Paleo Resources, Inc.
Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2021 and 2020
(Unaudited, Expressed in US Dollars)

Auditor's Involvement

National Instrument 51-102, Part 4, Subsection 4.3(3)(a), requires that if an auditor has not performed a review of the interim financial statements there must be an accompanying notice indicating that the interim financial statements have not been reviewed by an auditor.

The Auditor of Paleo Resources, Inc. has not performed a review of the interim consolidated financial statements for the three and nine months ended September 30, 2021 and 2020.

Paleo Resources, Inc.
Condensed Interim Consolidated Balance Sheets
(Unaudited, expressed in US Dollars)

As at

	September 30, 2021 $	December 31, 2020 $
ASSETS		
Current assets		
Cash and cash equivalents	**105,415**	147,189
Accounts receivable		
Related parties	**78,234**	9,253
Third parties	**181**	31,626
Prepaid expenses and deposits	**30,449**	30,291
	214,279	218,359
Deposit (Note 4)	**248,649**	247,893
Goodwill	**439,458**	439,458
Oil and gas properties, successful efforts method (Note 5)		
Unproved properties	**38,879**	-
Proved properties, net	**1,158,205**	969,568
Equity investment (Note 6)	**495,840**	-
TOTAL ASSETS	**2,595,310**	1,875,278
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities		
Related parties	**1,875,722**	1,457,188
Third parties	**724,596**	760,220
Deferred management fee – related parties	**19,167**	65,466
Loans payable (Note 7)		
Related parties	**2,062,424**	3,621,710
Third parties	**300,000**	300,000
Convertible debentures (Note 8)		
Related parties	**507,459**	505,693
Third parties	**1,598,183**	1,312,445
	7,087,551	8,022,722
Convertible debentures (Note 8)		
Third parties	**-**	278,608
Loans payable, third parties (Note 7)	**398,803**	174,703
Asset retirement obligations (Note 9)	**580,979**	391,748
TOTAL LIABILITIES	**8,067,333**	8,867,781
SHAREHOLDERS' EQUITY (DEFICIT)		
Class A common shares, no par, unlimited shares authorized and 445,654,661 and 313,179,813 issued and outstanding at September 30, 2021 and December 31, 2020, respectively (Note 10)	**34,234,627**	32,368,127
Additional paid in capital	**3,391,228**	3,161,109
Accumulated other comprehensive loss	**(817,090)**	(810,441)
Accumulated deficit	**(42,343,020)**	(41,705,187)
Total Paleo Resources, Inc.'s shareholders' equity (deficit)	**(5,534,255)**	(6,986,392)
Non-controlling interest	**62,232**	(6,111)
Total equity (deficit)	**(5,472,023)**	(6,992,503)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,595,310**	1,875,278

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

Approved on behalf of the Board

(signed) "Tom M. Crain, Jr."	*(signed) "Chris Pettit"*
President and Director	Director

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

Paleo Resources, Inc.
Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
(Unaudited, expressed in US Dollars)
For the three and nine months ended September 30, 2021 and 2020

	Three months ended September 30,		Nine months ended September 30,	
	2021	**2020**	**2021**	**2020**
	$	**$**	**$**	**$**
Revenue				
Oil and gas sales, related parties, net	**105,977**	46,486	**275,591**	137,625
Oil and gas sales, third parties, net	**14,792**	-	**27,107**	-
Reimbursement revenue, related parties	**-**	-	**17,667**	1,500
Management fee, related parties	**93,606**	33,549	**168,481**	36,049
	214,375	80,035	**488,846**	175,174
Operating costs and expenses				
Lease operating expenses	**25,707**	30,419	**84,458**	81,604
Production taxes	**8,892**	3,500	**25,179**	17,601
General and administrative	**251,956**	231,964	**731,221**	514,851
Depletion, depreciation and accretion (Note 7 and 10)	**58,597**	71,616	**170,163**	186,163
Impairment	**-**	-	**30**	32,297
Mining royalty and staking	**-**	7,569	**-**	30,250
	345,152	345,068	**1,011,051**	862,766
Loss from operations	**(130,777)**	(265,033)	**(522,205)**	(687,592)
Other income and (expense)				
Interest expense	**(15,572)**	(80,233)	**(161,667)**	(238,772)
Foreign exchange gain (loss)	**(13,321)**	70,167	**2,559**	12,188
Gain on sales of assets	**76,468**	-	**76,468**	-
Other income	**15,000**	7,225	**35,355**	20,989
Other income and (expense), net	**62,575**	(2,841)	**(47,285)**	(205,595)
Net (loss)	**(68,202)**	(267,874)	**(569,490)**	(893,187)
Net (loss) attributable to non-controlling interest	**76,220**	(2,395)	**68,343**	(2,395)
Net (loss) attributable to Paleo Resources, Inc.'s shareholders	**(144,422)**	(265,479)	**(637,833)**	(890,792)
Comprehensive income (loss)				
Foreign currency translation	**60,794**	(174,268)	**(6,649)**	(22,786)
Comprehensive income (loss) for the period	**(83,628)**	(439,747)	**(644,482)**	(913,578)
Basic and diluted net income (loss) per share (Note 14)	**($0.00)**	($0.00)	**($0.00)**	($0.00)
Weighted average number of common shares outstanding	**445,654,661**	321,834,590	**412,657,263**	268,225,958

(Unaudited, expressed in US Dollars)

	2021 **$**	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) for the period	**(569,490)**	(893,187)
Adjustments to reconcile net (loss) to net cash provided by operating activities:		
Depletion, depreciation and accretion	**170,163**	186,162
Debt discount amortization (Note 8)	**10,578**	16,419
Unrealized foreign exchange	**(3,593)**	9,963
Gain on disposition of assets	**(16,468)**	-
Changes in operating assets and liabilities		
Account receivable	**(37,556)**	100,798
Deferred income, related parties	**(46,300)**	(31,262)
Prepaid expenses and deposits	**(178)**	67,373
Accounts payable and accrued liabilities	**100,374**	114,491
Net cash used in operating activities	**(392,470)**	(429,243)
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposits	**(892)**	(1,924)
Equity investment	**(291,667)**	-
Cash from EF Resources acquisition (Note 3)	**-**	27,367
Additions to unproved oil and gas properties	**(38,879)**	762
Additions to proved oil and gas properties	**(123,241)**	(131,775)
Net cash used in investing activities	**(454,679)**	(105,570)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans payable	**761,433**	525,000
Net cash provided by financing activities	**761,433**	525,000
Effect of changes in foreign exchange rates on cash held in foreign currencies	**43,942**	(35,603)
Net increase (decrease) in cash and cash equivalents for the period	**(41,774)**	(48,638)
Cash and cash equivalents, beginning of the period	**147,189**	235,263
Cash and cash equivalents, end of the period	**105,415**	186,625

	2021 $	2020 $
Supplemental cash flow disclosures		
Interest paid	**66,830**	112,424
Income taxes paid	**-**	**-**
Non-cash investing and financing activities		
Shares issued for loan repayment, related parties	**2,096,619**	-
Shares issued for acquisition of EF Resources Inc.		638,352
Additions to equity investment in accounts payable	**208,333**	-
Additions to proved properties in accounts payable	**77,310**	(68,209)

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

(Unaudited, expressed in US Dollars)

	Number of Shares #	Common Stock $	Additional Paid In Capital $	Accumulated Other Comprehensive Income (Loss) $	Deficit $	Paleo Resources, Inc.'s Shareholders' Equity $	Noncontrolling Interest $	Total Shareholders' Equity (Deficit) $
Balance, December 31, 2020	**313,179,813**	**32,368,127**	**3,161,109**	**(810,441)**	**(41,705,187)**	(6,986,392)	(6,111)	**(6,992,503)**
Foreign currency translation loss	-	-	-	(28,826)	-	(28,826)	-	(28,826)
Debt for share, related parties	132,474,848	1,866,500	230,119	-	-	2,096,619	-	2,096,619
Net loss for the period	-	-	-	-	(293,845)	(293,845)	(1,258)	(295,103)
Balance, March 31, 2021	**445,654,661**	**34,234,627**	**3,391,228**	**(839,267)**	**(41,999,032)**	**(5,212,444)**	**(7,369)**	**(5,219,813)**
Foreign currency translation loss	-	-	-	(38,617)	-	(38,617)	-	(38,617)
Net loss for the period	-	-	-	-	(199,566)	(199,566)	(6,619)	(206,185)
Balance, June 30, 2021	**445,654,661**	**34,234,627**	**3,391,228**	**(877,884)**	**(42,198,598)**	**(5,450,627)**	**(13,988)**	**(5,464,615)**
Foreign currency translation loss	-	-	-	60,794	-	60,794	-	60,794
Net loss for the period	-	-	-	-	(144,422)	(144,422)	76,220	(68,202)
Balance, September 30, 2021	**445,654,661**	**34,234,627**	**3,391,228**	**(817,090)**	**(42,343,020)**	**(5,534,255)**	**62,232**	**(5,472,023)**

	Number of Shares #	Common Stock $	Additional Paid In Capital $	Accumulated Other Comprehensive Income (Loss) $	Deficit $	Paleo Resources, Inc.'s Shareholders' Equity $	Noncontrolling Interest $	Total Shareholders' Equity (Deficit) $
Balance, December 31, 2019	**235,286,816**	**31,729,775**	**3,161,109**	**(747,330)**	**(30,993,356)**	**3,150,198**	**-**	**3,150,198**
Foreign currency translation gain	-	-	-	177,577	-	177,577	-	177,577
Net income for the period	-	-	-	-	(312,596)	(312,596)	-	(312,596)
Balance, March 31, 2020	**235,286,816**	**31,729,775**	**3,161,109**	**(569,753)**	**(31,305,952)**	**3,015,179**	-	3,015,179
Common stock issued for acquisition of EF Resources	77,892,997	638,352	-	-	-	638,352	-	638,352
Noncontrolling interest from acquisition of EF Resources					-	-	14,209	14,209
Foreign currency translation	-	-	-	(26,095)	-	(26,095)	-	(26,095)
Net loss for the period	-	-	-	-	(312,716)	(312,716)	-	(312,716)
Balance, June 30, 2020	**313,179,813**	**32,368,127**	**3,161,109**	**(595,848)**	**(31,618,668)**	**3,314,720**	14,209	3,328,929
Distribution of noncontrolling interest					-	-	(3,222)	(3,222)
Foreign currency translation	-	-	-	(174,268)	-	(174,268)	-	(174,268)
Net loss for the period	-	-	-	-	(265,479)	(265,479)	(2,395)	(267,874)
Balance, September 30, 2020	**313,179,813**	**32,368,127**	**3,161,109**	**(770,116)**	**(31,884,147)**	**2,874,973**	8,592	2,883,565

1. Description of business and going concern

Description of business

Tanager Energy Inc. ("Tanager") was incorporated in 1945 and in fiscal 2013, the name of the Company was changed to "Tanager Energy Inc." In addition, on June 20, 2016 Tanager incorporated Tanager Energy (USA) Inc., a wholly owned subsidiary. On August 6, 2018, Tanager incorporated Tanager Chalk, Inc., as wholly owned subsidiary of Tanager Energy (USA) Inc.

On March 6, 2019, Tanager continued from the Province of Alberta to the Province of British Columbia pursuant to a resolution passed by shareholders of Tanager at the annual general and special meeting held on December 19, 2018. On April 11, 2019, the Company amended its articles of incorporation to change its name from Tanager Energy Inc. to Paleo Resources, Inc. ("Paleo" or the "Company"). In addition, the Company's subsidiary, Tanager Energy (USA) Inc. changed its name to Paleo Resources (USA), Inc.

Paleo is an exploration company, engaged in the acquisition, exploration and development of oil and gas properties in Alberta, Canada and Texas, USA. In 2020, Paleo discontinued the precious and base metal operation in Ontario, Canada. As the discontinuation of the mining operation did not represent a strategic shift and did not have a major effect on the Company's operations and financial results, the Company determined that discontinued operations reporting was not applicable.

On June 16, 2020, the Company completed the merger transaction contemplated by the Agreement and Plan of Merger ("Merger Agreement") dated December 20, 2019, by and among Paleo Resources, Paleo EFR Acquisition, a wholly-owned subsidiary of Paleo, ("Merger Sub"), and EF Resources, Inc. ("EFR"). Pursuant to the terms of the Merger Agreement, at the effective time, the Merger Sub merged with and into EFR, with EFR continuing as the surviving corporation and becoming a wholly-owned subsidiary of Paleo. EFR is the owner of the EnergyFunders financial technology platform. EFR and related subsidiaries is an energy-focused crowdfunding company operating in the oil and gas industry. The results of operations of EFR are included with those of Paleo from June 16, 2020 to December 31, 2020 (Note 3).

On May 7, 2021, a cease trade order (the "CTO") was issued by the Corporation's principal regulator, the Alberta Securities Commission, for failure to file its audited annual financial statements, management's discussion and analysis and related certifications for the fiscal year ended December 31, 2020 on or before April 29, 2021, as required under applicable securities laws. The delay in the completion of the required filings was due, in part, to business and administrative disruption experienced by the Corporation in respect of both a consultant engaged to complete a valuation of an acquisition required for the audit and the Company's auditors, which experienced a delay caused by the COVID-19 pandemic. The Corporation has filed its audited annual financial statements, management's discussion and analysis and related certifications for the fiscal year ended December 31, 2020, and the CTO has been lifted. On October 4, 2021, trading of the Corporation shares resumed on the Toronto Venture Exchange (TSXV).

The Company's common shares are listed on the TSX Venture Exchange under the symbol PRE and on the Pink Open Market in the U.S. as PRIEF. The primary office is located at 716 S Frio St, Suite 201, San Antonio, TX 78207.

Going concern

The Company's unaudited condensed interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles of the United States of America ("US GAAP") applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future, which is at least, but not limited to, one year after the date that the September 30, 2021 financial statements are available to be issued. The Company is subject to risks and challenges similar to companies in a comparable stage of exploration and development. As of September 30, 2021, the Company had a working capital deficiency of $6,873,272 (December 31, 2020 - $7,804,363) and an accumulated deficit of $42,343,020 (December 31, 2020 - $41,705,187). These conditions raise substantial doubt on the Company's ability to continue as a going concern.

1. Description of business and going concern *(continued)*

The Company will need additional funding in order to continue operations. The Company is dependent upon its ability to finance its operations and oil and gas drilling programs through financing activities that may include issuances of additional debt or equity securities. The recoverability of the carrying value of exploration and evaluation assets and plant property and equipment, and, ultimately, the Company's ability to continue as a going concern, is dependent upon the existence and economic recovery of reserves, the ability to raise financing to complete the exploration and development of the properties, and upon future profitable production or, alternatively, upon the Company's ability to dispose of its interests in one or more assets on an advantageous basis, all of which are uncertain. While the Company has been successful in obtaining funding in the past, through the issuance of equity and debentures and non-arm's length loans, there is no assurance that such funding will be available in the future. An inability to raise additional funds would adversely impact the future assessment of the Company as a going concern. These unaudited condensed interim consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

2. Significant accounting policies

Interim financial statements

The accompanying unaudited condensed interim consolidated financial statements have been prepared in accordance with US GAAP for interim financial information and with the appropriate rules and regulations of the SEC. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with US GAAP have been condensed or omitted pursuant to such rules and regulations. All adjustments which are, in the opinion of management, necessary for a fair presentation of the financial position and results of operations for the interim periods presented have been included. The unaudited interim financial information and notes hereto should be read in conjunction with the Company's consolidated financial statements as of and for the years ended December 31, 2020 and 2019. The results of operations for interim periods are not necessarily indicative of results to be expected for a full fiscal year. These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments and share-based payment transactions that have been measured at fair value. They were prepared on a going concern basis and are presented in a reporting currency of US dollars ("USD"). The functional currency of the parent entity is Canadian Dollars ("CDN") and the functional currency of the US subsidiary is USD.

Principles of consolidation

These unaudited condensed interim consolidated financial statements consolidate the accounts of the Company and its wholly owned subsidiary, Paleo Resources (USA), Inc. The Company incorporated two wholly owned entities, Tanager Energy GP, LLC and Tanager Energy, LP on December 31, 2017 and Tanager Chalk, Inc. on August 6, 2018 and these entities are inactive to date.

As of June 16, 2020, the Company's wholly owned subsidiaries include EFR and all affiliated entities in which EFR has a controlling financial interest. To determine if EFR holds a controlling financial interest in an entity, EFR first evaluates if it is required to apply the variable interest entity (VIE) model to the entity; otherwise, the entity is evaluated under the voting interest model.

If EFR holds current or potential rights that give it the power to direct the activities of a VIE that most significantly impact the VIEs economic performance, combined with a variable interest that gives EFR the right to receive potentially significant benefits or the obligation to absorb potentially significant losses, EFR has a controlling financial interest in that VIE. Rights held by others to remove the party with power over the VIE are not considered unless one party can exercise those rights unilaterally. When changes occur to the design of an entity, EFR reconsiders whether it is subject to the VIE model. EFR continuously evaluates whether it has a controlling financial interest in a VIE.

EFR holds a controlling financial interest in other entities where EFR currently holds, directly or indirectly, more than 50% of the voting rights or where the Company exercises control through substantive participating rights or as a general partner. If EFR is a general partner, it considers substantive removal rights held by other partners in determining if EFR holds a controlling

2. Significant accounting policies *(continued)*

financial interest. EFR revaluates whether it has a controlling financial interest in these entities when its voting or substantive participating rights change.

Unconsolidated VIEs and other entities in which EFR has significant influence, but not a controlling financial interest, are accounted for as equity method investments. EFR typically holds a voting interest of 20% to 50% for significant influence. Entities that EFR does not have significant influence, typically less than 20% voting interest, are recorded at cost less impairment.

As of June 16, 2020, Company's consolidated subsidiaries includes EFR; EnergyFunders, LLC; EF Advisor, LLC; EF Funding Portal, LLC; EF GP, LLC; EF MGMT HLD, LLC; EF VC2, LLC and EF VC6, LLC. In March 2021, EFR formed two wholly owned entities, EF Manager, LLC and EF Equity Holdings LLC.

Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in consolidation.

Use of estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant estimates pertain to the use of the going concern assumption, valuation of goodwill, valuation of customer relationship intangible assets, investments, proved natural gas reserves and related cash flow estimates used in impairment tests of oil and natural gas properties, asset retirement obligations, and accrued natural gas revenues and operating expenses. Actual results could differ from those estimates.

Recently issued accounting standards

The Company, an emerging growth company ("EGC"), has elected to take advantage of the benefits of the extended transition period provided for in Section 7(a)(2)(B) of the Securities Act, for complying with new or revised accounting standards which allows the Corporation to defer adoption of certain accounting standards until those standards would otherwise apply to private companies.

In March 2020, the FASB issued ASU No. 2020-04 - Reference Rate Reform (Topic 848), codified as ASC 848 ("ASC 848"). This was followed by ASU No. 2021-01, Reference Rate Reform (Topic 848): Scope ("ASU 2021-01"), issued in January 2021. The purpose of ASC 848 is to provide optional guidance to ease the potential effects on financial reporting of the market-wide migration away from Interbank Offered Rates ("IBORs") to alternative reference rates. ASC 848 applies only to contracts, hedging relationships, and other transactions that reference a reference rate expected to be discontinued because of reference rate reform. The guidance may be applied upon issuance of ASC 848 through December 31, 2022. We do not expect a material impact from the adoption of this ASU.

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740). The ASU simplifies the accounting for income taxes by removing certain exceptions to the general principles in Topic 740 and modifies other areas of the topic to clarify the application of GAAP. Certain amendments within the standard are required to be applied on a retrospective basis and others on a prospective basis. The guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. Early adoption is permitted. The Company is currently assessing the impact of adopting this new guidance.

In February 2016, the FASB issued ASU 2016 02, "Leases (Topic 842)" (ASU 2016-02), which significantly changes accounting for leases by requiring that lessees recognize a right of use asset and a related lease liability representing the obligation to make lease payments, for all lease transactions with terms greater than one year. Additional disclosures about an entity's lease transactions will also be required. ASU 2016-02 defines a lease as "a contract, or part of a contract, that conveys the right to control the use of identified property, plant, or equipment (an identified asset) for a

(Unaudited, expressed in US Dollars unless otherwise stated)

2. Significant accounting policies *(continued)*

period of time in exchange for consideration." ASU 2016-02 is effective for fiscal years beginning after December 15, 2018 and interim periods therein for public entities and public not for profit entities and is effective for fiscal years beginning after December 15, 2019 and interim periods within fascial years beginning after December 15, 2020 for all other entities. ASU 2020-05 further amended the effective date to fiscal years beginning after December 15, 2019 and interim periods therein and beginning for public not for profit entities and effective date to fiscal years beginning after December 15, 2021, and interim periods with fiscal years beginning after December 15, 2022 for all other entities. The Company does not anticipate this to impact our consolidated financial statements at this time and adoption is expected in fiscal year beginning after December 15, 2021.

3. Acquisition of EF Resources, Inc.

On June 16, 2020, the Company completed its acquisition of EFR with the issuance of 86,547,774 shares of common stock in exchange for all outstanding shares of EFR of which 77,892,997 shares have been issued with an additional 8,654,777 holdback shares presently due and pending issuance. The results of EFR's operations since the closing date of the acquisition are included in the consolidated statement of operations through September 30, 2021. The Company's common stock closing price on June 16, 2020 was $0.01 CDN. The fair value of the Company's common stock was $638,352 USD (at assumed exchange rate of CDN $0.7376 to US$1.00).

The acquisition has been accounted for as a business combination, therefore, the purchase price was allocated to the assets acquired and the liabilities assumed based on their estimated acquisition date fair values based on then currently available information.

The following table sets forth the Company's allocation of the purchase price to the assets acquired and liabilities assumed as of the acquisition date.

	Purchase Price Allocation
Consideration:	
Fair value of the Company's common stock	**$638,352**
Assets acquired	
Cash	$ 27,365
Accounts receivable	3,563
Goodwill	439,458
Intangible asset	730,000
Proved properties	20,245
Less liabilities assumed and non-controlling interest	
Accounts payable and accrued liabilities	304,803
Deferred management revenue	104,467
Deferred rent liability	5,562
Asset retirement obligations	16,635
Notes payable, related parties	62,500
Note payable, third party	74,103
Non-controlling interest	14,209
Total purchase price	**$638,352**

(Unaudited, expressed in US Dollars unless otherwise stated)

3. Acquisition of EF Resources, Inc. *(continued)*

The results of operations attributable to EFR are included in the Company's consolidated statement of operations and comprehensive income (loss) beginning on June 16, 2020. Revenues of $199,150 and net loss of $296,097 attributable to the Company's shareholders from EFR were generated for the nine months ended September 30, 2021.

The following unaudited pro forma condensed combined financial information was derived from historical financial statements of Paleo and EFR and gives the effect to the acquisition as if it had occurred on January 1, 2020. The below information reflects pro forma adjustment for the issuance of the Company's common stock in exchange for EFR's outstanding share of common stock, as well as pro forma adjustments based on available information and certain assumptions that the Company believes are reasonable as of the closing date of the acquisition.

The pro forma results of operations do not include any cost savings or other synergies that may result from the acquisition or any estimated costs that have been or will be incurred by the Company to integrate the EFR assets.

The unaudited pro forma condensed combined financial information has been included for comparative purposes and is not necessarily indicative of the results that might have actually occurred had the acquisition taken place on January 1, 2020; furthermore, the financial information is not intended to be a projection of future results.

	Three Months Ended September 30 2020 $	**Nine Months Ended September 30 2020 $**
Revenue	80,035	201,929
Net (loss) attributable to Paleo's shareholders	(238,081)	(641,899)
Net income (loss) per common share basis and diluted	($0.00)	($0.00)
Weighted average share outstanding:		
Basic and diluted	321,834,590	321,834,590

4. Deposit

The deposit relates to payments to the Alberta Energy Regulator ("AER") held in trust as security deposits in connection with AER estimated net future abandonment liabilities for operated Alberta well licenses. The deposit bears interest at bank prime minus 1.95%.

(Unaudited, expressed in US Dollars unless otherwise stated)

5. Oil and gas properties, successful efforts method

Oil and gas properties	**September 30, 2021** **$**	December 31,2020 $
Proved properties	**6,932,540**	6,594,169
Accumulated depletion, depreciation, and impairment	**(5,774,335)**	(5,624,601)
Proved properties, net	**1,158,205**	969,568
Unproved properties	**38,879**	-
Total oil and gas properties, net	**1,197,084**	969,568

The movement in the Company's proved oil and gas properties is as follows:

Proved properties	**September 30, 2021** **$**	December 31,2020 $
Cost		
Balance, beginning of period	**6,594,169**	6,318,074
Additions	**200,550**	222,605
Asset retirement obligation adjustments	**185,955**	32,297
Gain (loss) on foreign exchange translation	**(48,134)**	21,193
Balance, end of period	**6,932,540**	6,594,169
Accumulated depletion, depreciation, and impairment		
Balance, beginning of period	**5,624,601**	4,992,214
Depletion and depreciation	**150,998**	242,207
Disposition	**(943)**	390,180
Gain (loss) on foreign exchange translation	**(321)**	-
Balance, end of period	**5,774,335**	5,624,601
Net book value	**1,158,205**	969,568

The movement in the Company's unproved oil and gas properties is as follows:

Unproved properties	**September 30, 2021** **$**	December 31,2019 $
Balance, beginning of period	**-**	8,780,218
Additions	**38,879**	116,191
Properties adjustment	**-**	(151,069)
Disposition	**-**	(12,278)
Impairment	**-**	(112,917)
Asset retirement obligation adjustment (Note 8)	**-**	470
Balance, end of period	**38,879**	8,620,615

(Unaudited, expressed in US Dollars unless otherwise stated)

6. Equity Investment

On March 9, 2021, the Company entered into a Common Stock Purchase and License Agreement with Field Genie, Inc. Field Genie, Inc.("FGI") is a technology service provider that uses advanced artificial intelligence techniques to deliver solutions using spatial/geo intelligence and computer vision, including real-time detection and recognition of objects and patterns. In connection with the above agreement, the Company agreed to purchase a maximum of 50,000 shares of common stock of FGI at $10 per share or an aggregate purchase price of $500,000 in exchange for a license to certain intellectual property of FGI. The purchase price is payable over a period of 12 months. The Company accounted for the investment under the cost method.

7. Loans payable

	September 30, 2021	December 31, 2020
	$	$
Promissory note from US JV Partner	**1,462,591**	1,462,591
Loan from US JV Partner	**599,833**	62,500
Loan from subsidiary of US JV Partner	**-**	2,096,619
Total loans payable from related parties	**2,062,424**	3,621,710
Loan from third-party lender	**300,000**	300,000
Paycheck protection program loan	**148,203**	74,103
Economic Injury Disaster Loan	**250,600**	100,600
	2,761,227	4,096,413

In September 2018, the Company converted outstanding accounts payable owing to the US JV into a promissory note. On May 29, 2020, the Company entered into a Modification of Note and Liens agreement with the lender which extended the maturity date of the outstanding balance of the loan of $1,462,591 to September 30, 2021, and all monthly payments of principal and interest are deferred until the maturity date.

In September 2018, the Company also entered into a loan agreement with a wholly owned subsidiary of the US JV Partner for a total available amount of $1,250,000. Effective September 30, 2019, the total available amount of the loan was amended to $2,100,000. On May 29, 2020, the Company entered into a Modification of Note and Liens agreement with the lender which extended the maturity date of the outstanding balance of the loan of $1,531,000 to September 30, 2021, and all monthly payments of principal and interest are deferred until the maturity date. On March 1, 2021, the entire amount of the existing loan from the subsidiary of US JV Partner has been assigned to Roger S. Braugh, Jr., a director and officer of Paleo, and Chris Pettit & Associates PC, a company controlled by Christopher J. Pettit, a director of Paleo, as trustee of a Trust, in the aggregate amount, including principal and interest, of $2,283,662. On March 10, 2021, the Company settled outstanding indebtedness, excluding interest, the aggregate amount of $2,096,619 now owing to director and trustee following the noted assignment, through the issuance of an aggregate of 132,474,848 common shares of the Company at an agreed upon price of CDN$0.02 per share. The Company's common stock average price on March 10, 2021 was CDN$0.018 per share. The fair value of the Company's common stock was $1,866,500USD (at assumed exchange rate of CDN $0.7913 to USD $1.00). The common shares issued in connection with the Debt Settlement are subject to a hold period that expired on July 31, 2021.

The loan from a third-party lender is unsecured and bears interest at 6% per annum. On November 15, 2019, the Company entered into a loan amendment with the third-party lender which extends the maturity date to December 16, 2019 and requires the payment of principal and accrued interest of $339,746 on that date. On July 17, 2020, Jim Durham (the "Plaintiff"), the third party lender, filed a claim against the Company and a related party who is the loan guarantor for Breach of Contract/Guaranty. The Plaintiff demands the repayment of loan plus interest and attorney's fees.

(Unaudited, expressed in US Dollars unless otherwise stated)

7. Loans payable *(continued)*

On April 21, 2020, the Company's subsidiary, EnergyFunders, LLC, entered into an unsecured loan with the U.S. Small Business Administration ("SBA") in the amount of $74,103 under the Paycheck Protection Program (the "PPP Loan") with an interest rate of 1.0% and maturity date two years from the effective date of the PPP Loan. The Paycheck Protection Program was established under the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act") and is administered by the SBA. Payments are required to be made in eighteen monthly installments of principal and interest, with the first payment being due on the date that is seven months after the date of the PPP loan. Under the CARES Act, the PPP Loan is eligible for forgiveness for the portion of the PPP Loan proceeds used for payroll costs and other designated operating expenses for up to eight weeks, provided at least 75% of PPP Loan proceeds are used for payroll costs and the Company meets all necessary criteria for forgiveness. Receipt of these funds requires the Company to, in good faith, certify that the PPP Loan was necessary to support ongoing operations of the Company during the economic uncertainty created by the COVID-19 pandemic. This certification further requires the Company to take into account current business activity and the ability to access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to the business. Additionally, the SBA provides no assurance that the Company will obtain forgiveness of the PPP Loan in whole or in part. In April 2021, the Company's subsidiary entered into a second unsecured PPP loan in the amount of $74,100 with an interest rate of 1% and a term of five years.

On December 8, 2020, a Company's subsidiary entered into a secured loan with the U.S. Small Business Administration ("SBA") in the amount of $100,600 under the Economic Injury Disaster Loan (the "EIDL Loan") with an interest rate of 3.75% and maturity date thirty years from the effective date of the EIDL Loan. The Economic Injury Disaster Loan was established under the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act") and is administered by the SBA. Principal and interest payments of $491 is due every month beginning twelve months from the date of the EIDL loan.

On February 11, 2021, a Company's subsidiary entered into a secured loan with the U.S. Small Business Administration ("SBA") in the amount of $150,000 under the Economic Injury Disaster Loan (the "EIDL Loan") with an interest rate of 3.75% and maturity date thirty years from the effective date of the EIDL Loan. The Economic Injury Disaster Loan was established under the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act") and is administered by the SBA. Principal and interest payments of $731 is due every month beginning twelve months from the date of the EIDL loan.

8. Convertible debentures

	September 30, 2021	December 31, 2020
	$	$
Convertible debentures issued to related parties	**507,459**	492,156
Convertible debentures issued to third parties	**1,598,183**	1,540,444
	2,105,642	2,032,600

2019 CD: On June 5, 2019, the Company issued subordinated secured convertible debentures (the "June 2019 debentures") in the aggregate amount of CDN$2,036,245

In July 2019, the Company closed a second tranche of the debenture offering (the "2019 debentures"). The Company settled a portion of the debt owed to the subsidiary of the US JV partner. Pursuant to the debt settlement, the Company issued debentures in the aggregate principal amount of CDN$646,554 ($482,000 at an assumed exchange rate of CDN$0.7455 to US$1.00) to shareholders of the US JV partner, namely Roger S. Braugh, Jr., a director of the Company and Chris Pettit & Associates PC, controlled by Christopher J. Pettit, a director of the Company, as trustee of a Trust.

In April 2021, holders of the Company's outstanding 2019 convertible debentures in the aggregate principal amount of CDN$2,682,799 (the "Debentures") have provided notice to require the Corporation to repurchase all amounts outstanding under the Debentures, in accordance with the terms of such Debentures. The Debentures provide the holders the right, upon at least 30 days written notice prior to the date that is two years following the original issuance date of such Debentures (the "Repurchase Date"), to require the Company to repurchase all amounts outstanding under the Debentures on such Repurchase Date, at a repurchase equal to 115% of the outstanding principal amount of the Debentures, together with payment of the interest on the principal amount accrued and unpaid to the Repurchase Date.

(Unaudited, expressed in US Dollars unless otherwise stated)

8. Convertible debentures *(continued)*

The total principal amount of the indebtedness due as a result of the repurchase notifications is CDN$3,085,219 (the "Repurchase Indebtedness") of which CDN$2,341,682 is due on June 5, 2021 and CDN$743,537 is due on July 25, 2021. The Company intends to settle a total of CDN$2,675,169.10 of the Repurchase Indebtedness through the issuance of an aggregate 89,172,3030 common shares of the Corporation at a deemed price of CDN$0.03 per share. The shares-for-debt transaction was completed on November 4, 2021.

The following table summarizes the movement of Company's convertible debentures:

	September 30, 2021 **$**	December 31, 2020 $
Balance, beginning of period	**2,096,746**	2,032,600
Amortization of issuance cost	**-**	22,106
Foreign exchange	**8,896**	42,040
Balance, end of period	**2,105,642**	2,096,746

9. Asset retirement obligations

The Company's asset retirement obligations ("ARO") represent the present value of the estimated cash flows expected to be incurred to plug, abandon and remediate producing properties, excluding salvage value, at the end of their productive lives in accordance with applicable laws. Change in estimated liabilities during the period relate primarily to changes in estimates of asset retirement costs. Change in estimated liabilities can also include, but are not limited to, change of estimated inflation rates, change in property lives and expected timing of settlement.

The following table presents the reconciliation of the carrying amount of the obligation associated with the reclamation and abandonment of the Company's oil and gas properties:

	September 30, 2021 **$**	December 31, 2020 $
Balance, beginning of period	391,748	316,595
Accretion	19,165	21,654
Additions	188,115	16,635
Dispositions	(17,685)	
Change in estimate	-	32,297
Foreign exchange	(364)	4,567
Balance, end of period	580,979	391,748

(Unaudited, expressed in US Dollars unless otherwise stated)

10. Common stock

(a) Authorized common stock

The authorized common stock consists of an unlimited number of Class A common shares. The common shares do not have a par value. All issued shares are fully paid.

(b) Common shares issued and outstanding

The change in issued share capital is as follows:

	Number of common shares	Amount $
Balance, December 31, 2020	**313,179,813**	**32,368,127**
Related parties debt for share conversion	132,474,848	1,866,500
Balance, September 30, 2021	**445,654,661**	**34,234,627**

11. Stock options

On April 6, 2017, the Company granted 2,000,000 stock options to directors and officers of the Company with an exercise price of CDN$0.15 and an expiry date of April 6, 2022. These stock options vest, as to 50%, on the grant date, as to 25%, on each of the first and second anniversaries of the grant date. As of September 30, 2020, all of these stock options have vested and remain outstanding. As of September 30, 2021, the 2,000,000 outstanding options have a weighted average term of 6 months and an intrinsic value of $nil.

12. Net income (loss) per common share

Basic net income (loss) per common share is computed by dividing net loss available to common stockholders by the weighted average number of common shares outstanding. Diluted net loss per common share is computed similar to basic net loss per common share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. The treasury stock method and as if converted methods are used to determine the dilutive shares for the Company's options and warrants and convertible notes, respectively. In periods when losses are reported, the weighted-average number of common shares outstanding excludes common stock equivalents, because their inclusion would be anti-dilutive.

The following table sets forth the computation of basic and diluted income per common share for the three months ended September 30, 2021 and 2020:

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	2021	2020
Numerator:				
Net (loss) attributable to Paleo's shareholders	($144,422)	($265,479)	($637,833)	($890,792)
Numerator for basic and diluted income	($144,422)	($265,479)	($637,833)	($890,792)
Denominator:				
Weighted average number of common shares outstanding – basic and diluted	445,654,661	313,179,813	412,657,263	264,846,173
Net income (loss) per common shares - diluted	($0.00)	($0.00)	($0.00)	($0.00)

(Unaudited, expressed in US Dollars unless otherwise stated)

12. Net income (loss) per common share *(continued)*

The Company excluded the following shares from diluted income (loss) per share calculations for the three and nine months ended September 30, 2021 and 2020 because they are anti-dilutive:

EFR holdback shares	8,654,777
Share options	2,000,000
Convertible debentures shares	22,356,658
Total shares	33,011,435

13. Related party transactions

Related parties include the Board of Directors, senior management and enterprises that are controlled by these individuals. Related party transactions are conducted in the normal course of operations under normal market conditions and terms. The following transactions were entered into with related parties during the nine months ended September 30, 2021 and 2020:

Related Party	Transactions	**2021** $	2020 $
Director and Trust[1]	Convertible debentures - interest expense incurred	**22,609**	26,892
US JV Partner and sub[2]	Promissory note and loan interest expense incurred	**55,886**	97,034
US JV Partner	US operation expense and revenue, net	**60,460**	44
US JV Partner	Unsecured loan	**537,333**	-
Senior management[3]	Equity investment	**500,000**	-

(1) Total accrued interest payable to the director and the Trust as of September 30, 2021 was $232,243 (December 31, 2020 – $229,760) and is included in accounts payable and other liabilities.

(2) The US JV Partner is owned by a director of the Company and a Trust controlled by another director in his capacity as trustee of the Trust. Included in accounts payable as of September 30, 2021 is $1,435,145 (December 31, 2020 - $972,839) owing to the US JV Partner and its subsidiary.

(3) As of September 30, 2021, the Company paid $291,667 to Field Genie which is co-owned by a member of senior management and the balance outstanding under the terms of the Purchase and License Agreement of $208,333 is included in accounts payable and other liabilities.

The Company receives management fees from the investment companies managed by a Company's subsidiary, which at times are paid in advance and are recorded on the balance sheet as deferred management fees, related parties. As of September 30, 2021 deferred management fees totaled $19,167 (December 31, 2020 -$65,466). For the three and nine months ended September 30, 2021, management fee revenue were $13,100 and $46,300, respectively and $23,200 and $25,700, respectively for 2020. The Company charges an origination fee and receives carried interest in investee companies as part of management fee. Management revenues from the origination fee and carried interest for the three and nine months ended September 30, 2021 were $81,193 and $43,858, respectively and $nil and $nil, respectively, for 2020.The Company received reimbursement revenue for soft costs incurred from related parties totaling $nil and $17,667 for the three months and nine months ended September 30, 2021 and $nil and $1,500, respectively for 2020.

Certain officers are shared with a related party and the officers' compensations are paid by the related party and not charged to the Company. The Company's president is providing services to the Company, from January 31, 2020, for no compensation.

(Unaudited, expressed in US Dollars unless otherwise stated)

14. Revenue

The Company sells its production pursuant to variable price contracts entered into by the Company's operator or contract operator of its joint operations. The transaction price for variable priced contracts is based on the commodity price, adjusted for quality, location or other factors, whereby each component of the pricing formula can be either fixed or variable, depending on the contract terms. Under the contracts, the Company is required to deliver a fixed or variable volume of crude oil, natural gas, and NGLs to the contract counterparty. Revenue is recognized when a unit of production is delivered to the contract counterparty. The amount of revenue recognized is based on the agreed transaction price.

Currently, all of the Company's crude oil, natural gas and NGLs is sold on the Company's behalf at spot prices received by the operator or contract operator of the Company's joint operations. Gathering fees charged to third parties are earned under multi-year contracts at fixed fees by volume.

Revenue from petroleum and natural gas sales is presented net of associated royalties.

The following table provides a summary of the Company's oil and gas revenue source for the three and nine ended September 30, 2021 and 2020:

	Three months ended September 30,		**Nine months ended September 30,**	
	2021	2020	**2021**	2020
	$	$	**$**	$
Crude oil	**14,792**	-	**24,659**	-
Natural gas liquids		-	**-**	-
Natural gas	**105,977**	45,195	**278,039**	136,335
Total Petroleum and natural gas sales	**120,769**	45,195	**302,698**	136,335

The Company recognizes management fee revenue as services are provided to investee companies only when a firm agreement or contract is in place, services have been rendered and collectability is reasonably assured. Management fees received related to future management activities are recorded as deferred revenue and recognized based on the agreed monthly fixed fee. The Company also receives an origination fee and a carried interest in investee companies as part of management fee.

The following table provides a summary of the Company's management fee revenue source for the three and nine ended September 30, 2021 and 2020:

	Three months ended September 30,		**Nine months ended September 30,**	
	2021	2020	**2021**	2020
	$	$	**$**	$
Monthly fixed fee	**13,100**	23,200	**46,300**	25,700
Carried interest and origination fee	**80,506**	10,349	**122,182**	10,349
Total management fee revenue	**93,606**	33,549	**468,481**	36,049

The Company recognizes reimbursement revenue relating to soft costs incurred on behalf of investee companies at the time the costs have been incurred and the reimbursement is reasonably assured. The Company received reimbursement revenue for soft costs incurred from related parties for the three and nine months September 30, 2021 were $nil and $17,667, respectively and $nil and $1,500, respectively for 2020.

(Unaudited, expressed in US Dollars unless otherwise stated)

15. Segmented financial information

The Company's reportable segments are determined based on its geographic locations and types. The Canada segment includes the exploration for, and development and production of, crude oil and natural gas in Alberta, Canada and the acquisition, exploration and development of precious and base metal properties in Ontario, Canada. U.S. includes the exploration for, and the development and production of, crude oil and natural gas in USA. As of June 2020, the Company added Fintech platform to its reportable segments. The Fintech platform includes the operations of the energy-focused investment listing and investment portfolio management activities. Corporate includes corporate activities and items not allocated between operating segments.

For the period ended September 30, 2021	Canada	U.S.	Fintech platform	Corporate	Consolidated
	$	$	$	$	$
Revenue, net	14,105	275,591	199,150	-	**488,846**
Operating costs and expenses					
Lease operating expenses	16,296	60,384	7,778	-	**84,458**
Production taxes	-	24,529	650	-	**25,179**
General and administrative	-	-	447,096	284,125	**731,221**
Depletion, depreciation, amortization, and accretion	12,449	155,902	1,812	-	**170,163**
Impairment and dry hole expenses	-	30	-	-	**30**
Total operating costs and expenses	28,746	240,845	457,337	284,125	**1,011,051**
Loss from operations	(14,641)	34,747	(258,186)	(284,125)	**(522,205)**
Other income and (expense)					
Interest expense	-	-	(4,369)	(157,298)	**(161,667)**
Foreign exchange gain	-	-	-	2,559	**2,559**
Gain on disposition of proved properties	-	-	76,468	-	**76,468**
Other income	-	-	-	35,355	**35,355**
Other income and (expense), net	-	-	72,099	(119,384)	**(47,285)**
Net loss	(14,641)	34,747	(186,087)	(403,509)	**(569,490)**
Net loss attributable to non-controlling interest			68,343		**68,343**
Net loss attributable to Paleo Resources, Inc. shareholders	(14,641)	34,747	(254,430)	(403,509)	**(637,833)**
Unproved oil and gas properties expenditures	-	38,879	-	-	**38,879**
Proved oil and gas properties expenditures	49,220	151,331	-	-	**200,551**
As at June 30, 2021					
Canadian assets	1,376,132	-	-	-	**1,376,132**
U.S. oil and gas operation assets	-	603,374	-	-	**603,374**
U.S. Fintech platform operation assets	-	-	615,804	-	**615,804**
	1,376,132	603,374	615,804	-	**2,595,310**

(Unaudited, expressed in US Dollars unless otherwise stated)

15. Segmented financial information *(continued)*

For the nine months ended September 30, 2020

	Canada	U.S.	Fintech platform	Corporate	**Consolidated**
	$	$	$	$	**$**
Revenue, net of royalties	-	136,335	38,839	-	**175,174**
Operating costs and expenses					
Lease operating expenses	22,988	58,616	-	-	**81,604**
Production taxes	-	17,601	-	-	**17,601**
General and administrative					
Share-based payments	-	-	-	-	**-**
Other general and administrative expenses	-	-	182,588	247,857	**430,445**
Transaction expense	-	-	-	84,406	**84,406**
Depletion, depreciation and accretion	10,147	169,264	6,752	-	**186,162**
Impairment	-	32,297	-	-	**32,297**
Mining royalty and staking	30,250	-	-	-	**30,250**
Total operating costs and expenses	63,385	277,778	189,340	332,263	**862,765**
Loss from operations	(63,385)	(141,443)	(150,501)	(332,263)	**(687,592)**
Other income and (expense)					
Interest expense	-	-	(220)	(238,552)	**(238,772)**
Foreign exchange gain	-	-	-	12,188	**12,188**
Gain on forgiveness of debt	-	-	-	-	**-**
Gain on disposition of unproved properties	-	-	-	-	**-**
Other income	-	-	-	20,989	**20,989**
Other income and (expense), net	-	-	(220)	(205,375)	**(205,595)**
Net loss	(63,385)	(141,443)	(150,721)	(537,638)	**(893,187)**
Net loss attributable to VIEs			(2,395)		**(2,395)**
Net loss attributable to shareholders	(63,385)	(141,443)	(148,326)	(537,638)	**(890,792)**
Proved oil and gas properties expenditures					
Additions	(890)	63,694	154,638	-	**217,442**
Asset retirment adjustments	-	-	-	-	**-**
Foreign currency translation	(26,436)	-	-	-	**(26,436)**
	(27,327)	63,694	154,638	-	**191,006**
As at September 30, 2020					
Canadian assets	912,263	-	-	-	**912,263**
U.S. oil and gas operation assets	-	9,307,503	-	-	**9,307,503**
U.S. Fintech platform operation assets	-	-	1,315,032	-	**1,315,032**
	912,263	9,307,503	1,315,032	-	**11,534,798**

(Unaudited, expressed in US Dollars unless otherwise stated)

16. Commitments

(a) The Company has the following debt obligation principal repayments over the next five years (Note 7 and 8):

Year	$
2021	3,868,234
2022	74,103
2023	-
2024	-
Thereafter	324,700

(b) As described in Note 3, the Company completed the Acquisition with EFR. EFR leases its office under a long-term operating lease agreement that was effective from June 1, 2018 to October 31, 2023. The lease contains an early termination option which allows EFR to terminate the lease at the end of the 41st full month provided nine months advance notice is given and an early termination fee equal to the sum of two months base rent plus one-month base rent prorated for each year remaining on the lease.

The lease contains the following provisions, nine months free rent, and annual rent increases. The total amount of rental payments due over the lease term is being charged on a straight-line basis over the term of the lease. The difference between rent expense recorded and the amount paid is credited or charged to deferred rent liability. The Company incurred rent expense of $22,788 for the nine months ended September 30, 2021 and $11,529 for 2020.

Future minimum rental commitments under the operating lease are as follows as of September 30, 2021:

Year	USD $
2021	11,776
2022	47,545
2023	40,560

17. Subsequent events

On November 4, 2021, the Company settled outstanding indebtedness in the aggregate amount of CDN$3,085,218.75 owing to the former holders of the outstanding 2019 debentures, through the issuance of an aggregate of 89,172,302 common shares of the Corporation at a deemed price of CDN$0.03 per share (the “Debt Settlement ”). The common shares issued in connection with the Debt Settlement are subject to a hold period that expires on March 5, 2022.