,683,849 common shares issued and outstanding. Upon closing, former Ridge shareholders will hold approximately 84% of the outstanding shares of the Company. After merger, four properties of Ridge, La Blache Property, Rupert Property, Caribou Property and Apple Bay Property were included in the E&E assets of the Company.

CLOUDBREAK DISCOVERY CORP. (Formerly Rain Resources Corp.)

Notes to the Consolidated Financial Statements

Years Ended April 30, 2020 and 2019

(Expressed in Canadian dollars)

10. SUBSEQUENT EVENTS (continued)

The merger is considered a reverse takeover in which Ridge shareholders obtaining control of the Company. The transaction is therefore accounted for in accordance with IFRS 2 Share-based Payment whereby Ridge is deemed to have issued shares in exchange for the net assets of the Company together with its Reporting Issuer status at the fair value of consideration received by Ridge. The accounting for this transaction will be as follows:

- i. The consolidated financial statements of the merged entity will be issued under the legal parent, the Company, but will be considered a continuation of the financial statements of the legal subsidiary and accounting acquirer, Ridge;
- ii. Since Ridge is deemed to be the acquirer for accounting purposes, its assets and liabilities will be included in the consolidated financial statement at their historical carrying values;
- iii. The identifiable assets and liabilities of the Company will be recognized at their fair value at the acquisition date of May 19, 2020 with the excess of the fair value of the equity interest consideration paid over the fair value of the net assets acquired being charged to the consolidated statements of loss and comprehensive loss as a listing expense; and
- iv. The fair value of the equity interest consideration paid is determined based on the percentage ownership former the Company's shareholders have in the consolidated entity after the transaction. This represents the fair value of the shares that Ridge would have had to issue for the ratio of ownership interest in the combined entity to be the same, if the transaction had taken the legal form of Ridge acquiring 100% of the common shares of the Company. The consideration paid in the reverse-acquisition is therefore equivalent to the fair value of the 5,198,778 of the Company shares deemed to have been issued by Ridge and controlled by former the Company's shareholders, estimated to be \$1,039,756 based on the fair market value of \$0.20 per post consolidation share, being the price of a recent financing of the Company.

The listing fee expense that will be recorded May 19, 2020 is summarized as follows:

Net working capital acquired:

| Net Working Capital Acquired by Ridge Royalty May 19, 2020 | |
|---|-------------------|
| Cash | \$ 14,473 |
| Deposits | 107,500 |
| Exploration and evaluation assets | 127,722 |
| Accounts payable and accruals | (4,152) |
| Due to related party | (130,865) |
| | 114,678 |
| Common shares issued (5,198,778 shares at \$0.20 per share) | 1,039,756 |
| | |
| Listing Fee Expense | \$ 925,078 |

- f) On June 2, 2020, the Company entered into an option agreement with Norseman Capital Ltd. ("Norseman") under which Norseman may acquire up to a 100% interest in the Company's Caribou Property subject to a 2% net smelter return to the Company. In order for Norseman to fully exercise the option on the Caribou Property, they must pay the Company an aggregate of \$80,000 and issue 2,750,000 common shares of Norseman over three years. Norseman will have the right to repurchase one-half of the 2% net smelter return for \$1,000,000.
- g) On June 18, 2020, the Company entered into a definitive agreement to sell 100% of the La Blache property to Temas Resources Corp ("Temas") for 10,000,000 Temas shares and \$30,000 in cash consideration and deliver a 2% net smelter return to the Company. The La Blache property transaction is subject to Temas' shareholder and exchange approval.

RAIN RESOURCES CORP.

Financial Statements for
Years Ended April 30, 2019 and 2018
(Expressed in Canadian dollars)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Rain Resources Corp.:

Opinion

We have audited the financial statements of Rain Resources Corp., (the "Company"), which comprise the statements of financial position as at April 30, 2019 and 2018, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2019 and 2018, and its financial performance and its 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 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 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 to the financial statements, which indicates that the Company incurred a net loss of \$54,865 during the year ended April 30, 2019 and has an accumulated deficit of \$66,918 as at April 30, 2019. 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 the information included in Management's Discussion and Analysis.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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 Financial Statements

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

In preparing the 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 Financial Statements

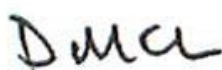
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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 Barry Hartley.



**DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS**

Vancouver, BC
August 28, 2019

RAIN RESOURCES CORP.
Statements of Financial Position
(Expressed in Canadian dollars)

| | Notes | As at April 30, 2019 \$ | As at April 30, 2018 \$ |
|----------------------------------|-------|----------------------------------|----------------------------------|
| Current Assets | | | |
| Cash | | 147,394 | 191,461 |
| Prepaid expenses | | 4,802 | - |
| Total Current Assets | | 152,196 | 191,461 |
| Exploration and evaluation asset | 4 | 48,941 | - |
| | | 201,137 | 191,461 |
| Liabilities | | | |
| Accounts payable | | 9,165 | - |
| Accrued liabilities | 6 | 13,439 | 2,513 |
| | | 22,604 | 2,513 |
| Shareholders' Equity | | | |
| Share capital | 5 | 201,001 | 201,001 |
| Shares to be issued | 5 | 44,450 | - |
| Accumulated deficit | | (66,918) | (12,053) |
| | | 178,533 | 188,948 |
| | | 201,137 | 191,461 |

Nature and Continuance of Operations (Note 1)
Subsequent event (Note 10)

Approved on behalf of the Board:

"Robert Meister"

Director

"Dorian Banks"

Director

The accompanying notes are integral to these financial statements.

RAIN RESOURCES CORP.

Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars except the number of shares)

| | Year Ended April 30, 2019 | Year Ended April 30, 2018 |
|---|---------------------------------|---------------------------------|
| | \$ | \$ |
| Expenses | | |
| Professional fees | 28,801 | 5,795 |
| General and administrative | 20,228 | 2,487 |
| Transfer agent and filing fees | 5,836 | 2,271 |
| | 54,865 | 10,553 |
| Net and comprehensive loss | (54,865) | (10,553) |
| Basic and diluted loss per common share | (0.01) | (0.00) |
| Weighted average number of common shares outstanding | 9,010,550 | 3,645,238 |

The accompanying notes are integral to these financial statements

RAIN RESOURCES CORP.

Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars except the number of shares)

| | Notes | Number of Outstanding Shares | Share Capital | Shares to be issued | Deficit | Total Shareholders' Equity |
|----------------------------------|-------|------------------------------------|------------------|------------------------|-----------------|----------------------------------|
| | | | \$ | \$ | \$ | \$ |
| Balance, April 30, 2017 | | 1 | 1 | - | (1,500) | (1,499) |
| Shares issued for cash | 5 | 9,010,549 | 201,000 | - | - | 201,000 |
| Net and comprehensive loss | | - | - | - | (10,553) | (10,553) |
| Balance, April 30, 2018 | | 9,010,550 | 201,001 | - | (12,053) | 188,948 |
| Proceeds for shares to be issued | 5 | - | - | 44,450 | - | 44,450 |
| Net loss and comprehensive loss | | - | - | - | (54,865) | (54,865) |
| Balance, April 30, 2019 | | 9,010,550 | 201,001 | 44,450 | (66,918) | 178,533 |

The accompanying notes are integral to these financial statements

RAIN RESOURCES CORP.
 Statements of Cash Flows
 (Expressed in Canadian dollars)

| | For Year Ended April 30, 2019 | For Year Ended April 30, 2018 |
|--|--|-------------------------------------|
| | \$ | \$ |
| Operating Activities | | |
| Net loss | (54,865) | (10,553) |
| Change in non-cash working capital | | |
| Prepaid expenses | (4,802) | - |
| Account payable | 9,165 | - |
| Accrued liabilities | 10,926 | 1,013 |
| Net cash used in operating activities | (39,576) | (9,540) |
| Financing activities | | |
| Net cash provided by private placement | - | 201,000 |
| Proceeds for shares to be issued | 44,450 | - |
| Net cash provided by financing activities | 44,450 | 201,000 |
| Investing activities | | |
| Exploration and evaluation asset | (48,941) | - |
| Net cash used in investing activities | (48,941) | - |
| Change in cash | (44,067) | 191,460 |
| Cash, beginning of the year | 191,461 | 1 |
| Cash, end of the year | 147,394 | 191,461 |

The accompanying notes are integral to these financial statements.

RAIN RESOURCES CORP.

Notes to the Financial Statements

Years Ended April 30, 2019 and 2018

(Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Rain Resources Corp. (the "Company") was incorporated on November 11, 2014 under the laws of British Columbia, Canada. The Company is engaged in the business of acquiring, exploring and developing natural resource properties located in Canada. Its head office and registered office is located at 1153 West 22nd Street, North Vancouver, BC, V7P 2E9, Canada.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at April 30, 2019, the Company has not generated any revenue and has an accumulated deficit of \$66,918. The Company's continuation as a going concern is dependent on its ability to generate future cash flows and/or obtain additional financing. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and companies controlled by directors and/or private placements of common stock. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company.

These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern

2. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Standards Interpretations Committee ("IFRIC"). These financial statements have been prepared on the basis of IFRS that are effective for the Company's reporting year ended April 30, 2019.

The financial statements were approved by the Board of Directors on August 28, 2019.

The financial statements are presented in Canadian dollars, which is the functional currency of the Company.

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, if applicable, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

3. SIGNIFICANT ACCOUNTING POLICIES

a. Use of estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets, provisions for restoration and environmental obligations and contingent liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- The classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses.

c. Cash

Cash includes cash on hand and deposits held at call with banks.

d. Restoration, rehabilitation, and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other assets.

The increase in the restoration provision due to the passage of time is recognized as interest expense.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to the statement of comprehensive loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

e. Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Option payments are recorded as exploration and evaluation property when the payments are made.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

RAIN RESOURCES CORP.

Notes to the Financial Statements

Years Ended April 30, 2019 and 2018

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Exploration and evaluation expenditures (continued)

Once the technical feasibility and commercial viability of the extraction of resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

f. Farm outs

The Company does not record any expenditure made by the farmee on its account. It also does not recognize any gain or loss on its exploration and evaluation farm out arrangements but reallocates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained and any consideration received directly from the farmee is credited against costs previously capitalized. If the consideration exceeds amounts previously capitalized, any excess is recorded in the statement of comprehensive loss.

g. Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the asset and liability sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

h. Flow-through shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, any premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the deferred income tax liability associated with the renounced tax deductions is recognized through profit or loss with a pro-rata portion of the deferred premium.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Financial instruments

(i) Financial assets

The Company adopted all of the requirements of IFRS 9 Financial Instruments on May 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 utilizes a revised model for recognition and measurement of financial instruments in a single, forward-looking “expected loss” impairment model.

The following is the Company’s new accounting policy for financial instruments under IFRS 9:

(i) Classification

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

The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

| Financial assets/liabilities | Original Classification IAS 39 | New Classification IFRS 9 |
|------------------------------|--------------------------------|---------------------------|
| Cash | FVTPL | FVTPL |
| Accounts payable | Amortized cost | Amortized cost |

(ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Accounts payable is classified in this category.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net (loss) income in the period in which they arise. Cash is classified in this category.

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive loss (“OCI”). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. There are no financial instruments classified in this category as at April 30, 2019 and 2018.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Financial instruments (continued)

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss. There are no financial instruments classified in this category as at April 30, 2019 and 2018.

(iii) Impairment of financial assets at amortized cost

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

(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are recognized in profit or loss.

j. 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.

k. Loss per share

Basic loss per share is calculated by dividing net loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is determined by adjusting the net loss attributable to common shares and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

l. Warrants

The Company makes certain estimates and assumptions when calculating the estimated fair value of warrants issued. The significant assumptions used include the estimate of expected volatility, expected life, expected dividend rate and expected risk-free rate of return. Changes in these assumptions may result in a material change to the value of the warrants issued

m. Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instrument issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is credited to the share-based payment reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted, shall be based on the number of equity instruments that eventually vest.

n. Accounting standards issued but not yet effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended April 30, 2019, and have not been applied in preparing these financial statements.

IFRS 16 – Lease (effective for annual periods beginning on or after January 1, 2019).

In January 2016, the IASB issued IFRS 16 - Leases which replaces IAS 17 - Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019. The Company has determined that adoption of IFRS 16 will have no impact on the financial statements.

Other accounting pronouncements with future effective dates are either not applicable or are not expected to have a material impact on the Company's financial statements.

RAIN RESOURCES CORP.

Notes to the Financial Statements
 Years Ended April 30, 2019 and 2018
 (Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSET

On October 8, 2019, the Company entered into an option agreement to acquire a 100% interests in the Southern Spectrum Mineral Property located in the Lilloet Mining Division of British Columbia.

In order to exercise the option, the Company must pay an aggregate of \$70,000 in cash and issue 1,200,000 common shares as set out below:

| Date | Cash | Shares |
|-----------------------------------|-----------------|------------------|
| Prior to becoming a listed issuer | \$40,000 (paid) | 500,000 |
| December 31, 2019 | \$10,000 | 175,000 |
| December 31, 2020 | \$10,000 | 175,000 |
| December 31, 2021 | \$10,000 | 350,000 |
| Total | \$70,000 | 1,200,000 |

The Company also needs to incur \$1,250,000 in exploration costs as follow:

| Date | \$ |
|-------------------|------------------|
| December 31, 2019 | 50,000 |
| December 31, 2020 | 100,000 |
| December 31, 2021 | 350,000 |
| December 31, 2022 | 750,000 |
| Total | 1,250,000 |

The exploration and evaluation assets as at April 30, 2019 and 2018 is as follow:

| | April 30, 2019 | April 30, 2018 |
|--------------------------|-------------------|-------------------|
| | \$ | \$ |
| Beginning balance | - | - |
| Acquisition costs | 40,000 | - |
| Exploration expenditures | 8,941 | - |
| Closing balance | 48,941 | - |

5. SHARE CAPITAL*Shares*

Authorized: Unlimited Common shares without par value.

Issued and Outstanding Common Shares:

One common share was issued by the Company at \$1.00 on November 11, 2014 to the incorporator.

On July 28, 2017, the Company issued 1,010,549 common shares for proceeds of \$1,000.

On December 18, 2017, the Company issued 7,600,000 units at \$0.025 each for total proceeds of \$190,000. Each unit consists of one Class A common share and one share purchase warrant exercisable at \$0.05 for a period of 24 months into one Class A common share.

RAIN RESOURCES CORP.

Notes to the Financial Statements

Years Ended April 30, 2019 and 2018

(Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)

On January 18, 2018, the Company issued 400,000 units at \$0.025 each for total proceeds of \$10,000. Each unit consists of one Class A common share and one share purchase warrant exercisable at \$0.05 for a period of 24 months into one Class A common share.

During the year ended April 30, 2019, the Company received \$44,450 for shares issued subsequent to the year end (Note 10).

Warrants

The following is a summary of warrants outstanding at April 30, 2019:

| Number of Shares | Exercise Price | Expiry Date | Exercisable |
|------------------|----------------|-------------------|-------------|
| 7,600,000 | \$0.05 | December 18, 2019 | 7,600,000 |
| 400,000 | \$0.05 | January 18, 2020 | 400,000 |
| 8,000,000 | | | 8,000,000 |

As at April 30, 2019, the warrants have a weighted average exercise price of \$0.05 and a weighted average life remaining of 0.64 years.

6. RELATED PARTIES

As at April 30, 2019, total amount payable to the CEO of the Company is \$678 (2018: \$1,150) related to expenditures paid by himself on behalf the Company. Balance due to the CEO is due on demand, interests free and unsecured.

7. INCOME TAXES

A reconciliation of income taxes at statutory tax rates is as follows:

| | 2019 | 2018 |
|-----------------------------------|----------|----------|
| | \$ | \$ |
| Loss for the year | (54,865) | (10,553) |
| Statutory tax rate | 27.00% | 26.00% |
| Expected recovery of income taxes | (14,814) | (2,744) |
| Effect on change in tax rates | (510) | - |
| Change in benefit not recognized | 15,324 | 2,744 |
| Deferred income tax recovery | - | - |

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statements of financial position are as follows:

| | 2019 | 2018 |
|--------------------|--------|-------|
| | \$ | \$ |
| Non-capital losses | 18,068 | 2,744 |

The Company has \$66,918 of non-capital tax losses that commence expiry in 2037.

8. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity and cash as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the commercialization of the licensed proprietary asset. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through the equity or debt financing. The Company is not subject to any capital requirements imposed by a regulator and there have been no changes in the Company's approach to capital management during the year.

9. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

The Company's financial instruments consist of cash and accounts payable.

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

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The fair value of cash is determined using level 1 inputs. The fair value of accounts payable approximates its carrying value due to short-term maturity of these items.

The Company's financial instruments are exposed to certain financial risks, which include the following:

Credit risk

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. Credit risk is assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company ensures that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's holdings of cash. The Company's cash are held in corporate bank accounts available on demand. Liquidity risk has been assessed as being high.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk, price risk and foreign exchange risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not hold any financial instruments that are subject to fluctuations in interest rates. Interest rate risk has been assessed as low.

RAIN RESOURCES CORP.

Notes to the Financial Statements

Years Ended April 30, 2019 and 2018

(Expressed in Canadian dollars)

9. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

Commodity price Risk

The Company has not entered into the production phase and therefore the impact of commodity price fluctuations is limited to the Company's ability to raise funds to continue to explore and develop its mineral property.

Foreign currency Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. As at April 30, 2019, the Company does not have any financial instruments denominated in a foreign currency. Foreign currency risk has been assessed as low.

10. SUBSEQUENT EVENT

On June 10, 2019, the Company closed a non-brokered private placements under which it raised gross proceeds of \$121,200 by way of the issuance of 1,212,000 units at the price of \$0.10 per Unit. Each Unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.20 per common share for two years (Note 5).

**SECTION (D) UNAUDITED INTERIM FINANCIAL INFORMATION OF
CLOUDBREAK**

CLOUDBREAK DISCOVERY CORP.

(Formerly Rain Resources Corp.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Three and Six Months Ended October 31, 2020 and 2019
(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITORS' REVIEW OF INTERIM FINANCIAL STATEMENTS

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

| | <i>Notes</i> | As at October 31, 2020 \$ | As at April 30, 2020 \$ |
|---|--------------|---------------------------------------|----------------------------------|
| Assets | | | |
| Cash | | 21,713 | 1,722 |
| Investments | 4 | 7,321,645 | 47,600 |
| | | 7,343,358 | 49,322 |
| Exploration and evaluation asset | 6 | 667,724 | 350,001 |
| Total Assets | | 8,011,082 | 399,323 |
| Liabilities | | | |
| Accounts payable | | 13,548 | - |
| Due to related parties | 9 | 256,375 | 74,290 |
| Total Liabilities | | 269,923 | 74,290 |
| Shareholders' Equity | | | |
| Share capital | 8 | 2,967,847 | 1,677,591 |
| Accumulated surplus (deficit) | | 4,773,312 | (1,352,558) |
| Total Shareholders' Equity | | 7,741,159 | 325,033 |
| Total Liabilities and Shareholders' Equity | | 8,011,082 | 399,323 |

Nature and Continuance of Operations (Note 1)
Reverse Takeover (Note 7)
Subsequent Events (Note 12)

Approved on behalf of the Board:

"Bob Meister"

Bob Meister, President & CEO

"Kyler Hardy"

Kyler Hardy, Director

Vancouver, British Columbia
December 24, 2020

The accompanying notes are integral to these condensed interim consolidated financial statements.

| | Notes | Three Months Ended October 31, 2020 | Three Months Ended October 31, 2019 | Six Months Ended October 31, 2020 | Six Months Ended October 31, 2019 |
|---|-------|---|---|--|--|
| | | \$ | \$ | \$ | \$ |
| Revenues | | | | | |
| Property option payments | 6 | 193,250 | - | 203,250 | - |
| Property Sale | 6.9 | 2,030,000 | 47,600 | 2,030,000 | 47,600 |
| | | 2,223,250 | 47,600 | 2,233,250 | 47,600 |
| Cost of Sale | 6 | 50,000 | - | 50,000 | - |
| Gross Profit | | 2,173,250 | 47,600 | 2,183,250 | 47,600 |
| Expenses | | | | | |
| Bad Debt | 5 | - | - | - | 650,690 |
| Consulting fees | 9 | 15,000 | - | 25,000 | - |
| General and administrative | | 190 | - | 4,145 | 654 |
| Interest and bank charges | | - | - | 313 | 74 |
| Listing expense | 7 | - | - | 944,011 | - |
| Professional fees | 9 | 45,020 | - | 80,772 | 3,160 |
| Share-based payments | 8 | - | - | 135,500 | - |
| Transfer agent and filing fees | | 4,892 | - | 8,389 | - |
| Total Expenses | | 65,102 | - | 1,198,130 | (654,578) |
| Income (Loss) before other items | | 2,108,148 | 47,600 | 985,120 | (606,978) |
| Other items | | | | | |
| Change in fair value of investments | 4 | 5,140,750 | - | 5,140,750 | - |
| Net Income (loss) for the Period | | 7,248,898 | 47,600 | 6,125,870 | (606,978) |
| Basic and diluted loss per common share | | | | | |
| | | \$0.23 | (\$0.00) | \$0.20 | (\$0.02) |
| Weighted average number of common shares outstanding | | | | | |
| | | 31,734,960 | 25,130,071 | 31,194,597 | 25,130,071 |

The accompanying notes are integral to these condensed interim consolidated financial statements

| | Notes | Number of Outstanding Shares | Share Capital | Deficit | Total Shareholders' Equity |
|--|-------|------------------------------------|------------------|-------------|----------------------------------|
| | | | \$ | \$ | \$ |
| Balance, April 30, 2019 | | 25,130,071 | 1,677,591 | (695,105) | 982,486 |
| Net and comprehensive loss | | - | - | (606,978) | (606,978) |
| Balance, October 31, 2019 | | 25,130,071 | 1,677,591 | (1,302,083) | 375,508 |
| Balance, April 30, 2020 | | 25,130,071 | 1,677,591 | (1,352,558) | 325,033 |
| Issuance of shares – Exploration and evaluation assets | 6 | 575,000 | 115,000 | - | 115,000 |
| Share-based payments | 7 | 1,355,000 | 135,500 | - | 135,500 |
| Issuance of shares – Reverse takeover | 7 | 5,198,778 | 1,039,756 | - | 1,039,756 |
| Net income and comprehensive income | | - | - | 6,125,870 | 6,125,870 |
| Balance, October 31, 2020 | | 32,258,849 | 2,967,847 | 4,773,312 | 7,741,159 |

These accompanying notes are integral to these condensed interim consolidated financial statements

| | Period Ended October 31, 2020 | Period Ended October 31, 2019 |
|---|-------------------------------------|-------------------------------------|
| | \$ | \$ |
| Operating Activities | | |
| Net income (loss) | 6,125,870 | (606,978) |
| Non-Cash Transaction | | |
| Change in fair value of investments | (5,140,750) | - |
| Listing expense | 944,011 | - |
| Mineral property sale and option payments | (2,083,297) | (47,600) |
| Share-based payments | 135,500 | - |
| Bad debt | - | 650,690 |
| Change in non-cash working capital | | |
| Accounts payable | (9,517) | - |
| Net cash provided (used) in operating activities | (28,183) | (3,888) |
| Financing activities | | |
| Cash received in reverse takeover | 14,473 | - |
| Due to related parties | 51,200 | 53,816 |
| Net cash provided (used) by financing activities | 65,673 | 53,816 |
| Investing activities | | |
| Mineral property option | (17,500) | (50,000) |
| Net cash provided (used) in investing activities | (17,500) | (50,000) |
| Change in cash | 19,990 | (72) |
| Cash, beginning of the year | 1,722 | 1,794 |
| Cash, end of the year | 21,713 | 1,722 |

The accompanying notes are integral to these condensed interim consolidated financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Cloudbreak Discovery Corp. (formerly Rain Resources Corp.) (the "Company") was incorporated on November 11, 2014 under the laws of British Columbia, Canada. The Company is engaged in the business of acquiring, exploring and developing natural resource properties located in Canada. Its head office and registered office is located at 1153 West 22nd Street, North Vancouver, BC, V7P 2E9, Canada.

On May 19, 2020, the Company and Ridge Royalty Corp ("former Ridge") completed a share exchange transaction pursuant to an Acquisition Agreement (the "Acquisition Agreement"). This resulted in the former Ridge shareholders acquiring control of the Company.

Under the terms of the Acquisition Agreement, former Ridge amalgamated with the Company's wholly owned subsidiary 1237611 BC Ltd. and became a 100% owned subsidiary of the Company. The Company issued an aggregate 26,485,071 post consolidated shares pro rata to Ridge shareholders. After the merger, the Company had 31,683,849 common shares issued and outstanding. Upon closing, former Ridge shareholders held 84% of the outstanding shares of the Company. The transaction constituted a reverse acquisition as more fully described in Note 7.

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations.

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), applicable to the preparation of interim statements, including IAS 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Standards Interpretations Committee ("IFRIC").

The accounting policies followed in these condensed interim consolidated financial statements are consistent with those applied in the Company's annual consolidated financial statements for the year ended April 30, 2020. These condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended April 30, 2020 which have been prepared according to IFRS as issued by IASB. The Audit Committee of the Board of Directors authorized for publication these condensed interim consolidated financial statements on December 24, 2020.

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

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, if applicable, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary 1237611 B.C. Ltd.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies can be read in Note 3 to the Company's annual audited consolidated financial statements as at and for the year ended April 30, 2020.

4. INVESTMENTS

As at October 31, 2020, the Company's investments are as follows:

4. INVESTMENTS (continued)

| Investments | Amount |
|----------------------------------|------------------|
| | \$ |
| Linceo Media Group Inc. | 47,600 |
| Imperial Helium Corp. | 45 |
| Norseman Silver Inc. | 274,000 |
| Temas Resources Corp. | 7,000,000 |
| Balance, October 31, 2020 | 7,321,645 |

On September 23, 2020, the company sold its La Blache property to Temas Resources Corp. ("Temas") for a cash payment of \$30,000 and 10,000,000 Temas shares which had a value at the time of \$2,000,000 (Note 6). The Company retained a 2% NSR on the La Blache property. The Temas shares are subject to pooling restrictions with 2,500,000 Temas shares being released March 23, 2021 and 7,500,000 Temas shares being released September 23, 2021.

On August 27, 2020, the Company received 370,000 shares in Norseman Silver Inc. ("Norseman") in relation to the option agreement with Norseman for the Silver Switchback property (Note 6). The Norseman shares had a value of \$83,250 when received.

On August 19, 2020, the Company received 1,000,000 shares from Norseman Silver Inc. ("Norseman") in relation to the option agreement with Norseman for the Caribou property (Note 6). The Norseman shares had a value of \$50,000 when received.

On August 17, 2019, the Company sold the Granny Smith and Fuji mineral claims to Linceo Media Group ("Linceo") for 4,000 shares in Linceo at a value of \$47,600 and retained a 2.5% NSR on each property.

On April 20, 2020, the Company purchased 450,000 preferred shares in Imperial Helium Corp. for \$45.

As at October 31, 2020, investments were classified as held for trading and recorded at their fair values based on quoted market prices (if available). Investments that do not have quoted market prices are measured at cost less impairment.

5. BAD DEBT

During the year ended 2018, the Company lent Reso Energy Corp \$650,690 which subsequently became uncollectible and was written off during the period ended July 31, 2019.

6. EXPLORATION AND EVALUATION ASSETS

As at October 31, 2020, the Company exploration and evaluation assets are as follows:

| E & E Assets | Amount |
|--|----------------|
| | \$ |
| Apple Bay Property, British Columbia | 300,000 |
| Caribou Property, British Columbia | 1 |
| Gold Vista Property, British Columbia | 10,000 |
| Silver Vista Property, British Columbia | 175,000 |
| Silver Switchback Property, British Columbia | 55,000 |
| Southern Spectrum Property, British Columbia | 127,723 |
| Balance, October 31, 2020 | 667,724 |

6. EXPLORATION AND EVALUATION ASSETS (continued)

Caribou Property, Canada

On November 20, 2017 the Company acquired the Caribou mineral property for \$1. As at October 31, 2020, included in Exploration and Evaluation Assets is \$1 (April 30, 2020 – \$1) attributed to the Caribou property.

On June 2, 2020, the Company entered into an option agreement with Norseman Capital Ltd. (“Norseman”) under which Norseman may acquire up to a 100% interest in the Company’s Caribou Property subject to a 2% net smelter return to the Company. In order for Norseman to fully exercise the option on the Caribou Property, they must pay the Company an aggregate of \$80,000 (\$10,000 paid), issue 2,750,000 common shares (1,000,000 issued) of Norseman and incur exploration expenses of \$225,000, all over three years. Norseman will have the right to repurchase one-half of the 2% net smelter return for \$1,000,000. During the period ended October 31, 2020, the Company received cash payment of \$10,000 and 1,000,000 Norseman shares in relation to the option payment due under the agreement valued at \$50,000.

Apply Bay Property, Canada

On February 29, 2017 the Company purchased a 1.50% production royalty on the Apple Bay property located in British Columbia, Canada. The production royalty was purchased for 3,000,000 shares of the Company at a deemed value of \$0.10 per share.

As at October 31, 2020, included in Exploration and Evaluation Assets is \$300,000 (April 30, 2020 – \$300,000) attributed to the Apple Bay property.

La Blache Property, Canada

On May 20, 2019, the Company purchased 100% of the La Blache mineral claims in Core-Nord, Quebec for \$50,000.

On June 18, 2020, the Company and Cronin Services Ltd. (collectively known as “Vendors”) entered into a definitive agreement with Temas Resources Corp. (“Temas”) for the sale of 100% interest in the La Blache property in Core-Nord, Quebec for an aggregate of 20,000,000 Temas shares, \$60,000 in cash payments and deliver an NSR royalty of 2%, subject to the right of Temas to repurchase one-half of the NSR royalty (1%) for \$2,500,000 at any time. On September 23, 2020 the transaction closed with the Company receiving 10,000,000 Temas shares and \$30,000 cash and a 2% NSR. The 10,000,000 shares the Company received are subject to pooling restrictions as follows: 25% of the Temas shares will be released from the pool March 23, 2021 and the balance will be released September 23, 2021.

During the period ended October 31, 2020, the Company received \$30,000 cash payment and 10,000,000 Temas shares valued at \$2,000,000.

Gold Vista Property, Canada

On May 8, 2020 the Company entered into an option agreement to purchase 100% of the rights to the Gold Vista Property located in British Columbia, Canada. To earn a 100% interest, the Company will need to make cash payments of \$65,000, issue 1,375,000 shares in the Company and incur work commitments on the property of \$225,000, all over the next 3 years. Timing of the commitments are as follows:

- 2020 - \$10,000 cash payment (paid), issue 1,000,000 shares of the Company (within 5 days of exchange approval)
- 2021 - \$20,000 cash payment, issue 750,000 shares of the Company,
- 2022 - \$50,000 cash payment, issue 1,000,000 shares of the Company, incur \$75,000 in exploration expenditures
- 2023 – incur \$150,000 of exploration expenditures

The property is subject to a 2% NSR which the Company may acquire one-half (1%) for \$1,000,000. As at October 31, 2020, included in Exploration and Evaluation Assets is \$10,000 (April 30, 2020 – nil) attributed to the Gold Vista property comprised of option cash payment of \$10,000.

6. EXPLORATION AND EVALUATION ASSETS (continued)

On October 6, 2020, the Company entered into an option agreement with Deep Blue Trading (“Deep Blue”) under which Deep Blue may acquire up to a 100% interest in the Gold Vista Property subject to a 2% net smelter return (“NSR”) to the Company. In order for Deep Blue to fully exercise the option on the Gold Vista Property, they must pay the Company an aggregate of \$55,000 cash and issuance 1,500,000 Deep Blue shares and incur exploration expenses of \$375,000 all over three years. During the period ended October 31, 2020, the Company received a cash payment of \$10,000 from Deep Blue in relation to the option agreement.

Silver Switchback Property, Canada

On May 8, 2020 the Company entered into an option agreement to purchase 100% of the rights to the Silver Switchback Property located in British Columbia, Canada. To earn a 100% interest, the Company will need to make cash payments of \$75,000, issue 2,000,000 shares in the Company and incur work commitments on the property of \$475,000, all over 3 years. Timing of the commitments are as follows:

- 2020 - \$7,500 cash payment (paid) on signing, \$7,500 cash payment (paid) and issue 200,000 (issued) shares of the Company
- 2021 - \$75,000 in exploration expenditures
- 2022 - \$20,000 cash payment, issue 600,000 shares of the Company, incur \$150,000 in exploration expenditures
- 2023 - \$40,000 cash payment, issue 1,000,000 shares of the Company, incur \$250,000 in exploration expenditures

The property is subject to a 2% NSR which the Company may acquire 1.5% of the 2% for \$1,250,000.

As at October 31, 2020, included in Exploration and Evaluation Assets is \$55,000 (April 30, 2020 – nil) attributed to the Silver Switchback property comprised of option cash payments of \$15,000 and issuance of 200,000 Company shares valued at \$40,000.

On August 27, 2020, the Company entered into an option agreement with Norseman Silver Inc. (“Norseman”) under which Norseman may acquire up to a 100% interest in the Company’s Silver Switchback Property subject to a 1% net smelter return (“NSR”) to the Company. In order for Norseman to fully exercise the option on the Silver Switchback Property, they must pay the Company and/or the previous option holder an aggregate of \$90,000 cash and issue 2,600,000 common shares of Norseman over three years and incur \$475,000 in exploration expenses on the property. Norseman will have the right to repurchase one-half of the 1% NSR (0.5%) for \$500,000, which is in addition to the underlying 2% NSR already in place owing to the previous optionor.

During the period ended October 31, 2020, the Company received \$30,000 in relation to the option agreement and 370,000 Norseman shares valued at \$83,250.

Silver Vista, Canada

On May 8, 2020 the Company entered into an option agreement to purchase 100% of the rights to the Silver Vista Property located in British Columbia, Canada. To earn a 100% interest, the Company will need to make cash payments of \$145,000, issue 1,375,000 shares in the Company and incur work commitments on the property of \$275,000, all over 3 years. Timing of the commitments are as follows:

- 2020 - \$10,000 cash payment (paid) on signing, \$10,000 cash payment and issue 375,000 shares of the Company
- 2021 – none
- 2022 - \$20,000 cash payment, issue 500,000 shares of the Company, incur \$100,000 in exploration expenditures
- 2023 - \$25,000 cash payment, issue 500,000 shares of the Company, incur \$175,000 in exploration expenditures

6. EXPLORATION AND EVALUATION ASSETS (continued)

The property is subject to a 2% NSR which the Company may acquire one-half (1%) for \$1,000,000. As at October 31, 2020, included in Exploration and Evaluation Assets is \$175,000 (April 30, 2020 – nil) attributed to the Silver Vista property comprised of \$20,000 option cash payment, a \$80,000 payment to a prior optionor to fulfill prior option agreement obligations) and issuance of 375,000 Company shares valued at \$75,000.

On September 21, 2020, the Company entered into an option agreement with Norseman Silver Inc. (“Norseman”) under which Norseman may acquire up to a 100% interest in the Company’s Silver Vista Property subject to a 1% net smelter return (“NSR”) to the Company. In order for Norseman to fully exercise the option on the Silver Switchback Property, they must pay the Company and/or the previous option older an aggregate of \$95,000 cash and issue 3,000,000 common shares of Norseman over three years and incur \$375,000 in exploration expenses on the property. Norseman will have the right to repurchase one-half of the 1% NSR (0.5%) for \$500,000, which is in addition to the underlying 2% NSR already in place owing to the previous optionor.

During the period ended October 31, 2020, the Company received \$20,000 for the first option payment due under the agreement.

Spectrum Property, Canada

On October 8, 2018, the Company entered into an option agreement to acquire 100% interests in the Southern Spectrum Mineral Property located in the Lilloet Mining Division of British Columbia. In order to exercise the option, the Company must pay an aggregate of \$70,000 in cash (\$50,000 paid), issue 1,200,000 common shares (675,000 issued), incur work commitments of \$1,250,000 (\$50,000 incurred), all over three years and issue a 3% NSR. Timing of the remaining commitments are as follows:

- 2020 - \$10,000 cash payment, issue 175,000 shares of the Company, incur \$100,000 in exploration expenditures
- 2021 - \$10,000 cash payment, issue 350,000 shares of the Company, incur \$350,000 in exploration expenditures
- 2022 - incur \$750,000 in exploration expenditures

As at October 31, 2020, included in Exploration and Evaluation Assets is \$127,723 (April 30, 2020 – nil) attributed to the Spectrum property. On November 27, 2020, the Company sold the Spectrum property (Note 12).

7. REVERSE ACQUISITION

| | Number of common shares | Amount \$ |
|------------------------------|----------------------------|------------------|
| Former Cloudbreak: | | |
| Balance, May 19, 2020 | 5,198,778 | 1,039,756 |
| Ridge Royalty Corp. : | | |
| Balance, May 19, 2020 | 26,485,071 | 1,513,092 |

On May 19, 2020, the Company merged with Ridge Royalty Corp. (“Ridge”) pursuant to which Ridge amalgamated with the Company’s wholly owned subsidiary 1237611 B.C. Ltd. and became a 100% owned subsidiary of the Company. Under the transaction, the Company issued an aggregate of 26,485,071 post consolidated common shares pro rata to Ridge shareholders. After the merger, the Company had 31,683,849 common shares issued and outstanding. Upon closing, former Ridge shareholders will hold approximately 84% of the outstanding shares of the Company. After merger, four properties of Ridge: La Blache Property, Caribou Property and Apple Bay Property were included in the Exploration and Evaluation assets of the Company.

7. REVERSE ACQUISITION (continued)

The merger is considered a reverse takeover in which Ridge shareholders obtaining control of the Company. The transaction is therefore accounted for in accordance with IFRS 2 Share-based Payment whereby Ridge is deemed to have issued shares in exchange for the net assets of the Company together with its Reporting Issuer status at the fair value of consideration received by Ridge. The accounting for this transaction will be as follows:

i. The consolidated financial statements of the merged entity are issued under the legal parent, the former Cloudbreak, but are considered a continuation of the financial statements of the legal subsidiary and accounting acquirer, Ridge.

ii. Since Ridge is deemed to be the acquirer for accounting purposes, its assets and liabilities will be included in the consolidated financial statement at their historical carrying values.

iii. The identifiable assets and liabilities of the former Cloudbreak will be recognized at their fair value at the acquisition date of May 19, 2020 with the excess of the fair value of the equity interest consideration paid over

the fair value of the net assets acquired being charged to the consolidated statements of loss and comprehensive loss as a listing expense; and

The fair value of the equity interest consideration paid is determined based on the percentage ownership former the Company's shareholders have in the consolidated entity after the transaction. This represents the fair value of the shares that Ridge would have had to issue for the ratio of ownership interest in the combined entity to be the same, if the transaction had taken the legal form of Ridge acquiring 100% of the common shares of the Company. The consideration paid in the reverse-acquisition is therefore equivalent to the fair value of the 5,198,778 of the Company shares deemed to have been issued by Ridge and controlled by former the Company's shareholders, estimated to be \$1,039,756 based on the fair market value of \$0.20 per post consolidation share, being the price of a recent financing of the Company.

The listing fee expense that will be recorded May 19, 2020 is summarized as follows:

Net working capital acquired:

| <u>Net Working Capital Acquired by Ridge Royalty May 19, 2020</u> | |
|--|-------------------|
| Cash | \$ 14,473 |
| Exploration and evaluation assets | 235,222 |
| Accounts payable and accruals | (23,064) |
| Due to related party | (130,886) |
| | <hr/> |
| | 95,745 |
| Common shares issued (5,198,778 shares at \$0.20 per share) | 1,039,756 |
| | <hr/> |
| Listing Fee Expense | \$ 944,011 |

8. SHARE CAPITAL

Shares

Authorized:

The Company's authorized share capital consisted of unlimited number of common shares without par value.

Issued and Outstanding:

As at October 31, 2020, the Company has a total of outstanding and issued common shares: 32,258,849 (April 30, 2020 – 25,130,071).

On October 23, 2020, the Company issued 575,000 common shares in relation to the Silver Vista and Switchback option agreements (Note 6).

On May 19, 2020, the Company issued 5,198,778 at deemed value of \$0.20 per share in pursuant of the reverse acquisition for a total of \$1,039,756 (Note 6).

8. SHARE CAPITAL (continued)

On May 11, 2020, the Company issued 1,355,000 common shares at \$0.10 per share to a consultant of the company for professional services. These were recorded as share-based payments of \$135,500.

During the year ended April 30, 2018, the Company issued 6,950,000 common shares at \$0.10 for a total of \$695,000.

During the year ended April 30, 2017, the Company issued 3,800,000 common shares at an average of \$0.10 per share for total proceeds of \$380,000.

During the year ended April 30, 2016, the Company issued 14,380,071 common shares at an average of \$0.04 per share for a total of \$602,591.

Warrants

The following is a summary of warrants outstanding at October 31, 2020:

| Number of Shares | Exercise Price | Expiry Date | Exercisable |
|------------------|----------------|--------------------|-------------|
| 3,800,000 | \$0.10 | December 18, 2021* | 3,800,000 |
| 200,000 | \$0.10 | January 18, 2022* | 200,000 |
| 303,000 | \$0.40 | June 10, 2021 | 303,000 |
| 4,303,000 | | | 4,303,000 |

As at October 31, 2020, the warrants have a weighted average exercise price of \$0.12 and a weighted average life remaining of 1.10 years.

9. RELATED PARTIES

As at October 31, 2020, due to related parties included a total of \$256,375 (April 30, 2020 - \$74,290) of which \$156,093 was payable to the CEO of the Company which relates to expenditures paid on behalf of the Company. \$100,283 of the amounts due to related parties are payable to companies controlled by a director of the Company.

During the period ended October 31, 2020, the Company sold the La Blache property to a company with a director in common (Note 6).

During the period ended October 31, 2020, the Company incurred consulting fees of \$25,000 (October 31, 2019 - \$Nil) to the CEO of the Company and professional fees of \$26,250 (October 31, 2019 - \$Nil) to an entity controlled by a director of the Company.

All related party transactions are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

10. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity and cash as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the commercialization of the licensed proprietary asset. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through the equity or debt financing. The Company is not subject to any capital requirements imposed by a regulator and there have been no changes in the Company's approach to capital management during the year.

11. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

The Company's financial instruments consist of cash, accounts payable and amounts due to related party.

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

11. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The fair value of cash and investments is determined using level 1 inputs. The fair value of accounts payable and amounts due to related party approximates its carrying value due to short-term maturity of these items.

The Company's financial instruments are exposed to certain financial risks, which include the following:

Credit risk

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash. Risk associated with cash is managed through the use of major banks which are high credit

quality financial institutions as determined by rating agencies. Credit risk is assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. As at October 31, 2020, the Company had a cash balance of \$21,713 and liquid investments of \$7,274,000 to settle current liabilities of \$269,922. Liquidity risk is assessed as low.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk, price risk and foreign exchange risk:

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not hold any financial instruments that are subject to fluctuations in interest rates. Interest rate risk has been assessed as low.

Foreign currency Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. As at October 31, 2020, the Company does not have any financial instruments denominated in a foreign currency. Foreign currency risk has been assessed as low.

12. SUBSEQUENT EVENTS

On August 6, 2020, the Company entered into a non-binding heads of term agreement with Imperial X plc whereby, Imperial X plc will purchase the entire issued and outstanding shares of the Company for 149,568,502 Imperial X shares at a price of £0.025 per share.

On November 27, 2020, the Company sold, transferred and assigned all of the Company's right, title interest and obligations under its original Spectrum property option agreement (Note 6) to 1162832 BC Ltd. (the "Vendor") for \$10,000 cash. Upon the Vendor receiving at least 500,000 shares from the transfer, option, or other disposition of some or all of the Vendor's interest in the Spectrum property ("Consideration Shares"), the Vendor will transfer to the Company at least 500,000 of those Consideration Shares.

SECTION (E) FINANCIAL INFORMATION OF HOWSON

De Visser Gray, Vancouver, BC V6E 4G1, Canada, Chartered Professional Accountants and statutory auditors to Howson, has given its consent for:

- the inclusion of their statutory audit reports issued with respect to the Howson Financial Information included in this Section (A) "*Historical Financial Information of Howson*" of Part VI "*Financial Information*" of the Document; and
- the inclusion of their name,

in the form and context in which it they are included in the Prospectus.

Their consent and authorisation is provided as required by item 1.3 of Annex 1 of Commission Delegated Regulation (EU) 2019/980 supplementing the Prospectus Regulation.

De Visser Gray has no material interest in the Company.

HOWSON VENTURES INC.

Financial Statements

(Expressed in Canadian Dollars)

**For Year Ended December 31, 2019 and the
Period from Incorporation on July 20, 2018 to December 31, 2018**

INDEPENDENT AUDITOR'S REPORT

To the Directors of Howson Ventures Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Howson Ventures Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2019 and 2018 and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year ended December 31, 2019 and for the period from incorporation on July 20, 2018 to December 31, 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and 2018 and its financial performance and its cash flows for the year ended December 31, 2019 and for the period from incorporation on July 20, 2018 to December 31, 2018 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit 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 Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our 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 in the financial statements, which indicates that the Company's ability to continue as a going concern is dependent on its ability to generate future cash flows and/or obtain additional financing. These matters, 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.

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

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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 G. Cameron Dong.

A handwritten signature in black ink that reads "De Visser Gray LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants

Vancouver, BC, Canada
December 7, 2020

Howson Ventures Inc.
Statements of Financial Position
(Expressed in Canadian dollars)

| | <i>Notes</i> | As at December 31, 2019 \$ | As at December 31, 2018 \$ |
|---|--------------|-------------------------------------|-------------------------------------|
| Assets | | | |
| Current Assets | | | |
| Cash | | 432 | 215,164 |
| Taxes receivables | | 12,119 | 8,457 |
| | | 12,551 | 223,621 |
| Non-current Assets | | | |
| Convertible loan note receivable | 5 | 702,108 | - |
| Exploration and evaluation assets | 4 | 100,000 | 100,000 |
| Total Assets | | 814,659 | 323,621 |
| Liabilities | | | |
| Accounts payable | 7 | 211,635 | 183,100 |
| Total Liabilities | | 211,635 | 183,100 |
| Shareholders' Equity | | | |
| Share capital | 6 | 872,060 | 100,010 |
| Subscription receipts | | - | 215,400 |
| Reserves - Options | 6 | 35,530 | - |
| Accumulated deficit | | (304,566) | (174,889) |
| Total Shareholder's Equity | | 603,024 | 140,521 |
| Total Liabilities and Shareholder's Equity | | 814,659 | 323,621 |

Nature and Continuance of Operations (Note 1)
Commitments (Note 9)
Subsequent Events (Note 12)

Approved on behalf of the Board:

"Kyler Hardy"

Kyler Hardy, CEO and Director

"Timothy Johnson"

Timothy Johnson, Director

The accompanying notes are integral to these financial statements.

Howson Ventures Inc.

Statements of Loss and Comprehensive Loss

For Year Ended December 31, 2019 and the Period from Incorporation on July 20, 2018 to December 31, 2018

(Expressed in Canadian dollars)

| | Notes | Year Ended December 31, 2019 \$ | July 20, 2018 to December 31, 2018 \$ |
|---|-------|--|--|
| Expenses | | | |
| Corporate finance fees | 7 | 50,000 | - |
| Exploration Expenses | | 12,457 | 96,140 |
| General and administrative | | 347 | 545 |
| Interest & bank charges | | 570 | 246 |
| Professional fees | 7 | 77,576 | 77,958 |
| Share-based payments | 6 | 35,530 | - |
| | | 176,480 | 174,889 |
| Loss before Other Items | | (176,480) | (174,889) |
| Other Items | | | |
| Interest income from convertible loan | 5 | 52,708 | - |
| Foreign exchange on convertible loan | | (25,335) | - |
| BC METC refund | | 19,430 | - |
| Net Loss and comprehensive loss for the period | | (129,677) | (174,889) |
| Basic and diluted loss per common share | | | |
| | | (0.01) | (0.15) |
| Weighted average number of common shares outstanding | | | |
| | | 11,499,129 | 1,147,341 |

The accompanying notes are integral to these financial statements

Howson Ventures Inc.

Statements of Changes in Shareholders' Equity For Year Ended December 31, 2019 and the Period from Incorporation on July 20, 2018 to December 31, 2018 (Expressed in Canadian dollars)

| | Number of Outstanding Shares | Share Capital | Subscription Receipts | Reserves - Options | Deficit | Total Shareholders' Equity |
|-----------------------------------|------------------------------------|------------------|--------------------------|-----------------------|------------------|----------------------------------|
| | | \$ | \$ | \$ | \$ | \$ |
| Balance, July 20, 2018 | - | - | - | - | - | - |
| Incorporation shares | 1,000 | 10 | - | - | - | 10 |
| Proceeds for shares issued | 2,000,000 | 100,000 | - | - | - | 100,000 |
| Subscription receipts | - | - | 215,400 | - | - | 215,400 |
| Net loss and comprehensive loss | - | - | - | - | (174,889) | (174,889) |
| Balance, December 31, 2018 | 2,001,000 | 100,010 | 215,400 | - | (174,889) | 140,521 |
| Proceeds for shares issued | 11,435,000 | 772,050 | (215,400) | - | - | 556,650 |
| Share-based payments | - | - | - | 35,530 | - | 35,530 |
| Net loss and comprehensive loss | - | - | - | - | (129,677) | (129,677) |
| Balance, December 31, 2019 | 13,436,000 | 872,060 | - | 35,530 | (304,566) | 603,024 |

These accompanying notes are integral to these financial statements

Howson Ventures Inc.

Statements of Cash Flows

For Year Ended December 31, 2019 and the Period from Incorporation on July 20, 2018 to December 31, 2018

(Expressed in Canadian dollars)

| | For Year Ended December 31, 2019 | July 20, 2018 to December 31, 2018 |
|--|--|--|
| | \$ | \$ |
| Operating Activities | | |
| Net loss | (129,677) | (174,889) |
| Non-cash items | | |
| Share-based payments | 35,530 | - |
| Interest income accrued on convertible loan note | (52,708) | - |
| Foreign exchange loss | 25,335 | - |
| Change in non-cash working capital | | |
| Taxes receivables | (3,662) | (8,457) |
| Account payable | 28,535 | 183,100 |
| Net cash used in operating activities | (96,647) | (246) |
| Financing activities | | |
| Subscription receipts | - | 215,400 |
| Proceeds for shares issued | 556,650 | 10 |
| Net cash from financing activities | 556,650 | 215,410 |
| Investing activities | | |
| Convertible loan note receivable | (674,735) | - |
| Net cash used in investing activities | (674,735) | - |
| Change in cash | (214,732) | 215,164 |
| Cash, beginning of the period | 215,164 | - |
| Cash, end of the period | 432 | 215,164 |

The accompanying notes are integral to these financial statements.

Howson Ventures Inc.

Notes to the Financial Statements

For Year Ended December 31, 2019 and the Period from Incorporation on July 20, 2018 to December 31, 2018
(Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Howson Ventures Inc. (the "Company") was incorporated on July 20, 2018 under the laws of British Columbia, Canada. The Company is engaged in the business of acquiring, exploring and developing natural resource properties located in Canada. Its head office and registered office is located at 890 – 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1, Canada.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at December 31, 2019, the Company has not generated any revenue and has an accumulated deficit of \$304,566 (2018 – \$174,889), has limited resources, no sources of operating cash flow and no assurances that sufficient funding will be available to continue operations for an extended period of time. The Company's continuation as a going concern is dependent on its ability to generate future cash flows and/or obtain additional financing. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and companies controlled by directors and/or private placements of common stock. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company.

These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Standards Interpretations Committee ("IFRIC"). These financial statements have been prepared on the basis of IFRS that are effective for the Company's reporting year ended December 31, 2019.

The financial statements were approved by the Board of Directors on December 7, 2020.

The financial statements are presented in Canadian dollars, which is the functional currency of the Company.

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, if applicable, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

3. SIGNIFICANT ACCOUNTING POLICIES

a. Use of estimates and assumptions

The preparation of these financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets, provisions for restoration and environmental obligations and contingent liabilities.

b. Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include:

Howson Ventures Inc.

Notes to the Financial Statements

For Year Ended December 31, 2019 and the Period from Incorporation on July 20, 2018 to December 31, 2018

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

- i. The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- ii. The classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses.

c. Cash

Cash includes cash on hand and deposits held at call with banks.

d. Restoration, rehabilitation, and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other assets.

The increase in the restoration provision due to the passage of time is recognized as interest expense.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to the statement of comprehensive loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

e. Exploration and evaluation assets

Exploration and evaluation assets include the costs of acquiring licenses and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Option payments are recorded as exploration and evaluation assets when the payments are made.

Exploration and evaluation expenditures are expensed. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits received are recorded in the statement of loss and comprehensive loss, unless there are associated capitalized exploration and evaluation assets from which these credits have been derived, at which point they are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

f. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Loss per share

Basic loss per share is calculated by dividing net loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is determined by adjusting the net loss attributable to common shares and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares.

h. Warrants

The Company makes certain estimates and assumptions when calculating the estimated fair value of warrants issued. The significant assumptions used include the estimate of expected volatility, expected life, expected dividend rate and expected risk-free rate of return. Changes in these assumptions may result in a material change to the value of the warrants issued

i. Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instrument issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is credited to the share-based payment reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted, shall be based on the number of equity instruments that eventually vest.

j. Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

k. Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their

Howson Ventures Inc.

Notes to the Financial Statements

For Year Ended December 31, 2019 and the Period from Incorporation on July 20, 2018 to December 31, 2018
(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company classifies its financial instruments as follows:

| Financial assets/liabilities | Classification IFRS 9 |
|-------------------------------------|------------------------------|
| Cash | FVTPL |
| Convertible loan note receivable | Amortized cost |
| Accounts payable | Amortized cost |

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Convertible loan note receivable and accounts payable are classified in this category.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss in the period in which they arise. Cash is classified in this category.

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive loss ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. There are no financial instruments classified in this category as at December 31, 2019 and 2018.

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss. There are no financial instruments classified in this category as at December 31, 2019 and 2018.

Impairment of financial assets at amortized cost

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

Derecognition

Financial assets

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

Howson Ventures Inc.

Notes to the Financial Statements

For Year Ended December 31, 2019 and the Period from Incorporation on July 20, 2018 to December 31, 2018
(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are recognized in profit or loss.

I. Accounting standards adopted during the current period

IFRS 16 Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control an identified asset for a period of time in exchange for consideration.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

The adoption of IFRS 16 did not have a material impact on the Company's financial statements.

4. EXPLORATION AND EVALUATION ASSETS

On September 11, 2018, the Company entered into an asset purchase agreement to purchase the Rupert Property, located in British Columbia, Canada. The Company issued 2,000,000 common shares (valued at \$100,000) to the vendors, and granted a 2% net smelter return. At any time, 1% of the net smelter return can be purchased by the Company for \$1,500,000 (\$750,000 to each of the two vendors). 1,000,000 of the common shares were issued to a company that was controlled by a director of Howson. The Company also agreed to incur expenditures on the property of \$100,000 during the first year (incurred), \$200,000 during the second year and \$500,000 during the third year following the asset purchase agreement. These expenditure requirements were subsequently amended, whereby \$200,000 is required to be spent during the third year and \$500,000 during the fourth year following the asset purchase agreement.

The Company has incurred the following exploration expenses on the Rupert Property:

| Date | \$ |
|--------------------------------|----------------|
| Period ended December 31, 2018 | 96,140 |
| Year ended December 31, 2019 | 12,457 |
| Total | 108,597 |

Howson Ventures Inc.

Notes to the Financial Statements

For Year Ended December 31, 2019 and the Period from Incorporation on July 20, 2018 to December 31, 2018
(Expressed in Canadian dollars)

5. CONVERTIBLE LOAN NOTE RECEIVABLE

On March 20, 2019, the Company issued a \$500,000 USD convertible loan note to Anglo-African Minerals plc ("AAM"). The convertible loan note bears interest at 10% per annum and compounds monthly, is unsecured, and had an original maturity date of September 20, 2019. The convertible loan note is convertible into common shares of AAM at \$0.01 USD per share.

The maturity date of the convertible loan note was subsequently extended to March 20, 2020, and the Company was issued 21,029,978 AAM warrants per the terms of the extension. These warrants have a strike price of \$0.025 USD per share, with an expiry date of September 19, 2021.

As at December 31, 2019, the convertible loan had a balance of \$540,582 USD (\$702,108 CAD).

Subsequent to year-end, the convertible loan note matured without repayment. The loan continues to accrue interest at the stated rate.

6. SHARE CAPITAL

Shares

Authorized: Unlimited Common shares without par value.

Issued and Outstanding Common Shares:

For the year ended December 31, 2019, total outstanding and issued common shares: 13,436,000 (December 31, 2018: 2,001,000).

On April 2, 2019, the Company issued 4,006,000 common shares at \$0.10 per share for a gross proceed of \$400,600 from a private placement.

On March 19, 2019, the Company issued 2,000,000 flow-through common shares and 965,000 common shares at \$0.05 per share for a gross proceed of \$148,250 from a private placement. (Note 9)

On January 24, 2019, the Company issued 4,464,000 common shares at \$0.05 per share from private placement for a gross proceed of \$223,200.

On September 28, 2018, the Company issued 2,000,000 common shares (1,000,000 issued to a company controlled by a director) at \$0.05 per share in relation to the asset purchase agreement for the Rupert Property (Note 4).

On July 20, 2018, the Company issued 1,000 incorporation shares at \$0.01 for \$10.

Options

On March 21, 2019, the Company issued 950,000 options to directors, officers and consultants of the Company. Share-based payments of \$35,530 has been recorded in connection with the issuance of these options. The options were fair-valued using Black Scholes Option Pricing Model with the following assumptions: average risk-free rate – 1.81%; expected life – 5 years; expected volatility – 100%; forfeiture rate – Nil and expected dividends – Nil.

Howson Ventures Inc.

Notes to the Financial Statements

For Year Ended December 31, 2019 and the Period from Incorporation on July 20, 2018 to December 31, 2018
(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

The continuity of stock options is as follows:

| | 2019 | |
|----------------------------------|-------------------|---------------------------------|
| | Number of Options | Weighted Average Exercise Price |
| | | \$ |
| Balance, beginning of the year | - | - |
| Granted | 950,000 | 0.05 |
| Balance, end of the year | 950,000 | 0.05 |
| Weighted average years to expiry | | 4.22 |

7. RELATED PARTIES

During the year ended December 31, 2019, the Company incurred professional fees of \$60,000 (2018 - \$28,206), corporate finance fees of \$50,000 (2018 - \$Nil) and exploration and evaluation asset acquisition costs of \$Nil (2018 - \$50,000 through issuance of 1,000,000 shares) to companies owned by a director of the Company. The Company also incurred share-based payments of \$20,570 (2018 - \$Nil) to officers and directors of the Company.

Accounts payable includes \$67,606 (2018 - \$30,154) owed to a company owned by a director of the Company.

8. INCOME TAXES

A reconciliation of income taxes at statutory tax rates is as follows:

| | 2019 | 2018 |
|-----------------------------------|-----------|-----------|
| | \$ | \$ |
| Loss for the year | (129,677) | (174,889) |
| Statutory tax rate | 27.00% | 27.00% |
| Expected recovery of income taxes | (35,013) | (47,220) |
| Effect of non-deductible amounts | 7,817 | 25,958 |
| Change in benefit not recognized | 27,196 | 21,262 |
| Deferred income tax recovery | - | - |

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statements of financial position are as follows:

| | 2019 | 2018 |
|-----------------------------------|----------|----------|
| | \$ | \$ |
| Non-capital losses | 179,476 | 78,749 |
| Exploration and evaluation assets | (23,088) | (23,088) |
| | 156,388 | 55,661 |

As at December 31, 2019, the Company has operating losses available for carry-forward of approximately \$179,000 available to apply against future Canadian income tax purposes. The operating losses expire between 2038 and 2039.

Howson Ventures Inc.

Notes to the Financial Statements

For Year Ended December 31, 2019 and the Period from Incorporation on July 20, 2018 to December 31, 2018
(Expressed in Canadian dollars)

9. COMMITMENTS

On March 19, 2019, the Company issued 2,000,000 common shares on a flow-through basis at \$0.05 per share for gross proceeds of \$100,000. The Company is required to spend this amount on qualified flow-through Canadian mineral exploration expenditures before March 19, 2021.

10. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity and cash as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the exploration and development of natural resource properties. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through the equity or debt financing. The Company is not subject to any capital requirements imposed by a regulator and there have been no changes in the Company's approach to capital management during the year.

11. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

The Company's financial instruments consist of cash, convertible loan note receivable and accounts payable.

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

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The fair value of cash is determined using level 1 inputs.

The Company's financial instruments are exposed to certain financial risks, which include the following:

Credit risk

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. Credit risk is assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. As at December 31, 2019, the Company had a cash balance of \$432 to settle current liabilities of \$211,635. Liquidity risk is assessed as high.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign exchange risk:

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not hold any financial instruments that are subject to fluctuations in interest rates. Interest rate risk has been assessed as low.

Foreign currency Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. As at December 31, 2019, the Company does not have any financial instruments denominated in a foreign currency. Foreign currency risk has been assessed as low.

Howson Ventures Inc.

Notes to the Financial Statements

For Year Ended December 31, 2019 and the Period from Incorporation on July 20, 2018 to December 31, 2018

(Expressed in Canadian dollars)

12. SUBSEQUENT EVENTS

On March 1, 2020, the Company entered into a line of credit with an entity that is controlled by a director of the Company. The line of credit is for a \$50,000 facility at an interest rate of 15% per annum, compounded monthly, and maturing on February 28, 2021. Upon entering into the line of credit agreement, the Company issued 500,000 warrants with a strike price of \$0.10 with the warrants expiring February 28, 2022.

On August 6, 2020, the Company entered into a non-binding heads of term agreement with Imperial X plc whereby, Imperial X plc will purchase the entire issued and outstanding shares of the Company for 31,614,118 Imperial X shares at a price of £0.025p per share.

SECTION (F) UNAUDITED INTERIM FINANCIAL INFORMATION OF HOWSON

Howson Ventures Inc.
Interim Condensed Financial Statements
(Unaudited and expressed in Canadian Dollars)

For the Six Months Ended June 30, 2020 and 2019

NOTICE OF NO AUDITORS' REVIEW OF INTERIM FINANCIAL STATEMENTS

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

Howson Ventures Inc.
Condensed Interim Statements of Financial Position
As at June 30, 2020 and 2019
(Unaudited and expressed in Canadian dollars)

| | <u>Notes</u> | <u>As at June 30, 2020</u> | <u>As at December 31, 2019</u> |
|---|--------------|--------------------------------|--|
| | | \$ | \$ |
| Current Assets | | | |
| Cash | | 297 | 432 |
| Taxes receivables | | 13,937 | 12,119 |
| | | <u>14,234</u> | <u>12,551</u> |
| Non-current Assets | | | |
| Convertible loan note receivable | 5 | 774,211 | 702,108 |
| Exploration and evaluation assets | 4 | 100,000 | 100,000 |
| | | <u>888,445</u> | <u>814,659</u> |
| Total Assets | | | |
| Liabilities | | | |
| Accounts payable | 7 | 250,977 | 211,635 |
| | | <u>250,977</u> | <u>211,635</u> |
| Total Liabilities | | | |
| Shareholders' Equity | | | |
| Share capital | 6 | 872,060 | 872,060 |
| Reserves – Warrants | 6 | 26,150 | — |
| Reserves – Options | 6 | 35,530 | 35,530 |
| Accumulated deficit | | (296,272) | (304,566) |
| | | <u>637,468</u> | <u>603,024</u> |
| Total Shareholder's Equity | | | |
| | | <u>888,445</u> | <u>814,659</u> |
| Total Liabilities and Shareholder's Equity | | | |

Nature and Continuance of Operations (Note 1)
Commitments (Note 8)
Subsequent Events (Note 11)

Approved on behalf of the Board:
"Kyler Hardy"

"Timothy Johnson"

Kyler Hardy, CEO and Director

Timothy Johnson, Director

Vancouver, British Columbia
December 9, 2020

The accompanying notes are integral to these financial statements.

Howson Ventures Inc.
Condensed Interim Statements of Income and Comprehensive Income (Loss)
For Six Months Ended June 30, 2020 and 2019
(Unaudited and expressed in Canadian dollars)

| | Six-month Period Ended June 30, 2020 | Six-month Period Ended June 30, 2019 |
|--|---|---|
| Expenses | | |
| Corporate finance fees <i>(note 7)</i> | — | 50,000 |
| Interest and bank charges | 135 | 419 |
| Financing costs <i>(note 7)</i> | 26,842 | — |
| General administration | — | 234 |
| Share-based payments | — | 35,530 |
| Professional fees <i>(note 7)</i> | 36,832 | 41,248 |
| | <hr/> | <hr/> |
| Loss from Operations before Other items | (63,809) | (127,430) |
| | <hr/> | <hr/> |
| Other Items | | |
| Interest Revenue <i>(note 5)</i> | 37,241 | 19,235 |
| BC METC refund | — | 19,430 |
| Foreign exchange on convertible loan | 34,862 | — |
| | <hr/> | <hr/> |
| | 72,103 | 38,665 |
| | <hr/> | <hr/> |
| Net income and comprehensive income (loss) for the period | 8,294 | (88,765) |
| | <hr/> | <hr/> |
| Basic and diluted earnings (loss) per common share | 0.00 | (0.01) |
| | <hr/> | <hr/> |
| Weighted average number of common shares outstanding | 13,436,000 | 9,571,983 |
| | <hr/> | <hr/> |

The accompanying notes are integral to these financial statements

Howson Ventures Inc.
Condensed Interim statements of Changes in Shareholders' Equity
As at June 30, 2020 and 2019
(Unaudited and expressed in Canadian dollars)

| | Number of Outstanding Shares | Share Capital | Subscription Receipts | Reserves - Options | Reserves - Options | Deficit | Total Shareholders' Equity |
|--|------------------------------------|----------------|--------------------------|-----------------------|-----------------------|------------------|----------------------------------|
| | | \$ | | | | \$ | \$ |
| Balance, December 31, 2018 | 2,001,000 | 100,010 | 215,400 | — | — | (174,889) | 140,521 |
| Proceeds for shares issued | 11,435,000 | 772,050 | — | — | — | — | 772,050 |
| Subscription receipts | — | — | (215,400) | — | — | — | (215,400) |
| Share-based payments | — | — | — | 35,530 | — | — | 35,530 |
| Net loss and comprehensive loss | — | — | — | — | — | (88,765) | (88,765) |
| Balance, June 30, 2019 | 13,436,000 | 872,060 | — | 35,530 | — | (263,654) | (643,936) |
| Balance, December 31, 2019 | 13,436,000 | 872,060 | — | 35,530 | — | (304,566) | 603,024 |
| Reserves – Warrants | — | — | — | — | 26,150 | — | 26,150 |
| Net income and comprehensive income | — | — | — | — | — | 8,294 | 8,294 |
| Balance, June 30, 2020 | 13,436,000 | 872,060 | — | 35,530 | 26,150 | (296,272) | 637,468 |

These accompanying notes are integral to these financial statements

Howson Ventures Inc.
Condensed Interim Statements of Cash Flows
As at June 30, 2020 and 2019
(Unaudited and expressed in Canadian dollars)

| | Six Month Period Ended June 30, 2020 | Six Month Period Ended June 30, 2019 |
|--|---|---|
| | \$ | \$ |
| Operating Activities | | |
| Net loss | 8,294 | (88,765) |
| Non-cash items | | |
| Share-based payments | — | 35,530 |
| Finance costs – warrants | 26,150 | — |
| Change in non-cash working capital | | |
| Taxes receivables | (1,818) | (1,463) |
| Account payable and accrued liabilities | 39,341 | (19,057) |
| Net cash from operating activities | 71,968 | (73,754) |
| Financing activities | | |
| Proceeds from shares issued | — | 556,650 |
| Net cash provided by financing activities | — | 556,650 |
| Investing activities | | |
| Convertible loan note receivable | (72,103) | (693,970) |
| Net cash used in investing activities | (72,103) | (693,970) |
| Change in cash | (135) | (211,074) |
| Cash, beginning of period | 432 | 215,164 |
| Cash, end of period | 297 | 4,089 |

The accompanying notes are integral to these financial statements.

Howson Ventures Inc.
Condensed Notes to the Financial Statements
For the period ended June 30, 2020 and 2019
(Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Howson Ventures Inc. (the “Company”) was incorporated on July 20, 2018 under the laws of British Columbia, Canada. The Company is engaged in the business of acquiring, exploring and developing natural resource properties located in Canada. Its head office and registered office is located at 890 – 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1, Canada.

These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at June 30, 2020, the Company has not generated any revenue and has an accumulated deficit of \$296,272 (December 31, 2019 – \$304,566), has limited resources, no sources of operating cash flow and no assurances that sufficient funding will be available to continue operations for an extended period of time. The Company’s continuation as a going concern is dependent on its ability to generate future cash flows and/or obtain additional financing. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and companies controlled by directors and/or private placements of common stock. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company.

These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PRESENTATION

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” under International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

The condensed interim financial statements were approved by the Board of Directors on December 9, 2020.

The financial statements are presented in Canadian dollars, which is the functional currency of the Company.

These condensed interim financial statements follow the same accounting policies and method of computation as the Company’s annual audited financial statements for the year ended December 31, 2019, with the exception of certain disclosures that are normally required to be included in annual financial statements which have been condensed or omitted. These condensed interim financial statements should be read in conjunction with the Company’s annual audited financial statements for the year ended December 31, 2019.

These condensed interim financial statements have been prepared under the historical cost basis, except for certain financial instruments which are measured at fair value. The methods used to measure fair value are consistent with the Company’s December 31, 2019 audited financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company’s significant accounting policies can be read in Note 3 to the Company’s annual audited financial statements as at and for the year ended December 31, 2019.

4. EXPLORATION EXPENSES

On September 11, 2018 the Company entered into the asset purchase agreement to purchase the Rupert Property which is located in British Columbia, Canada. The Company issued 2,000,000

shares to the vendors and granted a 2% net smelter return. At any time 1% of the net smelter return can be purchased by the Company for \$750,000. The Company also agreed to make expenditures on the property of \$100,000 during the first year (incurred), \$200,000 during the second year and \$500,000 during the third year following the asset purchase agreement. These expenditure requirements were subsequently amended, whereby \$200,000 is required to be spent during the third year and \$500,000 during the fourth year following the asset purchase agreement.

The Company has incurred the following exploration costs on the Rupert Property:

| Date | \$ |
|--------------------------------|----------------|
| Period ended December 31, 2018 | 96,140 |
| Year ended December 31, 2019 | 12,457 |
| Period ended June 30, 2020 | — |
| Total | 108,597 |

5. CONVERTIBLE LOAN NOTE RECEIVABLE

On March 20, 2019 the Company issued a \$500,000 USD convertible loan note to Anglo-African Minerals plc (“AAM”). The convertible loan note bears interest at 10% per annum and compounds monthly, is unsecured, and had an original maturity date of September 20, 2019. The convertible loan note is convertible into common shares of AAM at \$0.01 USD per share.

The convertible loan was extended for a further six months at the same interest rate of 10% and matured March 20, 2020. An additional 21,029,978 warrants were issued with the extension with a strike price of \$0.025 USD per share and with an expiry date of September 19, 2021. The convertible loan has since matured without repayment and continues to accrue interest at the stated rate. As at June 30, 2020, the convertible loan had a balance of \$568,103 USD (\$774,211 CAD).

6. SHARE CAPITAL

Shares

Authorized: Unlimited Common shares without par value.

Issued and Outstanding Common Shares:

For the period ended June 30, 2020, total outstanding and issued common shares: 13,436,000 (December 31, 2019: 13,436,000).

On April 2, 2019, the Company issued 4,006,000 common shares at \$0.10 per share for a gross proceed of \$400,600 from a private placement.

On March 19, 2019, the Company issued 2,000,000 flow-through common shares and 965,000 common shares at \$0.05 per share for a gross proceed of \$148,250 from a private placement.

On January 24, 2019, the Company issued 4,464,000 common shares at \$0.05 per share from private placement for a gross proceed of \$223,200.

On September 28, 2018, the Company issued 2,000,000 common shares at \$0.05 per share in relation to the asset purchase agreement for the Rupert Property (Note 4).

On July 20, 2018, the Company issued 1,000 incorporation shares at \$0.01 for \$10.

Options

On March 21, 2019 the Company issued 950,000 options to directors, officers and consultants of the Company. Share-based payment of \$35,530 has been recorded in connection with the issuance of these options. The options were fair-valued using Black Scholes Option Pricing Model with the following assumptions: average risk-free rate – 1.81%; expected life – 5 years; expected volatility – 100%; forfeiture rate – Nil and expected dividends – Nil.

Warrants

On March 1, 2020 the Company issued 500,000 warrants to a company with a director in common. Finance costs of \$26,842 has been recorded in connection with the issuance of these warrants.

The warrants were fair-valued using Black Scholes Option Pricing Model with the following assumptions: average risk-free rate – 0.62%; expected life – 2 years; expected volatility – 100%; forfeiture rate – Nil and expected dividends – Nil.

7. RELATED PARTIES

For the period ended 30 June 2020, the Company incurred consulting fees of \$Nil (2019 – \$50,000), professional fees of \$30,000 (2019 – \$30,000) and finance costs of \$26,842 (2019 – \$Nil) to companies owned by a director of the Company. Accounts payable includes \$122,298 (2019 – \$67,606) in amounts payable to a company owned by a director of the Company.

On March 1, 2020, the Company entered a \$50,000 line of credit facility with a company owned by a director of the Company. As at June 30, 2020, \$22,500 (2019 – \$nil) of the line of credit had been drawn on and is included in accounts payable. The line of credit bears interest at 15% and expires February 28, 2022. The Company issued 500,000 warrants upon issuance of the line of credit which have a strike price of \$0.10 and expire February 28, 2022. Finance costs of \$26,842 were recorded in connection with the issuance of these warrants.

8. COMMITMENTS

On March 19, 2019, the Company issued 2,000,000 common shares on a flow-through basis at \$0.05 per share for gross proceeds of \$100,000. The Company is required to spend this amount on qualified flow-through

Canadian mineral exploration expenditures before March 19, 2021.

9. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity and cash as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the commercialization of the licensed proprietary asset. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through the equity or debt financing. The Company is not subject to any capital requirements imposed by a regulator and there have been no changes in the Company's approach to capital management during the year.

10. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

The Company's financial instruments consist of cash, accounts payable and amounts due to related party.

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

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The fair value of cash is determined using level 1 inputs. The fair value of accounts payable and amounts due to related party approximates its carrying value due to short-term maturity of these items.

The Company's financial instruments are exposed to certain financial risks, which include the following:

Credit risk

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. Credit risk is assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. As at June 30, 2020, the Company had a cash balance of \$297 to settle current liabilities of \$250,977. Liquidity risk is assessed as high.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk, price risk and foreign exchange risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not hold any financial instruments that are subject to fluctuations in interest rates. Interest rate risk has been assessed as low.

Foreign currency Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. As at June 30, 2020, the Company does not have any financial instruments denominated in a foreign currency. Foreign currency risk has been assessed as low.

11. SUBSEQUENT EVENTS

On August 6, 2020 the Company entered into a non-binding heads of term agreement with Imperial X plc whereby Imperial X plc will purchase the entire issued and outstanding shares of the Company for 31,614,118 Imperial X shares at a price of £0.025p per share.

SECTION (G) FINANCIAL INFORMATION OF CABOX

De Visser Gray, Vancouver, BC V6E 4G1, Canada, Chartered Professional Accountants and non-statutory auditors to Cabox, has given its consent for:

- the inclusion of their statutory audit reports issued with respect to the Cabox Financial Information included in this Section (F) "*Historical Financial Information of Cabox*" of Part VI "*Financial Information*" of the Document; and
- the inclusion of their name,

in the form and context in which it they are included in the Prospectus.

Their consent and authorisation is provided as required by item 1.3 of Annex 1 of Commission Delegated Regulation (EU) 2019/980 supplementing the Prospectus Regulation.

De Visser Gray has no material interest in the Company.

CABOX GOLD CORP

(Formerly Denali Forest Products Inc.)

Financial Statements

(Expressed in Canadian Dollars)

**For the year ended December 31, 2019 and the
Period from incorporation on January 19, 2018 to December 31, 2018**

INDEPENDENT AUDITOR'S REPORT

To the Director of Cabox Gold Corp.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Cabox Gold Corp. (the "Company"), which comprise the statements of financial position as at December 31, 2019 and 2018 and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the periods then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and 2018 and its financial performance and its cash flows for the periods then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit 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 Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our 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 in the financial statements, which indicates that the Company's ability to continue as a going concern is dependent on its ability to generate future cash flows and/or obtain additional financing. These matters, 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.

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

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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 G. Cameron Dong.

A handwritten signature in black ink that reads "De Visser Gray LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants

Vancouver, BC, Canada
December 9, 2020

CABOX GOLD CORP. (formerly Denali Forest Products Inc.)**Statements of Financial Position***(Expressed in Canadian dollars)*

| | Notes | As at December 31, 2019 \$ | As at December 31, 2018 \$ |
|--|-------|-------------------------------------|-------------------------------------|
| Current Assets | | | |
| Cash | | 735 | 500 |
| Sales tax receivable | | 17 | 283 |
| Total Assets | | 752 | 783 |
| Liabilities | | | |
| Accounts payable & accrued liabilities | 5 | 22,715 | 16,803 |
| Total Liabilities | | 22,715 | 16,803 |
| Shareholders' Equity (Deficiency) | | | |
| Share capital | 4 | 500 | 500 |
| Accumulated deficit | | (22,463) | (16,520) |
| Total Shareholder's Equity (Deficiency) | | (21,963) | (16,020) |
| Total Liabilities and Shareholder's Equity (Deficiency) | | 752 | 783 |

Nature and Continuance of Operations (Note 1)**Subsequent Events (Note 9)***Approved on behalf of the Director:**"Kyler Hardy"*

Kyler Hardy, CEO and DirectorVancouver, British Columbia
December 9, 2020*The accompanying notes are integral to these financial statements.*

CABOX GOLD CORP. (formerly Denali Forest Products Inc.)**Statements of Loss and Comprehensive Loss**

For the Year Ended December 31, 2019 and the Period from Incorporation on January 19, 2018 to December 31, 2018

(Expressed in Canadian dollars)

| | Year Ended December 31, 2019 | January 19, 2018 to December 31, 2018 |
|---|------------------------------------|--|
| | \$ | \$ |
| Expenses | | |
| General and administrative | 504 | 10,780 |
| Interest & bank charges | 48 | - |
| Professional fees | 5,391 | 5,740 |
| | 5,943 | 16,520 |
| Net loss and comprehensive loss for the period | (5,943) | (16,520) |
| Basic and diluted loss per common share | (0.00) | (0.00) |
| Weighted average number of common shares outstanding | 5,000,000 | 4,985,591 |

The accompanying notes are integral to these financial statements

CABOX GOLD CORP. (formerly Denali Forest Products Inc.)

Statements of Changes in Shareholders' Equity

For the Year Ended December 31, 2019 and the Period from Incorporation on January 19, 2018 to December 31, 2018

(Expressed in Canadian dollars)

| | Number of Outstanding Shares | Share Capital | Deficit | Total Shareholders' Equity (Deficiency) |
|-----------------------------------|------------------------------------|------------------|-----------------|---|
| | | \$ | \$ | \$ |
| Balance, January 19, 2018 | - | - | - | - |
| Incorporation shares | 5,000,000 | 500 | - | 500 |
| Net loss and comprehensive loss | - | - | (16,520) | (16,520) |
| Balance, December 31, 2018 | 5,000,000 | 500 | (16,520) | (16,020) |
| Net loss and comprehensive loss | - | - | (5,943) | (5,943) |
| Balance, December 31, 2019 | 5,000,000 | 500 | (22,463) | (21,963) |

These accompanying notes are integral to these financial statements

CABOX GOLD CORP. (formerly Denali Forest Products Inc.)**Statements of Cash Flows**

For the Year Ended December 31, 2019 and the Period from Incorporation on January 19, 2018 to December 31, 2018

(Expressed in Canadian dollars)

| | Year Ended December 31, 2019 | January 19, 2018 to December 31, 2018 |
|---|------------------------------------|---|
| | \$ | \$ |
| Operating Activities | | |
| Net loss | (5,943) | (16,520) |
| Change in non-cash working capital | | |
| Sales tax receivable | 266 | (283) |
| Account payable and accrued liabilities | 5,912 | 16,803 |
| Net cash from operating activities | 235 | - |
| Financing activities | | |
| Proceeds for shares issued | - | 500 |
| Net cash from financing activities | - | 500 |
| Change in cash | 235 | 500 |
| Cash, beginning of the period | 500 | - |
| Cash, end of the period | 735 | 500 |

The accompanying notes are integral to these financial statements.

CABOX GOLD CORP. (formerly Denali Forest Products Inc.)

Notes to the Financial Statements

For the Year Ended December 31, 2019 and the Period from Incorporation on January 19, 2018 to December 31, 2018

(Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Cabox Gold Corp. (formerly Denali Forest Products Inc. - the "Company") was incorporated on January 19, 2018 under the laws of British Columbia, Canada and changed its name to Cabox Gold Corp. on July 30, 2020. The Company is engaged in the business of acquiring, exploring and developing natural resource properties located in Canada.

Its head office is located at 890 – 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1, Canada and its registered and records office address is at Suite 1200 Waterfront Centre, 200 Burrard Street, Vancouver, British Columbia, Canada.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at December 31, 2019, the Company has not generated any revenue and has an accumulated deficit of \$22,463 (2018 – \$16,520), has limited resources, no sources of operating cash flow and no assurances that sufficient funding will be available to continue operations for an extended period of time. The Company's continuation as a going concern is dependent on its ability to generate future cash flows and/or obtain additional financing. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and companies controlled by directors and/or private placements of common stock. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company.

These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Standards Interpretations Committee ("IFRIC"). These financial statements have been prepared on the basis of IFRS that are effective for the Company's reporting year ended December 31, 2019.

The financial statements were approved by the Board of Directors on December 9, 2020.

The financial statements are presented in Canadian dollars, which is the functional currency of the Company.

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as at fair value through profit or loss, if applicable, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

3. SIGNIFICANT ACCOUNTING POLICIES

a. Use of estimates and assumptions

The preparation of these financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets, provisions for restoration and environmental obligations and contingent liabilities.

CABOX GOLD CORP. (formerly Denali Forest Products Inc.)

Notes to the Financial Statements

For the Year Ended December 31, 2019 and the Period from Incorporation on January 19, 2018 to December 31, 2018

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgment applying to the Company's financial statements is:

- i. The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

c. Cash

Cash includes cash on hand and deposits held at call with banks.

d. Exploration and evaluation expenditures

Costs relating to the acquisition and claim maintenance of exploration and evaluation assets (including option payments and annual fees to maintain the property in good standing) are capitalized and deferred by property until the project to which they relate is sold, abandoned, impaired or placed into production.

The Company expenses all exploration, evaluation and development expenditures until management concludes that a future economic benefit is more likely than not to be realized. In evaluating if expenditures meet this criterion to be capitalized, management considers the following:

- The extent to which reserves or resources, as defined in National Instrument 43-101, have been identified in relation to the property in question;
- The conclusions of National Instrument 43-101 compliant preliminary economic assessment studies, preliminary feasibility studies and/or feasibility studies regarding the property in question;
- The status of environmental permits; and
- The status of mining leases or permits.

Once the Company considers that a future economic benefit is more likely than not of being realized, all subsequent costs directly relating to the advancement of the related area of interest are capitalized.

Exploration and evaluation assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If an indicator is identified, the asset's recoverable amount is calculated and compared to the carrying amount. For the purpose of measuring recoverable amounts, assets are grouped into CGUs. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

e. 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.

f. Loss per share

Basic loss per share is calculated by dividing net loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is determined by adjusting the net loss attributable to common shares and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares.

g. Warrants

The Company makes certain estimates and assumptions when calculating the estimated fair value of warrants issued. The significant assumptions used include the estimate of expected volatility, expected life, expected dividend rate and expected risk-free rate of return. Changes in these assumptions may result in a material change to the value of the warrants issued

CABOX GOLD CORP. (formerly Denali Forest Products Inc.)

Notes to the Financial Statements

For the Year Ended December 31, 2019 and the Period from Incorporation on January 19, 2018 to December 31, 2018

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instrument issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is credited to the share-based payment reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted, shall be based on the number of equity instruments that eventually vest.

i. Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

j. Financial instruments

Classification

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

CABOX GOLD CORP. (formerly Denali Forest Products Inc.)

Notes to the Financial Statements

For the Year Ended December 31, 2019 and the Period from Incorporation on January 19, 2018 to December 31, 2018

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Financial instruments (continued)

The Company classifies its financial instruments as follows:

| <u>Financial assets/liabilities</u> | <u>Classification IFRS 9</u> |
|--|------------------------------|
| Cash | FVTPL |
| Accounts payable & accrued liabilities | Amortized cost |

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Accounts payable and accrued liabilities are classified in this category.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss in the period in which they arise. Cash is classified in this category.

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive loss ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. There are no financial instruments classified in this category as at December 31, 2019 and 2018.

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss. There are no financial instruments classified in this category as at December 31, 2019 and 2018.

Impairment of financial assets at amortized cost

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

Derecognition

Financial assets

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

CABOX GOLD CORP. (formerly Denali Forest Products Inc.)

Notes to the Financial Statements

For the Year Ended December 31, 2019 and the Period from Incorporation on January 19, 2018 to December 31, 2018

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Financial instruments (continued)

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are recognized in profit or loss.

k. Accounting standards adopted during the current period

IFRS 16 Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control an identified asset for a period of time in exchange for consideration.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life. As of the year ended December 31, 2019, the Company has no applicable long - term leases, therefore the adoption of IFRS 16 had no impact on the financial statements.

4. SHARE CAPITAL

Shares

Authorized

The Company's authorized share capital consists of 5,000,000 common shares without par value.

Issued and outstanding

For the year ended December 31, 2019, the Company has total issued and outstanding common shares of 5,000,000 (December 31, 2018 – 5,000,000).

Fiscal 2019

No shares were issued during the year ended December 31, 2019.

Fiscal 2018

On January 19, 2018, the Company issued 5,000,000 common shares for gross proceeds of \$500 upon incorporation.

CABOX GOLD CORP. (formerly Denali Forest Products Inc.)

Notes to the Financial Statements

For the Year Ended December 31, 2019 and the Period from Incorporation on January 19, 2018 to December 31, 2018

(Expressed in Canadian dollars)

5. RELATED PARTY TRANSACTIONS

As at December 31, 2019, included in accounts payable is \$17,715 (December 31, 2018 - \$16,803) owed to a company owned by a director of the Company.

All related party transactions are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties

6. INCOME TAXES

A reconciliation of income taxes at statutory tax rates is as follows:

| | 2019 | 2018 |
|--------------------------------------|-------------|-------------|
| | \$ | \$ |
| Loss for the year | (5,943) | (16,520) |
| Statutory tax rate | 27.00% | 27.00% |
| Expected recovery of income taxes | (1,605) | (4,460) |
| Net effect of non-deductible amounts | - | 81 |
| Change in benefit not recognized | 1,605 | 4,379 |
| Deferred income tax recovery | - | - |

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statements of financial position are as follows:

| | 2019 | 2018 |
|--------------------|-------------|-------------|
| | \$ | \$ |
| Non-capital losses | 22,163 | 16,220 |

As at December 31, 2019, the Company has operating losses available for carry-forward of approximately \$22,000 available to apply against future Canadian income tax purposes. The operating losses expire between 2038 and 2039.

7. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity and cash as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the exploration and development of natural resource properties. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through the equity or debt financing. The Company is not subject to any capital requirements imposed by a regulator and there have been no changes in the Company's approach to capital management during the year.

CABOX GOLD CORP. (formerly Denali Forest Products Inc.)

Notes to the Financial Statements

For the Year Ended December 31, 2019 and the Period from Incorporation on January 19, 2018 to December 31, 2018

(Expressed in Canadian dollars)

8. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

The Company's financial instruments consist of cash and accounts payable and accrued liabilities.

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

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The fair value of cash is determined using level 1 inputs.

The Company's financial instruments are exposed to certain financial risks, which include the following:

Credit risk

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. Credit risk is assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. As at December 31, 2019, the Company had a cash balance of \$735 to settle current liabilities of \$22,715. Liquidity risk is assessed as high.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign exchange risk:

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not hold any financial instruments that are subject to fluctuations in interest rates. Interest rate risk has been assessed as low.

Foreign currency Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. As at December 31, 2019, the Company does not have any financial instruments denominated in a foreign currency. Foreign currency risk has been assessed as low.

9. SUBSEQUENT EVENTS

On July 27, 2020, 4,999,999 common shares of the Company were surrendered and cancelled.

On August 20, 2020, the Company acquired four mineral titles in British Columbia, Canada known as the New Moon property.

On October 20, 2020, the Company acquired twelve mineral titles in Ontario, Canada known as the South Timmins property.

On December 9, 2020, the Company sold the New Moon property to Norseman Silver Inc. ("Norseman"), a company with a common officer, in exchange for \$10,000 and 2,500,000 Norseman common shares. The Company retained a 2.0% net smelter return royalty on the property.

SECTION (H) UNAUDITED INTERIM FINANCIAL INFORMATION OF CABOX

CABOX GOLD CORP.
(Formerly Denali Forest Products Inc.)
Interim Condensed Financial Statements
(Unaudited and expressed in Canadian Dollars)

For the Six Months Ended June 30, 2020 and 2019

NOTICE OF NO AUDITORS' REVIEW OF INTERIM FINANCIAL STATEMENTS

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

CABOX GOLD CORP. (formerly Denali Forest Products Inc.)
Condensed Interim Statements of Financial Position
As at June 30, 2020 and December 31, 2019
(Unaudited and expressed in Canadian dollars)

| | <u>Notes</u> | <u>June 30, 2020</u> | <u>December 31, 2019</u> |
|--|--------------|--------------------------|------------------------------|
| | | \$ | |
| Current Assets | | | |
| Cash | | 699 | 735 |
| Sales tax receivable | | 34 | 17 |
| Total Assets | | <u>733</u> | <u>752</u> |
| Liabilities | | | |
| Accounts payable & accrued liabilities | 5 | <u>23,107</u> | <u>22,715</u> |
| Total Liabilities | | <u>23,107</u> | <u>22,715</u> |
| Shareholders' Equity (Deficiency) | | | |
| Share capital | 4 | 500 | 500 |
| Accumulated deficit | | <u>(22,874)</u> | <u>(22,463)</u> |
| Total Shareholder's Equity (Deficiency) | | <u>(22,374)</u> | <u>(21,963)</u> |
| Total Liabilities and Shareholder's Equity (Deficiency) | | <u>733</u> | <u>752</u> |

Nature and Continuance of Operations (Note 1)
Subsequent Events (Note 8)

Approved on behalf of the Director:
"Kyler Hardy"

Kyler Hardy, CEO and Director

Vancouver, British Columbia
December 9, 2020

The accompanying notes are integral to these interim financial statements.

CABOX GOLD CORP. (formerly Denali Forest Products Inc.)
Condensed Interim Statements of Loss and Comprehensive Loss
For the Six Months Ended June 30, 2020 and 2019
(Unaudited and expressed in Canadian dollars)

| | Six-month period ended June 30, 2020 | Six-month period ended June 30, 2019 |
|---|---|---|
| | \$ | \$ |
| Expenses | | |
| General and administrative | — | 504 |
| Interest & bank charges | 36 | 12 |
| Professional fees | 375 | 391 |
| | (411) | (907) |
| Net loss and comprehensive loss for the period | (411) | (907) |
| | (0.00) | (0.00) |
| Basic and diluted loss per common share | (0.00) | (0.00) |
| Weighted average number of common shares outstanding | 5,000,000 | 5,000,000 |

The accompanying notes are integral to these interim financial statements

CABOX GOLD CORP. (formerly Denali Forest Products Inc.)
Condensed Interim Statements of Changes in Shareholders' Equity
As at June 30, 2020 and 2019
(Unaudited and expressed in Canadian dollars)

| | Number of Outstanding Shares | Share Capital | Deficit | Total Shareholders' Equity (Deficiency) |
|------------------------------------|------------------------------------|-----------------------------|-----------------------------|--|
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | | \$ | \$ | \$ |
| Balance, December 31, 2018 | 5,000,000 | 500 | (16,520) | (16,020) |
| Net loss and comprehensive loss | — | — | (907) | (907) |
| Balance, June 30, 2019 | 5,000,000 | 500 | (17,427) | (16,020) |
| Balance, December 31, 2019 | 5,000,000 | 500 | (22,463) | (21,963) |
| Net loss and comprehensive loss | — | — | (411) | (411) |
| Balance, June 30, 2020 | 5,000,000 | 500 | (22,874) | (22,374) |

These accompanying notes are integral to these interim financial statements

CABOX GOLD CORP. (formerly Denali Forest Products Inc.)
Condensed Interim Statements of Cash Flows
For the Six Months Ended June 30, 2020 and 2019
(Unaudited and expressed in Canadian dollars)

| | Six Month Period Ended June 30, 2020 | Six Month Period Ended June 30, 2019 |
|---|---|---|
| | \$ | \$ |
| Operating Activities | | |
| Net loss | (411) | (907) |
| Change in non-cash working capital | | |
| Sales tax receivable | (1) | (17) |
| Account payable and accrued liabilities | 375 | 1,195 |
| Net cash from operating activities | (36) | (641) |
| Change in cash | (36) | 271 |
| Cash, beginning of the period | 735 | 500 |
| Cash, end of the period | 699 | 771 |

The accompanying notes are integral to these interim financial statements.

CABOX GOLD CORP. (formerly Denali Forest Products Inc.)
Notes to the Condensed Interim Financial Statements
For the Six Months ended June 30, 2020 and 2019
(Unaudited and expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Cabox Gold Corp. (formerly Denali Forest Products Inc. – the “Company”) was incorporated on January 19, 2018 under the laws of British Columbia, Canada and changed its name to Cabox Gold Corp. on July 30, 2020. The Company is engaged in the business of acquiring, exploring and developing natural resource properties located in Canada.

Its head office is located at 890 – 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1, Canada and its registered and records office address is at Suite 1200 Waterfront Centre, 200 Burrard Street, Vancouver, British Columbia, Canada.

These interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at June 30, 2020, the Company has not generated any revenue and has an accumulated deficit of \$22,874 (December 31 2019 – \$22,463), has limited resources, no sources of operating cash flow and no assurances that sufficient funding will be available to continue operations for an extended period of time. The Company’s continuation as a going concern is dependent on its ability to generate future cash flows and/or obtain additional financing. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and companies controlled by directors and/or private placements of common stock. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company.

These interim financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PRESENTATION

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” under International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

The condensed interim financial statements were approved by the Board of Directors on December 9, 2020.

The financial statements are presented in Canadian dollars, which is the functional currency of the Company.

These interim condensed financial statements follow the same accounting policies and method of computation as the Company’s annual audited financial statements for the year ended December 31, 2019, with the exception of certain disclosures that are normally required to be included in annual financial statements which have been condensed or omitted. These interim condensed financial statements should be read in conjunction with the Company’s annual audited financial statements for the year ended December 31, 2019.

These condensed interim financial statements have been prepared under the historical cost basis, except for certain financial instruments which are measured at fair value. The methods used to measure fair value are consistent with the Company’s December 31, 2019 audited financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company’s significant accounting policies can be read in Note 3 to the Company’s annual audited financial statements as at and for the year ended December 31, 2019.

4. SHARE CAPITAL

Shares

Authorized

The Company's authorized share capital consists of 5,000,000 common shares without par value.

Issued and outstanding

For the period ended 30 June, 2020, the Company has total issued and outstanding common shares of 5,000,000 (December 31, 2019 – 5,000,000).

Fiscal 2020

No shares have been issued during the period 1 January 2020 to 30 June 2020.

Fiscal 2019

No shares were issued during the year ended December 31, 2019.

Fiscal 2018

On January 19, 2018, the Company issued 5,000,000 common shares for gross proceeds of \$500 upon incorporation.

5. RELATED PARTY TRANSACTIONS

As at June 30, 2020, included in accounts payable is \$16,803 (December 31, 2019 – \$17,715) owed to a company owned by a director of the Company.

All related party transactions are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties

6. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity and cash as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the exploration and development of natural resource properties. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through the equity or debt financing. The Company is not subject to any capital requirements imposed by a regulator and there have been no changes in the Company's approach to capital management during the year.

7. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

The Company's financial instruments consist of cash and accounts payable and accrued liabilities.

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

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The fair value of cash is determined using level 1 inputs.

The Company's financial instruments are exposed to certain financial risks, which include the following:

Credit risk

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. Credit risk is assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. As at 30 June, 2020, the Company had a cash balance of \$699 to settle current liabilities of \$23,107. Liquidity risk is assessed as high.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign exchange risk:

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not hold any financial instruments that are subject to fluctuations in interest rates. Interest rate risk has been assessed as low.

Foreign currency Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. As at June 30, 2020, the Company does not have any financial instruments denominated in a foreign currency. Foreign currency risk has been assessed as low.

8. SUBSEQUENT EVENTS

On July 27, 2020, 4,999,999 common shares of the Company were surrendered and cancelled.

On August 15, 2020, 5,000,000 common shares were issued for proceeds of \$5,000. On the same date, the Company surrendered and cancelled one common share.

On August 20, 2020, the Company acquired four mineral titles in British Columbia, Canada known as the New Moon property.

On August 26, 2020, the Company entered into a non-binding heads of term agreement with Imperial X plc whereby Imperial X plc will purchase the New Moon property for 35,000,000 Imperial X plc ordinary shares, at a deemed price of £0.025 per ordinary share.

On October 20, 2020, the Company acquired twelve mineral titles in Ontario, Canada known as the South Timmins property.

On December 9, 2020, the Company sold the New Moon property to Norseman Silver Inc. ("Norseman") in exchange for \$10,000 and 2,500,000 Norseman common shares. The Company retained a 2.0% net smelter return royalty on the property.

SECTION (I) ACCOUNTANT'S REPORT ON THE UNAUDITED *PRO FORMA* FINANCIAL INFORMATION OF THE ENLARGED GROUP



12 May 2020

The Directors
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Dear Sirs and Madams,

Introduction

We report on the unaudited *pro forma* statement of financial position of Imperial X Plc (the "Company") as at 31 December 2020 and on the unaudited *pro forma* statement of comprehensive income for the six-month period then ended (together, the "*Pro Forma* Financial Information") set out in Section (I) "*Unaudited Pro Forma* Financial Information of the Enlarged Group" of Part VI "*Financial Information*" of the Company's prospectus dated 12 May 2021 (the "Document").

Opinion

In our opinion:

- the *Pro Forma* Financial Information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of the Company.

Responsibilities

It is the responsibility of the directors of the Company (the "Directors") to prepare the *Pro Forma* Financial Information in accordance with Section 1 and Section 2 of Annex 20 of the UK version Regulation number 2019/980 of the European Commission, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the "Prospectus Regulation").

It is our responsibility to form an opinion, as required by Section 3 of Annex 20 of the Prospectus Delegated Regulation, as to the proper compilation of the *Pro Forma* Financial Information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the *Pro Forma* Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of preparation

The *Pro Forma* Financial Information has been prepared on the basis described, for illustrative purposes only, to provide information about how:

- the proposed acquisition of Cloudbreak Discovery Corp., satisfied by the issue of 149,568,502 ordinary shares of £0.001 in the Company ("Ordinary Shares") at £0.025 each;
- the proposed acquisition of Howson Ventures Inc., satisfied by the issue of 31,614,118 Ordinary Shares at £0.025 each;
- the proposed acquisition of Cabox Gold Corp., satisfied by the issue of 35,000,000 Ordinary Shares at £0.025 each;

- the proposed acquisition of certain assets owned by Anglo African Minerals plc, satisfied by the issue of 29,430,378 Ordinary Shares at £0.025 each;
- the issue on 5 January 2021 of 1,914,200 Ordinary Shares at £0.025 each in relation to a private placing;
- the issue of 66,666,667 Ordinary Shares at £0.03 each in relation to the placing;
- payment of the costs associated with the acquisition, admission and placing; and
- admission of the Company and its securities to trading on the standard segment of the Official List of the FCA,

might have affected the assets, liabilities, equity and earnings presented on the basis of the accounting policies adopted by the Company in preparing the audited consolidated financial information for the six-month period ended 31 December 2020. This report is required by Section 3 of Annex 20 of the Prospectus Regulation and is given for the purpose of complying with that requirement and for no other purpose.

Basis of opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Financial Reporting Council in the United Kingdom. We are independent of the Company, Cloudbreak Discovery Corp., Howson Ventures Inc. and Cabox Gold Corp. in accordance with the Financial Reporting Council's Ethical Standard, as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the *Pro Forma* Financial Information with the Directors.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with reasonable assurance that the *Pro Forma* Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Declaration

For the purpose of Prospectus Regulation Rule 5.3.2R(2)(f), we are responsible for this report as part of the Document and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that this report makes no omission likely to affect its import. This declaration is included in the Document in compliance with item 1.2 of Annex 1 of the Prospectus Regulation.

Yours faithfully,

Crowe U.K. LLP

Chartered Accountants

SECTION (J) UNAUDITED *PRO FORMA* FINANCIAL INFORMATION OF THE ENLARGED GROUP

Set out below is the unaudited *pro forma* statement of financial position of the Group as at 31 December 2020 and the unaudited *pro forma* statement of comprehensive income for the six-month period then ended (together, the “*Pro Forma Financial Information*”). The *Pro Forma Financial Information* has been prepared on the basis of the accounting policies adopted by the Company in preparing unaudited financial information for the six-month interim period ended 31 December 2020 included in the Group Interim Financial Information set out in Section (B) “*Unaudited Interim Financial Information of the Group*” of Part VI “*Financial Information*” of this Document and on the basis set out in the notes below, to illustrate the effects of:

- the proposed acquisition of Cloudbreak and the issue of the Cloudbreak Consideration Shares;
- the proposed acquisition of Howson and the issue of the Cloudbreak Consideration Shares;
- the proposed acquisition of Cabox and the issue of the Cloudbreak Consideration Shares;
- the proposed acquisition of the AAM Assets and the issue of the AAM Assets Consideration Shares;
- the issue on 5 January 2021 of 1,914,200 Ordinary Shares at £0.025 each as part of a private placing;
- the issue of 20,412,485 Placing Shares at the Placing Price;
- payment of the costs associated with the acquisitions, Placing and Admission;
- the Admission

on the assets, liabilities and equity of the Group had the Acquisitions, Placing and Admission occurred on 31 December 2020 and on its earnings for the six-month period then ended had the Acquisitions, Placing and Admission occurred on 1 July 2020. The *Pro Forma Financial Information* has been prepared for illustrative purposes only. Due of its nature, the *Pro Forma Financial Information* addresses a hypothetical situation and, therefore, does not represent the Group’s actual financial position as at 31 December 2020 or of its earnings for the six-month period then ended. It is based on:

- the unaudited statement of financial position of the Group as at 31 December 2020 and its earnings for the six-month period then ended, which is included in Section (B) “*Unaudited Interim Financial Information of the Group*” of Part VI “*Financial Information*” of this Document;
- the unaudited statement of financial position of Cloudbreak as at 31 October 2020 and its earnings for the six-month period then ended, which is included in Section (D) “*Unaudited Interim Financial Information of Cloudbreak*” of Part VI “*Financial Information*” of this Document;
- the unaudited interim statement of financial position of Howson as at 30 June 2020 and its earnings for the six-month period then ended, which is included in Section (F) “*Unaudited Interim Financial Information of Howson*” of Part VI “*Financial Information*” of this Document; and
- the unaudited interim statement of financial position of Cabox as at 30 June 2020 and its earnings for the six-month period then ended, which is included in Section (H) “*Unaudited Interim Financial Information of Cabox*” of Part VI “*Financial Information*” of this Document.

Users should read the whole of this Document and not rely solely on the *Pro Forma Financial Information* contained in this Section (J) “*Unaudited Pro Forma Financial Information of the Enlarged Group*” of Part VI “*Financial Information*” of this Document.

The report on the *Pro Forma Financial Information* is set out in Section (I) “*Accountant’s Report on the Unaudited Pro Forma Financial Information of the Enlarged Group*” of Part VI “*Financial Information*” of this Document.

Unaudited *pro forma* statement of financial position

| | <i>Audited Group As at 31 December 2020</i> (Note 1) £ | <i>Adjustment Acquisition of Cloudbreak</i> (Note 2) £ | <i>Adjustment Acquisition of Howson</i> (Note 3) £ | <i>Adjustment Acquisition of Cabox</i> (Note 4) £ | <i>Adjustment Acquisition of the AAM Assets</i> (Note 5) £ | <i>Adjustment Issue of private placing shares</i> (Note 6) £ | <i>Adjustment Issue of the Placing Shares and Subscription Shares</i> (Note 7) £ | <i>Adjustment Settlement of costs</i> (Note 8) £ | <i>Unaudited Pro forma balances as at 31 December 2020</i> £ |
|-------------------------------------|--|--|--|---|--|--|--|--|---|
| Exploration and evaluation assets | — | 384,782 | 57,626 | — | — | — | — | — | 442,408 |
| Convertible loan notes receivable | — | — | 446,147 | — | 617,759 | — | — | — | 1,063,906 |
| Investment in the AAM Assets | — | — | — | — | 118,000 | — | — | — | 118,000 |
| Non-current assets | — | 384,782 | 503,773 | — | 735,759 | — | — | — | 1,624,314 |
| Investments | — | 4,219,166 | — | — | — | — | — | — | 4,219,166 |
| Other receivables | 95,674 | — | 8,031 | 20 | — | — | — | — | 103,725 |
| Cash and cash equivalents | 110,653 | 12,512 | 171 | 402 | — | 47,855 | 2,000,000 | (308,450) | 1,863,143 |
| Current assets | 206,327 | 4,231,678 | 8,202 | 422 | — | 47,855 | 2,000,000 | (308,450) | 6,186,034 |
| Total assets | 206,327 | 4,616,460 | 511,975 | 422 | 735,759 | 47,855 | 2,000,000 | (308,450) | 7,810,348 |
| Share capital | 242,326 | 149,569 | 31,614 | 35,000 | 29,430 | 1,914 | 66,667 | — | 556,520 |
| Share premium | 1,654,479 | 3,589,644 | 758,739 | 840,000 | 706,329 | 45,941 | — | (258,249) | 9,270,216 |
| Shares to be issued | 15,200 | — | — | — | — | — | — | — | 15,200 |
| Share option and warrant reserve | 112,406 | — | — | — | — | — | — | — | 112,406 |
| Merger reserve | — | 721,702 | (423,006) | (887,893) | — | — | — | — | (589,197) |
| Retained deficit | (1,958,995) | — | — | — | — | — | — | (50,201) | (2,009,196) |
| Equity | 65,416 | 4,460,915 | 379,445 | (12,893) | 735,759 | 47,855 | 2,000,000 | (308,450) | 7,355,949 |
| Trade payables | 104,350 | 7,807 | 144,628 | 2,881 | — | — | — | — | 259,666 |
| Accrued liabilities | 26,800 | — | — | — | — | — | — | — | 26,800 |
| Other payables | 1,059 | — | — | — | — | — | — | — | 1,059 |
| Convertible loan notes payable | 8,702 | — | — | — | — | — | — | — | 8,702 |
| Due to related parties | — | 147,738 | — | 10,434 | — | — | — | — | 158,172 |
| Current liabilities | 140,911 | 155,545 | 144,628 | 13,315 | — | — | — | — | 454,399 |
| Total equity and liabilities | 206,327 | 4,616,460 | 511,975 | 422 | 735,759 | 47,855 | 2,000,000 | (308,450) | 7,810,348 |

Unaudited pro forma statement of comprehensive income

| | <i>Audited Group Six months ended 31 December 2020 (Note 1)</i> | <i>Adjustment Acquisition of Cloudbreak (Note 2)</i> | <i>Adjustment Acquisition of Howson (Note 3)</i> | <i>Adjustment Acquisition of Cabox (Note 4)</i> | <i>Adjustment Acquisition of the AAM Assets (Note 5)</i> | <i>Adjustment Issue of private placing shares (Note 6)</i> | <i>Adjustment Issue of the Placing Shares and Subscription Shares (Note 7)</i> | <i>Adjustment Settlement of costs (Note 8)</i> | <i>Unaudited Pro forma results for the six months ended 31 December 2020</i> |
|---------------------------------|---|--|--|---|--|--|--|--|--|
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Revenue | — | 1,298,316 | — | — | — | — | — | — | 1,298,316 |
| Cost of sales | — | (29,068) | — | — | — | — | — | — | (29,068) |
| Gross profit | — | 1,269,248 | — | — | — | — | — | — | 1,269,248 |
| Administrative expenses | (240,063) | (696,541) | (37,115) | (239) | — | — | — | (50,201) | (1,024,159) |
| Finance income | 330 | — | 21,662 | — | — | — | — | — | 21,992 |
| Foreign exchange (loss)/gain | — | — | 20,278 | — | — | — | — | — | 20,278 |
| Change in value of investments | — | 2,988,611 | — | — | — | — | — | — | 2,988,611 |
| (Loss)/profit before tax | (239,733) | 3,561,318 | 4,825 | (239) | — | — | — | (50,201) | 3,275,970 |
| Taxation | — | — | — | — | — | — | — | — | — |
| (Loss)/profit after tax | (239,733) | 3,561,318 | 4,825 | (239) | — | — | — | (50,201) | 3,275,970 |

Notes

- The financial information relating to the Group for the six-month period ended 31 December 2020 has been extracted without adjustment from the Group Financial Information included in Section (B) “Unaudited Interim Financial Information of the Group” of Part VI “Financial Information” of this Document.
- The adjustment in relation to the acquisition of Cloudbreak is a combination of:
 - the unaudited assets, equity and liabilities of Cloudbreak for as at 31 October 2020, extracted without adjustment from the Cloudbreak Interim Financial Information included in Section (D) “Unaudited Interim Financial Information of Cloudbreak” of Part VI “Financial Information” of this Document, and translated at C\$1.73533 to £1, being the exchange rate as at 31 December 2020, as extracted from www1.oanda.com;
 - the unaudited results of Cloudbreak for the six-month period ended 31 October 2020, extracted without adjustment from the Cloudbreak Financial Information included in Section (D) “Unaudited Interim Financial Information of Cloudbreak” of Part VI “Financial Information” of this Document, and translated at C\$1.72011 to £1, being the average exchange rate for the six-month period ended 31 October 2020, as extracted from www1.oanda.com;
 - the issue of the 149,568,502 Cloudbreak Consideration Shares at the Issue Price for total consideration of £3,739,213, resulting in an increase to share capital of £149,569 and an increase to share premium of £3,589,644; and
 - the consolidation adjustments, comprising the cancellation of Cloudbreak’s share capital of £1,710,249 and its retained earnings of £2,750,666. The net effect of the acquisition cost of £3,739,213 and the cancellation of Cloudbreak’s equity and reserves of £4,460,915 gives rise to a merger reserve of £721,702 on consolidation.

A summary of the above adjustments is as follows:

Unaudited *pro forma* statement of financial position

| | <i>Unaudited Cloudbreak As at 31 October 2020 C\$</i> | <i>Adjustment Cloudbreak As at 31 October 2020 £</i> | <i>Adjustment Issue of the Cloudbreak Consideration Shares £</i> | <i>Adjustment Consolidation adjustments £</i> | <i>Adjustment Acquisition of Cloudbreak £</i> |
|-------------------------------------|---|--|--|---|---|
| Exploration and evaluation assets | 667,724 | 384,782 | — | — | 384,782 |
| Investment in Cloudbreak | — | — | 3,739,213 | (3,739,213) | — |
| Non-current assets | 667,724 | 384,782 | 3,739,213 | (3,379,213) | 384,782 |
| Investments | 7,321,645 | 4,219,166 | — | — | 4,219,166 |
| Cash and cash equivalents | 21,713 | 12,512 | — | — | 12,512 |
| Current assets | 7,343,358 | 4,231,678 | — | — | 4,231,678 |
| Total assets | 8,011,082 | 4,616,460 | 3,739,213 | (3,739,213) | 4,616,460 |
| Share capital | 2,967,847 | 1,710,249 | 149,569 | (1,710,249) | 149,569 |
| Share premium | — | — | 3,589,644 | — | 3,589,644 |
| Merger reserve | — | — | — | 721,702 | 721,702 |
| Retained earnings | 4,773,312 | 2,750,666 | — | (2,750,666) | — |
| Equity | 7,741,159 | 4,460,915 | 3,739,213 | (3,739,213) | 4,460,915 |
| Trade payables | 13,548 | 7,807 | — | — | 7,807 |
| Due to related parties | 256,375 | 147,738 | — | — | 147,738 |
| Current liabilities | 269,923 | 155,545 | — | — | 155,545 |
| Total equity and liabilities | 8,011,082 | 4,616,460 | 3,739,213 | (3,739,213) | 4,616,460 |

Unaudited *pro forma* statement of comprehensive income

| | Unaudited Cloudbreak Six months ended 31 October 2020 C\$ | <u>Adjustment</u> Acquisition of Cloudbreak £ |
|--------------------------------|--|--|
| Revenue | 2,233,250 | 1,298,316 |
| Cost of sales | (50,000) | (29,068) |
| Gross profit | 2,183,250 | 1,269,248 |
| Administrative expenses | (1,198,130) | (696,541) |
| Change in value of investments | 5,140,750 | 2,988,611 |
| Loss before tax | 6,125,870 | 3,561,318 |
| Taxation | — | — |
| Loss after tax | 6,125,870 | 3,561,318 |

3. The adjustment in relation to the acquisition of Howson is a combination of:

- the unaudited assets, equity and liabilities of Howson as at 30 June 2020, extracted without adjustment from the Howson Interim Financial Information included in Section (F) “Unaudited Interim Financial Information of Howson” of Part VI “Financial Information” of this Document, and translated at C\$73533 to £1, being the exchange rate as at 31 December 2020, as extracted from www1.oanda.com;
- the unaudited results of Howson for the six-month period ended 30 June 2020, extracted from the Howson Financial Information included in Section (F) “Unaudited Interim Historical Financial Information of Howson” of Part VI “Financial Information” of this Document and translated at C\$1.71920 to £1, being the average exchange rate for the six-month period ended 30 June 2020, as extracted from www1.oanda.com;
- the issue of the 31,614,118 Howson Consideration Shares at the Issue Price for total consideration of £790,353, resulting in an increase to share capital of £31,614 and an increase to share premium of £758,739; and
- the consolidation adjustments, comprising the cancellation of Howson’s share capital of £502,533, its share option and warrant reserve of £35,543 and its retained deficit of £170,729. The net effect of the acquisition cost of £790,353 and the cancellation of Howson’s equity and reserves of £379,445 gives rise to a merger reserve of £(423,006) on consolidation.
- A summary of the above adjustments is as follows:

Unaudited *pro forma* statement of financial position

| | <i>Unaudited Howson As at 30 June 2020 C\$</i> | <i>Adjustment Howson As at 30 June 2020 £</i> | <i>Adjustment Issue of the Howson Consideration Shares £</i> | <i>Adjustment Consolidation adjustments £</i> | <i>Adjustment Acquisition of Howson £</i> |
|-------------------------------------|--|---|--|---|---|
| Exploration and evaluation assets | 100,000 | 57,626 | — | — | 57,626 |
| Convertible loan note receivable | 774,211 | 446,147 | — | — | 446,147 |
| Investment in Howson | — | — | 790,353 | (790,353) | — |
| Non-current assets | 874,211 | 503,773 | 790,353 | (790,353) | 503,773 |
| Other receivables | 13,937 | 8,031 | — | — | 8,031 |
| Cash and cash equivalents | 297 | 171 | — | — | 171 |
| Current assets | 14,234 | 8,202 | — | — | 8,202 |
| Total assets | 888,445 | 511,975 | 790,353 | (790,353) | 511,975 |
| Share capital | 872,060 | 502,533 | 31,614 | (502,533) | 31,614 |
| Share premium | — | — | 758,739 | — | 758,739 |
| Share option and warrant reserve | 61,680 | 35,543 | — | (35,543) | — |
| Merger reserve | — | — | — | (423,006) | (423,006) |
| Retained deficit | (296,272) | (170,729) | — | 170,729 | — |
| Equity | 637,468 | 367,347 | 790,353 | (790,353) | 367,347 |
| Trade and other payables | 250,977 | 144,628 | — | — | 144,628 |
| Current liabilities | 250,977 | 144,628 | — | — | 144,628 |
| Total equity and liabilities | 888,445 | 511,975 | 790,353 | (790,353) | 511,975 |

Unaudited *pro forma* statement of comprehensive income

| | <i>Unaudited Howson Six months ended 30 June 2020 C\$</i> | <i>Adjustment Acquisition of Howson £</i> |
|--------------------------|---|---|
| Administrative expenses | (63,809) | (37,115) |
| Finance income | 37,241 | 21,662 |
| Foreign exchange gain | 34,862 | 20,278 |
| Profit before tax | 8,294 | 4,825 |
| Taxation | — | — |
| Profit after tax | 8,294 | 4,825 |

4. The adjustment in relation to the acquisition of Cabox is a combination of:

- the unaudited assets, equity and liabilities of Cabox as at 30 June 2020, extracted without adjustment from the Cabox Interim Financial Information included in Section (H) “*Unaudited Interim Financial Information of Cabox*” of Part VI “*Financial Information*” of this Document, and translated at C\$1.73533 to £1, being the exchange rate as at 30 June 2020, as extracted from www1.oanda.com;
- the unaudited results of Cabox for the six-month period ended 30 June 2020, extracted from the Cabox Interim Financial Information included in Section (H) “*Unaudited Interim Historical Financial Information of Cabox*” of Part VI “*Financial Information*” of this Document and translated at C\$1.71920 to £1, being the average exchange rate for the six-month period ended 30 June 2020, as extracted from www1.oanda.com;
- the issue of the 35,000,000 Cabox Consideration Shares at the Issue Price for total consideration of £875,000, resulting in an increase to share capital of £35,000 and an increase to share premium of £840,000; and
- the consolidation adjustments, comprising the cancellation of Cabox’s share capital of £288 and its retained deficit of £13,181. The net effect of the acquisition cost of £875,000 and the cancellation of Cabox’s equity and reserves of £12,893 gives rise to a merger reserve of £(887,893) on consolidation.

A summary of the above adjustments is as follows:

Unaudited *pro forma* statement of financial position

| | <i>Unaudited Cabox As at 30 June 2020 C\$</i> | <i>Adjustment Cabox As at 30 June 2020 £</i> | <i>Adjustment Issue of the Cabox Consideration Shares £</i> | <i>Adjustment Consolidation adjustments £</i> | <i>Adjustment Acquisition of Cabox £</i> |
|-------------------------------------|---|--|---|---|--|
| Investment in Cabox | — | — | 875,000 | (875,000) | — |
| Non-current assets | — | — | 875,000 | (875,000) | — |
| Other receivables | 34 | 20 | — | — | 20 |
| Cash and cash equivalents | 699 | 402 | — | — | 402 |
| Current assets | 733 | 422 | — | — | 422 |
| Total assets | 733 | 422 | 875,000 | (875,000) | 422 |
| Share capital | 500 | 288 | 35,000 | (288) | 35,000 |
| Share premium | — | — | 840,000 | — | 840,000 |
| Merger reserve | — | — | — | (887,893) | (887,893) |
| Retained deficit | (22,874) | (13,181) | — | 13,181 | — |
| Equity | (22,374) | (2,893) | 875,000 | (875,000) | (12,893) |
| Trade payables | 5,000 | 2,881 | — | — | 2,881 |
| Due from related parties | 18,107 | 10,434 | — | — | 10,434 |
| Current liabilities | 23,107 | 13,315 | — | — | 13,315 |
| Total equity and liabilities | 733 | 422 | 875,000 | (875,000) | 422 |

Unaudited *pro forma* statement of comprehensive income

| | <i>Unaudited Cabox Six months ended 30 June 2019 C\$</i> | <i>Adjustment Acquisition of Cabox £</i> |
|-------------------------|--|--|
| Administrative expenses | (411) | (239) |
| Loss before tax | (411) | (239) |
| Taxation | — | — |
| Loss after tax | (411) | (239) |

5. The adjustment of £735,759 reflects the value of the AAM Assets to be acquired. The consideration comprises the issue of the 29,430,378 AAM Assets Consideration Shares at the Issue Price, resulting in an increase to share capital of £29,430 and an increase to share premium of £706,329. Of the AAM Assets acquired, £617,759 relates to convertible loan notes and £118,000 to shares and warrants of AAM.

The adjustment reflects the issue of

6. 1,914,200 Ordinary Shares on the 5 January 2021 at the Issue Price in relation to a private placing for cash consideration of £47,855. The private placing resulted in an increase to share capital of £1,914 and an increase to share premium of £45,941.
7. The adjustment of £2,000,000 to “*cash and cash equivalents*” reflects the gross placing proceeds from the issue of the Placing Shares and the Subscription Shares. The Placing and Subscription comprises the issue of 20,412,485 Placing Shares at the Placing Price and 45,554,200 Subscription Shares at the Placing Price, resulting in an increase to share capital of £66,667 and an increase to share premium of £1,933,333.
8. The adjustment of £(308,450) to “*cash and cash equivalents*” reflects the settlement of the transaction and admission costs. Of the £308,450 costs, £258,249 has been allocated against share premium and £50,201 allocated against the retained deficit in accordance with IFRS. This amount is reflected within “*administrative expenses*” in the *pro forma* Statement of Comprehensive Income, in accordance with IFRS.
9. The *Pro Forma* Financial Information does not reflect any changes in the trading position, or any other changes arising from other transactions, since 31 December 2020 in respect of the Group, save for the issue on the 5 January 2020 of 1,914,200 Ordinary Shares for cash consideration of £47,855.
10. With respect to the adjustments to the unaudited *pro forma* Statement of Comprehensive income, only those adjustments set out in Note 2, Note 4 and Note 8 will have a continuing impact on the Group.

PART VII

TAXATION

The following section is a summary guide only to certain aspects of tax in the UK. This is not a complete analysis of all the potential tax effects of acquiring, holding and disposing of Ordinary Shares in the Company, nor will it relate to the specific tax position of all Shareholders in all jurisdictions. This summary is not a legal opinion. Shareholders are advised to consult their own tax advisers.

Taxation in the UK

The following information is based on UK tax law and HM Revenue and Customs (“**HMRC**”) practice currently in force in the UK. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only. Any person who is in any doubt about his or her position should contact their professional advisor immediately.

1.1 Tax treatment of UK investors

The following information, which relates only to UK taxation, is applicable to persons who are resident in the UK and who beneficially own Ordinary Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors:

- who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 10 per cent., of any of the classes of shares in the Company; or
- who intend to acquire Ordinary Shares as part of tax avoidance arrangements; or
- who are in any doubt as to their taxation position.

Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

Shareholders who are neither resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on dividends paid by the Company or on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

1.2 Dividends

Where the Company pays dividends, no UK withholding taxes are deducted at source. Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.

UK resident individual Shareholders who are domiciled in the UK, and who hold their Ordinary Shares as investments, will be subject to UK income tax on the amount of dividends received from the Company.

Dividend income received by UK tax resident individuals will have a £2,000 annum dividend tax allowance. Dividend receipts in excess of £2,000 will be taxed at 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers, and 38.1 per cent. for additional rate taxpayers.

Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received but will not be entitled to claim relief in respect of any underlying tax.

1.3 Disposals of Ordinary Shares

Any gain arising on the sale, redemption or other disposal of Ordinary Shares will be taxed at the time of such sale, redemption or disposal as a capital gain.

The rate of capital gains tax on disposal of Ordinary Shares by basic rate taxpayers is 10 per cent., and 20 per cent. for upper rate and additional rate taxpayers.

For Shareholders within the charge to UK corporation tax, indexation allowance up until 1 January 2018 may reduce any chargeable gain arising on disposal of Ordinary Shares, but will not create or increase an allowable loss.

Subject to certain exemptions, the corporation tax rate applicable to its taxable profits is currently 19% falling to 17% after 1 April 2020. But in the Budget on 11 March 2020 it was announced that the rate would remain at 19%, after 1 April 2020.

1.4 Further information for Shareholders subject to UK income tax and capital gains tax

“Transactions in securities”

The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HMRC to raise tax assessments so as to cancel *“tax advantages”* derived from certain prescribed *“transactions in securities”*.

1.5 Stamp duty and stamp duty reserve tax

No UK stamp duty or stamp duty reserve tax will be payable on the allotment and issue of ordinary shares pursuant to the placing.

Most investors will purchase existing ordinary shares using the crest paperless clearance system and these acquisitions will be subject to stamp duty reserve tax at 0.5%. Where ordinary shares are acquired using paper (i.e. non-electronic settlement) stamp duty will become payable at 0.5% if the purchase consideration exceeds £1,000.

The above comments are intended as a guide to the general stamp duty and stamp duty reserve tax position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

THIS SUMMARY OF UK TAXATION ISSUES CAN ONLY PROVIDE A GENERAL OVERVIEW OF THESE AREAS AND IT IS NOT A DESCRIPTION OF ALL THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO INVEST IN THE COMPANY. THE SUMMARY OF CERTAIN UK TAX ISSUES IS BASED ON THE LAWS AND REGULATIONS IN FORCE AS OF THE DATE OF THIS DOCUMENT AND MAY BE SUBJECT TO ANY CHANGES IN UK LAWS OCCURRING AFTER SUCH DATE. LEGAL ADVICE SHOULD BE TAKEN WITH REGARD TO INDIVIDUAL CIRCUMSTANCES. ANY PERSON WHO IS IN ANY DOUBT AS TO HIS TAX POSITION OR WHERE HE IS RESIDENT, OR OTHERWISE SUBJECT TO TAXATION, IN A JURISDICTION OTHER THAN THE UK, SHOULD CONSULT HIS PROFESSIONAL ADVISER.

PART VIII

ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENT

The Company, each of the Existing Directors and the Proposed Director, whose names appear on page 30 of this Document, accept responsibility for the information contained in this Document. To the best of the knowledge of the Company, each Existing Director and the Proposed Director, the information contained in this Document is in accordance with the facts and this Document makes no omission likely to affect its import.

2. COMPETENT AUTHORITY APPROVAL

This Document has been approved by the FCA, as competent authority under the UK Prospectus Regulation. The FCA only approves this Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the securities. This Document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules.

3. INCORPORATION AND STATUS

- 3.1 The Company was incorporated and registered in the England & Wales as a public company limited by shares on 11 June 2007 under the Companies Act, with the name Latam Resources plc, and registered number 06275976 and LEI is 213800ZLZVEPOS7YID88. The Company is domiciled in the UK.
- 3.2 The legal and commercial name of the Company is Imperial X plc.
- 3.3 The Company's registered office is at 60 Gracechurch Street, London, United Kingdom, EC3V 0HR. The head office and principal place of business of the Company, and the business address of each of the Directors, is at Suite 890 – 1140 West Pender St. Vancouver, BC V6E 4G1. The telephone number of the Company's head office and principal place of business is +1-604-428-9480. The Company's principal objects and activities are to act as a royalty company in the energy sector.
- 3.4 As at the date of this Document the Company has one wholly owned subsidiary called Imperial Minerals (UK) Ltd (company number 07264993. The subsidiary was initially used to make direct investments and/or acquire projects on behalf of the Company.

- 3.5 Following completion of the Acquisitions, the Company will have seven wholly-owned subsidiaries or subsidiary undertakings, as set out below:

| Name | Details | Registered Office and country of incorporation/ residence | Field of activity | % of share capital owned by the Company |
|----------------------------|-------------------------|---|--|---|
| Imperial Minerals (UK) Ltd | Current subsidiary | England and Wales | Intermediate holding company | 100% |
| 1278925 B.C. LTD. | Subsidiary on Admission | British Columbia, Canada | Intermediate holding company | 100% |
| Amalco | Subsidiary on Admission | British Columbia, Canada | Intermediate holding company | 100% (through 1278925 B.C. LTD.) |
| Cabox Gold Corp. | Subsidiary on Admission | British Columbia, Canada | Mineral Prospect Generation | 100% (through Amalco) |
| Cloudbreak Discovery Corp. | Subsidiary on Admission | British Columbia, Canada | Prospect Generation/ Royalty Business | 100% (through Amalco) |
| 1250263 B.C. Ltd | Subsidiary on Admission | British Columbia, Canada | Prospect Generation/ Royalty Business | 100% (through Cloudbreak Discovery Corp.) |
| Howson Ventures Inc. | Subsidiary on Admission | British Columbia, Canada | Prospect Generation/ Natural Resources | 100% (through Amalco) |

- 3.6 The principal legislation under which the Company was incorporated and operates is the Companies Act and regulations made under the Companies Act.
- 3.7 The liability of the members of the Company is limited to the amount, if any, unpaid on the shares held by them.
- 3.8 The address of the Company's website is currently <http://www.imperialminerals.com/>. From Admission, the address of the Company's will be www.cloudbreakdiscovery.com.
- 3.9 The Company's auditor is PKF Littlejohn LLP is a member of the Auditing Practices Board.

4. SHARE CAPITAL HISTORY

- 4.1 The issued and fully paid up Ordinary Share capital of the Company, as at the date of this document and as it is expected to be immediately following Admission, is as follows:

| | <i>As at the date of this Document</i> | | <i>On Admission</i> | |
|-----------------|--|---------------|---------------------------------|---------------|
| | Amount fully Paid up (£) | Number | Amount fully Paid up (£) | Number |
| Ordinary Shares | £73,285.15 | 73,285,149 | £389,565.11 | 389,565,114 |
| Deferred Shares | £170,955 | 18,995,000 | £170,955 | 18,995,000 |

As at 30 June 2020, being the most recent balance sheet date, the issued share capital of the Company was £227,586.21 comprising of 56,631,212 Ordinary Shares of £0.001 each in the capital of the Company and 18,995,000 Deferred Shares of £0.009 each in the capital of the Company.

- 4.2 The following changes to the issued share capital of the Company have occurred since incorporation:
- 4.2.1 on incorporation, the issued share capital of the Company was £0.02 comprising two ordinary shares of £0.01 each in the capital of the Company. Those two ordinary shares of £0.01 each in the capital of the Company were issued, credited as fully paid, to the subscribers to the memorandum of association of the Company. The authorised share capital of the Company on incorporation was 53,500,000 ordinary shares of £0.01 each;
 - 4.2.2 on 22 April 2010, one ordinary share of £0.01 was issued in the capital of the Company so that the issued share capital of the Company was £0.03 comprising three ordinary shares of £0.01 each in the capital of the Company;
 - 4.2.3 on 8 June 2010, 4,999,997 ordinary shares of £0.01 were issued in the capital of the Company so that the issued share capital of the Company was £50,000 comprising 5,000,000 ordinary shares of £0.01 each in the capital of the Company;
 - 4.2.4 on 15 June 2010, 10,000,000 ordinary shares of £0.01 were issued in the capital of the Company so that the issued share capital of the Company was £150,000 comprising 15,000,000 ordinary shares of £0.01 each in the capital of the Company;
 - 4.2.5 on 25 November 2010, 3,895,000 ordinary shares of £0.01 were issued in the capital of the Company so that the issued share capital of the Company was £188,950 comprising 18,895,000 ordinary shares of £0.01 each in the capital of the Company;
 - 4.2.6 on 29 November 2010, 100,000 ordinary shares of £0.01 were issued in the capital of the Company so that the issued share capital of the Company was £189,950 comprising 18,995,000 ordinary shares of £0.01 each in the capital of the Company;
 - 4.2.7 on 6 January 2016, the ordinary share capital of the Company was subdivided and re-designated to that the new share capital consisted of 18,995,000 ordinary shares of £0.001 each in the capital of the Company and 18,995,000 Deferred Shares of £0.009 each in the capital of the Company;
 - 4.2.8 on 7 January 2016, 10,000,000 ordinary shares of £0.001 were issued in the capital of the Company so that the issued share capital of the Company was £199,950 comprising 28,995,000 ordinary shares of £0.001 each in the capital of the Company and 18,995,000 Deferred Shares of £0.009 each in the capital of the Company;
 - 4.2.9 on 6 April 2018, 1,086,250 ordinary shares of £0.001 were issued in the capital of the Company so that the issued share capital of the Company was £202,786.25 comprising 31,831,250 ordinary shares of £0.001 each in the capital of the Company and 18,995,000 Deferred Shares of £0.009 each in the capital of the Company;
 - 4.2.10 on 13 August 2019, 5,046,250 ordinary shares of £0.001 were issued in the capital of the Company so that the issued share capital of the Company was £207,832.50 comprising 36,877,500 ordinary shares of £0.001 each in the capital of the Company and 18,995,000 Deferred Shares of £0.009 each in the capital of the Company;
 - 4.2.11 on 29 October 2019 13,871,026 Ordinary Shares of £0.001 were issued in the capital of the Company so that the issued share capital of the Company was £221,703.52 comprising of 50,748,526 Ordinary Shares of £0.001 each in the capital of the Company and 18,995,000 Deferred Shares of £0.009 each in the capital of the Company;
 - 4.2.12 on 23 April 2020 1,108,000 Ordinary Shares of £0.001 were issued in the capital of the at £0.0025 per share Company so that the issued share capital of the Company was £222,811.52 comprising of 51,856,526 Ordinary Shares of £0.001 each in the capital of the Company and 18,995,000 Deferred Shares of £0.009 each in the capital of the Company;

- 4.2.13 On 31 May 2020, 4,774,686 Ordinary Shares of £0.001 were issued pursuant to the exercise of certain Warrants at £0.01 each so that the issued share capital of the Company was £227,586.21 comprising of 56,631,212 Ordinary Shares of £0.001 each in the capital of the Company and 18,995,000 Deferred Shares of £0.009 each in the capital of the Company; and
- 4.2.14 On 23 November 2020, 14,739,737 Ordinary Shares of £0.001 were issued at £0.025 per share each so that the issued share capital of the Company was £242,325.95 comprising of 71,370,949 Ordinary Shares of £0.001 each in the capital of the Company and 18,995,000 Deferred Shares of £0.009 each in the capital of the Company.
- 4.2.15 On 5 January 2021, 1,914,200 Ordinary Shares of £0.001 were issued at £0.025 per share each so that the issued share capital of the Company was £244,240.15 comprising of 73,285,149 Ordinary Shares of £0.001 each in the capital of the Company and 18,995,000 Deferred Shares of £0.009 each in the capital of the Company.
- 4.3 The Ordinary Shares have £0.001 par value.
- 4.4 All Ordinary Shares and Deferred Shares in issue as at 30 June 2020, being the most recent balance sheet date, were, and at the date of this Document are, fully paid up.
- 4.5 There are no listed or unlisted securities of the Company not representing share capital.
- 4.6 No Ordinary Shares are held by or on behalf of the Company by itself.
- 4.7 There are the following convertible securities, exchangeable securities, securities with warrants or other rights over securities in the Company:

4.7.1 Share Options

The Company has granted Share Options in the Company as follows:

- (a) 3,000,000 options over Ordinary Shares each with an exercise price of £0.025 and which vest in equal proportions over 24 months, with 125,000 vesting in the year to 30 June 2020 have been granted to directors; and
- (b) 2,050,000 options over Ordinary Shares, each of which may be exercised at £0.025 per share at any time until the tenth anniversary of the date of vesting, have been granted to persons who are not Directors of the Company.

Further details of these Share Options are set out in paragraph 10.1 of this Part VIII.

4.7.2 Warrants

The Company has granted warrants in the Company as follows:

- (a) 636,625 £0.01 Warrants expiring 19 December 2021 ("**Peterhouse Warrants**"); and
- (b) 7,369,868 £0.05 warrants expiring 30 November 2022 and 957,100 £0.05 warrants expiring 5 January 2023 (together the "**Pre-IPO Fundraise Warrants**")
- (c) 4,530,497 £0.10 Drawdown Warrants expiring 16 February 2024

In addition, the Company has granted the following warrants, conditional upon Admission:

- (d) 8,714,227 £0.05 AAM Acquisition Warrants in aggregate, expiring on the fourth anniversary of Admission; and
- (e) 19,978,776 Cloudbreak Warrants in aggregate, comprising 17,643,353 CloudBreak Warrants expiring on December 18, 2021, 928,598 CloudBreak Warrants expiring January 18, 2022 and 1,406,825 CloudBreak Warrants.

Further details of all of these Warrants are set out in paragraph 10.2 of this Part VIII.

4.7.3 Convertible Loan Notes

The Company has issued convertible loan notes in the Company. As at the date of this document, there are £3,850 worth of convertible loan notes which remain outstanding.

Further details of these Warrants are set out in paragraph 10.3 of this Part VIII.

- 4.8 Other than the current application for Admission and the existing admission to trading on AQSE of the Ordinary Shares, the Ordinary Shares are not being admitted to dealings on any recognised investment exchange, nor has any application for such admission been made, nor are there intended to be any other arrangements in place for there to be such dealings in the Ordinary Shares.
- 4.9 No Ordinary Shares will be in issue on Admission with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.
- 4.10 No person has any acquisition right over, and the Company has incurred no obligation over, the Company's authorised but unissued share capital or given any undertaking to increase the Company's capital, save for the Company's obligations to issue and allot the New Ordinary Shares pursuant to the Proposals and those matters referred to in 4.7 above and paragraphs 5.3 and 10 below.
- 4.11 Each New Ordinary Share to be issued pursuant to the Proposals will rank in full for all dividends and distributions declared made or paid after their issue and otherwise *pari passu* in all respects with each Existing Ordinary Share and will have the same rights (including voting and dividend rights and rights on a return of capital).
- 4.12 Other than in respect of Ordinary Shares which may be issued pursuant to the deeds granting the Share Options or issued on exercise of the Warrants:
 - 4.12.1 no unissued share or loan capital of any member of the Company is proposed to be issued or is under option or agreed, conditionally or unconditionally, to be put under option;
 - 4.12.2 no share capital or loan capital of the Company is in issue and no such issue is proposed;
 - 4.12.3 there are no acquisition rights and or obligations over authorised but unissued capital or an undertaking to increase the capital;
 - 4.12.4 no persons have preferential subscription rights in respect of any share or loan capital of the Company; and
 - 4.12.5 there is no present intention to issue any share capital of the Company nor is there an undertaking to increase the capital of the Company at the date of this Document.

5. DIRECTORS' INTERESTS IN ORDINARY SHARES

- 5.1 Save as disclosed in this paragraph 5.1 neither the Directors nor any of their Connected Persons has at the date of this Document, or will have at or immediately after Admission, any interests, beneficial or otherwise, in Ordinary Shares, options or warrants to acquire Ordinary Shares.

| Name | <i>As at the date of this Document</i> | | <i>On Admission</i> | |
|-----------------------|--|--|---------------------------|---|
| | Number of Existing Ordinary Shares | Percentage of the Existing Ordinary Shares | Number of Ordinary Shares | Percentage of the Enlarged Shares Capital |
| Kyler Hardy | 4,615,000 | 5.97% | 61,987,425 | 15.71% |
| Kyle Hookey | 397,776 | 0.51% | 4,578,930 | 1.18% |
| Emma Kinder Priestley | 2,100,000 | 2.72% | 2,100,000 | 0.54% |
| Melissa Sturgess | 1,909,873 | 2.47% | 1,909,873 | 0.49% |
| Andrew Male | 0 | 0.00% | 2,000,000 | 0.51% |
| Rory Kutluoglu | 846,112 | 1.09% | 7,195,599 | 1.85% |
| David Robinson | 1,126,112 | 1.46% | 4,862,267 | 1.25% |

- 5.2 The Company's share capital consists of one class of Ordinary Shares with equal voting rights (subject to the Articles) and non-voting Deferred Shares. All Shareholders have the same voting rights and no major Shareholder has any different voting rights from the other Shareholders.

Save as disclosed in this paragraph 5 or in paragraph 10 below, as at the date of this Document, neither the Directors nor senior managers or members of the administrative, management or supervisory bodies of the Company have any interests in options or warrants or in the Existing Ordinary Shares.

- 5.3 The Company is not aware of any person who exercises, or could exercise, directly or indirectly, jointly or severally, Control over the Company.
- 5.4 There are no arrangements known to the Company, the operation of which may at a subsequent date result in a change of Control of the Company.

6. SIGNIFICANT SHARE INTERESTS

- 6.1 As at the Latest Practical Date and, in so far as is known to the Company, no person or persons, other than as set out in paragraph 5.1 and as set out in the table below, has or will have immediately following the Admission, an interest, (directly or indirectly), in voting rights representing three per cent. or more of the Company's Ordinary Shares or who will be interested, in voting rights representing three per cent. or more of the Company's Ordinary Shares on Admission (being the threshold set out in Chapter 5 of the Disclosure Guidance and Transparency Rules). Any person who is directly or indirectly interested in three per cent. or more of the Company's issued share capital, will be required to notify such interests to the Company in accordance with the provisions of Chapter 5 of the Disclosure Guidance and Transparency Rules, and such interests will be notified by the Company to the public.

| Name | <i>As at the date of this Document</i> | | <i>On Admission</i> | | Warrants |
|---------------------------|--|--|---------------------------|--|-----------|
| | Number of Existing Ordinary Shares | Percentage of the Existing Ordinary Shares | Number of Ordinary Shares | Percentage of the Enlarged Share Capital | |
| Kyler Hardy | 4,615,000 | 6.30% | 61,987,425 | 15.71% | 7,967,539 |
| Rosemount Capital | — | — | 30,319,065 | 7.68% | — |
| John Campbell Smyth | 10,198,026 | 13.92% | 24,959,653 | 6.41% | 494,868 |
| Shaun Gibson | — | — | 19,842,874 | 5.03% | — |
| St Peter Invest Group Inc | 1,720,000 | 2.35% | 12,386,667 | 3.14% | 860,000 |
| Tyson Hamilton | 5,250,000 | 7.16% | 5,250,000 | 1.35% | 400,000 |

7. ARTICLES OF ASSOCIATION

A summary of the principal provisions of the Articles, including the provisions relating to the rights attaching to the Ordinary Shares and Deferred Shares, is set out below. The summary below is not a complete copy of the terms of the Articles. A complete copy of the Articles is available for inspection at the Company's registered office.

7.1 Capital structure

The share capital of the Company is represented by an unlimited number of Ordinary Shares and Deferred Shares having the rights described in the Articles.

7.2 Alteration of share capital

Subject to the provisions of the Companies Act and the Articles, the Company can issue shares which are required to be redeemed and shares which may be redeemed at the option of the Company or the relevant member.

Subject to the provisions of applicable law and to any special rights previously conferred on the holders of any existing shares, any share may be classified and issued with such preferred, deferred or other special rights or subject to such restrictions as the Company may determine by ordinary resolution (or, in the absence of any such determination, as the Directors determine). The Company may by ordinary resolution consolidate and divide all or any of its share capital into shares of a larger amount and sub-divide its shares, or any of them, into shares of a smaller amount (subject to the provisions of applicable law).

Subject to the provisions of applicable law, the Company may reduce its share capital, or any capital redemption reserve, share premium account or other non-distributable reserve in any manner. The Company may also, subject to the requirements of applicable law, purchase its own shares (including any redeemable shares).

7.3 **Voting**

Subject to disenfranchisement in the event of:

7.3.1 non-payment of calls or other monies due and payable in respect of Ordinary Shares;
or

7.3.2 non-compliance with a statutory notice requiring disclosure as to beneficial ownership of Ordinary Shares,

and, without prejudice to any special rights or restrictions as to voting upon which any shares may be issued or may for the time being be held and to any other provisions of the Articles, on a show of hands every shareholder who is present in person (including by corporate representative) and every proxy present who has been duly appointed to vote on the resolution shall have one vote, and on a poll every shareholder who is present in person (including by corporate representative) and every proxy present who has been duly appointed to vote on the resolution shall have one vote for every Ordinary Share held.

7.4 **Repurchase of shares**

Subject to and in accordance with the Companies Act, the Company may purchase any of its own shares (including any redeemable shares) in any manner and may hold such shares as treasury shares provided that the number of shares held as treasury shares shall not at any time exceed any limits set out in the Companies Act.

7.5 **Variation of rights**

Where the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the provision of the Companies Act and the CREST Regulations, be varied or abrogated either with the written consent of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up. At every such general meeting the necessary quorum shall be two or more persons holding or representing by proxy (which proxies are authorised to exercise voting rights) not less than one-third in nominal value of the issued shares of the class (excluding any shares of that class held in treasury) (but so that at an adjourned meeting any holder of shares of the class present in person or by proxy shall be a quorum). Every holder of shares of the class present may demand a poll and every such holder shall on a poll have one vote for every share of the class held by him. The rights attached to any class of shares shall, unless otherwise expressly provided by the terms of issue of such shares or by the terms upon which such shares are for the time being held, be deemed not to be modified, abrogated or varied by the creation or issue of further shares ranking *pari passu* therewith or the purchase or redemption by the Company of any of its own shares in accordance with the Companies Act and the Articles.

7.6 **Share transfers**

All transfers of shares which are in certificated form may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Directors. The instrument of transfer shall be executed by or on behalf of the transferor and (except in the case of fully-paid shares) by or on behalf of the transferee. All transfers of shares which are in uncertificated form may be effected by means of a relevant computer based system.

The Directors may, in the case of shares in certificated form, in their absolute discretion refuse to register any transfer of shares (not being fully-paid shares) and they may also decline to register the transfer of a share upon which the Company has a lien, provided that any such refusal does not prevent dealings in partly-paid shares from taking place on an open and proper basis. In addition, the Directors may, subject to the Crest Regulations, refuse to register a transfer of shares (whether fully-paid or not) in favour of more than four persons jointly or made to or by an infant or patient within the meaning of the Mental Health Act 1983.

The Directors may decline to recognise any instrument of transfer relating to shares in certificated form unless the instrument of transfer is duly stamped, is in respect of only one class of share and is lodged at the Transfer Office accompanied by the relevant share

certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (or if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so).

7.7 Calls

Subject to the terms of allotment, the Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares including any premium and each member shall (subject to being given at least 14 clear days' notice specifying where and when payment is to be made) pay to the Company the specified amount called on his shares. If any sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid. Interest shall be paid at a rate fixed by the terms of allotment of the share or in the notice of the call; or if no rate is fixed, at the appropriate rate per annum from the day appointed for the payment thereof to the time of the actual payment. Directors may at their discretion waive payment of any such interest in whole or in part.

7.8 Dividends and other distributions

The Company may by ordinary resolution declare dividends but no dividend shall exceed the amount recommended by the Directors. Except insofar as the rights attaching to, or the terms of issue of, any shares otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid *pro rata* according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. If, in the Directors' opinion, the profits of the Company justify such payments, the Directors may pay interim dividends of such amounts and on such dates and in respect of such periods as they think fit. Any dividend unclaimed after a period of 12 years from the date it became due for payment shall be forfeited and shall revert to the Company.

7.9 Untraced Shareholders

Subject to the Statutes, the Companies Act and all other applicable laws, the Company may sell any shares of a member or the shares of a person entitled thereto who is untraceable, if during a period of 12 years, at least three dividends in respect of the shares in question have become payable and the cheques or warrants for all amounts payable to such member or person in respect of his shares have remained uncashed or mandated dividend payments have failed and the Company has received no communication from such member or person. The net proceeds of sale shall belong to the Company but the member or person who had been entitled to the shares shall become a creditor of the Company in respect of those proceeds.

If on three consecutive occasions notices sent to a member have been returned undelivered, such member shall not thereafter be entitled to receive notices from the Company until he shall have communicated with the Company and supplied in writing to the Company (or its agent) a new registered address or a postal address within the United Kingdom for the service of notices or shall have informed the Company, in such manner as may be specified by the Company, of an address for the service of notices by electronic communication.

7.10 Non-UK Shareholders

There are no limitations in the Articles on the rights of non-UK Shareholders to hold, or exercise voting rights attaching to, Ordinary Shares. However, no shareholder is entitled to receive notices from the Company (whether electronically or otherwise), including notices of general meetings, unless he has given a postal address in the UK or an address for the service of notices by electronic communication to the Company to which such notices may be sent.

7.11 Pre-emption rights

There are no rights of pre-emption under the Articles of the Company in respect of transfers of issued Ordinary Shares.

In certain circumstances, the Company's Shareholders may have statutory pre-emption rights under the Companies Act in respect of the allotment of new shares in the Company. These statutory pre-emption rights would require the Company to offer new shares for allotment to existing Shareholders on a *pro rata* basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would be set out in the documentation by which such shares would be offered to the Company's Shareholders.

7.12 Sanctions on Shareholders

A member loses his rights to vote in respect of his shares if and for so long as he or any other person appearing to be interested in those shares fails to comply with a request by the Company under the Companies Act requiring him to give particulars of any interest in those Ordinary Shares within 14 days.

In the case of shareholdings representing 0.25 per cent or more of the issued shares of the class concerned, the sanctions which may be applied by the Company include not only disenfranchisement but also the withholding of the right to receive payment of dividends and other monies payable on, and restrictions on transfers of, the shares concerned.

7.13 Appointment, removal and retirement of Directors

The number of Directors of the Company shall be not less than two but no more than twelve. The Company may by ordinary resolution elect any person to be a Director. The Board also has powers to appoint a person as a Director but such person will only hold office until the next annual general meeting and will then be eligible for re-election. A director shall not be required to hold shares in the Company but shall be entitled to attend and speak at any general meeting of the Company or any meeting of the holders of any class of shares in the Company.

No person other than a Director retiring at the meeting shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless not less than 14 nor more than 35 days before the date appointed for the meeting there has been notice in writing given to the Company by a member duly qualified to attend and vote at the meeting of his intention to propose the person for appointment and a written notice signed by the person to be proposed of his willingness to be elected. The Company has power by ordinary resolution (of which special notice has been given) to remove any Director from office before the expiration of his period of office and may by ordinary resolution appoint another person in his place.

7.14 Alternate directors

Any Director may at any time appoint any person (including another Director) to be his alternate Director and may in like manner at any time terminate such appointment. Unless previously approved by the Directors or unless the appointee is another Director, the appointment shall only have effect once it has been approved by the board.

7.15 Executive Office

The Directors may from time to time appoint one or more Directors to be the holder of any executive office on such terms and for such period as they determine.

7.16 Retirement of Directors

At each annual general meeting of the Company all of the Directors shall retire from office. A retiring Director shall be eligible for re-election.

The office of a Director will be vacated if the Director resigns, becomes bankrupt or is the subject of other insolvency-related proceedings, in certain circumstances where the Director is suffering from mental disorder, if the Director is absent from meetings of the Board for six successive months without leave and the Board resolves that the Director's office should be vacated, if removed by notice in writing from all the other Directors, if the Director is an executive Director and ceases to hold that office and the majority of the other Directors resolve that such office be vacated, or if the Director is removed or becomes prohibited from being a Director under any provision of applicable statutes.

7.17 Directors' benefits

The Directors (other than those holding executive office with the Company or any subsidiary of the Company) shall be entitled to remuneration for their services in such amount as the Directors may determine, not exceeding in aggregate £300,000 per annum (or such higher amount as the Company may by ordinary resolution determine), in addition, any Directors who are resident outside the UK and not holding full-time salaried employment in the Company or any subsidiary of the Company, may be paid such extra remuneration as the Directors may determine. Any Director who holds executive office or who serves on any committee or who otherwise performs services outside the ordinary duties of a Director, may be paid such remuneration or extra remuneration by way of salary, commission or otherwise as the Directors may determine.

The Directors may also be paid all such reasonable expenses as they may incur in attending and returning from meetings of the Company or of the Directors or any committee or otherwise in or about the business of the Company or the proper exercise of their duties.

The Company may also fund a Director's expenditure (and that of a director of any subsidiary) for the purposes permitted under applicable law and may do anything to enable a Director (or a director of any subsidiary) to avoid incurring such expenditure as provided under all applicable laws.

7.18 Powers and proceedings of the Board

Subject to the provisions of the Companies Act and the Articles and to any regulation as may be prescribed by the Company in general meeting, the business of the Company shall be managed by the Board who may exercise all such powers of the Company.

The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chairman at the meeting shall have a second or casting vote.

A video link or telephone conference call or other electronic or telephonic means of communication in which a quorum of Directors participates and all participants can hear and speak to each other shall be a valid meeting. A meeting of the Board at which a quorum is present shall be competent to exercise all powers and discretion exercisable by the Board.

The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed shall be two.

7.19 Directors' interests

At meetings of the Board, questions are determined by a majority of votes and in the case of an equality of votes the Chairman of the Board shall have a second or casting vote. The quorum at Directors' meetings may be fixed by the Directors but otherwise shall be two. The Board may delegate any of its powers to committees. Decisions of the Directors may also be taken by written resolution approved by all Directors eligible to vote on the matter, provided they would have formed a quorum at a meeting of the Board.

A Director who is in any way, whether directly or indirectly, interested in a proposed or existing, contract, transaction or arrangement with the Company must declare the nature and extent of that interest to the other Directors unless it cannot reasonably be regarded as likely to give rise to a conflict of interest.

A Director shall not vote, or be counted in the quorum in respect of, any contract or arrangement or any other proposal in which he has any direct or indirect interest other than an interest that cannot reasonably be regarded as likely to give rise to a conflict of interest or an interest that arises by virtue of his interests in shares or debentures or other securities or rights of or otherwise in or through the Company. However, this prohibition does not apply (in the absence of any other prohibited interest) where the resolution relates:

7.19.1 to the giving to him of any guarantee, security or indemnity in respect of:

7.19.1.1 money lent or obligations undertaken by him for the benefit of the Company or any of its subsidiary undertakings; or

- 7.19.1.2 a debt of the Company or any subsidiary undertaking in respect of which the Director has assumed responsibility in whole or in part under a guarantee, indemnity or by giving security;
- 7.19.2 to any proposal whereby the Company or of any of its subsidiary undertakings is offering securities under an offer in which he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
- 7.19.3 to any proposal relating to any other body corporate in which he is not beneficially interested, directly or indirectly, in one per cent or more of the issued shares of any class of the equity share capital of such body corporate or of the voting rights available to members of the relevant body corporate;
- 7.19.4 to any proposal relating to an arrangement for the benefit of employees of the Company or any of its subsidiary undertakings which does not award any Director any privilege or benefit not generally awarded to the employees to whom it relates; and
- 7.19.5 to any proposal concerning:
- 7.19.5.1 the purchase or maintenance of any insurance policy for the benefit of Directors;
 - 7.19.5.2 indemnities in favour of the Directors;
 - 7.19.5.3 the funding of expenditure by one or more Directors on defending proceedings against such Director or Directors; or
 - 7.19.5.4 doing anything to enable such Director or Directors to avoid incurring such expenditure.

Subject to the relevant statutory provisions the Company may, by ordinary resolution, suspend or relax the above provisions either generally or in respect of a particular matter or ratify any transaction, arrangement or proposal not duly authorised by reason of a contravention of such provisions.

7.20 Indemnification of Directors

The Directors (including any alternate Director), secretary and other officers or employees of the Company shall be indemnified out of the assets of the Company to the fullest extent permitted by the Companies Act from and against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain by reason of any contract entered into or any act done, concurred in or omitted, in or about the execution of their duty or supposed duty or in relation thereto.

7.21 Borrowing powers

Subject to relevant statutory provisions, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property, assets (present and future) including uncalled capital of the Company and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

7.22 Annual General Meetings and General Meetings

The Company must, in respect of each financial year, hold a general meeting as its annual general meeting in accordance with the Companies Act. Subject to the foregoing and to the provisions of the Companies Act, the annual general meeting shall be held at such time and place as the Directors may determine. Holders of Ordinary Shares shall have the right to receive notice of and to attend and to vote at all general meetings of the Company.

Subject to the provisions of the Companies Act, an annual general meeting shall be called on not less than 21 days' written notice and all other general meetings shall be called on not less than 14 days' written notice. The period of notice shall in each case be exclusive of the day on which it is given or deemed to be given and of the day on which the meeting is

to be held. The accidental omission to give notice (or any document intended to accompany any notice) to, or non-receipt of notice (or any document intended to accompany any notice) by, any person entitled to it shall not invalidate the proceedings at any general meeting.

The Directors must convene a general meeting on the requisition of members under the Companies Act and, if it fails to do so within the time allowed, any of the requisitionists may convene the meeting. A general meeting of the Company shall be called by notice of at least such length as is required in the circumstances by the Companies Act.

No business other than the appointment of a chairman shall be transacted at any general meeting unless a quorum of two Shareholders of the Company are present.

7.23 Winding up

On a winding up or other return of capital, the holders of Ordinary Shares are entitled *pari passu* amongst themselves, in proportion to the number of shares held by them and to the amounts paid up or credited as paid up thereon, to share in the whole of any surplus assets of the Company remaining after the discharge of its liabilities.

7.24 Application of DTRs and Insider Dealing

Following and subject to Admission, the Company and its Shareholders will be required, *inter alia*, to comply with the Disclosure Guidance and Transparency Rules. In respect of the disclosure of interests in shares, provision has also been made in the Articles to require disclosure to be made by Shareholders.

It should be noted that insider dealing legislation set out in the UK Criminal Justice Act 1993, as well as provisions relating to market abuse, will apply to the Company and dealings with Ordinary Shares, alongside the relevant provisions of UK MAR.

8. ADDITIONAL INFORMATION ON THE DIRECTORS AND EMPLOYEES

- 8.1 The Directors and each of their respective functions are set out in Part IV of this Document.
- 8.2 The Directors have no interests, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company during the current financial year, or since incorporation, and which remains in any respect outstanding or unperformed.
- 8.3 The Directors hold or have held the following directorships or have been partners in the following partnerships within the five years prior to the date of this Document in addition to the Company:

| <u>Position</u> | <u>Current directorships and partnerships</u> | <u>Previous directorships and partnerships</u> |
|-----------------|---|--|
| Kyler Hardy | Cronin Capital Corp, Cronin Services Ltd, Cronin Investments Ltd., Linceo Media Group Inc., Ridge Royalty Corp., Hexa Resources Ltd., Accelerate Capital Corp., Monterey Minerals Inc., Prometheus Minerals, Belview Holdings, Reso Energy Corp., Pepper Creek Energy, Imperial X Plc, Graycliff Resources Inc., Eternal Industries Inc., Eternal Brands Inc., Eternal Smart Agritech Inc., Cocolypso Coconuts Canada Inc., | Matchstick Capital Corp., Gemtech Resources Ltd., Lemarne Corporation Limited, Altamira Gold Corp. Duncastle Gold Corp., Granite Creek Gold Ltd., Electra Stone Ltd., Venex Capital Corp. Ashburton Ventures Inc., Monterey Minerals Inc. |

| Position | Current directorships and partnerships | Previous directorships and partnerships |
|-----------------------|--|--|
| | Reverence Brands Inc, Imperial Helium Corp., Cabox Gold Corp., Cloudbreak Discovery Corp., Howson Ventures Inc. | |
| Kyle Robert Hookey | Cronin Services Ltd. | None |
| Emma Kinder Priestley | Goldstone Resources Ltd, CrossInvest Global Management Services Limited. | Carmanor Limited, Stratex International Plc, Obtala Resources Plc, Frontier Group Services. |
| Melissa Sturgess | Ananda Developments plc, Tiamat Agriculture Limited, Imperial Minerals Limited, Montana Global Limited, Liberty Herbal Technologies Limited, Imperial Minerals (UK) Limited. | None |
| Andrew Male | World High Life plc Clarity Gold Corp. Global UAV Technologies, Inc. Singularity Sportsbook Technologies Inc. Cacique Precious Metals Ltd. Great Life Group Limited Roseridge Capital Corp. Westridge Management International Ltd. | Datametrex A.I. Ltd. Greatbanks Resources Ltd. Graph Blockchain Limited Dreamfield Education Inc. |
| Rory Kutluoglu | Temas Resources Corp., Cronin Services Ltd., OCD Consultancy Corp. | None |
| David Robinson | Gold Rush Cariboo Corp. | None |

8.4 Save as disclosed in paragraph 8.3 above, none of the Directors has:

- 8.4.1 had any convictions in relation to fraudulent offences within the previous five years prior to the date of this Document;
- 8.4.2 been declared bankrupt or has been a director of a company or been a member of an administrative, management or supervisory body or a senior manager of a company within the previous five years prior to the date of this Document which has entered into any bankruptcy, receivership or liquidation proceedings;
- 8.4.3 been the subject of any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body) within the previous five years prior to the date of this Document;
- 8.4.4 been disqualified by a court from acting as a director of any company or as a member of the administrative, management or supervisory bodies of any company or from acting in the management or conduct of the affairs of an company within the previous five years prior to the date of this Document;
- 8.4.5 any family relationship with any of the other Directors;

- 8.4.6 had any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by or to the Company, or any such interest in any contract or arrangement subsisting at the date of this Document and which is significant to the business of the Company; or
- 8.4.7 any conflict of interest in performing his duties as a Director of the Company.
- 8.5 Save as disclosed in paragraph 3 of part IV of this Document, there are no potential conflicts of interest between any duties owed by the Existing Directors, the Proposed Director or senior managers to the Company and their private interests and/or other duties.

9. DIRECTORS SERVICE AGREEMENTS AND TERMS OF APPOINTMENT, AND CONSULTANCY AGREEMENT

9.1 Executive Directors' Service Agreements

Kyler Hardy

Pursuant to the terms of a letter of appointment dated 11 May 2020, Kyler Hardy was appointed as an executive chairman and managing director of the Company. Mr Hardy's remuneration is £12,000 per annum. The appointment is for an initial term of two years, but is subject to review and re-election on an annual basis at the Company's annual general meeting and Mr Hardy's continued employment under the terms of the employment agreement referred to below. Whilst employed, Mr Hardy must devote such amount of his time and attention to the business of the Company as shall reasonably be required and shall not, without the prior written consent of the Board or previously disclosed, be interested in any other business or occupation which is of a similar nature to and competes with, that carried out by the Company. The Company can terminate Mr Hardy's appointment at any time with immediate effect in certain circumstances, or with six months' notice by making a payment in lieu of notice. Those circumstances include, but are not limited to, Mr Hardy being guilty of serious dishonesty or gross misconduct, on conviction of a criminal offence (other than a road traffic offence), becoming bankrupt, being disqualified or prohibited from acting as a director. On termination, Mr Hardy must immediately resign as a director of the Company. The letter of appointment is governed by the laws of England and Wales.

Mr Hardy also entered into an employment agreement with the Company on 1 March 2020 in connection with his employment duties in Canada. The appointment is for an initial term of 6 months and thereafter is subject to not less than 30 days' prior notice being given by either party. The agreement contains detailed provisions regarding confidentiality, intellectual property and other matters and post-termination restrictive covenants applicable for 12 months after the termination. Under the terms of the agreement, Mr Hardy is entitled to receive an aggregate annual salary of £42,000 per annum. His salary is payable by equal monthly instalments in arrears and will be reviewed annually. The employment agreement is governed by the laws of British Columbia, Canada.

Andrew Male

Pursuant to the terms of a letter of appointment dated 11 May 2021, Andrew Male was appointed as an executive director of the Company. Mr Male's remuneration is £12,000 per annum. The appointment is for an initial term of one year, but is subject to review and re-election on an annual basis at the Company's annual general meeting and Mr Male's continued employment under the terms of the employment agreement referred to below. Whilst employed, Mr Male must devote such amount of his time and attention to the business of the Company as shall reasonably be required and shall not, without the prior written consent of the Board or previously disclosed, be interested in any other business or occupation which is of a similar nature to and competes with, that carried out by the Company for the period of 6 months following termination. The letter of appointment also contains some additional post-termination restrictive covenants for certain periods between 6 – 9 months following termination. The Company can terminate Mr Male's appointment at any time with immediate effect in certain circumstances, or with one month's prior written notice by making a payment in lieu of notice. Those circumstances include, but are not limited to, Mr Male being guilty of serious dishonesty or gross misconduct, on conviction of a criminal offence (other than a road traffic offence), becoming bankrupt, being disqualified

or prohibited from acting as a director. On termination, Mr Male must immediately resign as a director of the Company. The letter of appointment is governed by the laws of England and Wales.

The Company also entered into a consultancy agreement with Westridge Management International Limited (“**Westridge**”) on 11 May 2021, pursuant to which Westridge agreed to provide certain consultancy services to the Company and to make available the services of Andrew Male to the Company. The engagement is for an initial term of one year and thereafter is subject to not less than 30 days’ prior written notice being given by either party. The agreement contains detailed provisions regarding confidentiality, intellectual property and other matters. Under the terms of the agreement, Westridge is entitled to receive a consultancy fee of £4,000 per month. The agreement is governed by the laws of England and Wales.

9.2 **Non-Executive Directors’ letters of appointment**

Pursuant to the terms of a letter of appointment dated 11 May 2021, Emma Priestley was appointed as a non-executive Director of the Company. Ms Priestley’s remuneration is £12,000 per annum, payable in monthly arrears. Ms. Priestley must spend a minimum of 20 days per annum on work for the Company. The Company has not granted any benefits to Ms Priestly on termination of her employment, however, is subject to a 12 month non-compete restriction. The appointment is governed by the laws of England and Wales.

Pursuant to the terms of a letter of appointment dated 11 May 2021, Melissa Sturgess was appointed as a non-executive Director of the Company. Ms Sturgess’ remuneration is £12,000 per annum, payable in monthly arrears. Ms Sturgess must spend a minimum of 20 days per annum on work for the Company. The Company has not granted any benefits to Ms Sturgess on termination of her employment, however, is subject to a 12 month non-compete restriction. The appointment is governed by the laws of England and Wales.

Pursuant to the terms of a letter of appointment dated 11 May 2021, Kyle Hookey was appointed as a non-executive Director of the Company. Mr Hookey’s remuneration is £12,000 per annum, payable in monthly arrears. Mr Hookey must spend a minimum of 20 days per annum on work for the Company. The Company has not granted any benefits to Mr Hookey on termination of his employment, however, is subject to a 12 month non-compete restriction. The appointment is governed by the laws of England and Wales.

9.3 **Management services agreement with Cronin Services Ltd**

Pursuant to the terms of a management services agreement dated 1 February 2020, Cronin Services Ltd was appointed to provide certain services to the Company, including but not limited to back office management services, Chief Financial Officer services, full cycle accounting services, the preparation of quarterly and annual financial statements and MD&A, liaising with and coordinating with auditors and legal counsel, company secretarial services, compliance and continuous disclosure services and arranging regulatory filings.

In return for the provision of such services, Cronin Services Ltd shall be paid a sum of £60,000 per annum, payable in monthly arrears. Cronin Services Ltd shall appoint an individual, initially being David Robinson, who shall carry out the services on behalf of Cronin Services Ltd. The engagement of Cronin Services Ltd shall remain in force indefinitely until either party gives not less than three months’ written notice. The Company shall reimburse all reasonable expenses properly and necessarily incurred by the Cronin Services Ltd or the individual appointed thereunder. The services rendered will include but not limited to:

- Accounting, Bookkeeping and Provision of Chief Financial Officer
- Compliance and Reporting
- Management and Corporate Financial Advisory Services
- Geological Analysis and Project Due Diligence

The management services agreement contains certain covenants which prevent Cronin Services Ltd or the Cronin group of companies from competing with the Company’s business. In particular, it requires the Cronin group of companies to give a first right of

refusal on any potential acquisition opportunities it becomes aware of to the Company. Those group companies must also not, without the prior written consent of the Board or previously disclosed, be interested in any other business which is of a similar nature to and competes with, that carried out by the Company.

The agreement governed by the laws of England and Wales.

9.4 **General**

9.4.1 Save as disclosed in this paragraph 8, the Company has not amended or entered into any service agreements with any Director within the last 6 months and no Director has a service agreement that has more than 12 months to run.

9.4.2 Save as disclosed in paragraphs 9.1 to 9.3 (inclusive) above, there are no service contracts or agreements, existing or proposed, between any Director, or parties in which they are interested, and the Company.

9.4.3 There are no service contracts between any member of the administrative, management or supervisory bodies of the Company or any other person and the Company which provide for benefits upon termination of employment or in connection with retirement from office.

9.4.4 Save as disclosed below, in this paragraph 9 of this Part VIII from the date of the Company's incorporation, being 11 June 2007, to the date of this Document, no remuneration has accrued or been paid, including pension contributions and benefits in kind, to any of the Directors.

10. **SHARE OPTIONS, WARRANTS, AND OTHER RIGHTS OVER SHARES**

10.1 **Share Options**

The Directors consider that an important part of the Company's remuneration policy should include equity incentives through the grant of Share Options to Directors, consultants and employees. Accordingly, on 28 May 2020, the Company granted Share Options to the following Directors and consultants to subscribe for up to 3,000,000 Ordinary Shares in the capital of the Company in aggregate:

| Optionholder | Number of Ordinary Shares under | Exercise Price | Exercise Period | Vesting Period |
|----------------------------|--|-----------------------|----------------------------|---|
| Melissa Josephine Sturgess | 500,000 | £0.025 | 10 years from vesting date | 24 equal monthly instalments from 1 June 2020 |
| Emma Priestley | 500,000 | £0.025 | 10 years from vesting date | 24 equal monthly instalments from 1 June 2020 |
| Kyler Hardy | 1,500,000 | £0.025 | 10 years from vesting date | 24 equal monthly instalments from 1 June 2020 |
| Kyle Hookey | 500,000 | £0.025 | 10 years from vesting date | 24 equal monthly instalments from 1 June 2020 |

In addition, on 28 May 2020, the Company granted Share Options to the following consultants and other third parties as part of a re-organisation of the Company's previous share options in issue:

| Optionholder | Number of Ordinary Shares under | Exercise Price | Exercise Period | Vesting Period/ Condition |
|---------------------|---------------------------------|----------------|----------------------------|---|
| James Hamilton | 400,000 | £0.025 | 10 years from vesting date | Options vest on Admission |
| Russell Hardwick | 400,000 | £0.025 | 10 years from vesting date | Options vest on Admission |
| David Robinson | 500,000 | £0.025 | 10 years from vesting date | 24 equal monthly instalments from 1 June 2020 |
| Rod Whyte | 350,000 | £0.025 | 10 years from vesting date | 24 equal monthly instalments from 1 June 2020 |
| John Campbell Smyth | 400,000 | £0.025 | 10 years from vesting date | 24 equal monthly instalments from 1 June 2020 |

The board of Directors has discretion to accelerate vesting of any Share Options in full at any time.

10.2 Warrants

Peterhouse Warrants

Under the terms of a warrant instrument dated 7 January 2019, Peterhouse Capital Limited has the right to subscribe for Ordinary Shares in the capital of the Company at a price of £0.01 per share during the period of three years from the date on which the warrant instrument granting the warrants was entered into. Only once warrants have been exercised shall they carry a right to dividends; as such time they shall rank *pari passu* with Ordinary Shares. Peterhouse Capital Limited may transfer the warrants.

Pre-IPO Fundraise Warrants

Under the terms of various individual warrant instruments constituted by the Company on 30 November 2020, subscribers for the 14,739,737 Ordinary Shares issued by the Company on 23 November 2020 (as referred to in paragraph 3.2.15 of this Part VIII) were granted with warrants, giving the holders thereof the right to subscribe for 7,369,868 Ordinary Shares in aggregate, at a price of £0.05 per share on or before 30 November 2022. Only once the warrants have been exercised shall they carry a right to dividends; as such time they shall rank *pari passu* with Ordinary Shares. Warrants holders may transfer their warrants in whole or part.

Additionally, under the terms of various individual warrant instruments constituted by the Company on 5 January 2021, subscribers for the 1,914,200 Ordinary Shares issued by the Company on 5 January 2021 (as referred to in paragraph 3.2.15 of this Part VIII) were granted with warrants, giving the holders thereof the right to subscribe for 957,100 Ordinary Shares in aggregate, at a price of £0.05 per share on or before 5 January 2023. Only once the warrants have been exercised shall they carry a right to dividends; as such time they shall rank *pari passu* with Ordinary Shares. Warrants holders may transfer their warrants in whole or part to another group company or any of their respective employees, but are otherwise only transferrable with the prior approval of the Company.

Cloudbreak Warrants

Under the terms of various individual warrants (“**Cloudbreak Warrants**”), the holders thereof have been granted the right to subscribe for 4,303,000 Cloudbreak Shares in aggregate as follows:

- 3,800,000 CloudBreak Warrants, each exercisable for one CloudBreak Share until December 18, 2021 at an exercise price of \$0.10 (“**First Cloudbreak Warrant Issue**”);
- 200,000 CloudBreak Warrants, each exercisable for one CloudBreak Share until January 18, 2022 at an exercise price of \$0.10 (“**Second Cloudbreak Warrant Issue**”); and
- 303,000 CloudBreak Warrants, each exercisable for one CloudBreak Share until June 10, 2021 at an exercise price of \$0.40 (“**Third Cloudbreak Warrant Issue**”).

The rights evidenced by this Cloudbreak Warrants may be transferred or assigned by the holder, subject to all applicable regulatory and legal requirements and the approval of Cloudbreak. The Cloudbreak Warrants do not entitle the holders to any rights as a shareholder of Cloudbreak, including, without limitation, voting rights.

The Cloudbreak Warrants are subject to appropriate adjustments in the event of a share capital reorganisation or payment of dividends on the Cloudbreak Shares in order to ensure the rights evidenced of the holders of the Cloudbreak Warrants shall thereafter be as reasonably as possible equivalent to those originally granted. In addition, where Cloudbreak is subject to an amalgamation or merger with another corporation or entity then the Cloudbreak Shares issuable on exercise of the rights evidenced by the Cloudbreak Warrants shall be converted into the securities, property, or cash which the holder would have received upon such amalgamation, consolidation, merger, arrangement or reorganization had the Warrants been exercised prior to such event becoming effective, subject to the approval of any stock exchange on which relevant shares are listed (if required). Accordingly, as a result of the Amalgamation, the holders of the Cloudbreak Warrants shall be entitled to acquire Ordinary Shares in Imperial following Admission. Using the same conversion ratio used to determine the number of Cloudbreak Consideration Shares to be issued to Cloudbreak Shareholders pursuant to the Cloudbreak Acquisition, the holders of the Cloudbreak Warrants shall have the right to subscribe for 19,978,776 Ordinary Shares in aggregate at \$0.02199 (in respect of the First Cloudbreak Warrant Issue), \$0.02199 (in respect of the Second Cloudbreak Warrant Issue) and \$0.08798 (in respect of the Third Cloudbreak Warrant Issue) per Ordinary share (equal to £0.0125, £0.0125 and £0.05, respectively, using the CAN: £ exchange rate of \$1.7595/£1.00 as of 16 February 2021).

The Cloudbreak Warrants are subject to the laws of the Province of British Columbia.

AAM Acquisition Warrants

Under the terms of a warrant instrument constituted by the Company on 3 June 2021, each of Cronin Capital and Cronin Services were granted with warrants (“**AAM Acquisition Warrants**”), giving the holders thereof the right to subscribe for 8,714,227 Ordinary Shares in aggregate (Cronin Capital as to 1,630,832 AAM Acquisition Warrants and Cronin Services as to 7,083,395 AAM Acquisition Warrants), at a price of £0.05 per share on or before the fourth anniversary of Admission (as referred to in paragraphs 11.3.2 and 11.3.3 of this Part VIII). The AAM Acquisition Warrants have been granted conditional upon Admission and the AAM Acquisition completing. Only once the warrants have been exercised shall they carry a right to dividends; as such time they shall rank *pari passu* with Ordinary Shares. AAM Acquisition Warrant holders may transfer their warrants in whole or part to another group company or any of their respective employees, but are otherwise only transferrable with the prior approval of the Company.

Drawdown Warrants

Under the terms of a warrant instrument constituted by the Company on 16 February 2021, Crescita Capital, LLC (being a party to the Equity Drawdown Agreement, as referred to in paragraph 11.4 of this Part VIII) was granted with warrants, giving Crescita Capital the right to subscribe for 4,530,497 Ordinary Shares, at a price of £0.10 per share on or before the

third anniversary of Admission. Only once the warrants have been exercised shall they carry a right to dividends; as such time they shall rank *pari passu* with Ordinary Shares. Warrant holders may transfer their warrants in whole or part to a group company, but not otherwise.

Novum Warrants

Under the terms of a warrant instrument dated 11 May 2021, Novum have the right to subscribe for Ordinary Shares in the capital of the Company at a price of £0.03 per share during the period of three years from the date on which the warrant instrument granting the warrants was entered into. Only once warrants have been exercised shall they carry a right to dividends; as such time they shall rank *pari passu* with Ordinary Shares. Novum may transfer the warrants.

10.3 Convertible Loan Notes

On 1 October 2018, the Company constituted a convertible loan note instrument under which it could issue up to £300,000 of unsecured convertible loan notes which are convertible into ordinary shares at any time until the first anniversary of the date of the issuance with a conversion price of £0.01 each and which pay interest at a rate of 10% per annum.

On 1 October 2018, the Company issued £50,000 convertible loan notes under the terms of this instrument and on 9 August 2019, convertible loans notes to the amount of £46,150 were exercised.

11. MATERIAL CONTRACTS

The Group

The following is a summary of each material contract (other than contracts entered into in the ordinary course of business) to which any member of the Group is a party, for the two years immediately preceding the publication of this Document, and each other contract (not being a contract entered into in the ordinary course of business) entered into by the Group which contains any provisions under which the Group has an obligation or entitlement which is material to the Group as at the date of this Document:

11.1 Amalgamation Agreement

An amalgamation agreement ("**Amalgamation Agreement**") dated 16 February 2021 between (1) Imperial BC (2) Imperial BC Sub (3) Cabox (4) Cloudbreak and (4) Howson.

The Amalgamation Agreement contains the terms and conditions of the proposed amalgamation ("**Amalgamation**") of Cabox, Cloudbreak and Howson (together "**CCH Corporations**") and Imperial BC Sub (the CCH Corporations and Imperial BC Sub together comprising the "**Amalgamating Companies**"). As a result of the Amalgamation, each of the Amalgamating Companies will be amalgamated into and be continued under Amalco, a newly registered British Columbia corporation created as a result of the Amalgamation. Following the Amalgamation taking place, Amalco shall hold all of the assets, property, claims and actions of the Amalgamating Companies and it shall also be liable for all of the respective obligations and liabilities of each of those Amalgamating Companies.

The parties have agreed to implement the Amalgamation by means of an amalgamation in accordance with sections 273 and 273 of the Business Corporations Act (British Columbia). Pursuant to the terms of the Amalgamation, each CCH Shareholder will exchange their respective CCH Shares for Amalco Class B Shares issued to them *pro rata* to their holdings in the CCH Corporations at the time of completion of the Amalgamation. In addition, Imperial BC will exchange its holding of Imperial BC Sub Shares for Amalco Class A Shares at the time of completion of the Amalgamation.

The Amalgamation Agreement contains covenants given by each of the Amalgamating Company in relation to various actions to be taken in order to implement the Amalgamation. It also contains various representations and warranties given by the Amalgamating Companies in favour of the other Amalgamating Companies as to the validity, execution and enforceability of the Amalgamation Agreement the respective Acquisition Agreement to which it is a party (further details of which are set out in paragraph 11.2 of this Part VIII below).

The Amalgamation shall be subject to the satisfaction of various conditions, including (amongst others):

- the approval of the board of directors and the shareholders of each Amalgamating Company
- each Acquisition Agreement having been entered into, not been terminated and it having become unconditional in accordance with its terms, save for any term relating to the completion of the Amalgamation Agreement;
- the receipt of all necessary regulatory approvals; and
- Admission taking place

The Amalgamation Agreement is governed by the laws of the Province of British Columbia.

11.2 CCH Acquisition Agreements

The Company and Imperial BC has entered into three separate acquisition agreements with each of Cabox, Cloudbreak, Howson and the Imperial BC Shareholder (“**CCH Acquisition Agreements**”) pursuant to which the Company will acquire the Amalgamating Companies through Imperial BC and whereby: (a) the Company will acquire all of the issued and outstanding share capital of Imperial BC in exchange for the issue to the Imperial BC Shareholder of 100 Consideration Shares in aggregate (“**Imperial BC Consideration Shares**”); and (b) Amalco will become a wholly owned subsidiary of Imperial BC through the redemption of all of the Amalco Shares issued pursuant to the Amalgamation, other than those held by Imperial BC; and (c) the Company shall issue 216,182,619 Consideration Shares, in aggregate, to CCH Shareholders. A summary of the terms of each CCH Acquisition Agreements is set out below:

11.2.1 Cabox Acquisition Agreement

A conditional sale and purchase agreements (“**Cabox Acquisition Agreement**”) dated 16 February 2021 made between (1) the Company; (2) Imperial BC; (3) Cabox; and (4) Imperial BC Shareholder pursuant to which: (a) the Cabox Shareholders will transfer their respective holdings of Cabox Shares to Amalco, in exchange for 35,000,000 Amalco Class B Shares, in aggregate, which shares shall be issued by Amalco to Cabox Shareholders *pro rata* to their holdings of Cabox Shares for subsequent redemption and cancellation by Amalco; (b) Imperial BC will transfer its holding of Imperial BC Sub Shares to Amalco, in exchange for 1 Amalco Class A Share for each Imperial BC Sub Share held by it; (c) the Imperial BC Shareholder will transfer its holding of Imperial BC Shares to the Company; and (d) the Company will issue 35,000,000 Consideration Shares to Cabox Shareholders and the Imperial BC Consideration Shares to the Imperial BC Shareholder as referred to above.

The Cabox Acquisition Agreement contains a limited number of representations and warranties given by Cabox to the Company and Imperial BC and by Cabox in relation to, *inter alia*, its respective good standing, organisation and share capital, business, operations, assets, tax, employees, litigation and material contracts. The Company has also given a more restricted set of representations and warranties in favour of the Cabox and Imperial BC. Furthermore, the agreement contains a series of mutual covenants given by Cabox, the Company and Imperial BC for the interim period between the date of the Cabox Acquisition Agreement and its completion relating to, *inter alia*, the conduct of their respective businesses in the ordinary course and certain prohibitions on actions to be taken during this period of time.

Completion of the Cabox Acquisition Agreement will be subject to the satisfaction of various conditions, including (amongst others):

- the approval of the Cabox board of directors and Cabox Shareholders;
- the acquisition of each of the CCH Corporations having been approved by Imperial Shareholders;
- each other Acquisition Agreement having been entered into, not been terminated and it having become unconditional in accordance with its terms, save for any term relating to the completion of the Cabox Acquisition Agreement;

- the receipt of all necessary regulatory approvals; and
- Admission taking place.

11.2.2 *Cloudbreak Acquisition Agreement*

A conditional sale and purchase agreements (“**Cloudbreak Acquisition Agreement**”) dated 16 February 2021 made between (1) the Company; (2) Imperial BC; (3) Cloudbreak; (4) Imperial BC Shareholder pursuant to which: (a) the Cloudbreak Shareholders will transfer their respective holdings of Cloudbreak Shares to Amalco, in exchange for 149,568,502 Amalco Class B Shares, in aggregate, which shares shall be issued by Amalco to Cloudbreak Shareholders *pro rata* to their holdings of Cloudbreak Shares for subsequent redemption and cancellation by Amalco; (b) Imperial BC will transfer its holding of Imperial BC Sub Shares to Amalco, in exchange for the Amalco Class A Shares to be issued to it as referred to in 11.2.1 above; (c) the Imperial BC Shareholder will transfer its holding of Imperial BC Shares to the Company; and (d) the Company will issue 149,568,502 Consideration Shares to Cloudbreak Shareholders and the Imperial BC Consideration Shares to the Imperial BC Shareholder as referred to in 11.2 above.

The Cloudbreak Acquisition Agreement contains a limited number of representations and warranties given by Cloudbreak to the Company and Imperial BC a in relation to, *inter alia*, its respective good standing, organisation and share capital, business, operations, assets, tax, employees, litigation and material contracts. The Company has also given a more restricted set of representations and warranties in favour of the Cloudbreak and Imperial BC. Furthermore, the agreement also contains a series of mutual covenants given by Cloudbreak, the Company and Imperial BC for the interim period between the date of the Cloudbreak Acquisition Agreement and its completion relating to, *inter alia*, the conduct of their respective businesses in the ordinary course and certain prohibitions on actions to be taken during this period of time.

Completion of the Cloudbreak Acquisition Agreement shall be subject to the satisfaction of various conditions, including (amongst others):

- the approval of the Cloudbreak board of directors and Cloudbreak Shareholders;
- the acquisition of each of the CCH Corporations having been approved by Imperial Shareholders;
- each other Acquisition Agreement having been entered into, not been terminated and it having become unconditional in accordance with its terms, save for any term relating to the completion of the Cloudbreak Acquisition Agreement;
- the receipt of all necessary regulatory approvals; and
- Admission taking place

11.2.3 *Howson Acquisition Agreement*

A conditional sale and purchase agreements (“**Howson Acquisition Agreement**”) dated 16 February 2021 made between (1) the Company; (2) Imperial BC; (3) Howson; and (4) the Imperial BC Shareholder pursuant to which: (a) the Howson Shareholders will transfer their respective holdings of Howson Shares to Amalco, in exchange for 31,614,118 Amalco Class B Shares, in aggregate, which shares shall be issued by Amalco to Howson Shareholders *pro rata* to their holdings of Howson Shares for subsequent redemption and cancellation by Amalco; (b) Imperial BC will transfer its holding of Imperial BC Sub Shares to Amalco, in exchange for the Amalco Class A Shares referred to in 11.2.1 above; (c) the Imperial BC Shareholder will transfer its holding of Imperial BC Shares the Company; and (d) the Company will issue 31,614,118 Consideration Shares to Howson Shareholders and the Imperial BC Consideration Shares to the Imperial BC Shareholder as referred to in 11.2 above.

The Howson Acquisition Agreement contains a limited number of representations and warranties given by Howson to the Company and Imperial BC in relation to, *inter alia*, its respective good standing, organisation and share capital, business, operations, assets, tax, employees, litigation and material contracts. The Company has also given a more restricted set of representations and warranties in favour of the Howson and Imperial BC. Furthermore,

the agreement also contains a series of mutual covenants given by Howson, the Company and Imperial BC for the interim period between the date of the Howson Acquisition Agreement and its completion relating to, *inter alia*, the conduct of its respective business in the ordinary course and certain prohibitions on actions to be taken during this period of time. each of the Amalgamating Company in relation to various actions to be taken in order to implement the Amalgamation.

Completion of the Howson Acquisition Agreement shall be subject to the satisfaction of various conditions, including (amongst others):

- the approval of the Howson board of directors and Howson Shareholders;
- the acquisition of each of the CCH Corporations having been approved by Imperial Shareholders;
- each other Acquisition Agreement having been entered into, not been terminated and it having become unconditional in accordance with its terms, save for any term relating to the completion of the Howson Acquisition Agreement;
- the receipt of all necessary regulatory approvals; and
- Admission taking place.

11.3 AAM Asset Acquisition Agreements

The Company has entered into various agreements with Reyker Nominees, Cronin Services and Cronin Capital, pursuant to which it has agreed to acquire the AAM Assets ("**AAM Asset Acquisition Agreements**"). A summary of the terms of each AAM Asset Acquisition Agreement is set out below:

11.3.1 *Reyker Assignment Deed*

A deed of amendment and assignment ("**Reyker Assignment Deed**") dated 16 February 2021 between (1) Reyker Nominees (2) the Company and (3) AAM, pursuant to which terms Reyker Nominees agreed to assign to the Company:

- a) \$250,000 principal amount US\$1.00 denominated unsecured convertible loan notes issued by AMM on the terms of a convertible loan note instrument dated 1 July 2019 and with such loan notes bearing an interest rate of 10% per annum, a repayment date of 31 May 2021 and a conversion price of \$0.02 per share (the "**CLNs**"); and
- b) warrants to subscribe for 12,500,000 ordinary shares in the capital of AAM with an exercise price of US\$0.03 at any time on or before 1 July 2021 ("**Warrants**").

In consideration of the assignment of the CLNs and Warrants, the Company shall issue to Reyker Nominees 10,112,756 new Ordinary Shares.

The Reyker Assignment Deed also ratified and confirmed certain provisions of the CLNs and Warrants in order to enable the assignments of the CLNs and Warrants to the Company.

The Reyker Assignment Deed is governed by the laws of the Republic of Ireland.

11.3.2 *Cronin Services Assignment Deed*

A deed of amendment and assignment ("**Cronin Services Assignment Deed**") dated 16 February 2021 between (1) Cronin Services Ltd (2) the Company and (3) AAM, pursuant to which terms Cronin Services agreed to assign to the Company \$420,000 principal amount US\$1.00 denominated unsecured convertible loan notes issued by AMM on the terms of a convertible loan note instrument dated 20 January 2020 and with such loan notes bearing an interest rate of 10% per annum, a repayment date of 31 May 2021 and a conversion price of a \$0.01 per share (the "**CLNs**").

In consideration of the assignment of the CLNs, the Company shall issue to Cronin Services 14,166,790 new Ordinary Shares and warrants ("**Warrants**") to subscribe for 7,083,395 Ordinary Shares at a subscription price of £0.05 per warrant at any time on or before the fourth anniversary of the date of issue. Further details of these Warrants are set out in paragraph 10.2 of this Part VIII

The Cronin Services Assignment Deed also ratified and confirmed certain provisions of the CLNs in order to enable the assignment of the CLNs to the Company.

The Cronin Services Assignment Deed is governed by the laws of the Republic of Ireland.

11.3.3 Cronin Capital Assignment Deed

A deed of amendment and assignment ("**Cronin Capital Assignment Deed**") dated 16 February 2021 between (1) Cronin Capital (2) the Company and (3) AAM, pursuant to which terms Cronin Capital agreed to assign to the Company a promissory note of \$45,264 principal amount issued by AMM on 11 February 2020 (the "**Promissory Notes**"). The Promissory Note carries an interest rate of 15% per annum, is repayable on 31 May 2021 and may be converted into shares in AAM at a price of \$0.005 per share.

In consideration of the assignment of the Promissory Note, the Company shall issue 1,630,832 new Ordinary Shares and warrants ("**Warrants**") to subscribe for 1,630,832 Ordinary Shares at a subscription price of £0.05 per Warrant at any time on or before the fourth anniversary of the date of the Cronin Capital Assignment Deed.

The Cronin Capital Assignment Deed is governed by the laws of the Province of British Columbia.

11.3.4 Reyker Nominees Share Purchase Agreement

A share purchase and sale agreement ("**Share Purchase Agreement**") dated 16 February 2021 between (1) Reyker Nominees and (2) the Company, pursuant to which terms Reyker Nominees agreed to sell and the Company agreed to purchase 11,000,000 ordinary shares of €0.001 each in the capital of AAM ("**Sale Shares**").

In consideration for the acquisition of the Sale Shares, the Company shall issue to Reyker Nominees 3,520,000 new Ordinary Shares.

Reyker Nominees has given limited warranties as to title to the Sale Shares, the solvency and capacity of Reyker Nominees as seller, as well as the due execution and validity of the Share Purchase Agreement.

The Share Purchase Agreement is governed by the laws of England and Wales

11.4 Equity Drawdown Facility

The Company entered into a £10 million equity drawdown agreement with Crescita Capital LLC dated 16 February 2021.

The Equity Drawdown Facility is for an aggregate amount of £10 million and with the facility being made available for drawdown for a period of three years from the date of the agreement for the Company's general working capital purposes, acquisition and other development opportunities in the natural resources sector. The Company has agreed that it will not draw down the facility during the period from Admission until six months thereafter.

The Company can draw down funds from £10 million Equity Drawdown Facility from time to time during the three year term at the Company's discretion by providing a notice to Crescita Capital ("**Drawdown Notice**"), and in return for each Drawdown Notice funded by Crescita Capital, the Company will allot and issue fully paid shares to Crescita Capital (each, a "**Subscription**"). The shares issued in connection with any Subscription will be priced at the higher of: (i) the minimum floor share price set by the Company; and (ii) 90% of the average closing bid price resulting from the following ten days of trading after the Drawdown Notice ("**Pricing Period**"), subject to adjustment in certain situations where a pricing exception exists.

The submission of a Drawdown Notice is subject to the satisfaction of certain conditions. These include no material adverse change existing in relation to the Company at the time of drawdown; that the amount requested pursuant to a Drawdown Notice must not exceed 700% of the average daily trading volume of the Pricing Period; and that if, following the allotment and issue of Ordinary Shares to Crescita Capital in respect of the Drawdown Notice, Crescita Capital must not hold an interest in excess of 25% of the voting rights attaching to the Company's issued ordinary share capital.

The Company has also agreed to pay to Crescita Capital certain commitment fees which shall comprise a two per cent. (2%) commission on the amount of the facility (£200,000) which will be settled by way of the issue of 4,000,000 Ordinary Shares at an issue price of £0.05 per share and warrants over 8% of the issued share capital of the Company as at 10 September 2020 (equating to warrants over 4,530,497 Ordinary Shares) with an exercise price of £0.10 per share for a period of three years (together, the “**Commitment Fee**”). The Commitment Fees are to be settled at the time of Admission. There is no interest attached to the Equity Drawdown Facility. The Ordinary Shares issued in connection with the Commitment Fee (including, therefore any issued upon exercise of the warrants) are subject to a lock-in for the six months from Admission.

11.5 **Novum Placing Agreement**

The Company entered into a placing agreement with Novum dated 11 May 2021, pursuant to which Novum was appointed as the Company’s broker and as its agent to use its reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price. The Placing is not underwritten. The Placing Agreement is conditional, *inter alia*, on Admission taking place on 3 June 2021 or such later date as may be agreed by the Company and Novum (being not later than 30 June 2021) and the Company complying with certain obligations under the Placing Agreement.. Under the terms of the Placing Agreement, Novum is entitled to certain commissions and fees in connection with its services as placing agent. The Placing Agreement also provides for the Company to pay all costs and expenses of, or incidental to, the Placing and Admission, including all legal and other professional fees and expenses.

11.6 **Lock-in Agreements**

Each of the Locked-in Shareholders has entered into a Lock-in Agreement with the Company dated 17 March 2021, pursuant to which terms they have each undertaken to the Company that, save in specified circumstances, they will not dispose of any interest in Ordinary Shares held by each of them for a period of 24 months from Admission (“**Lock-in Period**”), provided that the number of shares the subject of each of the Lock-in Agreements shall be reduced as follows during the Lock-in Period:

- 25% shall be released from lock-in restrictions six months following Admission;
- 25% shall be released from lock-in restrictions twelve months following Admission;
- 25% shall be released from lock-in restrictions eighteen months following Admission; and
- 25% shall be released from lock-in restrictions twenty-four months following Admission.

In addition, the specified circumstances which enable a disposal of shares during the Lock-in Period include:

- a) a disposal pursuant to acceptance of a general, partial or tender offer made by an offeror to all shareholders of the Company for the whole or a part of the issued share capital of the Company (other than any shares already held by the offeror or persons acting in concert with the offeror) or the execution of an irrevocable commitment to accept a general, partial or tender offer made by an offeror to all shareholders of the Company for the whole or a part of the issued capital of the Company (other than any shares already held by the offeror or persons acting in concert with the offeror);
- b) any disposal pursuant to an intervening court order;
- c) pursuant to disposals under any scheme or reconstruction under section 110 of the Insolvency Act 1986, any compromise or arrangement or any takeover effected under part 26 of the Companies Act or pursuant to any decision or ruling by an administrator, administrative receiver or liquidator appointed to the Company in connection with a winding up or liquidation of the Company; and
- d) any disposal to personal representatives (in the case of an individual) upon the death of a Locked-in Shareholder.

Cabox

The following is a summary of each material contract (other than contracts entered into in the ordinary course of business) to which Cloudbreak is a party, for the two years immediately preceding the publication of this Document, and each other contract (not being a contract entered into in the ordinary course of business) entered into by Cloudbreak which contains any provisions under which Cloudbreak has an obligation or entitlement which is material to Cloudbreak as at the date of this Document:

11.7 New Moon Agreement

On 9 December 2020, Cabox entered into an asset purchase agreement with Norseman Silver Inc. to sell its 100% interest in the New Moon property (certain other entities were also a party to the agreement). In consideration for the New Moon property, Norseman Silver Inc. shall:

- a) the sum of C\$10,000 to Cabox;
- b) issue in aggregate 4,600,000 common shares in itself as follows: 2,500,000 shares to Cabox, 600,000 shares to 1269270 B.C. Ltd and 1,500,000 shares to 1236686 B.C. Ltd; and
- c) grant a 2% net smelter return royalty to Cabox, provided always that Norseman Silver Inc. may purchase one half of this back for C\$1,000,000.

Cloudbreak

The following is a summary of each material contract (other than contracts entered into in the ordinary course of business) to which Cloudbreak is a party, for the two years immediately preceding the publication of this Document, and each other contract (not being a contract entered into in the ordinary course of business) entered into by Cloudbreak which contains any provisions under which Cloudbreak has an obligation or entitlement which is material to Cloudbreak as at the date of this Document:

11.8 Ridge Royalty Corp. Amalgamation Agreement

Cloudbreak entered into an amalgamation agreement dated 11 February 2020 with Ridge Royalty Corporation ("**Ridge**") and 1237611 B.C. Limited ("**Cloudbreak Sub**") pursuant to which Cloudbreak effected a "three-cornered amalgamation" in accordance with the Business Corporations Act (British Columbia). Cloudbreak's wholly owned subsidiary.

Upon completion of the merger on 19 May 2020, Cloudbreak Sub (being a newly formed wholly owned subsidiary of Cloudbreak for the purposes of effecting the amalgamation) amalgamated with Ridge and the resulting corporation created as a result of the merger became a 100% owned subsidiary of Cloudbreak ("**Amalco**").

Following the amalgamation taking place, Amalco shall hold all of the assets, property, claims and actions of Ridge and Cloudbreak Sub and it shall also be liable for all of the respective obligations and liabilities of each of those corporations.

11.9 Ridge Royalty Acquisition Agreement

Cloudbreak entered into an acquisition agreement dated 11 February 2020 in furtherance of the amalgamation agreement (details of which are summarised in paragraph 11.8 of this Part VIII).

Pursuant to the terms of the acquisition agreement, Cloudbreak agreed to issue an aggregate of 26,485,071 common shares in Cloudbreak to shareholders of Ridge Royalty Corp. ("**Ridge Royalty**") in exchange for and *pro rata* to their shares held in Ridge Royalty at a deemed price of \$0.20 per share. The acquisition agreement contained various conditions precedent, including without limitation: completion by Cloudbreak of a private placement financing raising gross proceeds of between CAN \$2,000,000 – CAN \$5,000,000; completion by Cloudbreak of a 2:1 share consolidation and the receipt of all necessary shareholder approvals.

Upon completion of the acquisition on 19 May 2020, Cloudbreak acquired the following exploration and evaluation assets owned by Ridge Royalty:

- La Blache Property (sold on 23 September 2020 to Temas Resources Corporation);
- Rupert Property;
- Caribou Property; and
- Apple Bay Property.

The merger constituted a reverse takeover under Canadian law as Ridge Royalty shareholders obtained control of Cloudbreak.

11.10 Silver Switchback Agreements

On 8 May 2020, Cloudbreak entered into an option agreement with 1975647 Alberta Limited to acquire a 100% interest in the Silver Switchback property, located in British Columbia. Under the agreement, 1975647 Alberta Limited retained a 2% net smelter return royalty provided always that Cloudbreak may purchase three quarters of this back for C\$1,250,000. In order to fully exercise the option and take ownership of the Silver Switchback property, Cloudbreak must first satisfy the following conditions:

- a) pay an aggregate of C\$75,000 in cash in instalments to 1975647 Alberta Limited as follows: (i) C\$7,500 falls due on signing the option agreement; (ii) C\$7,500 to be paid on Cloudbreak receiving regulatory approval; (iii) C\$20,000 to be paid by 8 May 2022; and (iv) C\$40,000 to be paid by 8 May 2023;
- b) issue 2,000,000 Class A common shares in itself to 1975647 Alberta Limited as follows: (i) 400,000 shares on Cloudbreak receiving regulatory approval; (ii) 600,000 shares by 8 May 2022; and (iii) 1,000,000 shares by 8 May 2023; and
- c) incur exploration expenditure in connection with the Silver Switchback property to the value of C\$475,000 as follows: (i) C\$75,000 to be paid by 8 May 2021; (ii) C\$150,000 to be paid by 8 May 2022; and (iii) C\$250,000 to be paid by 8 May 2023.

On 27 August 2020, Cloudbreak sold its right to a future direct interest in the Silver Switchback property (to be acquired pursuant to the terms as set out in the paragraph above, by entering into an option sale agreement with Norseman Silver Inc. Under this subsequent agreement Norseman Silver Inc. shall acquire the 100% interest in the Silver Switchback property subject to a 1% net smelter return royalty to be granted in favour of Cloudbreak (which is in addition to the underlying 2% net smelter return royalty already in place owing to 1975647 Alberta Limited pursuant to the agreement detailed in the paragraph above) and provided always that Norseman Silver Inc. may purchase one half of this back for the sum of C\$500,000. In order for Norseman Silver Inc. to fully exercise this option in respect of the Silver Switchback property, Norseman Silver Inc. shall:

- a) pay an aggregate of C\$30,000 in cash in instalments to Cloudbreak as follows: (i) C\$10,000 which was due on the signing of the agreement; and (ii) a further C\$20,000 on Cloudbreak receiving regulatory approval;
- b) issue 1,000,000 Class A common shares in itself to Cloudbreak as follows: (i) 370,000 shares on Cloudbreak receiving regulatory approval (and an additional 250,000 shares to 1975647 Alberta Limited); and (ii) 380,000 shares on 27 August 2021; and
- c) assume the outstanding obligations of Cloudbreak to 1975647 Alberta Limited as set out in the agreement dated 8 May 2020.

Upon all of the conditions being fulfilled, ownership of the Silver Switchback property shall transfer from 1975647 Alberta Limited to Cloudbreak and then immediately to Norseman Silver Inc.

11.11 Silver Vista Agreements

On 8 May 2020, Cloudbreak entered into an option agreement with 1975647 Alberta Limited to acquire a 100% interest in the Silver Vista property, located in British Columbia. Under the agreement, 1975647 Alberta Limited retained a 2% net smelter return royalty provided always that Cloudbreak may purchase one half of this back for C\$1,000,000. In order to exercise the option and take ownership of the Silver Vista property, Cloudbreak must first satisfy the following conditions:

- a) pay an aggregate of C\$65,000 in cash in instalments to 1975647 Alberta Limited as follows: (i) C\$10,000 falls due on signing the option agreement; (ii) C\$10,000 to be paid on Cloudbreak receiving regulatory approval; (iii) C\$20,000 to be paid by 8 May 2022; and (iv) C\$25,000 to be paid by 8 May 2023;
- b) issue 1,375,000 Class A common shares in itself to 1975647 Alberta Limited as follows: (i) 375,000 shares on Cloudbreak receiving regulatory approval; (ii) 500,000 shares by 8 May 2022; and (iii) 500,000 shares by 8 May 2023; and
- c) incur exploration expenditure in connection with the Silver Vista property to the value of C\$275,000 as follows: (i) C\$100,000 to be paid by 8 May 2022; and (ii) C\$175,000 to be paid by 8 May 2023.

On 21 September 2020, Cloudbreak sold its right to a future direct interest in the Silver Vista property (to be acquired pursuant to the paragraph above, by entering into an option sale agreement with Norseman Silver Inc. Under this subsequent agreement Norseman Silver Inc. shall acquire the 100% interest in the Silver Vista property subject to a 1% net smelter return royalty being granted in favour of Cloudbreak (which is in addition to the underlying 2% net smelter return royalty already in place owing to 1975647 Alberta Limited pursuant to the agreement detailed in the paragraph above) and provided always that Norseman Silver Inc. may purchase one half of this back for the sum of C\$500,000. In order for Norseman Silver Inc. to fully exercise this option in respect of the Silver Vista property, Norseman Silver Inc. shall:

- a) pay an aggregate of C\$50,000 in cash in instalments to Cloudbreak as follows: (i) C\$20,000 which was due on the signing of the agreement; and (ii) a further C\$30,000 on Cloudbreak receiving regulatory approval;
- b) issue 2,000,000 Class A common shares in itself to Cloudbreak: (i) 2,000,000 shares on Cloudbreak receiving regulatory approval; and
- c) assume the outstanding obligations of Cloudbreak to 1975647 Alberta Limited as set out in the agreement dated 8 May 2020.

Upon all of the conditions being fulfilled, ownership of the Silver Vista property shall transfer from 1975647 Alberta Limited to Cloudbreak and then immediately to Norseman Silver Inc.

11.12 Gold Vista Agreements

On 8 May 2020, Cloudbreak entered into an option agreement with 1975647 Alberta Limited to acquire a 100% interest in the Gold Vista property, located in British Columbia. Under the agreement, 1975647 Alberta Limited retained a 2% net smelter return royalty provided always that Cloudbreak may purchase one half of this back for C\$1,000,000. In order to fully exercise the option and take ownership of the Gold Vista property, Cloudbreak must first satisfy the following conditions:

- a) pay an aggregate of C\$65,000 in cash in instalments to 1975647 Alberta Limited as follows: (i) C\$10,000 falls due on signing the agreement; (ii) C\$10,000 to be paid on Cloudbreak receiving regulatory approval; (iii) C\$20,000 to be paid by 8 May 2022; and (iv) C\$25,000 to be paid by 8 May 2023;
- b) issue 1,375,000 Class A common shares in itself to 1975647 Alberta Limited as follows: (i) 375,000 shares on Cloudbreak receiving regulatory approval; (ii) 500,000 shares by 8 May 2022; and (iii) 500,000 shares by 8 May 2023; and
- c) incur exploration expenditure in connection with the Gold Vista property to the value of C\$275,000 as follows: (i) C\$100,000 to be paid by 8 May 2022; and (ii) C\$175,000 to be paid by 8 May 2023.

On 6 October 2020, Cloudbreak sold its right to a future direct interest in the Gold Vista property to be acquired pursuant to the terms as set out in the paragraph above, by entering into an option sale agreement with Deep Blue Trading Inc. Under this subsequent agreement Deep Blue Trading Inc. shall acquire the 100% interest in the Gold Vista property subject to a 0.5% net smelter return royalty to Cloudbreak (which is in addition to the underlying 2% net smelter return royalty already in place owing to 1975647 Alberta Limited pursuant to the agreement detailed in the paragraph above) provided always that Deep Blue Trading Inc. may purchase one half of this back for the sum of C\$500,000. In order for Deep Blue Trading Inc. to fully exercise this option in respect of the Gold Vista property, Deep Blue Trading Inc. shall:

- a) pay C\$10,000 on signing the agreement;
- b) issue 500,000 Class A common shares in itself on Cloudbreak receiving regulatory approval; and
- c) assume the outstanding obligations of Cloudbreak to 1975647 Alberta Limited as set out in the agreement dated 8 May 2020.

Upon all of the conditions being fulfilled, ownership of the Gold Vista property shall transfer from 1975647 Alberta Limited to Cloudbreak and then immediately to Deep Blue Trading Inc.

11.13 Spectrum Agreements

On 8 October 2018, Cloudbreak entered into an option agreement with Christopher Paul and Michael Blady to acquire a 100% interest in the Southern Spectrum Mineral property located in the Lilloet Mining Division of British Columbia. Under the agreement, Christopher Paul and Michael Blady retained a 3% net smelter return royalty, provided always that Cloudbreak may purchase one third of the net smelter return royalty back for the sum of C\$1,000,000. In order to fully exercise the option and take ownership of the Southern Spectrum Mineral property, Cloudbreak must first satisfy the following conditions:

- a) pay an aggregate of C\$70,000 in cash in instalments to Christopher Paul and Michael Blady (half each) as follows: (i) C\$40,000 to be paid prior to Cloudbreak become a listed issuer; (ii) C\$10,000 to be paid by 31 December 2019; (iii) C\$10,000 to be paid by 31 December 2020; and (iv) C\$10,000 to be paid by 31 December 2021;
- b) issue 1,200,000 Class A common shares in itself to Christopher Paul and Michael Blady (half each) as follows: (i) 500,000 shares prior to Cloudbreak become a listed issuer; (ii) 175,000 shares by 31 December 2019; (iii) 175,000 shares by 31 December 2020; and (iv) 350,000 shares by 31 December 2021; and
- c) incur exploration expenditure in connection with the Southern Spectrum Mineral property to the value of C\$1,250,000 as follows: (i) C\$50,000 to be paid by 31 December 2019 (ii) C\$100,000 to be paid by 31 December 2020; (iii) C\$350,000 to be paid by 31 December 2021; and (iv) C\$750,000 to be paid by 31 December 2022.

On 27 November 2020, Cloudbreak sold its right to a future direct interest in the Southern Spectrum Mineral property to be acquired pursuant to the terms as set out in the paragraph above, by entering into an option sale agreement with 1162832 BC Ltd. In return for C\$10,000 cash and 500,000 shares in a publicly listed company to which 1162832 BC Ltd transfers its interest in the Southern Spectrum Mineral property in the future. 1162832 BC Ltd has since entered into an agreement respecting the Southern Spectrum Mineral property with Castlebar Capital Corp. Accordingly, Cloudbreak will receive 500,000 shares in Castlebar Capital Corp., upon Castlebar Capital Corp. completing its listing on the TSX Venture Exchange.

11.14 La Blache Agreements

On 20 May 2019, Cloudbreak entered into an asset purchase agreement with Nevado Resources Corporation to acquire a 100% interest in the La Blache property for the sum of C\$50,000. Cloudbreak undertook to use commercially reasonable efforts to cause a subsequent purchaser of the La Blache property to issue 1,500,000 common shares in itself to Nevado Resources Corporation.

On 18 June 2020, Cloudbreak entered into a definitive agreement to sell 100% of the La Blache property to Temas Resources Corporation (Cronin Services Ltd was also a party). Under the agreement, the Cloudbreak retained a 2% net smelter return royalty, provided always that Temas Resources Corporation may purchase one half of the net smelter return royalty back for the sum of C\$2,500,000. Consideration for the La Blache property was structured as follows:

- a) Temas Resources Corporation paid to each of Cloudbreak and Cronin Services Ltd the sum of C\$30,000 in cash; and
- b) Temas Resources Corporation issued 10,000,000 common shares in itself to each of Cloudbreak and Cronin Services Ltd. The aggregated 20,000,000 Temas Resources Corporation common shares received are subject to pooling restrictions as follows:
 - a. 25% of the Temas Resources Corporation common shares will be released from the pool on 23 March 2021; and
 - b. 75% will be released 23 September 2021.

11.15 Apple Bay Agreement

On 5 April 2017 Ridge Royalty Corp. acquired a 1.5% Production Royalty from Ridge Resources Ltd on the Apple Bay Property for 3,000,000 common shares of Ridge Royalty Corp.

11.16 Caribou Agreement

On 2 June 2020, Cloudbreak entered into an option agreement with Norseman Capital Limited, under which Norseman Capital Limited is to acquire a 100% interest in the Caribou property, located in the Skeena Mining Division in the province of British Columbia. Under the agreement, Cloudbreak retained a 2% net smelter return royalty provided always that Norseman Capital Limited may purchase one half of this back for C\$1,000,000. In order to fully exercise the option and take ownership of the Caribou property, Norseman Capital Limited must first satisfy the following conditions:

- a) pay an aggregate of C\$80,000 in cash in instalments to Cloudbreak as follows: (i) C\$10,000 falls due on signing the agreement; (ii) C\$20,000 to be paid by 2 June 2021; and (iii) C\$50,000 to be paid by 2 June 2022;
- b) issue 2,750,000 Class A common shares in itself to Cloudbreak as follows: (i) 1,000,000 shares on Cloudbreak receiving regulatory approval; (ii) 700,000 shares by 2 June 2021; and (iii) 1,000,000 shares by 2 June 2022; and
- c) incur exploration expenditure in connection with the Caribou property to the value of C\$225,000 as follows: (i) C\$75,000 to be paid by 2 June 2022; and (ii) C\$150,000 to be paid by 2 June 2023.

Howson

The following is a summary of each material contract (other than contracts entered into in the ordinary course of business) to which Howson is a party, for the two years immediately preceding the publication of this Document, and each other contract (not being a contract entered into in the ordinary course of business) entered into by Howson which contains any provisions under which Howson has an obligation or entitlement which is material to Howson as at the date of this Document:

11.17 Anglo-African Minerals Agreements

On 20 March 2019, Howson acquired US\$500,000 Unsecured Convertible Loan Notes (“Notes”) that were issued in integral multiples of US\$1.00. The Notes receive a 10% fixed rate and are convertible at US\$0.01 per Note into common equity. The Notes had a maturity date of September 20, 2019 and are governed by the laws of the Republic of Ireland. These were subsequently subject to an extension and amendment agreement dated 20 September 2019 in respect of the sum of US\$525,749.46 being a combination of the principal and accrued interest. In conjunction with this extension and amendment, Howson was granted 21,029,978 warrants with a strike price of US\$0.025 per common equity and an expiry date 24 months after the agreement date.

11.18 Rupert Agreement

On 11 September 2018, Howson entered into an asset purchase agreement with Longford Capital Corp. to acquire a 100% interest in the Rupert property (certain other entities were also a party to the agreement). Pursuant to the terms of the agreement, Howson issue 1,000,000 shares in itself to each of Longford Capital Corp. and Cronin Capital Corp. Additionally, each of Longford Capital Corp. and Cronin Capital Corp. were granted a 1% net smelter return royalty.

On 11 December 2020, Howson sold the Rupert property that it had acquired on 11 September 2018, to Buscando Resources Corp. Under this subsequent agreement, Buscando Resources Corp. shall acquire the 100% interest in the Rupert property subject to a 2% net smelter return royalty being granted in favour of Howson (which is in addition to the underlying 2% net smelter return royalty already in place owing to Cronin Capital Corp. and Longford Capital Corp.) provided always that Buscando Resources Corp. may purchase one half of this back for C\$1,500,000. In consideration for the Rupert property, Buscando Resources Corp. shall:

- a) pay an aggregate of C\$150,000 in cash in instalments to Howson as follows: (i) C\$25,000 to be paid on the closing date; (ii) C\$50,000 to be paid by the first anniversary of the listing date of Buscando Resources Corp; and (iii) C\$75,000 to be paid by the second anniversary of the listing date of Buscando Resources Corp;
- b) issue 3,750,000 Class A common shares in itself to Howson as follows: (i) 1,000,000 shares on the closing date; (ii) 1,250,000 shares by the first anniversary of the listing date of Buscando Resources Corp; and (iii) 1,500,000 shares by the second anniversary of the listing date of Buscando Resources Corp; and
- c) incur exploration expenditure in connection with the Rupert property to the value of C\$200,000 as follows: (i) C\$100,000 to be paid by the first anniversary of the listing date of Buscando Resources Corp; and (ii) C\$75,000 to be paid by the second anniversary of the listing date of Buscando Resources Corp.

12. LITIGATION

The Group

12.1 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company or any company within the Group, is aware) during the period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of the Group.

Cabox

12.2 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of Cabox.

Cloudbreak

12.3 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of Cloudbreak or any member of the Cloudbreak Group.

Howson

12.4 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of Howson.

13. WORKING CAPITAL

The Company is of the opinion that the working capital available to the Enlarged Group, is sufficient for its present requirements, that is for at least 12 months from the date of this Document.

14. SIGNIFICANT CHANGES

14.1 There has been no significant change in either the financial position or financial performance of the Group since 31 December 2020, being the date of the Group Interim Financial Information set out in Section (C) "*Unaudited Interim Financial Information of the Group*" of Part VI "*Financial Information*", to the date of this Document, save for the issue of 1,914,200 Ordinary Shares on 5 January 2021 in relation to a private placing, raising cash proceeds of £47,855.

14.2 There has been no significant change in either the financial position or financial performance of the Cloudbreak Group since 31 October 2020, being the date of the Cloudbreak Interim Financial Information set out in Section (C) "*Unaudited Interim Financial Information of Cloudbreak*" of Part VI "*Financial Information*", to the date of this Document, save for an increase in the carrying value of its non-current investments of C\$7,665,200 from C\$7,321,645 to C\$14,986,845.

14.3 There has been no significant change in either the financial position or financial performance of Howson since 30 June 2020, being the date of the Howson Interim Financial Information set out in Section (E) "*Unaudited Interim Financial Information of Howson*" of Part VI "*Financial Information*", to the date of this Document.

14.4 There has been no significant change in either the financial position or financial performance of Cabox since 30 June 2020, being the date of the Cabox Interim Financial Information set out in Section (G) "*Unaudited Interim Financial Information of Cabox*" of Part VI "*Financial Information*", to the date of this Document.

15. CONSENT

15.1 Crowe U.K. of 55 Ludgate Hill, London EC4M 7JW, Chartered Accountants, has been appointed as reporting accountant to the Company for the purposes of this Document and has given and not withdrawn its consent to the inclusion in this Document of its accountant's report on the *Pro Forma* Financial Information included in Section (H) "*Accountant's Report on the Unaudited Pro Forma Financial Information*" of Part VI "*Financial Information*" of the Document and has authorised the contents of this report for the purposes of Rule 5.3.2R(2)(f) of the Prospectus Regulation Rules. In addition, Crowe U.K. LLP has given and not withdrawn its consent to the issue of this Document with the inclusion herein of the references to its name in the form and context in which it appears.

15.2 Save for the remuneration payable in respect of its role as reporting accountant to the Company, Crowe U.K. LLP does not have a material interest in the Company or any other member of the Group.

- 15.3 PKF Littlejohn LLP of 15 Westferry Circus, Canary Wharf, London E14 4HD, Chartered Accountants, has been appointed as auditor to the Company and has given and not withdrawn its consent to the inclusion in this Document of its statutory audit reports for each of the years ended 30 June 2018, 30 June 2019 and 30 June 2020 included in the Company Financial Information included in Section (A) “*Financial Information of the Group*” of Part VI “*Financial Information*” of the Document. In addition, PKF Littlejohn LLP has given and not withdrawn its consent to the issue of this Document with the inclusion herein of the references to its name in the form and context in which it appears.
- 15.4 Save for the remuneration payable in respect of its role as auditor to the Company, PKF Littlejohn LLP does not have a material interest in the Company or any other member of the Group.
- 15.5 Dale Matheson Carr-Hilton Labonte LLP of 15 Westferry Circus, Canary Wharf, London E14 4HD, Chartered Professional Accountants, has been appointed as auditor to Cloudbreak and has given and not withdrawn its consent to the inclusion in this Document of its statutory audit reports for each of the years ended 30 April 2018, 30 April 2019 and 30 April 2020 included in the Cloudbreak Financial Information included in Section (B) “*Financial Information of Cloudbreak*” of Part VI “*Financial Information*” of the Document. In addition, Dale Matheson Carr-Hilton Labonte LLP has given and not withdrawn its consent to the issue of this Document with the inclusion herein of the references to its name in the form and context in which it appears.
- 15.6 Save for the remuneration payable in respect of its role as auditor to Cloudbreak, Dale Matheson Carr-Hilton Labonte LLP does not have a material interest in the Company or any other member of the Group.
- 15.7 DeVisser Gray LLP of 401-905 West Pender Street, Vancouver BC V6C 1L6, Canada, Chartered Professional Accountants, has been appointed as auditor to both Howson and Cabox and has given and not withdrawn its consent to the inclusion in this Document of:
- its statutory audit reports in respect of Howson for the period from incorporation on 20 July 2018 to 31 December 2018 and the year ended 31 December 2019 included in the Howson Financial Information included in Section (D) “*Financial Information of Howson*” of Part VI “*Financial Information*” of the Document; and
 - its statutory audit reports in respect of Cabox for the period from incorporation on 19 January 2018 to 31 December 2018 and the year ended 31 December 2019 included in the Cabox Financial Information included in Section (F) “*Financial Information of Cabox*” of Part VI “*Financial Information*” of the Document.
- 15.8 In addition, DeVisser Gray LLP has given and not withdrawn its consent to the issue of this Document with the inclusion herein of the references to its name in the form and context in which it appears.
- 15.9 Save for the remuneration payable in respect of its role as auditor to both Howson and Cabox, DeVisser Gray LLP does not have a material interest in the Company or any other member of the Group.
- 15.10 Novum has given and has not withdrawn its written consent to the issue of this document with the inclusion of the references to its name.

16. TAKEOVER CODE, MANDATORY BIDS, SQUEEZE-OUT AND SELL-OUT RULES RELATING TO ORDINARY SHARES

16.1 Takeover Code

The Company is a public company incorporated in England and Wales and will be admitted to the Official List by way of a Standard Listing and to the London Stock Exchange for the Ordinary Shares to be admitted to trading on the Main Market. Accordingly, the Takeover Code will apply to the Company from Admission.

16.2 Mandatory bids

Under Rule 9 of the Takeover Code, if an acquisition of an interest in Ordinary Shares were to increase the aggregate holding of the acquirer and persons acting in concert with it to interests in shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on the circumstances, the persons acting in concert with it would be required (except with the consent of the UK Panel on Takeovers and Mergers) to make a cash offer for all of the remaining Ordinary Shares not held by that party (or those parties). Any such offer must be in cash (or accompanied by a cash alternative) at not less than the highest price paid by the acquirer or any person acting in concert with it for an interest in shares in the Company during the previous 12 months.

A similar obligation to make a mandatory cash offer would also arise on an acquisition of an interest in Ordinary Shares in the Company by a person who (together with persons acting in concert with it) is interested in shares which in the aggregate carry between 30 per cent. and 50 per cent. of the voting rights in the Company if the effect of the acquisition were to increase the percentage of shares carrying voting rights in the Company in which that person is interested.

16.3 Squeeze-out rules

Under the Companies Act, if an offeror were to acquire 90 per cent. or more of the Ordinary Shares within the period specified by the Companies Act, it could then compulsorily acquire the remaining Ordinary Shares. It would do so by sending a notice to the relevant Shareholders telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold such consideration on trust for such Shareholders.

The consideration offered to Shareholders whose Ordinary Shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the relevant takeover offer, unless such Shareholders can show that the offer value is unfair.

16.4 Sell-out rules

The Companies Act also gives minority Shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer relates to all of the Ordinary Shares and at any time before the end of the period within which the offer could be accepted the offeror holds or has agreed to acquire not less than 90 per cent. of the Ordinary Shares, any holder of Ordinary Shares to which such offer relates who has not accepted the offer can by written communication to the offeror require it to acquire those Ordinary Shares. The offeror would be required to give any Shareholder notice of his right to be bought out within one month of that right arising. If a Shareholder exercises its right to be bought out, the offeror is bound to acquire the relevant Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

17. EMPLOYEES

The Group

17.1 The number of employees employed in the Group for each of the last three financial years was as follows:

| Year ended 30 June 2020 | Year ended 30 June 2019 | Year ended 30 June 2018 |
|-------------------------|-------------------------|-------------------------|
| 4 | 5 | 2 |

There has been no change in the number of employees from 30 June 2020 to the Latest Practical Date.

All of the above employees were Directors.

Cabox

- 17.2 The number of employees employed by Cabox for each of the last three financial years was as follows:

| Year ended 31 December 2019 | Year ended 31 December 2018 | Year ended 31 December 2017 |
|-----------------------------|-----------------------------|-----------------------------|
| 0 | 0 | 0 |

There has been no change in the number of employees from 31 December 2019 to the Latest Practical Date.

Cloudbreak Group

- 17.3 The number of employees employed by the Cloudbreak Group for each of the last three financial years was as follows:

| Year ended 30 April 2020 | Year ended 30 April 2020 | Year ended 30 April 2020 |
|--------------------------|--------------------------|--------------------------|
| 0 | 0 | 0 |

There has been no change in the number of employees from 30 April 2020 to the Latest Practical Date.

Howson

- 17.4 The number of employees employed by Howson for each of the last three financial years was as follows:

| Year ended 31 December 2019 | Year ended 31 December 2018 | Year ended 31 December 2017 |
|-----------------------------|-----------------------------|-----------------------------|
| 0 | 0 | 0 |

There has been no change in the number of employees from 31 December 2019 to the Latest Practical Date.

18. RELATED PARTY TRANSACTIONS

The Group

- 18.1 The related party transactions that were entered into by the Company and other members of its Group during the financial years ended 30 June 2020, 30 June 2019 and 30 June 2018 are described in the Group Financial Information set out in Section (A) of Part VI of this Document.
- 18.2 There were no related party transactions entered into by the Company or any member of the Group between 30 June 2020 and the Latest Practicable Date that were material to the Group.

Cabox

- 18.3 The related party transactions that were entered into by Cabox during the period from incorporation on 19 January 2018 to 31 December 2018 and for the financial year ended 31 December 2019 are described in the Cabox Historical Financial Information as set out in Section (F) of Part VI of this Document and during the six-month period ended 30 June 2020 are set out in the Cabox Interim Financial Information contained in Section (G) of Part VI of this Document.
- 18.4 There were no related party transactions entered into by Cabox between 30 June 2020 and the Latest Practicable Date that were material to Cabox.

Cloudbreak Group

- 18.5 The related party transactions that were entered into by Cloudbreak and other members of the Cloudbreak Group during the financial years ended 30 April 2020, 30 April 2019 and 30 April 2018 are described in the Cloudbreak Historical Financial Information as set out in

Section (B) of Part VI of this Document and during the six-month period ended 31 October 2020 are set out in the Cloudbreak Interim Financial Information contained in Section (C) of Part VI of this Document.

- 18.6 There were no related party transactions entered into by the Cloudbreak Group or any member of the Cloudbreak Group between 31 October 2020 and the Latest Practicable Date that were material to the Cloudbreak Group, other than:
- 18.6.1 the proposed acquisition of Cloudbreak by the Company pursuant to the terms of the Cloudbreak Acquisition Agreement and the Amalgamation Agreement (further details of which are summarised in paragraph 11.1 of this Part VIII) by reason of the shareholding of the Cronin concert party in Cloudbreak (equating to 26.59% of the issued and outstanding share capital of Cloudbreak) and a common directorship.
- 18.6.2 the provision of certain support services by Cronin Services to Cloudbreak in an aggregate amount of CAN\$20,000, which is a related party transaction by reason of the wider interest held by Cronin and its affiliates in Cloudbreak and that Cronin Services is owned by a director of Cloudbreak; and
- 18.6.3 CAN\$20,000 of fees that have been paid by Cloudbreak to its Chief Executive Officer, Bob Meiser.

Howson

- 18.7 The related party transactions that were entered into by Howson during the period from incorporation on 20 July 2018 to 31 December 2018 and for the financial year ended 31 December 2019, respectively, are described in the Howson Historical Financial Information as set out in Section (D) of Part VI of this Document and during the six-month period ended 30 June 2020 are set out in the Howson Interim Financial Information contained in Section (E) of Part VI of this Document.
- 18.8 There were no related party transactions entered into by Howson between 30 June 2020 and the Latest Practicable Date that were material to Howson, save in respect of the provision of certain support services by Cronin Services to Howson in an aggregate amount of CAN\$40,000 and which is a related party transaction by reason of the fact that Cronin Services is owned by a director of Howson.

19. GENERAL

- 19.1 The total costs and expenses relating to the Fundraising and Admission are payable by the Company and are estimated to amount to approximately £308,450 (excluding VAT).
- 19.2 No commission is payable by the Company to which this Document relates or of his procuring or agreeing to procure any subscriptions for such securities.
- 19.3 No payment (including commissions) or other benefit has been or is to be paid or given to any promoter of the Company.
- 19.4 The Company has no investments in progress and there are no future investments on which the Directors have already made firm commitments which are or may be significant to the Company, other than the Acquisitions to be made by the Company, details of which are set out in Part III of this Document.
- 19.5 The Directors are unaware of any exceptional factors which have influenced the Company's activities.
- 19.6 The Directors are not aware of any patents, licences or other intellectual property rights, industrial, commercial or financial contracts or new manufacturing processes which are or may be of material importance to the business or profitability of the Enlarged Group.
- 19.7 Save as disclosed in relation to Admission, the Company does not hold any capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses

19.8 The Directors are not aware of:

19.8.1 any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Enlarged Group's prospects for at least the current financial year; and/or

19.8.2 any environmental issues that may affect the Enlarged Group's utilisation of its tangible fixed assets.

19.9 There have been no public takeover bids by third parties in respect of the Ordinary Shares during the period from incorporation to the date of this Document.

19.10 The Placing Shares and Subscription Shares will be issued and allotted under the laws of England and their currency will be pounds sterling. The Placing Price represents a premium of 30 times the nominal value of an Ordinary Share which is £0.001.

20. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal office hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Company from the date of this Document:

20.1.1 the Articles;

20.1.2 the service contract of the Executive Director referred to in paragraph 9.1 of this Part VIII of this Document ;

20.1.3 the letters of appointment of the Non-Executive Directors referred to in paragraph 9.2 of this Part VIII of this Document;

20.1.4 the management services agreement of Cronin Services Ltd in relation to services provided by David Robinson thereunder, referred to in paragraph 8.3 of this Part VIII of this Document; and

20.1.5 this Document.

In addition, this Document will be published in electronic form and be available and free to download from the Company's website at <http://www.imperialminerals.com/> from the date of publication and at www.cloudbreakdiscovery.com from the date of Admission.

21. CAPITALISATION AND INDEBTEDNESS

Group capitalisation

21.1 The following table shows the Group's capitalisation as at 31 January 2021, as extracted from the Group's unaudited, consolidated management information at that date:

| | <i>Unaudited As at 31 January 2021 £</i> |
|------------------------------------|--|
| <i>Current debt</i> | |
| Guaranteed | — |
| Secured | |
| Unguaranteed/unsecured | 8,702 |
| <i>Non-current debt</i> | |
| Guaranteed | — |
| Secured | — |
| Unguaranteed/unsecured | — |
| Total debt | 8,702 |
| <i>Shareholders' equity</i> | |
| Ordinary Shares | 242,326 |
| Share premium | 1,654,479 |
| Equity to be issued | 80,683 |
| Share option reserve | 112,406 |
| Retained deficit | (2,031,739) |
| Total capitalisation | 58,155 |

21.2 There have been no changes to the Group's capitalisation since 31 January 2021.

Group indebtedness

21.3 The following table shows the Group's unaudited indebtedness as at 31 January 2021, as extracted from the Group's unaudited, consolidated management information at that date:

| | <i>Unaudited As at 31 January 2021 £</i> |
|--|--|
| A. Cash | 127,041 |
| B. Cash equivalent | — |
| C. Trading securities | — |
| D. Liquidity (A) + (B) + (C) | 127,041 |
| E. Current financial receivable | — |
| F. Current bank debt | — |
| G. Current portion of non-current debt | — |
| H. Other current financial debt | 8,702 |
| I. Current Financial Debt (F) + (G) + (H) | 8,702 |
| J. Net Current Financial Indebtedness (I) - (E) - (D) | (118,339) |
| K. Non-current bank loans | — |
| L. Bonds issued | — |
| M. Other non-current loans | — |
| N. Non-current financial indebtedness (K) + (L) + (M) | — |
| O. Net financial indebtedness (J) + (N) | (118,339) |

21.4 The other current financial debt consists entirely of convertible loan notes held by one individual.

21.5 There have been no changes to the Group's indebtedness since 31 January 2021.

Cloudbreak capitalisation

21.6 The following table shows Cloudbreak's capitalisation as at 31 January 2021, as extracted from Cloudbreak's unaudited management information at that date:

| | <i>Unaudited As at 31 January 2021 C\$</i> |
|-----------------------------|--|
| Current debt | |
| Guaranteed | — |
| Secured | — |
| Unguaranteed/unsecured | 299,020 |
| Non-current debt | |
| Guaranteed | — |
| Secured | — |
| Unguaranteed/unsecured | — |
| Total debt | 299,020 |
| Shareholders' equity | |
| Share capital | 2,967,847 |
| Retained earnings | 12,284,713 |
| Total capitalisation | 15,252,560 |

21.7 There have been no changes to Cloudbreak's capitalisation since 31 January 2021.

Cloudbreak indebtedness

21.8 The following table shows Cloudbreak's unaudited indebtedness as at 31 January 2021, as extracted from Cloudbreak's unaudited management information at that date:

| | Unaudited As at 31 January 2021 C\$ |
|--|--|
| A. Cash | 24,734 |
| B. Cash equivalent | — |
| C. Trading securities | 14,986,845 |
| D. Liquidity (A) + (B) + (C) | 15,011,579 |
| E. Current financial receivable | — |
| F. Current bank debt | — |
| G. Current portion of non-current debt | — |
| H. Other current financial debt | 299,020 |
| I. Current Financial Debt (F) + (G) + (H) | 299,020 |
| J. Net Current Financial Indebtedness (I) – (E) – (D) | (14,712,559) |
| K. Non-current bank loans | — |
| L. Bonds issued | — |
| M. Other non-current loans | — |
| N. Non-current financial indebtedness (K) + (L) + (M) | — |
| O. Net financial indebtedness (J) + (N) | (14,712,559) |

21.9 There have been no changes to Cloudbreak's indebtedness since 31 January 2021.

Howson capitalisation

21.10 The following table shows Howson's capitalisation as at 31 January 2021, as extracted from Howson's unaudited management information at that date:

| | Unaudited As at 31 January 2021C\$ |
|-----------------------------|---|
| Current debt | |
| Guaranteed | — |
| Secured | — |
| Unguaranteed/unsecured | — |
| Non-current debt | |
| Guaranteed | — |
| Secured | — |
| Unguaranteed/unsecured | — |
| Total debt | — |
| Shareholders' equity | |
| Share capital | 862,060 |
| Share option reserve | 35,530 |
| Warrant reserve | 26,150 |
| Retained deficit | (387,431) |
| Total capitalisation | 536,309 |

21.11 There have been no changes to Howson's capitalisation since 31 January 2021.

Howson indebtedness

The following table shows Howson's unaudited indebtedness as at 31 January 2021, as extracted from

21.12 Howson's unaudited management information at that date:

| | Unaudited As at 31 January 2021 C\$ |
|--|--|
| A. Cash | 2,046 |
| B. Cash equivalent | — |
| C. Trading securities | 50,000 |
| D. Liquidity (A) + (B) + (C) | 52,046 |
| E. Current financial receivable | 3,636 |
| F. Current bank debt | — |
| G. Current portion of non-current debt | — |
| H. Other current financial debt | — |
| I. Current Financial Debt (F) + (G) + (H) | — |
| J. Net Current Financial Indebtedness (I) – (E) – (D) | (55,682) |
| K. Non-current bank loans | — |
| L. Bonds issued | — |
| M. Other non-current loans receivable | (760,546) |
| N. Non-current financial indebtedness (K) + (L) + (M) | (760,546) |
| O. Net financial indebtedness (J) + (N) | (816,228) |

21.13 There have been no changes to Howson's indebtedness since 31 January 2021.

Cabox capitalisation

21.14 The following table shows Cabox's capitalisation as at 31 January 2021, as extracted from Cabox's unaudited management information at that date:

| | Unaudited As at 31 January 2021 C\$ |
|-----------------------------|--|
| Current debt | |
| Guaranteed | — |
| Secured | — |
| Unguaranteed/unsecured | — |
| Non-current debt | |
| Guaranteed | — |
| Secured | — |
| Unguaranteed/unsecured | — |
| Total debt | — |
| Shareholders' equity | |
| Share capital | 25,750 |
| Retained deficit | (21,924) |
| Total capitalisation | 3,826 |

21.15 There have been no changes to Cabox's capitalisation since 31 January 2021.

Cabox indebtedness

21.16 The following table shows Cabox's unaudited indebtedness as at 31 January 2021, as extracted from Cabox's unaudited management information at that date:

| | Unaudited As at 31 January 2021 C\$ |
|--|--|
| A. Cash | 5,601 |
| B. Cash equivalent | — |
| C. Trading securities | — |
| D. Liquidity (A) + (B) + (C) | 5,601 |
| E. Current financial receivable | 457 |
| F. Current bank debt | — |
| G. Current portion of non-current debt | — |
| H. Other current financial debt | — |
| I. Current Financial Debt (F) + (G) + (H) | — |
| J. Net Current Financial Indebtedness (I) – (E) – (D) | (6,058) |
| K. Non-current bank loans | — |
| L. Bonds issued | — |
| M. Other non-current loans | — |
| N. Non-current financial indebtedness (K) + (L) + (M) | — |
| O. Net financial indebtedness (J) + (N) | (6,058) |

21.17 There have been no changes to Cabox's indebtedness since 31 January 2021.

PART IX

NOTICE TO INVESTORS AND DISTRIBUTORS

The distribution of this Document may be restricted by law in certain jurisdictions and therefore persons into whose possession this Document comes should inform themselves about and observe any restrictions, including those set out below. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

General

No action has been or will be taken in any jurisdiction that would permit a public offering of the Ordinary Shares, or possession or distribution of this Document or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this Document nor any other offering material or advertisement in connection with the Ordinary Shares may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Document does not constitute an offer to subscribe for any of the Ordinary Shares offered hereby to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

No arrangement has however been made with the competent authority in any other EEA state (or any other jurisdiction) for the use of this Document as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdiction. Issue or circulation of this Document may be prohibited in countries other than those in relation to which notices are given below. This Document does not constitute an offer to sell, or the solicitation of an offer to subscribe for, or buy, shares in any jurisdiction in which such offer or solicitation is unlawful.

The distribution of this Document in other jurisdictions may be restricted by law and therefore persons into whose possession this Document comes should inform themselves about and observe any such restrictions.

INVESTORS IN THE UNITED KINGDOM

This Document has been approved by the FCA, as competent authority under the UK Prospectus Regulation. The FCA only approves this Document as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the securities that are the subject of the prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

This Document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules.

In relation to the United Kingdom, no Placing Shares have been offered or will be offered pursuant to the Placing to the public in the United Kingdom prior to the publication of the Prospectus has been approved by the FCA, except that the Offer Shares may be made to the public in the United Kingdom at any time:

- (i) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- (ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under the UK Prospectus Regulation), subject to obtaining the prior consent of Novum for any such offer; or
- (iii) in any other circumstances falling within Section 86 of the FSMA, provided that no such offer of the Placing Shares shall require the Company or Novum to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

Each person in the United Kingdom who acquires any Placing Shares in the Placing or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the

Company and Novum that it is a qualified investor within the meaning of the UK Prospectus Regulation.

In the case of any Placing Shares being offered to a financial intermediary as that term is used in Article 5(1) of the UK Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed to and with the Company and Novum that the Placing Shares acquired by it in the Placing have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in the United Kingdom to qualified investors, in circumstances in which the prior consent of the Banks has been obtained to each such proposed offer or resale. Neither the Company nor Novum have authorised, nor do they authorise, the making of any offer of Placing Shares through any financial intermediary, other than offers made by Novum which constitute the final placement of Placing Shares contemplated in this document.

The Company and Novum and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

For the purposes of this provision, the expression an “offer to the public” in relation to the Placing Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression.

INVESTORS IN THE EUROPEAN ECONOMIC AREA

In relation to each member state of the European Economic Area (“EEA”) (each a “Member State”), no Placing Shares have been offered or will be offered pursuant to the Placing to the public in that Member State prior to the publication of a prospectus in relation to the Placing Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation, except the Placing Shares may be offered to the public in that Member State at any time:

- (i) to any legal entity which is a qualified investor as defined under Article 2 the Prospectus Regulation;
- (ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation) subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or
- (iv) in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of Offer Shares shall require the Company or any Bank to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

Each person in a Member State who acquires any Placing Shares in the Placing or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company and Novum that it is a qualified investor within the meaning of the Prospectus Regulation.

In the case of any Placing Shares being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed to and with the Company and Novum that the Placing Shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in a Member State to qualified investors, in circumstances in which the prior consent of Novum has been obtained to each such proposed offer or resale. Neither the Company nor Novum has authorised, nor do they authorise, the making of any offer of Placing Shares through any financial intermediary, other than offers made by Novum which constitute the final placement of Placing Shares contemplated in this document.

The Company and Novum and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

In this context, the expression “an offer to the public” in relation to any Placing Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the Placing and any Placing Shares to be offered so as to enable an investor to decide to purchase, or subscribe for, any Placing Shares.

NOTICE TO OVERSEAS SHAREHOLDERS

An Overseas Shareholder may not be able to enforce a judgment against some or all of the Directors and executive officers. The Company is incorporated under the laws of England and Wales and a number of the Directors are residents of either Canada or the United Kingdom. Consequently, it may not be possible for an Overseas Shareholder to effect service of process upon the Directors within the Overseas Shareholder’s country of residence or to enforce against the Directors judgments of courts of the Overseas Shareholder’s country of residence based on civil liabilities under that country’s securities laws. There can be no assurance that an Overseas Shareholder will be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than the UK against the Directors who are residents of either Canada or the United Kingdom or countries other than those in which judgment is made. In addition, English or other courts may not impose civil liability on the Directors in any original action based solely on the foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other countries.

NOTICE TO ALL SHAREHOLDERS

Copies of this document will be available on the Company’s website, www.imperialminerals.com from the date of this document until the date which is one month from the date of Admission. Following Admission the address of the Company’s website will be www.cloudbreakdiscovery.com.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that such Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each defined in paragraph 3 of the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all permitted distribution channels (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, “distributors” should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Novum will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapter 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

12 May 2021

PART X DEFINITIONS

The following definitions apply throughout this Document, unless the context requires otherwise.

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| “£” or “pound(s) sterling” | UK pound sterling |
| “AAM” | Anglo-African Minerals PLC, a company incorporated under the laws of the Republic of Ireland, with company number 463667, whose registered office is at 17 Pembroke Street Upper, Dublin 2, Ireland |
| “AAM Assets” | the various securities in AAM which are to be acquired by the Company pursuant to the terms of the AAM Asset Acquisition Agreements |
| “AAM Asset Acquisitions” | the acquisition of the AAM Assets pursuant to the terms of the AAM Asset Acquisition Agreements |
| “AAM Asset Acquisition Agreements” | the various assignment and amendment deeds and share purchase agreement entered into by the Company and Reyker Nominees, Cronin Services and Cronin Capital containing the terms on which the Company shall acquire the AAM Assets and further details of each of which are set out in paragraph 11.3 of Part VIII of this Document |
| “AAM Asset Consideration Shares” | 29,430,378 new Ordinary Shares to be issued at the Issue Price pursuant to the AAM Asset Acquisition Agreements |
| “AAM Acquisition Warrants” | the 8,714,227 warrants over new Ordinary Shares granted in connection with the AAM Asset Acquisitions, further details of which are set out in paragraph 10.2 of Part VIII of this Document |
| “Acquisitions” | together the CCH Acquisitions and the AAM Asset Acquisitions |
| “Acquisition Warrants” | the warrants over 28,693,003 new Ordinary Shares in aggregate granted in connection with the Acquisitions comprising the AAM Acquisition Warrants and the Cloudbreak Warrants |
| “Act” | the UK Companies Act 2006, as amended |
| “Admission” | the admission of the Share Capital to the Official List, by way of a Standard Listing, and to trading on the Main Market becoming effective |
| “Amalco” | the corporation created pursuant to and following the implementation of the Amalgamation in accordance with its terms and which will become a wholly owned subsidiary of Imperial BC at the time of Admission |
| “Amalco Shares” | together the Amalco Class A Shares and Amalco Class B Shares |
| “Amalco Class A Shares” | the class A shares in Amalco to be issued by Amalco to Imperial BC in exchange for the Imperial BC Sub Shares it holds, pursuant to the terms of the CCH Acquisition Agreements |
| “Amalco Class B Shares” | the 216,182,619 redeemable class B shares in Amalco to be issued to CCH Shareholders in exchange for their CCH Shares, <i>pro rata</i> to their holdings in the relevant CCH Corporation and subsequently redeemed and cancelled in exchange for the issue of Consideration Shares, in each case pursuant to the terms of the CCH Acquisition Agreements |

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| “Amalgamation” | the proposed amalgamation of the Amalgamating Companies by way of an amalgamation effected in accordance with sections 273 and 274 of the BCA and whereby each Amalgamating Company shall be amalgamated into and continue as one corporation, being Amalco |
| “Amalgamation Agreement” | the amalgamation agreement entered into between the Company, Imperial BC, and each of the Amalgamating Companies dated 16 February 2021, further details of which are set out at paragraph 11.1 of Part VIII of this Document |
| “Amalgamating Companies” | each CCH Corporation and Imperial BC Sub which are to be amalgamated into Amalco pursuant to the proposed Amalgamation |
| “AQSE” | the AQSE Growth Market |
| “AQSE Rules” | the ‘AQSE Growth Market Access Rulebook’ published by the Aquis Exchange from time to time |
| “Aquis Exchange” | Aquis Exchange PLC, a recognised investment exchange under section 290 of FSMA |
| “Articles” | the articles of association of the Company as amended and/or restated from time to time |
| “Audit Committee” | the audit committee established by the Company, as described at paragraph 12 of Part VII of this document |
| “BCA” | the British Corporations Act means the Business Corporations Act (British Columbia) as amended, including the regulations promulgated thereunder |
| “Board” or “Directors” | the directors of the Company, whose names are set out on page 26 of this Document |
| “Cabox” | Cabox Gold Corp., company number BC1149833, with its registered office address at c/o Forooghian + Co Law Corporation, Suite 1050 – 400 Burrard Street, Vancouver, BC V6C 3A6, Canada |
| “Cabox Consideration Shares” | 35,000,000 Ordinary Shares to be issued to the Cabox Shareholders at the Issue Price pursuant to the Cabox Acquisition Agreement |
| “Cabox Financial Information” | the audited historical financial information of Cabox for the period from incorporation on 19 January 2018 to 31 December 2018 and the year ended 31 December 2019 |
| “Cabox Interim Financial Information” | the unaudited interim financial information of Cabox for the six-month period ended 30 June 2020, and the comparative six-month period ended 30 June 2019 |
| “Cabox Shareholder” | a holder of Cabox Shares |
| “Cabox Shares” | the issued and outstanding common shares in Cabox |
| “CCH Acquisition Agreements” or “Acquisition Agreements” | each of the conditional acquisition agreements dated 16 February entered into by the Company and Imperial BC with each CCH Corporation and the Imperial BC Shareholder in relation to the acquisition of the entire issued share capital of Imperial BC and Amalco in exchange for the issue of Consideration Shares on the terms of the CCH Acquisition Agreement further details of which are set out in paragraph 11.2 of Part VIII of this Document |

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| “CCH Acquisitions” | the acquisition of the CCH Corporations, through the Company’s acquisition of Imperial BC and Amalco, pursuant to the Acquisition Agreements and following the implementation of the Amalgamation |
| “CCH Corporations” or “Acquisition Companies” | the corporations to be acquired pursuant to the CCH Acquisitions, comprising Cabox, Cloudbreak and Howson |
| “CCH Shareholder” | a holder of shares in a CCH Corporations |
| “CCH Shares” | the issued and outstanding common shares in each CCH Corporation |
| “certificated” or “in certificated form” | an Ordinary Share which is not in uncertificated form |
| “Change of Control” | following Admission, the acquisition of Control of the Company by any person or party (or any group of persons or parties who are acting in concert) |
| “Cloudbreak” | Cloudbreak Discovery Corp., company number BC1018759, with its registered office address at 1153 W 22 ST. North Vancouver BC V7P 2E9, Canada |
| “Cloudbreak Consideration Shares” | 149,568,502 Ordinary Shares to be issued to Cloudbreak Shareholders at the Issue Price pursuant to the Cloudbreak Acquisition Agreement |
| “Cloudbreak Group” | Cloudbreak and its wholly owned subsidiary, 1250263 B.C. Ltd |
| “Cloudbreak Financial Information” | the audited historical financial information of Cloudbreak for the three years ended 30 April 2020 |
| “Cloudbreak Interim Financial Information” | the unaudited interim financial information of Cloudbreak for the six-month period ended 31 October 2020, and the comparative six-month period ended 31 October 2019 |
| “Cloudbreak Shareholder” | a holder of Cloudbreak Shares |
| “Cloudbreak Shares” | the issued and outstanding common shares in Cloudbreak |
| “Cloudbreak Warrants” | the warrants to subscribe for 19,978,776 new Ordinary Shares in aggregate in lieu of Cloudbreak Shares and which warrants shall be held by Cloudbreak Shareholders following completion of the acquisition of Cloudbreak, further details of which are set out in paragraph 10.2 of Part VIII of this Document |
| “Company” or “Imperial X plc” | Imperial X plc, company number 06275976, with its registered office address at 60 Gracechurch Street, London, United Kingdom, EC3V 0HR |
| “Connected Person” | as defined in section 252 of the Companies Act |
| “Consideration Shares” | 245,613,098 new Ordinary Shares to be issued at the Issue Price pursuant to the Acquisitions, comprising the AAM Asset Consideration Shares, the Cabox Consideration Shares, the Cloudbreak Consideration Shares, the Howson Consideration Shares and the Imperial BC Consideration Shares |
| “Control” | an interest, or interests, in Ordinary Shares carrying in aggregate 30 per cent. Or more of the voting rights of a company, irrespective of whether such interest or interests give <i>de facto</i> control |
| “Crescita Capital” | Crescita Capital LLC a company incorporated under the laws of the United Arab Emirates, having an office at Sharjah Media City, Al Messaned, Sharjah, UAE |
| “CREST Regulations” | the Uncertificated Securities Regulations 2001 of the UK (SI 2001/3755) (as amended) |

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| “CREST” | the computer-based system (as defined in the CREST Regulations) for paperless settlement of share transfers and holding shares in uncertificated form which is administered by Euroclear |
| “Cronin Capital” | Cronin Capital Corp., a company incorporated under the laws of British Columbia, Canada, with company number BC0942025, whose registered office is at 1140 Pender St W, Suite 890, Vancouver BC, V6E 4G1, Canada |
| “Cronin Services” | Cronin Service Limited, a company incorporated under the laws of British Columbia, Canada, with company number BC1157709, whose registered office is at 1140 Pender St W, Suite 890, Vancouver BC, V6E 4G1, Canada |
| “Deferred Shares” | the deferred shares of £0.009 in issue in the capital of the Company |
| “Directors” | the Existing Directors and the Proposed Director, as applicable |
| “Disclosure Guidance and Transparency Rules” | the Disclosure Guidance and Transparency Rules made by the FCA pursuant to section 73A of the FSMA, as amended from time to time |
| “Document” | this prospectus |
| “Drawdown Warrants” | Warrants to be issued to Crescita Capital in connection with the Equity Drawdown Facility, further details of which are set out in paragraph 10.2 of Part VIII of this Document |
| “EEA” | the European Economic Area |
| “Enlarged Group” | the Group, as enlarged by the acquisitions of Cloudbreak, Howson, Cabox and AAM Assets |
| “Enlarged Share Capital” | the issued share capital of the Company, following the issue of the New Ordinary Shares |
| “Equity Drawdown Facility” | the equity drawdown agreement for up to £10 million dated 16 February 2021 entered into between the Company and Crescita Capital LLC, further details of which are set out in paragraph 11.4 of Part VIII |
| “EU” | the European Union |
| “Euroclear” | Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales |
| “EUWA” | European Union (Withdrawal) Act 2018 |
| “Exchange Act” | the US Securities Exchange Act of 1934, as amended |
| “Existing Directors” | Samuel Anthony “Kyler” Hardy, Kyle Robert Hookey, Emma Kinder Priestley and Melissa Sturgess |
| “FCA” | the UK Financial Conduct Authority |
| “FSMA” | the Financial Services and Markets Act 2000 (as amended) |
| “Fundraising” | together the Placing and Subscription |
| “Group” | the Company and its wholly owned subsidiary, Imperial Minerals (UK) |
| “Group Financial Information” | the audited, consolidated historical financial information of the Group for the three years ended 30 June 2020 |
| “Heads of Terms” | the Heads of Terms announced on the 28 August 2020 |
| “HMRC” | Her Majesty’s Revenue and Customs |

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| “Howson” | Howson Ventures Inc., company number BC1172765, with its registered office address at c/o Forooghian + Co Law, Corporation Suite 1050 – 400 Burrard Street, Vancouver BC V6C 3A6, Canada |
| “Howson Consideration Shares” | 31,614,118 Ordinary Shares to be issued to Howson Shareholders at the Issue Price pursuant to the Howson Acquisition Agreement |
| “Howson Financial Information” | the audited historical financial information of Howson for the six-month period from incorporation on 20 July 2018 to 31 December 2018 and the year ended 31 December 2019 |
| “Howson Interim Financial Information” | the unaudited interim financial information of Howson for the six-month period ended 30 June 2020, and the comparative six-month period ended 30 June 2019 |
| “Howson Shareholder” | a holder of Howson Shares |
| “Howson Shares” | the issued and outstanding common shares in Howson |
| “IFRS” | International Financial Reporting Standards as adopted by the EU |
| “Imperial BC” | 1278925 B.C. LTD, a corporation incorporated under the laws of the Province of British Columbia under registered number 1278925 and which will become a wholly owned subsidiary of the Company upon completion of the Amalgamation and Admission |
| “Imperial BC Shareholder” | the holder of all of the Imperial BC Shares as at the date of this Document, being Kurtis Burk |
| “Imperial BC Consideration Shares” | 100 new Ordinary Shares to be issued to the Imperial BC Shareholder pursuant to the Amalgamation Agreement and CCH Acquisition Agreements |
| “Imperial BC Shares” | the issued and outstanding shares in Imperial BC which are to be transferred to the Company by the Imperial BC Shareholder in exchange for the issue of the Imperial BC Consideration Shares, in accordance with the terms of the CCH Acquisition Agreements |
| “Imperial BC Sub” | 1278953 B.C.LTD., a corporation incorporated under the laws of the Province of British Columbia under registered number 1278953 B.C. which is a wholly owned subsidiary of Imperial BC as at the date of this Document and which will be amalgamated with the CCH Corporations into Amalco upon completion of the Amalgamation taking place |
| “Imperial BC Sub Shares” | the issued and outstanding shares in Imperial BC Sub which are to be transferred to Amalco pursuant to the Amalgamation and CCH Acquisitions |
| “Imperial Minerals (UK)” | Imperial Minerals (UK) Limited, company number 07264993, with its registered office address at 60 Gracechurch Street, London, United Kingdom, EC3V 0HR, a wholly owned subsidiary of the Company |
| “Independent Directors” | Melissa Sturgess and Emma Priestley |
| “Issue Price” | £0.03 per Ordinary Share |
| “Latest Practicable Date” | 11 May 2021 |
| “Listing Rules” | the listing rules made by the FCA pursuant to section 73A of FSMA, as amended from time to time |
| “Lock-In Agreements” | the lock-in agreements entered into between the Company and each of the Locked-in Shareholders, summary details of which are set out in paragraph 11.6 of Part VIII of this Document |

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| “Locked-in Shareholders” | those holders of Ordinary Shares who have each entered into a Lock-in Agreement, details of which are set out in paragraph 17 of Part I of this Document |
| “London Stock Exchange” or “LSE” | London Stock Exchange plc |
| “Main Market” | the LSE’s main market for listed securities |
| “MAR” | the EU Market Abuse Regulation (EU 596/2014) |
| “Member States” | member states of the EU |
| “Mineral Interest” | means a right or interest in the minerals located at a specified tract or tracts of land in relation to an oil and gas field, which form part of the mineral estate and entitling the holder to exploit, mine, and/or produce any or all minerals from such tract or tracts |
| “New Ordinary Shares” | the 312,279,965 new Ordinary Shares to be issued pursuant to the Proposals, comprising the Placing Shares, the Subscription Shares and the Consideration Shares |
| “Nomination Committee” | the Company’s nomination committee comprising of the Non-executive Directors |
| “Non-executive Directors” | Emma Priestley, Kyle Hookey and Melissa Sturgess and any other Director of the Company appointed as a non-executive director from time to time |
| “Novum” | Novum Securities Limited of 57 Berkeley Square, London, W1J 6ER |
| “Novum Placing Agreement” | the placing agreement between Novum and the Company dated 11 May 2021, pursuant to which Novum was appointed as the Company’s agent to procure subscribers for the Placing Shares pursuant to the Placing, a summary of which is set out in paragraph 11.5 of Part VIII of this Document |
| “Novum Warrants” | the warrants over Ordinary Shares, further details of which are set out in paragraph 10.2 of Part VIII |
| “Official List” | the Official List of the FCA |
| “Ordinary Share Capital” | the entire issued share capital of the Company, comprising 73,285,149 Ordinary Shares on the date of this Document |
| “Ordinary Shares” | ordinary shares of £0.001 in the capital of the Company from time to time |
| “Overseas Shareholders” | holders of Ordinary Shares who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the UK or persons who are nominees or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the UK which may be affected by the laws or regulatory requirements of the relevant jurisdictions. |
| “Partners” | third party, technical and operational entities with whom the Company undertakes business |
| “Peterhouse Warrants” | the warrants over Ordinary Shares, further details of which are set out in paragraph 10.2 of Part VIII |
| “Placees” | the subscribers for the Placing Shares who have been procured by Novum, as agent for the Company |
| “Placing” | the issue of the Placing Shares at the Placing Price |

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| “Placing Price” | £0.03 per Placing Share and Subscription Share |
| “Placing Shares” | 20,412,485 Ordinary Shares which have been conditionally placed with Placees pursuant to the Placing |
| “Pre-IPO Fundraise Warrants” | the Warrants over Ordinary Shares, further details of which are set out in paragraph 10.2 of Part VII |
| “Premium Listing” | a Premium Listing in accordance with Chapter 6 of the Listing Rules |
| “Pro Forma Financial Information” | the unaudited <i>pro forma</i> financial information of the Enlarged Group as at 31 December 2020 and the six-month period then ended |
| “Proposals” | together the Acquisitions, the Placing, the Subscription and Admission |
| “Proposed Director” | Andrew Male |
| “Prospectus Regulation” | the EU Prospectus Regulation (EU 2017/1129 of the European Parliament and of the Council of 14 June 2017) |
| “Prospectus Regulation Rules” | the Prospectus Regulation Rules sourcebook made by the FCA pursuant to section 73A of the FSMA, as amended from time to time |
| “QCA Code” | the Quoted Companies Alliance Corporate Governance Code published by the Quoted Companies Alliance (as amended from time to time) |
| “Registrars” or “Share Registrars Ltd” | the Company’s registrars, Share Registrars Ltd, company number 04715037, whose registered office address is 27-28 Eastcastle Street, London, W1W 8DH, at the date of this Document |
| “Remuneration Committee” | the Company’s remuneration committee comprising of the Non-executive Directors |
| “Reyker Nominees” | Reyker Nominees Limited (on behalf of Clarmond Wealth), a company incorporated under the laws of England and Wales with company number 02056221, whose registered office is at 25 Moorgate, London, England, EC2R 6AY |
| “Royalty” | means a contract or other instrument which entitles the holder to receive regular cash payments or other payments in kind that are calculated by reference to an agreed percentage of either production of hydrocarbons at a particular oil and gas field or the revenue/cash flows generated from such production |
| “Securities Act” | the US Securities Act of 1933, as amended |
| “Shareholder” | a holder of Ordinary Shares from time to time |
| “Share Options” | the unapproved share options over Ordinary Shares granted pursuant to the terms of option deeds, further details of which are set out in paragraph 10.1 of Part VIII |
| “Standard Listing” | a Standard Listing in accordance with Chapter 14 of the Listing Rules |
| “Subscription” | the issue of the Subscription Shares at the Placing Price |
| “Subscription Shares” | 46,254,181 Ordinary Shares which have been conditionally subscribed for pursuant to the Subscription |
| “Takeover Code” | the UK City Code on Takeovers and Mergers |
| “UK Corporate Governance Code” | the UK corporate governance code published by the Financial Reporting Council and as amended from time to time |

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| “UK” | the United Kingdom of Great Britain and Northern Ireland |
| “UK Prospectus Regulation” | the UK version of Regulation (EU) 2017/1129, which is part of the laws of England and Wales by virtue of the EUWA and certain other enacting measures |
| “UK MAR” | the UK version of Regulation (EU) 596/2014, which is part of the laws of England and Wales by virtue of the EUWA and certain other enacting measures |
| “uncertificated” or “in uncertificated form” | recorded on the register of Ordinary Shares as being held in uncertificated form in CREST, entitlement to which, by virtue of the CREST Regulations, may be transferred by means of CREST |
| “US” or “United States” | the United States of America, each state thereof, its territories and possessions and the District of Columbia and all other areas subject to its jurisdiction |
| “US Investment Company Act” | the US Investment Company Act of 1940 |
| “VAT” | UK value added tax |
| “Warrants” | together the Peterhouse Warrants, Acquisition Warrants, the Drawdown Warrants, the Novum Warrants and the Pre-IPO Fundraise Warrants |

PART XI
NOTICE OF GENERAL MEETING
IMPERIAL X PLC

Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 06275976

Notice is hereby given that a general meeting of the members of the Company will be held at 890–1140 W Pender St. Vancouver, BC V6E 4G1 at 10am (PST) 6pm (GMT) on 1 June 2021 for the purposes of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS:

1. **THAT**, subject to and conditional upon the passing of Resolution 2, the proposed acquisitions by the Company of the entire issued share capital of Imperial BC Cabox Gold Corp., Cloudbreak Discovery Corp, Howson Ventures Inc., 278925 B.C. LTD and 1278953 B.C.LTD., by means of an amalgamation effected in accordance with sections 273 and 274 of the British Corporations Act (British Columbia) of Canada (including the regulations promulgated thereunder), together with certain assets from Anglo-African Minerals PLC, which together comprise a reverse takeover pursuant to Rule 3.6 of AQSE Growth Market Access Rulebook the (the “**Acquisitions**”), on the terms and subject to the conditions of the various sale and purchase agreements, each dated 16 February 2021 (the “**Acquisition Agreements**”), as more particularly described in the prospectus to which this notice is appended (“**Prospectus**”), be and are each hereby approved with such revisions and amendments (including as to price) of a non-material nature as may be approved by the directors of the Company (the “**Directors**”) or any duly authorised committee thereof, and that all acts, agreements, arrangements and indemnities which the Directors or any such committee consider necessary or desirable for the purpose of or in connection with the Acquisitions be and are hereby approved.
2. **THAT**, in accordance with section 551 of the Companies Act 2006 (the “**Act**”) in substitution for all previous authorisations, the Directors be generally and unconditionally authorised to exercise all of the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into shares in the Company (“**Rights**”):
 - (a) up to an aggregate nominal amount of £245,613.10 in accordance with the terms and conditions of the Acquisition Agreements;
 - (b) up to an aggregate nominal amount of £333,334 in accordance with the terms and conditions of the Equity Drawdown Facility (as defined in the Prospectus);
 - (c) up to an aggregate nominal amount of £28,693.01 in accordance with the terms and conditions of the Acquisition Warrants (as defined in the Prospectus); and
 - (d) up to an aggregate nominal amount of £1,428.88 in accordance with the terms and conditions of the Novum Warrants (as defined in the Prospectus);
 - (e) up to an aggregate nominal amount of £21,112.47 in connection with the placing (the “**Placing**”) of new ordinary shares of £0.001 each (“**Ordinary Shares**”) in accordance with the terms and conditions of the Placing Agreement (as such term is defined in the Prospectus); and
 - (f) up to an aggregate nominal amount of £46,255 in connection with the subscriptions for new Ordinary Shares (the “**Subscription**”) pursuant to the terms and conditions of the various subscription letters entered into between the Company and the subscribers thereto,

provided that the authority granted by this Resolution shall, unless renewed, varied or revoked by the Company, expire at the earlier of the Company’s next annual general meeting to be held in 2021 and the date falling fifteen (15) months from the date on which this Resolution is passed, except that the Company may, before it expires make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may

allot shares or grant Rights in pursuance of that offer or agreement. This authority is in substitution for all previous authorities conferred on the directors in accordance with section 551 of the Companies Act to the extent not utilised at the date it is passed.

3. **THAT**, subject to and conditional upon the passing of Resolution 2, in accordance with section 551 of the Companies Act, the Directors be generally and unconditionally authorised to exercise all of the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into shares in the Company (“**Additional Rights**”) up to an aggregate nominal amount of £129,855, representing approximately 33% of the Enlarged Share Capital (as such term is defined in the Prospectus) provided that the authority granted by this Resolution shall, unless renewed, varied or revoked by the Company, expire at the earlier of the Company’s next annual general meeting to be held in 2021 and the date falling fifteen (15) months from the date on which this Resolution is passed, except that the Company may, before it expires make an offer or agreement which would or might require shares to be allotted or Additional Rights to be granted and the Directors may allot shares or grant Additional Rights in pursuance of that offer or agreement. This Resolution is in addition to the authority conferred by Resolution 2.
4. **THAT**, subject to and conditional upon the passing of Resolution 1, Andrew Male, having consented to act, be appointed as a director of the Company with effect from Admission.

SPECIAL RESOLUTIONS:

5. **THAT**, subject to and conditional upon the passing of Resolution 2 in accordance with sections 570 and 571 of the Companies Act, the Directors be generally empowered to allot equity securities (as defined in section 560 of the Companies Act) pursuant to the authority conferred by Resolution 2, as if section 561(1) of the Companies Act did not apply to such allotment provided that this power shall be limited to:
 - (a) up to an aggregate nominal amount of £333,334 in accordance with the terms and conditions of the Equity Drawdown Facility;
 - (b) up to an aggregate nominal amount of £28,693.01 in accordance with the terms and conditions of the Acquisition Warrants;
 - (c) up to an aggregate nominal amount of £1,428.88 in accordance with the terms and conditions of the Novum Warrants;
 - (d) up to an aggregate nominal amount of £21,112.47 in connection with the Placing; and
 - (e) up to an aggregate nominal amount of £46,255 in connection with the Subscription,provided further that this authority shall expire at the earlier of the Company’s next annual general meeting to be held in 2021 and the date falling fifteen (15) months from the date on which this Resolution is passed. The Company may, before this authority expires, make an offer or agreement which would or might require equity securities to be allotted after it expires and the directors may allot equity securities pursuant to that offer or agreement.
6. **THAT**, subject to and conditional upon the passing of Resolution 3 in accordance with sections 570 and 571 of the Companies Act, the Directors be generally empowered to allot equity securities (as defined in section 560 of the Companies Act) pursuant to the authority conferred by Resolution 3, as if section 561(1) of the Companies Act did not apply to such allotment provided that this power shall be limited to the issue of Additional Rights up to an aggregate nominal amount of £77,913, representing approximately 20% of the Enlarged Share Capital (as such term is defined in the Prospectus), provided that the authority granted by this Resolution shall, unless renewed, varied or revoked by the Company, expire at the earlier of the Company’s next annual general meeting to be held in 2021 and the date falling fifteen (15) months from the date on which this Resolution is passed, except that the Company may, before it expires make an offer or agreement which would or might require shares to be allotted or Additional Rights to be granted and the Directors may allot shares or grant Additional Rights in pursuance of that offer or agreement. This Resolution is in addition to the authority conferred by Resolution 5.

7. **THAT** the name of the Company be changed to Cloudbreak Discovery PLC.

By order of the Board:
Samuel "Kyler" Hardy
Director
Company number: 06275976

Registered Office:
6th Floor
60 Gracechurch Street
London
EC3V 0HR

12 May 2021

Notes:

IMPORTANT NOTICE REGARDING COVID-19

- 1. In light of the current COVID-19 situation and related legal and other requirements of governmental authorities, we are requiring that shareholders do not attend in person but instead appoint the Chairman of the meeting as their proxy (either electronically or by post) with their voting instructions. Shareholders should also bear in mind that if they, or any alternative proxy, travel to attend the meeting in person, they would be denied entry based on prevailing circumstances.**
2. All Resolutions will be taken on a poll, with Resolution 1 being taken on a poll only by Independent Shareholders (as such term is defined in the Admission Document). All other Resolutions will also be taken on a poll, in view of the COVID-19 pandemic and in order to give a fair representation of the votes of Shareholders on the Resolutions.
3. Members entitled to attend and vote at the General Meeting are also entitled to appoint one or more proxies to exercise all or any of their rights to attend and speak and vote on their behalf at the meeting. However, for the reasons stated above, we are requiring that all Shareholders appoint the Chairman as their proxy. A member of the Company entitled to attend and vote at this meeting is entitled to appoint one or more proxies to exercise all or any of the member's rights to attend, speak and vote at the meeting. A proxy need not also be a member.

If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member, by requesting a hard copy by calling the Registrar Share Registrars Ltd on +44 (0) 1252 821 390. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Share Registrars Ltd is open between 9.00 a.m. and 5.00 p.m., Monday to Friday excluding public holidays in England and Wales.

4. For a Form of Proxy to be valid it should be completed, signed and delivered (together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of authority) to the Registrars, being Share Registrars Ltd of The Courtyard, 17 West Street, Farnham, Surrey, CU9 7DR by not later than 48 hours, excluding non-working days, before the time appointed for holding the General Meeting or in the case of a poll taken subsequently to the date of the General Meeting or any adjourned meeting, not less than 48 hours, excluding non-working days, before the time appointed for the taking of the poll or for holding the adjourned meeting. Members who intend to appoint more than one proxy can obtain additional Forms of Proxy from the Registrars. Alternatively, the form provided may be photocopied prior to completion. The Forms of Proxy should be returned in the same envelope and each should indicate that it is one of more than one appointments being made.
5. An abstention option has been included on the Form of Proxy. The legal effect of choosing the abstention option on any resolution is that the Shareholder concerned will be treated as not having voted on the relevant resolution. The number of votes in respect of which there are abstentions will however be counted and recorded, but disregarded in calculating the number of votes for or against each Resolution.
6. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.
7. CREST members who wish to appoint one or more proxies through the CREST system may do so by using the procedures described in "the CREST voting service" section of the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed one or more voting service providers, should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or a proxy instruction made using the CREST voting service to be valid, the appropriate CREST message (a "CREST proxy appointment instruction") must be properly authenticated in accordance with the specifications of CREST's

operator, Euroclear UK & Ireland Limited (“Euroclear”), and must contain all the relevant information required by the CREST Manual. To be valid the message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must be transmitted so as to be received by the Registrars, as the Company’s “issuer’s agent”, (CREST ID:7RA36) 48 hours before the time appointed for holding the meeting or adjourned meeting (as such a message cannot be transmitted on weekends or on other days when the CREST system is closed). After this time any change of instruction to a proxy appointed through the CREST system should be communicated to the appointee through other means.

8. The time of the message’s receipt will be taken to be when (as determined by the timestamp applied by the CREST Applications Host) the issuer’s agent is first able to retrieve it by enquiry through the CREST system in the prescribed manner. Euroclear does not make available special procedures in the CREST system for transmitting any particular message. Normal system timings and limitations apply in relation to the input of CREST proxy appointment instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or a CREST sponsored member or has appointed any voting service provider, to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service providers should take into account the provisions of the CREST Manual concerning timings as well as its section on “Practical limitations of the system”. In certain circumstances the Company may, in accordance with Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001 or the CREST Manual, treat a CREST proxy appointment instruction as invalid. The CREST Manual can be reviewed at www.euroclear.com.
10. CREST members and, where applicable, the sponsors or voting service provider(s), should note that CREST does not make available a special procedure in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of proxy instructions. It is the responsibility of the CREST members concerned to take (or of the CREST member is a CREST personal member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such sections as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection CREST members and where applicable their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
11. The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
12. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company gives notice that only those members entered on the register of members of the Company at 10.00 a.m. (PST) (6.00 p.m. (GMT)) on 27 May 2021 will be entitled to vote at the General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register after 10.00 a.m. (PST) (6.00 p.m. (GMT)) on 27 May 2021 will be disregarded in determining the rights of any person to vote at the meeting or any adjourned meeting (as the case may be).
13. As at 11 May 2021 (being the last business day prior to the publication of this notice of meeting) the Company’s issued share capital consisted of 77,285,149 Existing Ordinary Shares carrying one vote each, therefore, the total voting rights in the Company as at 11 May 2021 are 77,285,149.
14. Each member attending the meeting has the right to ask questions relating to the business being dealt with at the meeting which the Company must cause to be answered. Information relating to the meeting which the Company is required by the Companies Act to publish on a website in advance of the meeting may be viewed at www.imperialminerals.com. **In light of the ongoing COVID-19 pandemic, Shareholders are encouraged, in particular, to submit questions to the Board in advance of the General Meeting by emailing khardy@cloudbreakdiscovery.com by no later than 10.00 a.m. (PST) (6.00 p.m. (GMT)) on 27 May 2021. The Board will consider all questions received and, if appropriate and**

relating to the business of the General Meeting, provide a written response or publish answers on a thematic basis on our website www.imperialminerals.com. From Admission, the address of the Company's will be www.cloudbreakdiscovery.com.

15. In accordance with section 311a of the Companies Act, the contents of this notice of meeting, details of the total number of shares of which members are entitled to exercise voting rights at the General Meeting and, if applicable, any members statements. Members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website www.imperialminerals.com.

