GLOBAL CARBON CREDIT CORP.
(FORMERLY STRYKER VENTURES CORP.)

Consolidated Financial Statements

For the years ended January 31, 2022 and 2021

(Presented in United States Dollars)

DeVISSER GRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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Independent Auditor's Report

To the Shareholders of Global Carbon Credit Corp. (formerly Stryker Ventures Corp.)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Global Carbon Credit Corp. (formerly Stryker Ventures Corp.) (the "Company"), which comprise the statements of financial position as at January 31, 2022 and 2021, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2022 and 2021, and its financial performance and its cash flows for the years 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 Consolidated 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 consolidated 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 consolidated financial statements, which indicates that the Company has no source of revenue and has an accumulated deficit of $7,541,241 as at January 31, 2022. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist which may cast significant doubt as to 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", but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our 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 consolidated 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 Consolidated Financial Statements

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

De Visser Gray LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, BC, Canada
May 31, 2022

GLOBAL CARBON CREDIT CORP. (FORMERLY STRYKER VENTURES CORP.)
Consolidated Statements of Financial Position
(Expressed in United States Dollars)

	Note	January 31, 2022 ($)	January 31, 2021 ($)
Assets			
Current assets			
Cash		15,312,412	-
GST receivable		43,175	-
Prepaid		699,392	-
Total current assets		16,054,979	-
Carbon credit inventory	4	15,522,477	-
Total assets		31,577,456	-
Liabilities and shareholders' equity (deficiency)			
Current liabilities			
Accounts payable and accrued liabilities	5	325,866	87,450
Total liabilities		325,866	87,450
Shareholders' equity (deficiency)			
Share capital	6	38,590,346	3,239,780
Accumulated other comprehensive income		202,485	8,688
Deficit		(7,541,241)	(3,335,918)
Total shareholders' equity (deficiency)		31,251,590	(87,450)
Total liabilities and shareholders' equity (deficiency)		31,577,456	-

Nature of operations and going concern (Note 1)
Subsequent events (Note 11)

Approved and authorized for issuance by the Board of Directors:

"Gary Monaghan"	"*Gordon Villeneuve*"
Director	Director

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

GLOBAL CARBON CREDIT CORP. (FORMERLY STRYKER VENTURES CORP.)

Consolidated Statements of Loss and Comprehensive Loss
(Expressed in United States Dollars)

	Year ended January 31, 2022 ($)	Year ended January 31, 2021 ($)
Expenses		
Consulting (Note 5)	3,828,194	-
Marketing	237,552	-
Office and general	3,453	-
Professional fees (Note 5)	61,369	9,507
Regulatory fees	27,786	-
	(4,158,354)	(9,507)
Other Items		
Loss on foreign exchange	(46,969)	-
Net loss for the year	(4,205,323)	(9,507)
Translation adjustment	193,797	(2,263)
Comprehensive loss for the year	(4,011,526)	(11,770)
Basic and diluted loss per share	(0.21)	(0.26)
Weighted average number of shares outstanding	19,859,650	36,266

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

(Expressed in United States Dollars)

	Number of Shares	Share Capital ($)	Accumulated Other Comprehensive Income (Loss) ($)	Deficit ($)	Total ($)
Balance, January 31, 2020	36,266	3,239,780	10,951	(3,326,411)	(75,680)
Net loss for the year	-	-	-	(9,507)	(9,507)
Foreign exchange adjustment	-	-	(2,263)	-	(2,263)
Balance, January 31, 2021	36,266	3,239,780	8,688	(3,335,918)	(87,450)
Shares issued for cash	110,593,102	35,546,417	-	-	35,546,417
Share issue costs – finder units	460,800	-	-	-	-
Share issue costs – cash	-	(195,851)	-	-	(195,851)
Foreign exchange adjustment	-	-	193,797	-	193,797
Net loss for the year	-	-	-	(4,205,323)	(4,205,323)
Balance, January 31, 2022	111,090,168	38,590,346	202,485	(7,541,241)	31,251,590

GLOBAL CARBON CREDIT CORP. (FORMERLY STRYKER VENTURES CORP.)
Consolidated Statements of Cash Flows
For the years ended January 31, 2022 and 2021
(Expressed in United States Dollars)

	2022 ($)	2021 ($)
Operating Activities		
Net loss for the year	(4,205,323)	(9,507)
Changes in non-cash working capital items		
GST receivable	(43,175)	-
Prepaid	(699,392)	
Accounts payable and accrued liabilities	90,568	11,770
Net cash provided by (used in) operating activities	(4,857,322)	2,263
Investing Activities		
Carbon credit inventory	(15,374,629)	-
Net cash used in investing activities	(15,374,629)	-
Financing Activities		
Common shares issued for cash	35,546,417	-
Share issue costs	(195,581)	-
Net cash provided by financing activities	35,350,566	-
Effect of foreign exchange on cash	193,797	(2,263)
Change in cash	15,312,412	-
Cash – beginning	-	-
Cash – end	15,312,412	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Global Carbon Credit Corp. (formerly Stryker Ventures Corp.) (the "Company") was incorporated on April 7, 1952 under the laws of British Columbia and historically, its principal activity was the exploration of resource properties.

On November 30, 2021, the Company changed its name to Global Carbon Credit Corp. and repurposed its principal activity to an Environmental, Social and Governance ("ESG") principled company offering investors direct exposure to the voluntary carbon market via direct carbon credit purchases, entering into streaming arrangements with carbon offset project developers and investing in carbon-related technologies.

The Company's head office and registered office is 250 – 750 West Pender St., Vancouver, BC, V6C 2T7. The Company was formerly listed on the TSX Venture Exchange under the symbol "SRY.

During the year ended January 31, 2022, the Company consolidated its issued and outstanding common shares on a 20:1 basis. These financial statements reflect the share consolidation retroactively.

On July 10, 2002, trading in the shares of the Company was suspended by the TSX-V for having failed to file annual audited financial statements for the year ended January 31, 2002. The annual audited financial statements for the fiscal years ended January 31, 2021, 2020 and 2019, along with the interim financial statements for the three-month period ended April 30, 2021, were filed by the Company effective August 10, 2021 and the British Columbia Securities Commission revoked their cease trade order issued against the Company effective August 11, 2021.

These financial statements have been prepared assuming the Company will continue on a going-concern basis and be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at January 31, 2022, the Company had an accumulated deficit of $7,541,241 (January 31, 2021 - $3,335,918) and working capital of $15,729,113 (January 31, 2021 - $87,450 working capital deficiency).

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Company's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Company's operations. The extent of the impact of this outbreak and related containment measures on the Company's operations cannot be reliably estimated at the date of these financial statements.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements have been prepared on a historical cost basis, modified where applicable, and include the accounts of the Company and the Company's wholly-owned subsidiary, Carbon 6 Capital Corporation ("Carbon 6"), a British Columbia corporation. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements are presented in US Dollars, while the Company and Carbon 6's functional currency is the Canadian Dollar.

The Board of Directors approved these financial statements on May 31, 2022.

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

a) Significant judgments

The most significant judgment in applying the Company's accounting policies is the accounting treatment of the Company's carbon credits as inventory and in determining the carbon credits' net realizable value.

b) Significant estimates and assumptions

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income/loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Financial Instruments

The Company recognizes financial assets and liabilities on the statement of financial position when it becomes a party to the contractual provisions of the instrument.

At initial recognition, financial assets are measured at fair value and classified as subsequently measured at amortized cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL"). At initial recognition, financial liabilities are measured at fair value and classified as, subject to certain exceptions, subsequently measured at amortized cost. For financial assets and financial liabilities not at FVTPL, fair value is adjusted for transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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 the Company has elected to measure them at FVTPL.

The Company classifies its financial instruments as follows:

Financial Instrument	**IFRS 9 Classification**
Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial instruments:

Financial assets at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost
These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Equity investments at FVOCI
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.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income is calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Impairment of financial instruments

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For financial assets measured at amortized cost the Company applies the expected credit loss impairment model.

b) Carbon credit inventory

Carbon credit inventory is initially recorded at cost, on the date that significant risks and rewards of ownership of the carbon credit pass to the Company. Cost comprises all costs of purchase, including the purchase price, and other costs directly attributable to the purchase. Subsequent to initial recognition carbon credits classified as inventory are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

c) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation estimated at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

d) Income Taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Income Taxes (continued)

Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

e) Share Capital

Common shares issued for non-monetary consideration are recorded at their fair market value based upon the date of share issuance. Costs incurred to issue common shares are deducted from share capital.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

f) Loss Per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

g) Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

h) Adoption of New Accounting Pronouncements and Recent Developments

<u>IAS 1 – Presentation of Financial Statements</u>

An amendment to IAS 1 was issued in January 2020 and applies to annual reporting periods beginning on or after January 1, 2022. The amendment clarifies the criterion for classifying a liability as non-current relating to the right to defer settlement of a liability for at least 12 months after the reporting period.

4. CARBON CREDIT INVENTORY

In December 2021, the Company acquired various verified emission reductions ("VERs") referred to as Carbon Credit units ("CCUs"). The CCUs are recorded on registries by Verra and Climate Action Reserve, based in Washington D.C. and Los Angeles, CA, respectively. The CCUs acquired were for vintages ranging from 2008 to 2021 at prices ranging from US$6.40 to US$8.50 per unit from projects all over the world. To acquire the CCUs, the Company also paid commissions totaling US$346,062. As at and during the year ended January 31, 2022, in total, the Company purchased 1,962,139 CCUs for a total cost of US$15,522,477 which are currently held for sale.

5. RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

As at January 31, 2022, there was $nil (C$nil) (January 31, 2021 - $78,093 [C$100,147]) owing to a company with a common director of the Company. This amount was non-interest bearing with no stated terms of payment. During the year ended January 31, 2022, the payable was assigned to arm's-length third parties and repaid.

During the year ended January 31, 2022, the Company incurred $29,933 (C$37,500) (2021 - $nil [C$nil]) in accounting fees and $50,527 (C$63,300) (2021 - $nil [C$nil]) in consulting fees to an accounting firm of which a director of the Company is a partner.

As at January 31, 2022, there was $7,013 (C$8,925) (January 31, 2021 - $nil) included in accounts payable and accrued liabilities due to a partner, who is a director of the Company, of the above-noted accounting firm. This amount is non-interest bearing with no stated terms of payment.

During the year ended January 31, 2022, the Company incurred $7,982 (C$10,000) (2021 - $nil [C$nil]) in consulting fees paid to a former director of the Company.

6. SHARE CAPITAL

The authorized share capital of the Company consists of unlimited common shares without par value.

During the year ended January 31, 2022, the Company consolidated its issued and outstanding common shares on a 20:1 basis. These financial statements reflect the share consolidation retroactively.

In September 2021, the Company issued 18,050,000 post-consolidated units at C$0.05 per unit for total proceeds of $712,763 (C$902,500). Each unit consists of one post-consolidated common share and one-half share purchase warrant. Each full warrant is exercisable into one post-consolidated common share at an exercise price of C$0.10 for a period of 3 years.

In October 2021, the Company issued 4,000,000 post-consolidated units at C$0.05 per unit for total proceeds of $157,953 (C$200,000). Each unit consists of one post-consolidated common share and one-half share purchase warrant. Each full warrant is exercisable into one post-consolidated common share at an exercise price of C$0.10 for a period of 3 years.

(Expressed in United States Dollars)

6. SHARE CAPITAL (continued)

In November 2021, the Company issued 42,164,000 post-consolidated units at C$0.50 per unit for total proceeds of $16,499,961 (C$21,082,000). Each unit consists of one post-consolidated common share and one-half of one share purchase warrant. Each full warrant is exercisable into one post-consolidated common share at an exercise price of C$1.00 for a period of 2 years. In connection with this private placement, the Company paid cash commissions of $83,353 (C$106,500) and issued 345,600 finder's units valued at $135,243 (C$172,800), with each unit consisting of one post-consolidated common share and one-half of one share purchase warrant. Each whole finder's warrant is exercisable into one post-consolidated common share at an exercise price of C$1.00 for a period of 2 years. The value of the finder units was allocated wholly to share capital.

On December 16, 2021, the Company issued 32,363,702 post-consolidated units at C$0.50 per unit for total proceeds of $12,641,083 (C$16,181,851). Each unit consists of one post-consolidated common share and one-half of one share purchase warrant. Each full warrant is exercisable into one post-consolidated common share at an exercise price of C$1.00 for a period of 2 years. In connection with this private placement, the Company paid cash commissions of $11,718 (C$15,000) and issued 6,000 finder's units valued at $2,344 (C$3,000), with each unit consisting of one post-consolidated common share and one-half of one share purchase warrant. Each whole finder's warrant is exercisable into one post-consolidated common share at an exercise price of C$1.00 for a period of 2 years. The value of the finder units was allocated wholly to share capital. The Company also incurred other cash share issue costs totalling $7,092 (C$9,099).

On December 30, 2021, the Company issued 2,499,400 post-consolidated units at C$0.50 per unit for total proceeds of $977,933 (C$1,249,700). Each unit consists of one post-consolidated common share and one-half of one share purchase warrant. Each full warrant is exercisable into one post-consolidated common share at an exercise price of C$1.00 for a period of 2 years.

In January 2022, the Company issued 11,516,000 post-consolidated units at C$0.50 per unit for total proceeds of $4,556,724 (C$5,758,000). Each unit consists of one post-consolidated common share and one-half of one share purchase warrant. Each full warrant is exercisable into one post-consolidated common share at an exercise price of C$1.00 for a period of 2 years. In connection with this private placement, the Company paid cash commissions of $56,671 (C$70,980) and issued 109,200 finder's units valued at $43,593 (C$54,600), with each unit consisting of one post-consolidated common share and one-half of one share purchase warrant. Each full warrant is exercisable into one post-consolidated common share at an exercise price of C$1.00 for a period of 2 years. The value of the finder units was allocated wholly to share capital. The Company also incurred other cash share issue costs totalling $37,017 (C$46,375).

There were no share issuances during the year ended January 31, 2021.

There were no share purchase options outstanding as at or during the years ended January 31, 2022, and 2021.

The following table summarizes the continuity of share purchase warrants:

	Number of warrants	Weighted average exercise price C$
Balance, January 31, 2020 and 2021	-	-
Issued	55,526,951	0.82
Balance, January 31, 2022	55,526,951	0.82

(Expressed in United States Dollars)

6. SHARE CAPITAL (continued)

As at January 31, 2022, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price C$	Expiry date
9,025,000	0.10	September 13, 2024[1]
2,000,000	0.10	October 20, 2024[1]
21,254,800	1.00	November 30, 2023
16,184,851	1.00	December 16, 2023
1,249,700	1.00	December 30, 2023
2,272,600	1.00	January 17, 2024
3,540,000	1.00	January 27, 2024
55,526,951		

1) all exercised subsequent to January 31, 2022

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of 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 the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

a) *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

b) *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Accounts payable and accrued liabilities are due within the current operating period.

c) *Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

d) *Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions.

(Expressed in United States Dollars)

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

e) Commodity Price Risk

The ability of the Company to finance the exploration and development of its properties and the future profitability of the Company is directly related to the market price of the primary minerals identified in its mineral properties. Mineral prices fluctuate on a daily basis and are affected by a number of factors beyond the Company's control. A sustained, significant decline in the prices of the primary minerals or in the share prices of junior mineral exploration companies in general, could have a negative impact on the Company's ability to raise additional capital. Sensitivity to commodity price risk is remote since the Company has not established any reserves or production.

8. CAPITAL RISK MANAGEMENT

The Company defines its capital as all components of shareholders' equity. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern.

In order to maintain its capital structure, the Company is dependent on equity funding and when necessary, raises capital through the issuance of equity instruments, primarily comprised of common shares. The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will make changes to its capital structure as deemed appropriate under the specific circumstances.

The Company is not subject to any externally imposed capital requirements or debt covenants, and does not presently utilize any quantitative measures to monitor its capital. There were no changes to the Company's approach to managing capital during the year.

9. INCOME TAXES

A reconciliation of current income taxes at statutory rates with the reported taxes is as follows:

	2022	2021
Loss for the year	(4,205,323)	(9,507)
	27.00%	27.00%
Expected tax recovery	(1,135,437)	(2,567)
Deductible and non-deductible amounts	(52,880)	
Change in unrecognized deferred income tax assets	1,188,317	2,567
Income tax recovery	-	-

Details of deferred income tax assets are as follows:

	2022	2021
Deferred tax assets		
Non-capital and capital losses	925,244	40,672
Exploration and evaluation costs	44,133	227,218
Share issue costs	42,304	-
Unrecognized deferred income tax assets	1,011,681	267,890

As at January 31, 2022, the Company and Carbon 6 have estimated non-capital losses totaling US$3,426,830 (C$4,361,327), expiring from 2026 to 2042. These losses may be carried forward to reduce Canadian taxable income derived in future years.

10. CONTINGENT LIABILITY

The Company is committed to making termination payments of up to approximately $2,070,000 to certain consultants in the event it terminates underlying consulting agreements without cause or if there is a change of control of the Company. Change of control is generally defined as follows: a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company resulting in the Company's shareholders holding less than 50% of the shares of the successor corporation or the sale, lease, exchange or other disposition of Company assets, rights or properties with an aggregate book value greater than 50% of the Company's assets, rights or properties, other than the disposition of a wholly-owned subsidiary in the course of a reorganization of the assets of the Company and its subsidiaries.

11. SUBSEQUENT EVENTS

Subsequent to January 31, 2022, the Company:

- Purchased a total of 599,659 CCUs for US$6,537,211.

- Issued 11,025,000 common shares pursuant to the exercise of share purchase warrants for gross proceeds of C$1,102,500.