CANADA CARBON INC.

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THREE AND SIX MONTHS ENDED JUNE 30, 2021 AND 2020
(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED-PREPARED BY MANAGEMENT)
These financial statements have not been reviewed by the Company's auditor.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying condensed interim financial statements of Canada Carbon Inc. for the three and six month period ended June 30, 2021 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors. Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of the interim financial statements by an entity's auditor.

CANADA CARBON INC.
UNAUDITED STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)
AS AT

	June 30, 2021 $	December 31, 2020 $
ASSETS		
Current		
Cash and cash equivalents (Note 7)	136,936	564,051
Receivables (Note 8)	25,641	6,536
Prepaid expenses (Note 9)	12,510	10,822
Total current assets	175,087	581,409
Exploration and evaluation assets (Note 10)	6,999,597	6,819,873
Drilling and reclamation deposits (Note 11)	5,000	5,000
Total assets	7,179,684	7,406,282
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 13)	357,042	733,181
Flow through liability	-	-
Restoration, rehabilitation and environmental obligations (Note 12)	10,000	10,000
Total current liabilities	367,042	743,181
Restoration, rehabilitation and environmental obligations (Note 12)	30,000	30,000
Total liabilities	397,042	773,181
Shareholders' equity		
Capital stock (Note 14)	33,996,780	33,587,224
Reserves	807,047	807,047
Deficit	(28,021,185)	(27,761,170)
Total shareholders' equity	6,782,642	6,633,101
Total liabilities and shareholders' equity	7,179,684	7,406,282

Nature and continuance of operations (Note 1)
Commitments and contingencies (Note 17)
Subsequent events (Note 18)

On behalf of the Board:

"Bruce Coventry", Director "Greg Lipton", Director

See accompanying notes to the financial statements.

CANADA CARBON INC.
UNAUDITED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS)
FOR THE THREE AND SIX MONTHS ENDED JUNE 30

	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
EXPENSES				
Management fees (Note 13)	$ 40,250	$ 66,500	$ 80,500	$ 138,000
Consulting fees	-	-	-	400
Professional fees (Note 13)	40,383	36,272	137,019	143,121
Office, rent and miscellaneous	4,051	7,050	13,895	24,320
Shareholder communications and promotion	1,048	1,625	5,990	20,108
Share based compensation (Note 14)	-	271	-	812
Transfer agent and filing fees	8,230	5,205	20,791	12,810
Travel and accommodation	-	-	1,144	-
Loss before other items	93,962	116,923	259,339	339,571
OTHER ITEMS				
Foreign exchange loss	677	874	676	1,051
Investment income	-	(26)	-	(537)
Flow-through liability (recovery)	-	-	-	(5,837)
Net loss and comprehensive loss for the period	$ 94,639	$ 117,771	$ 260,015	$ 334,248
Basic and diluted net loss per common share	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Weighted average number of common shares outstanding	122,824,632	116,729,074	121,812,353	115,266,162

See accompanying notes to the financial statements.

CANADA CARBON INC.
UNAUDITED STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)
FOR THE SIX MONTHS ENDED JUNE 30

	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) for the period	(260,015)	(334,248)
Items not affecting cash:		
Share-based compensation	-	812
Flow-through liability (recovery)	-	(5,837)
Unrealized foreign exchange (gain) loss	37	(296)
	(259,978)	(339,569)
Change in non-cash working capital items:		
(Increase) in receivables	(19,105)	(4,698)
(Increase) decrease in prepaid expenses	(1,688)	7,517
Increase (decrease) in accounts payable and accrued liabilities	46,265	(269,952)
Net cash flows from operating activities	(234,506)	(606,702)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placements	-	-
Share issue costs	-	-
Proceeds from warrant and option exercises	-	593,500
Net cash flows from financing activities	-	593,500
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets	(192,572)	(97,748)
Net cash flows from investing activities	(192,572)	(97,748)
Effect of foreign exchange rate changes on cash and cash equivalents	(37)	296
Increase (decrease) in cash and cash equivalents	(427,115)	(110,654)
Cash and cash equivalents, beginning of period	564,051	315,551
Cash and cash equivalents, end of period (Note 7)	136,936	204,897

Supplemental disclosure with respect to cash flows (Note 15)

See accompanying notes to the financial statements.

CANADA CARBON INC.
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
(EXPRESSED IN CANADIAN DOLLARS)

			Reserves			
	Number of Shares	Capital Stock $	Equity settled share-based payments reserve $	Warrant reserve $	Deficit $	Total $
Balance December 31, 2019	112,429,074	32,362,228	554,794	415,443	(27,539,750)	5,792,715
Exercise of warrants	4,050,000	568,500	-	-	-	568,500
Fair value of warrants exercised	-	104,785	-	(104,785)	-	-
Exercise of options	250,000	25,000	-	-	-	25,000
Fair value of options exercised	-	16,322	(16,322)	-	-	-
Stock-based compensation	-	-	812	-	-	812
Net loss and comprehensive loss for the six months	-	-	-	-	(334,248)	(334,248)
Balance, June 30, 2020	116,729,074	33,076,835	539,284	310,658	(27,873,998)	6,052,779
Issued pursuant to private placement	2,500,000	326,596	-	173,404	-	500,000
Issued pursuant to surface access agreement	40,000	10,400	-	-	-	10,400
Exercise of warrants	1,400,000	154,000	-	-	-	154,000
Fair value of warrants exercised	-	23,712	-	(23,712)	-	-
Fair value of expired options	-	-	(190,293)	-	190,293	-
Share-based compensation	-	-	-	-	-	-
Issue costs	-	(4,319)	-	(2,294)	-	(6,613)
Net loss and comprehensive loss for the six months	-	-	-	-	(77,465)	(77,465)
Balance December 31, 2020	120,669,074	33,587,224	348,991	458,056	(27,761,170)	6,633,101
Issued pursuant to settlement of debt	2,155,558	409,556	-	-	-	409,556
Net loss and comprehensive loss for the six months	-	-	-	-	(260,015)	(260,015)
Balance, June 30, 2021	122,824,632	33,996,780	348,991	458,056	28,021,185	6,782,642

See accompanying notes to the financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Canada Carbon Inc. (hereafter the "Company") was incorporated in British Columbia on August 13, 1985 and is listed on the TSX Venture Exchange ("TSX-V").

The Company's principal business is the acquisition, exploration and evaluation of mineral properties. In fiscal 2012 the Company positioned itself as a carbon science company focused on graphite. The Company is in the exploration and evaluation stage on its projects and as such, to date, has not generated significant revenues from its operations.

The Company's head office is located at 5213 Durie Road, Mississauga, Ontario, L5M 2C6.

The financial statements were approved by the Board of Directors on August 12, 2021.

The Company is in the process of exploring its exploration and evaluation assets. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves, the achievement of profitable production, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts and political uncertainty.

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

These condensed interim financial statements have been prepared with the assumption that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. As at June 30, 2021, the Company had a working capital deficit of $191,955 and an accumulated deficit of $28,021,185 compared to a working capital deficit of $161,772 and an accumulated deficit of $27,761,170 as at December 31, 2020. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management believes it will be successful in raising the necessary funding to continue operations in the normal course of operations. These financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material. (Note 18)

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"), and its interpretations. Accordingly, these condensed interim financial statements do not include all of the information and footnotes required by International Financial Reporting Standards ("IFRS") for complete financial statements for year-end reporting purposes.

3. BASIS OF PRESENTATION

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

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

4. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2020 and were prepared using the same accounting policies, method of computation and presentation as were applied in the annual financial statements for the year ended December 31, 2020.

5. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of its properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Management considers the Company's capital structure to primarily consist of the components of shareholders' equity.

The properties in which the Company currently has an interest are in the exploration and evaluation stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the six months ended June 30, 2021. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

As at June 30, 2021, the Company may not be compliant with the policies of the TSXV. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

6. FINANCIAL RISK FACTORS

There have been no significant changes in the risks, objectives, policies and procedures during the six months ended June 30, 2021. The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk
The Company's credit risk is primarily attributable to cash and cash equivalents and receivables. The receivables primarily relate to sales tax due from the Federal and Provincial Governments. The Company has no significant concentration of credit risk arising from operations. Cash is held at a Canadian financial institution from which management believes the risk of loss to be low. Management believes that the credit risk concentration with respect to its receivables is remote.

Liquidity risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. Additional funding will be required to get the Miller project through the feasibility stage; however, management believes it will be able to obtain the necessary funding.

Market risk
(a) Interest rate risk
The Company has cash balances and no interest-bearing debt, therefore, interest rate risk is minimal.

(b) Foreign currency risk
The majority of the Company's administrative expenditures are transacted in Canadian dollars. The Company funds certain expenses in the United States on a cash call basis using US dollar currency converted from its Canadian dollar bank accounts held in Canada. Management does not hedge its foreign exchange risk. The Company holds negligible cash balances in US dollars.

(c) Price risk
The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

(d) Title risk
Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Sensitivity analysis
Based on management's knowledge and experience of the financial markets, the Company does not expect material movements in the underlying market risk variables over the next three month period.

7. CASH AND CASH EQUIVALENTS

During the six months ended June 30, 2021, the Company's short term money market instruments did not accrue interest (2020: 0.25% - 1.25% per annum) and were redeemable at any time without penalty.

(EXPRESSED IN CANADIAN DOLLARS)

8. RECEIVABLES

The receivables balance is comprised of the following items:

	June 30, 2021	*December 31, 2020*
Sales tax due from federal and provincial governments	$ 25,641	$ 6,536
Total	$ 25,641	$ 6,536

9. PREPAID EXPENSES

The prepaid expense balance is comprised of the following items:

	June 30, 2021	*December 31, 2019*
Insurance	$ 10,563	$ 8,875
Investor information/promotion	1,947	1,947
Total	$ 12,510	$ 10,822

10. EXPLORATION AND EVALUATION ASSETS

At June 30, 2021, expenditures incurred on exploration and evaluation assets were as follows:

	Asbury Graphite Property, Quebec	Miller Property, Quebec	June 30, 2021
Acquisition costs:			
Balance, beginning of year	$ 654,379	$ 395,414	$ 1,049,793
Additions during the period	-	-	-
Balance, end of period	654,379	395,414	1,049,793
Deferred exploration costs:			
Balance, beginning of year	554,509	5,215,571	5,770,080
Assays	-	3,696	3,696
Community consultations	-	99,558	99,558
Geologists, consultants and other labour	-	40,523	40,523
Surveys and studies	-	10,047	10,047
Thermal processing	-	16,862	16,862
Travel, meals and accommodation	-	339	339
Admin and other expenses	-	8,699	8,699
Additions during the period	-	179,724	179,724
Balance, end of period	554,509	5,395,295	5,949,804
Total	$1,208,888	$ 5,790,709	$ 6,999,597

(EXPRESSED IN CANADIAN DOLLARS)

11. DRILLING AND RECLAMATION DEPOSITS

The following table details the outstanding drilling and reclamation deposits:

Property	*June 30, 2021*	*December 31, 2020*
Rare Earth (Note 12)	$ 5,000	$ 5,000
Total	$ 5,000	$ 5,000

12. RESTORATION, REHABILITATION AND ENVIRONMENTAL OBLIGATIONS

The Company has recorded an obligation of $10,000 for the Rare Earth property. The restoration costs are expected to be incurred in 2022. See Note 11.

The Company has also recorded an obligation of $30,000 for the Miller graphite property to reclaim disturbance caused by the work programs. The restoration costs are expected to be incurred in 2041.

13. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, Executive Officers and any companies owned or controlled by them. The Company entered into the following transactions with related parties:

			Six Months Ended June 30,	
	Nature of transactions	Notes	2021	2020
R. Bruce Duncan	Management	a	$ -	$ 120,000
Directors	Management	b	$ 18,000	$ 18,000
Olga Nikitovic	Management/Professional fees	c	$ 125,000	$ 65,000
Aird & Berlis	Professional fees	d	$ 5,564	$ 3,018

a) The fees for R. B. Duncan, former CEO, were included in management fees. Mr. Duncan passed away on November 12, 2020. In March 2021, 2,155,558 common shares valued at $409,556 were issued to the estate of R. Bruce Duncan for amounts owing at the time of his passing.

b) Fees for independent directors are included in management fees. As at June 30, 2021, $45,000 (2020 - $60,000) was included in accounts payable and accrued liabilities.

c) Ms. Nikitovic assumed the role of interim CEO in November 2020 in addition to her CFO role. Her salary is split between management fees and professional fees effective December 1, 2020. As at June 30, 2021, $275,834 (2020 - $262,000) was included in accounts payable and accrued liabilities.

d) Tom Fenton, Corporate Secretary for the Company is a partner with Aird & Berlis, LLP. Legal fees of $5,564 (2020 - $3,018) are included in professional fees. As at June 30, 2021, $1,146 (2020 - $Nil) was included in accounts payable and accrued liabilities.

All related party amounts included in accounts payable are unsecured, non-interest bearing and payable on demand.

(EXPRESSED IN CANADIAN DOLLARS)

13. RELATED PARTY TRANSACTIONS (Continued)

Compensation of key management personnel

		Six months ended June 30	
	Notes	2021	2020
Salaries	a	$ 143,000	$ 203,000
Share-based payments	b	-	-
		$ 143,000	$ 203,000

a) The Company does not pay any health or post-employment benefits. The salaries represent the fees for the CEO, CFO and directors which are included in the transactions above.
b) Share-based payments include the fair value of options issued for services granted to key management and directors.

14. CAPITAL STOCK, STOCK OPTIONS AND WARRANTS

Capital Stock

The Company has authorized an unlimited number of common shares without par value. As at June 30, 2021, the Company had 122,824,632 common shares outstanding (December 31, 2020 – 120,669,074).

i) In March 2021, 2,155,558 common shares valued at $409,556 were issued to the estate of R. Bruce Duncan for amounts owing at the time of his passing.

Share Purchase Warrants

At June 30, 2021, the following warrants were outstanding.

Expiry Date	Exercise Price $	Number of Warrants	Remaining contractual life (years)	Currently exercisable	Remaining contractual life (years)
December 11, 2021	0.18	1,400,000	0.45	1,400,000	0.45
April 12, 2022 (i)	0.30	2,500,000	0.78	2,500,000	0.78
April 26, 2022 (i)	0.30	3,430,000	0.82	3,430,000	0.82
June 18, 2022	0.13	1,550,000	0.97	1,550,000	0.97
November 3, 2023	0.26	2,000,000	2.34	2,000,000	2.34
November 4, 2023	0.26	500,000	2.34	500,000	2.34
		11,380,000	1.12	11,380,000	1.12

i) The expiry date of 5,930,000 warrants that were to expire in April 2020 was extended by one year to April 2021. In January 2021, the warrants were extended by one year to April 2022.

(EXPRESSED IN CANADIAN DOLLARS)

14. CAPITAL STOCK, STOCK OPTIONS AND WARRANTS (Continued)

Share Purchase Warrants (Continued)

The following is a summary of the warrant transactions for the six months ended June 30, 2021 and year ended December 31, 2020.

	Six months ended June 30, 2021		Year ended December 31, 2020	
	Number of Warrants	Weighted Average Exercise Price $	Number of Warrants	Weighted Average Exercise Price $
Balance, beginning of period	11,380,000	0.25	14,330,000	0.21
Warrants issued	-	-	2,500,000	0.26
Warrants exercised	-	-	(5,450,000)	0.13
Warrants expired	-	-	-	-
Balance, end of period	11,380,000	0.25	11,380,000	0.25

The following weighted average assumptions were used for the Black-Scholes option pricing model valuation of warrants issued during the six months ended June 30, 2021 and the year ended December 31, 2020.

	2021	2020
Share price	-	$0.235
Risk-free interest rate	-	0.27%
Expected dividend yield	-	0.00%
Expected stock volatility	-	109%
Expected warrant life in years	-	3.0 years

Stock Options

The Company is authorized to grant to directors, employees and consultants up to 20% of the issued and outstanding capital stock of the Company. Under the plan, the exercise price of each option equals the market price, less any applicable discounts of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 5 years.

(EXPRESSED IN CANADIAN DOLLARS)

14. CAPITAL STOCK, STOCK OPTIONS AND WARRANTS (Continued)

Stock Options (Continued)

As at June 30, 2021, the following incentive stock options were outstanding:

		Options Outstanding		Options Exercisable	
Expiry Date	Exercise Price $	Number of Options Outstanding	Weighted average remaining contractual life (years)	Number of Options Vested	Weighted average remaining contractual life (years)
August 4, 2022	0.19	2,100,000	1.09	2,100,000	1.09
June 8, 2023	0.10	650,000	1.94	650,000	1.94
November 12, 2023	0.15	100,000	2.37	100,000	2.37
July 18, 2024	0.10	1,200,000	3.05	1,200,000	3.05
		4,050,000	1.84	4,050,000	1.84

The following is a summary of stock option transactions for the six months ended June 30, 2021 and the year ended December 31, 2020.

	Six months ended June 30, 2021		Year ended December 31, 2020	
	Number of Options	Weighted Average Exercise Price $	Number of Options	Weighted Average Exercise Price $
Balance, beginning of period	4,050,000	0.15	5,300,000	0.16
Options granted	-	-	-	-
Options exercised	-	-	(250,000)	0.10
Options expired (forfeited)	-	-	(1,000,000)	0.245
Balance end of period	4,050,000	0.15	4,050,000	0.15

Share-Based Compensation

There were no options granted in the six months ended June 30, 2021 and 2020. Share based compensation for the six months ended June 30, 2021 of $Nil (2020: $812) has been charged to share based compensation expense with a corresponding amount being recorded in the equity settled share-based payments reserve.

15. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash investing and financing transactions for the six months ended June 30, 2021 consisted of:
a) A decrease in accrued exploration and evaluation assets of $12,848.
b) The issuance of shares to settle debt of $409,556.

Significant non-cash investing and financing transactions for the six months ended June 30, 2020 consisted of:
c) A decrease in accrued exploration and evaluation assets of $12,361.

16. SEGMENTED INFORMATION

The Company primarily operates in one reportable operating segment, being the acquisition and exploration of mineral properties in Canada. As the operations comprise a single reporting segment, amounts disclosed in the financial statements also represent segment amounts.

17. COMMITMENTS AND CONTINGENCIES

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations. See Note 12.

The Company entered into an employment contract with senior management. The Company is committed to pay $250,000 per annum with respect to this contract. This contract contain clauses requiring additional payments of up to $250,000 to be made upon the occurrence of certain events such as change of control. As a triggering event has not taken place, the contingent payments have not been reflected in the financial statements.

18. SUBSEQUENT EVENTS

In July 2021, the Company closed a non-brokered flow-through private placement for gross proceeds for approximately $500,000.

In July 2021, the Company entered into a definitive agreement (the "Investment Agreement") for a drawdown equity financing facility (the "Facility") of up to CDN$5 million with Alumina Partners (Ontario) Ltd. ("Alumina"), an affiliate of New York-based private equity firm Alumina Partners, LLC. The Investment Agreement provides the Company with a financing facility over a period of 24 months during which time the Company can draw down, subject to certain conditions, through private placement tranches of up to $500,000. Each tranche shall be a private placement of units, to be comprised of one common share and one common share purchase warrant. The units will be issued at a discount of 15% to 25% from the closing market price at the time of each tranche, and the exercise price of the warrants will be at a 25% premium over the closing market price at the time of issuance. There are no finder's fees or standby charges associated with these investments. Each tranche of units issued will be subject to the acceptance of the TSX Venture Exchange, and the securities issued will be subject to the customary 4-month and one day hold period.