

9 Capital Corp.

FILING STATEMENT

**IN RESPECT OF THE QUALIFYING TRANSACTION INVOLVING THE ACQUISITION BY 9 CAPITAL CORP.
OF ALL OF THE ISSUED AND OUTSTANDING COMMON SHARES OF
CHURCHILL DIAMOND CORPORATION**

Dated as of June 7, 2021

Neither the TSX Venture Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the Qualifying Transaction described in this Filing Statement

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GLOSSARY

“9 Capital” means 9 Capital Corp., a corporation incorporated pursuant to the OBCA;

“9 Capital Circular” means the management information circular prepared in connection with the 9 Capital Meeting;

“9 Capital Meeting” means the annual and special meeting of shareholders of 9 Capital held on April 8, 2021 to approve, among other matters, the Consolidation, the Name Change and a new slate of three directors to replace the current directors of 9 Capital effective immediately following the completion of the Proposed Qualifying Transaction;

“9 Capital Options” means stock options to acquire Existing 9 Capital Shares pursuant to the Stock Option Plan;

“9 Capital Seed Private Placement” means the private placement offering of an aggregate of 8,200,000 Existing 9 Capital Shares at a price of \$0.05 per Existing 9 Capital Share for aggregate gross proceeds of \$410,000, completed on February 15 and March 19, 2018;

“9 Capital Shareholders” means the holders from time to time of Existing 9 Capital Shares;

“9 Capital Shares” means common shares in the capital of 9 Capital, after giving effect to the Consolidation;

“Affiliate” means a Company that is affiliated with another Company as described below. A Company is an “Affiliate” of another Company if:

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same Person. A Company is “controlled” by a Person if:
 - (i) voting securities of the Company are held, other than by way of security only, by or for the benefit of that Person, and
 - (ii) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Company. A Person beneficially owns securities that are beneficially owned by:
 - (1) a Company controlled by that Person, or
 - (2) an Affiliate of that Person or an Affiliate of any Company controlled by that Person;

“Altius” means Altius Resources Inc.;

“Amalgamation” means the three-cornered amalgamation among Churchill, 9 Capital and Subco pursuant to which Churchill will amalgamate with Subco under Section 174 of the OBCA and Churchill Shareholders will receive 9 Capital Shares on the basis of one 9 Capital Share for each one Churchill Share held, all as contemplated by the Business Combination Agreement.

“Arm’s Length Transaction” means a transaction which is not a Non-Arm’s Length Transaction;

“Associate” when used to indicate a relationship with a person or company, means

- (a) an issuer of which the person or Company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer,

- (b) any partner of the person or Company,
- (c) any trust or estate in which the person or Company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity,
- (d) in the case of a person, a relative of that person, including
 - (i) that person's spouse or child, or
 - (ii) any relative of the person or of his spouse who has the same residence as that person;

but

where the Exchange determines that two persons shall, or shall not, be deemed to be associates with respect to a Member firm (as defined by the Exchange's policies), Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company;

"Business Combination" means the business combination contemplated by the Business Combination Agreement.

"Business Combination Agreement" means the business combination agreement dated as of January 31, 2021, as amended May 28, 2021, among Churchill, 9 Capital and Subco, a copy of which is available under 9 Capital's issuer profile on SEDAR at www.sedar.com.

"Closing" means the Completion of the Proposed Qualifying Transaction;

"Company" unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

"Completion of the Proposed Qualifying Transaction" means the issuance of the Final Exchange Bulletin by the Exchange;

"Consolidation" means the consolidation of the Existing 9 Capital Shares on the basis of one (1) 9 Capital Share for every 1.7 Existing 9 Capital Shares prior to the Completion of the Proposed Qualifying Transaction;

"Control Person" means any person or company that holds or is one of a combination of persons or companies that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer;

"CPC" means a corporation:

- (a) that has been incorporated or organized in a jurisdiction in Canada;
- (b) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the Exchange Policy 2.4; and
- (c) in regard to which the Completion of the Qualifying Transaction has not yet occurred;

"CPC Escrow Agreement" means the escrow agreement dated August 13, 2018 among 9 Capital, the Escrow Agent and certain shareholders of 9 Capital with respect to 8,200,001 Existing 9 Capital Shares;

"CPC IPO" means 9 Capital's initial public offering of 3,720,500 Existing 9 Capital Shares at \$0.10 per Existing 9 Capital Share which was completed on September 25, 2018;

“Churchill” means Churchill Diamond Corporation, a company incorporated under the OBCA and the company which is to be acquired by 9 Capital pursuant to the Proposed Qualifying Transaction;

“Churchill Board” means the board of directors of Churchill;

“Churchill Options” means outstanding options entitling their holders to purchase Churchill Shares;

“Churchill Private Placement” means the non-brokered private placement of: (i) 1,174,999 Churchill Shares issued on a flow-through basis, pursuant to the Tax Act, at a price of \$0.30 per Churchill Share; and (ii) 4,078,333 Churchill Shares issued at a price of \$0.25 per Churchill Share, for aggregate gross proceeds of \$1,372,083, completed between December 1, 2020 and January 4, 2021.

“Churchill Shareholders” means the shareholders of Churchill;

“Churchill Shares” means the common shares in the capital stock of Churchill;

“Effective Date” means the date of Closing, expected to be on or about June 16, 2021;

“Effective Time” means the time on the Effective Date that the Proposed Qualifying Transaction becomes effective;

“Escrow Agent” means TSX Trust Company;

“Exchange” or **“TSXV”** means the TSX Venture Exchange;

“Exchange Policy 2.2” means Exchange Policy 2.2 – *Sponsorship and Sponsorship Requirements* of the TSXV Corporate Finance Manual;

“Exchange Policy 2.4” means Exchange Policy 2.4 – *Capital Pool Companies* of the TSXV Corporate Finance Manual;

“Exchange Ratio” means the exchange of Churchill Shares in exchange for Resulting Issuer Shares on the basis of one Resulting Issuer Share for each Churchill Share;

“Existing 9 Capital Shares” means common shares in the capital of 9 Capital as they exist as at the date of this Filing Statement;

“Filing Statement” means this filing statement of 9 Capital, including the Schedules attached hereto;

“Final Exchange Bulletin” means the Exchange Bulletin evidencing final Exchange acceptance of the Proposed Qualifying Transaction that is to be issued following the Closing and the submission of all required documentation;

“IFRS” means the International Financial Reporting Standards as adopted by the International Accounting Standards Board;

“Insider” if used in relation to 9 Capital, means:

- (a) director or senior officer of 9 Capital;
- (b) a director or senior officer of the Company that is an Insider or subsidiary of 9 Capital;
- (c) a Person that beneficially owns or controls, directly or indirectly, Voting Shares carrying more than 10% of the voting rights attached to all outstanding Voting Shares of 9 Capital; or
- (d) 9 Capital itself if it holds any of its own securities;

“Letter Agreement” means the binding letter agreement entered into between 9 Capital and Churchill dated December 23, 2020 outlining the general terms and conditions pursuant to which 9 Capital and Churchill agreed to complete the Qualifying Transaction, which letter agreement was subsequently superseded and replaced by the Business Combination Agreement;

“Name Change” means the change of 9 Capital’s name to “Churchill Resources Inc.”, or such other name as is acceptable to Churchill and the Director under the OBCA;

“NEO” has the definition ascribed to it in Form 51-102F6V – *Statement of Executive Compensation* under NI 51-102;

“NI 43-101” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;

“NI 51-102” means National Instrument 51-102 – *Continuous Disclosure Obligations*;

“NI 52-110” means National Instrument 52-110 – *Audit Committees*;

“NI 58-101” means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*;

“Non-Arm’s Length Party” means in relation to a Company, a promoter, officer, director, other Insider or Control Person of that Company (including an Issuer) and any Associates or Affiliates of any of such Persons. In relation to an individual, means any Associate of the individual or any Company of which the individual is a promoter, officer, director, Insider or Control Person;

“Non-Arm’s Length Qualifying Transaction” means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the CPC and in relation to the Significant Assets which are to be the subject of the proposed Qualifying Transaction;

“OBCA” means the *Business Corporations Act* (Ontario), including the regulations promulgated thereunder, as amended;

“Pelly Bay Project” means the exploration project consisting of 153 mineral claims totalling 170.75 km² near the town of Kugaaruk in central Nunavut;

“Person” means a Company or individual;

“Post-Consolidation Common Shares” means the common shares in the capital of 9 Capital as they exist after giving effect to the Consolidation;

“Principal” has the meaning ascribed thereto in Exchange Policy 1.1 – *Interpretation* of the TSXV Corporate Finance Manual;

“Promoter” has the meaning ascribed thereto in the *Securities Act* (Ontario);

“Proposed Qualifying Transaction” means the Qualifying Transaction pursuant to which Subco and Churchill will be amalgamated and 9 Capital will acquire all of the issued and outstanding Churchill Shares in accordance with the terms and conditions of the Business Combination Agreement and as more particularly described in this Filing Statement;

“Qualifying Transaction” or **“QT”** means a transaction where a CPC acquires Significant Assets other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means. 9 Capital intends that the Proposed Qualifying Transaction constitute its Qualifying Transaction;

“Related Party Transaction” means a transaction involving Non-Arm’s Length Parties, or other circumstances exist which, in the opinion of the Exchange, may compromise the independence of 9 Capital with respect to the Proposed Qualifying Transaction;

“Resulting Issuer” means 9 Capital as it exists upon Completion of the Proposed Qualifying Transaction, to be renamed “Churchill Resources Inc.”;

“Resulting Issuer Options” means options entitling their holders to purchase Resulting Issuer Shares under the incentive stock option plan of the Resulting Issuer;

“Resulting Issuer Shares” means the common shares in the capital of the Resulting Issuer (being the Post-Consolidation Common Shares”);

“Significant Assets” means one or more assets or businesses which, when purchased, optioned or otherwise acquired by 9 Capital, together with any other concurrent transactions, would result in 9 Capital meeting the initial listing requirements of the Exchange;

“Stock Option Plan” means the stock option plan as adopted by 9 Capital and which will be assumed by the Resulting Issuer upon Completion of the Proposed Qualifying Transaction;

“Subco” means 2811807 Ontario Inc., a wholly-owned subsidiary of 9 Capital, incorporated pursuant to the OBCA;

“Subco Shares” means common shares in the capital of Subco;

“Subsequent Private Placement” means the non-brokered private placement of: (i) 499,998 Churchill Shares issued on a flow-through basis, pursuant to the Tax Act, at a price of \$0.30 per Churchill Share; and (ii) 1,580,000 Churchill Shares issued at a price of \$0.25 per Churchill Share, for aggregate gross proceeds of \$544,999.40, to be completed prior to the completion of the Proposed Qualifying Transaction;

“Taylor Brook Option Agreement” means the option agreement relating to 226 mineral claims located within the Long-Range Gneiss Complex of Western Newfoundland and Labrador dated December 18, 2020 between Churchill and Altius, as amended May 19, 2021;

“Taylor Brook Project” means the exploration project consisting of the Taylor Brook mineral exploration properties located in Western Newfoundland and Labrador, and as further described in the Technical Report;

“Tax Act” means the *Income Tax Act* (Canada) and the regulations thereunder;

“Technical Report” means the NI 43-101 compliant technical report with respect to the Taylor Brook Project dated effective March 31, 2021 and entitled “*Technical Report On The Taylor Brook Base Metal Property, Newfoundland And Labrador*”, prepared for Churchill by Dr. Derek H.C. Wilton, P.Geo., FGC and Jeremy S. Brett, M.Sc., P.Geo.;

“TSXV Corporate Finance Manual” means the Corporate Finance Manual of the TSXV;

“Voting Shares” means a security of 9 Capital that:

- (a) is not a debt security; and
- (b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing; and

“White River Project” means the exploration project consisting of 1,355 mineral claims totalling approximately 28.9 km² located approximately 30 km east of the Hemlo Gold Mine along the TransCanada Highway.

GLOSSARY OF GEOLOGICAL, TECHNICAL AND MINERAL TERMS

“Alteration” means changes in the mineral composition of a rock brought about by physical or chemical means, especially the local action of hydrothermal solutions that can be related to mineralization;

“Assay” means to analyze the proportions of metal in a rock or overburden sample and to test an ore or mineral for composition, purity, weight or other properties of commercial interest;

“Au” means the chemical symbol for gold;

“Chalcopyrite” means a copper sulphide mineral, the most common ore mineral of copper;

“Claim” means the area that confers mineral exploration/exploitation rights to the registered (mineral/mining) holder under the laws of the governing jurisdiction;

“Cu” means the chemical symbol for copper;

“Deposit” means a mineralized body which has been physically delineated by sufficient drilling, trenching and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or development expenditures; however, a deposit does not qualify as a commercially mineable body or as containing reserves of ore, until final legal, technical and economic factors have been resolved;

“Diamond Drilling” means drilling with a hollow bit with a diamond cutting rim to produce a cylindrical core that is used for geological study and assays as used in mine exploration;

“Disseminated” means the distribution of mineralization usually as small grains randomly distributed throughout a rock mass;

“Exploration” means prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore;

“Fire Assay” means the assaying of metallic ores, usually gold and silver, by methods requiring melting of the rock to separate its various metallic constituents;

“Grade” means the concentration of an ore metal in a rock sample, given either as weight percent for base metals (e.g. Cu, Zn, Pb) or in grams per tonne (g/t) or ounces per short ton (oz/t) for gold, silver, and platinum group metals;

“ICP” means induced coupled plasma;

“Lithology” means the physical character of a rock;

“Mineral” means a naturally occurring chemical compound or limited mixture of chemical compounds. Minerals generally form crystals and have specific physical and chemical properties which can be used to identify them;

“Mineral Project” means any exploration, development or production activity, including a royalty interest or similar interest in these activities, in respect of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals;

“Mineralization” means the process or processes by which a mineral or minerals are introduced into a rock resulting in concentration of metals and their chemical compounds within a body of rock;

“Mineral Reserve” means the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined;

“Mineral Resource” means a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the earth’s crust in such form and quantity and of such grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge;

“Qualified Person” means an individual who: (i) is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment; (ii) has experience relevant to the subject matter of the mineral project and the technical report; and (iii) is in good standing with a professional association or foreign association and has the corresponding designation;

“Sample” means a small portion of rock or a mineral deposit taken so that the metal content can be determined by assaying;

“Sampling” means selecting a fractional or representative part of a mineral deposit for analysis;

“Strike” means the course or bearing of the outcrop of an inclined bed, vein, or fault plane on a level surface; the direction of a horizontal line perpendicular to the direction of the Dip; and

METRIC EQUIVALENTS

For ease of reference, the following conversion factors are provided:

Imperial Measure	Metric Unit	Metric Unit	Imperial Measure
2.47 acres	1 hectare (ha)	0.4047 hectares (ha)	1 acre
3.28 feet (ft)	1 metre (m)	0.3048 metres (m)	1 foot (ft)
0.62 miles	1 kilometer (Km)	1.609 kilometers (Km)	1 mile
0.032 troy ounces	1 gram (g)	31.1 grams (g)	1 troy ounce
2.205 pounds (lb)	1 kilogram (kg)	0.454 kilograms (kg)	1 pound (lb)
1.102 short tons	1 tonne (t)	0.907 tonnes (t)	1 short ton
0.029 troy ounces/ton	1 gram/tonne (g/t)	34.28 grams/tonne (g/t)	1 troy ounce/ton

SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements in this Filing Statement and the schedules attached hereto are forward looking statements which may include, but are not limited to, statements with respect to: the future financial or operating performance of the Resulting Issuer and its projects; the estimation of mineral resources; the market conditions, business strategy, corporate plans, objectives and goals; the estimates of the timing, cost, nature and results of exploration activities; the projected exploration and development of the Taylor Brook Project and other properties of the Resulting Issuer; exploration expenditures and other expenses for specific exploration and development; the use of capital, the availability of additional capital, the requirements for additional capital and the timing of such requirements; government regulation of mining operations; exploration, mining, developmental and environmental risks; the completion, timing and expected effects of the Proposed Qualifying Transaction and the benefits anticipated to be received by 9 Capital, Churchill and/or the Resulting Issuer from such transactions; title disputes or claims; the impact of competition for mineral projects; limitations of insurance coverage; the timing and possible outcome of regulatory matters; and the impact of the novel coronavirus and the COVID19 disease (“**COVID-19**”) on each of the foregoing.

Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “projects”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of Churchill or the Resulting Issuer, as applicable, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, but are not limited to, the factors discussed in the section entitled “Risk Factors” in this Filing Statement. Although 9 Capital and Churchill have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended.

Although 9 Capital and Churchill believe that the expectations represented in such forward-looking statements are reasonably, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements contained in this Filing Statement are expressly qualified by this cautionary statement and by the risk factors described in the Filing Statement under the heading “Risk Factors”. The forward-looking statements contained herein are made as of the date of this Filing Statement and 9 Capital, Churchill and the Resulting Issuer disclaim any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except where required by applicable securities laws.

SUMMARY OF FILING STATEMENT

The following is a summary of information relating to 9 Capital, Churchill and the Resulting Issuer (assuming Completion of the Proposed Qualifying Transaction) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement.

Capitalized terms used in this summary, and not defined in this summary, will have the meaning provided in the Glossary or elsewhere in this Filing Statement. No person is authorized to give any information or to make any representation not contained in this Filing Statement and, if given or made, such information or representation should not be relied upon as having been authorized. This Filing Statement does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation. **Neither delivery of this Filing Statement nor any distribution of the securities referred to in this Filing Statement shall, under any circumstances, create an implication that there has been no change in the information set forth herein since the date of this Filing Statement.**

Summary of the Proposed Qualifying Transaction

On December 23, 2020, 9 Capital and Churchill entered into the Letter Agreement in respect of the Proposed Qualifying Transaction, as described in a news release dated December 23, 2020. On January 31, 2021, as amended May 28, 2021, 9 Capital, Subco and Churchill entered into the Business Combination Agreement, which superseded and replaced the Letter Agreement, to carry out the Proposed Qualifying Transaction.

Pursuant to the terms of the Business Combination Agreement, 9 Capital will acquire all the issued and outstanding Churchill Shares through the three-cornered amalgamation of Churchill with Subco, a wholly-owned subsidiary of 9 Capital. Holders of Churchill Shares will receive one (1) Resulting Issuer Share in exchange for each Churchill Share held.

In addition, all of the outstanding Churchill Options will be exchanged for comparable securities of the Resulting Issuer on economically equivalent terms on the basis of the Exchange Ratio. Based on the number of securities of Churchill to be issued and outstanding on the Effective Date, it is expected that the Resulting Issuer will issue an aggregate of 29,968,814 Resulting Issuer Shares and 1,800,000 Resulting Issuer Options in the aggregate to the holders of Churchill Shares and Churchill Options, respectively, pursuant to the Proposed Qualifying Transaction. Each of the 1,800,000 Resulting Issuer Options will entitle its holders to purchase one Resulting Issuer Share at a price of \$0.25 per Resulting Issuer Share at any time until March 25, 2025.

The Proposed Qualifying Transaction will constitute 9 Capital's Qualifying Transaction pursuant to Exchange Policy 2.4, and will constitute a reverse take-over of the Resulting Issuer inasmuch as the former 9 Capital Shareholders will own (on a non-diluted basis) approximately 18.9% of the equity of the Resulting Issuer immediately after the Closing. See "Part IV – Information Concerning the Resulting Issuer".

An annual and special meeting of the 9 Capital Shareholders was held on April 8, 2021 where the Consolidation and Name Change were approved, among other matters. The 9 Capital Shareholders also elected three proposed directors of the Resulting Issuer, with such appointment to take effect only upon the Completion of the Proposed Transaction. In accordance with the Business Combination Agreement and subject to regulatory approval, 9 Capital proposes to change its name to "Churchill Resources Inc." The Name Change will take effect by the filing of articles of amendment on or prior to the date of Closing, pending completion of all of the conditions set forth in the Business Combination Agreement. The completion of the Consolidation and the approval of the Name Change by the Exchange are conditions to the Closing. The current directors of 9 Capital have no intention of acting upon the authority granted them under the resolutions passed at the 9 Capital Meeting if the Proposed Qualifying Transaction is not completed.

As at the date of this Filing Statement, 9 Capital has 11,920,501 Existing 9 Capital Shares issued and outstanding, as well as 1,192,050 9 Capital Options exercisable at a price of \$0.10 per Existing 9 Capital Share until September 25, 2023.

After giving effect to the Consolidation, 9 Capital will have approximately 7,012,059 9 Capital Shares issued and outstanding at the time of the Closing.

Based on the issued and outstanding securities of each of Churchill and 9 Capital as at the date of this Filing Statement, it is expected that the Resulting Issuer will have approximately 36,980,873 Resulting Issuer Shares, and approximately 2,501,205 Resulting Issuer Options outstanding immediately upon the Completion of the Proposed Qualifying Transaction. See “Part IV – Information Concerning the Resulting Issuer – Fully Diluted Share Capital”.

The Completion of the Proposed Qualifying Transaction is subject to the approval of the Exchange. The Completion of the Proposed Qualifying Transaction is also subject to certain other additional conditions precedent, including, but not limited to: (i) the absence of any material change or change in a material fact which might reasonably be expected to have a material adverse effect on the financial and operational conditions or the assets of each of the parties to the Business Combination Agreement; and (ii) certain other conditions typical in a transaction of this nature.

Arm’s Length Qualifying Transaction

The proposed Transaction is not a Non-Arm’s Length Qualifying Transaction.

Churchill Private Placement

In connection with the Proposed Qualifying Transaction, between December 1, 2020 and January 4, 2021, Churchill completed the Churchill Private Placement, issuing: (i) 1,174,999 Churchill Shares issued on a flow-through basis, pursuant to the Tax Act, at a price of \$0.30 per Churchill Share; and (ii) 4,078,333 Churchill Shares issued at a price of \$0.25 per Churchill Share, for aggregate gross proceeds of \$1,372,083. An aggregate of 58,333 flow-through Common Shares were issued to an eligible finder in connection with the Churchill Private Placement.

It is a condition of the TSXV that Churchill raise additional funds to meet working capital requirements prior to the completion of the Proposed Qualifying Transaction. On or prior to the completion of the Proposed Qualifying Transaction, Churchill will issue: (i) 499,998 Churchill Shares to be issued on a flow-through basis, pursuant to the Tax Act, at a price of \$0.30 per Churchill Share; and (ii) 1,580,000 Churchill Shares issued at a price of \$0.25 per Churchill Share, for aggregate gross proceeds of \$544,999.40. An additional 75,600 Churchill Shares will be issued to an eligible finder in connection with the private placement.

Effect of the Transaction

Following completion of the Proposed Qualifying Transaction, it is expected that:

- (a) the Existing 9 Capital Shares will have been consolidated on the basis of one (1) 9 Capital Share for every 1.7 Existing 9 Capital Shares, with each whole 9 Capital Share being designated a Resulting Issuer Share upon completion of the Proposed Qualifying Transaction;
- (b) Churchill will have amalgamated with Subco and the amalgamated company will become a wholly-owned subsidiary of 9 Capital resulting in 9 Capital having acquired all of the issued and outstanding Churchill Shares in exchange for Resulting Issuer Shares on the basis of the Exchange Ratio;
- (c) the Churchill Options will have been exchanged for Resulting Issuer Options on the basis of the Exchange Ratio, with each such Resulting Issuer Option being exercisable into Resulting Issuer Shares on the same terms and conditions as the original outstanding Churchill Options;
- (d) the Resulting Issuer will carry on the business theretofore carried on by Churchill (see “Part III – Information Concerning Churchill – Narrative Description of the Business”);

- (e) the current directors and officers of 9 Capital will resign and the board of directors of the Resulting Issuer will be comprised of: Paul Sobie (Chairman), Bill Fisher and Kevin Tomlinson. In addition, it is expected that Paul Sobie will serve as President and Chief Executive Officer, and Paul Robertson will serve as Chief Financial Officer and Corporate Secretary of the Resulting Issuer;
- (f) based on the number of issued and outstanding Churchill Shares and Existing 9 Capital Shares as at the date of this Filing Statement, and in connection with the Subsequent Private Placement, there will be an aggregate of approximately 36,980,873 Resulting Issuer Shares issued and outstanding;
- (g) based on the issued and outstanding securities of each of Churchill and 9 Capital as of the date of this Filing Statement, the following convertible securities of the Resulting Issuer will be issued and outstanding: (i) 1,800,000 Resulting Issuer Options, each exercisable to acquire one Resulting Issuer Share at a price of \$0.25 per Resulting Issuer Share, in respect of the Resulting Issuer Options issued in exchange for Churchill Options pursuant to the Business Combination; and (ii) 701,205 Resulting Issuer Options, each exercisable to acquire one Resulting Issuer Share at a price of \$0.17 per Resulting Issuer Share.
- (h) based on the number of issued and outstanding Churchill Shares as at the date of this Filing Statement, and immediately prior to the completion of the Proposed Qualifying Transaction (following the completion of the Subsequent Private Placement) current Churchill Shareholders will hold an aggregate of 29,968,814 Resulting Issuer Shares, representing approximately 81.1% of the outstanding Resulting Issuer Shares (on a non-diluted basis); and
- (i) based on the number of issued and outstanding Existing 9 Capital Shares as at the date of this Filing Statement, current shareholders of 9 Capital will hold an aggregate of approximately 7,012,059 Resulting Issuer Shares, representing approximately 18.9% of the outstanding Resulting Issuer Shares (on a non-diluted basis).

Parties to the Qualifying Transaction

9 Capital Corp.

9 Capital Corp. is a “capital pool company” formed in accordance with Exchange Policy 2.4, and, at present, 9 Capital does not own any material assets other than cash. To date, 9 Capital has not conducted any active business operations. Since its incorporation, the principal activities of 9 Capital have consisted of the financing of 9 Capital through the CPC IPO, the initial listing of the Existing 9 Capital Shares on the Exchange, the identification of potential acquisitions, the negotiation of the Business Combination Agreement, and efforts to implement the Proposed Qualifying Transaction. See “Part II – Information Concerning 9 Capital – General Development of the Business”.

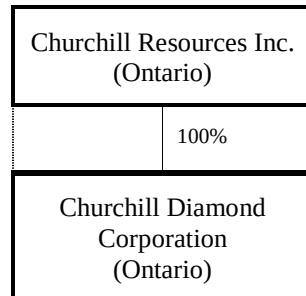
Churchill Diamond Corporation

Churchill is a corporation incorporated under the OBCA on April 10, 2014. Its registered and head office is located at Suite 505, 133 Richmond Street West, Toronto, Ontario, M5H 2L3.

Churchill is a privately-held exploration and development company focused on identifying and exploring prospective projects in Canada, namely the Taylor Brook Project, the Pelly Bay Project and the White River Project. All three projects are at the evaluation stage, with known mineralized Ni-Cu-Co showings at Taylor Brook and Pelly Bay, and diamondiferous kimberlitic intrusives at Pelly Bay and White River. Upon Completion of the Proposed Qualifying Transaction, it is the intention of Churchill and 9 Capital that the Resulting Issuer will continue to primarily focus on the exploration and development of the Taylor Brook Project. See “Part III – Information Concerning Churchill – General Development of the Business”.

Churchill is a private company and none of its securities have been traded or are listed for trading on any stock exchange. See “Part III – Information Concerning Churchill – Prior Sales”.

After the closing of the Proposed Qualifying Transaction, the corporate structure of the Resulting Issuer will be as follows:



Reasons for the Transaction

9 Capital was formed as a CPC and has been engaged in the business of identifying and evaluating properties or businesses with a view to completing a Qualifying Transaction. The Proposed Qualifying Transaction will constitute a Qualifying Transaction for 9 Capital for the purposes of Exchange Policy 2.4.

Churchill is a privately-held exploration and development company focused on the business of mineral resource exploration and development in Canada. The Proposed Qualifying Transaction will allow Churchill to provide the potential for liquidity to its existing shareholders and gain access to the capital markets.

The terms of the Proposed Qualifying Transaction were established through arm’s length negotiations between the board of directors and management of each of 9 Capital and Churchill. The Proposed Qualifying Transaction is not a Non-Arm’s Length Qualifying Transaction.

Business Combination Agreement

The Proposed Qualifying Transaction will become effective on the Effective Date, subject to the satisfaction or waiver of the applicable conditions.

The principal features of the Business Combination Agreement may be summarized as follows:

- the Existing 9 Capital Shares will have been consolidated on the basis of one (1) 9 Capital Share for every 1.7 Existing 9 Capital Shares, with each whole Post-Consolidation Common Share being designated a Resulting Issuer Share upon Completion of the Proposed Qualifying Transaction;
- all Churchill Shares held by shareholders who have exercised a right of dissent pursuant to section 185(1) of the OBCA will be deemed to have been cancelled and the holders of such Churchill Shares will cease to have any rights as Churchill Shareholders other than the right to be paid the fair value of their Churchill Shares;
- Churchill and Subco will amalgamate and continue as one corporation under the provisions of the OBCA and, as a result, the property and liabilities of Subco and Churchill will become the property and liabilities of the amalgamated company (“**Amalco**”);

- each Churchill Share shall be cancelled, and the holder thereof shall receive that number of Resulting Issuer Shares as is equal to the number of Churchill Shares held by such Churchill Shareholder immediately prior to the Effective Time multiplied by the Exchange Ratio;
- each Churchill Option shall be cancelled and the holder thereof shall receive that number of Resulting Issuer Options as is equal to the number of Churchill Options held by such person immediately prior to the Effective Time multiplied by the Exchange Ratio, on the same terms and conditions as the cancelled Churchill Options;
- each Subco Share outstanding immediately prior to the Effective Time shall be converted into common share of Amalco; and
- as consideration for the issuance of Resulting Issuer Shares in connection with the Business Combination, Amalco shall issue to the Resulting Issuer one common share of Amalco for each Resulting Issuer so issued.

Representations, Warranties and Covenants

The Business Combination Agreement contains certain customary representations and warranties of each of 9 Capital, Subco and Churchill relating to, among other things, their respective organization, capitalization, qualification, operations, compliance with laws and regulations and other matters, including their authority to enter into the Business Combination Agreement and to consummate the Proposed Qualifying Transaction. Pursuant to the Business Combination Agreement, the parties have agreed to advise each other of material changes. Further, the parties have agreed to use their commercially reasonable efforts to obtain all regulatory and other consents, waivers and approvals required for the consummation of the Proposed Qualifying Transaction.

In addition, pursuant to the Business Combination Agreement, each of the parties has covenanted, among other things, until the completion of the Proposed Qualifying Transaction, to maintain their respective businesses and not take certain actions outside the ordinary course.

Conditions of the Transaction

The Business Combination Agreement contains a number of conditions precedent to the obligations of 9 Capital and Churchill thereunder. Unless all such conditions are satisfied or waived by the party or parties for whose benefit such conditions exist, to the extent they may be capable of waiver, the Proposed Qualifying Transaction will not proceed. There is no assurance that the conditions will be satisfied or waived on a timely basis, or at all. The conditions to the Proposed Qualifying Transaction becoming effective are set out in the Business Combination Agreement, and certain conditions are summarized below.

Conditions to Obligations of 9 Capital

The obligations of 9 Capital to complete the Proposed Qualifying Transaction are subject to the fulfillment or waiver of the following conditions at or prior to the Effective Date:

- 9 Capital shall be able to satisfy the minimum listing requirements of the Exchange for a Tier 1 or Tier 2 Issuer as of the completion of the Business Combination, assuming the completion of the Business Combination and the Amalgamation and all related transactions contemplated thereby, as evidenced before the Effective Date by a conditional listing letter issued by the TSXV;
- Churchill shall have obtained the approval of its board of directors and shareholders (which have been obtained), in accordance with the OBCA, for the Amalgamation Agreement and the transactions contemplated thereby;
- the representations and warranties made in the Business Combination Agreement by Churchill will be true and correct as of the Effective Time as if made on and as of such date (except to the extent such representations and

warranties speak as of an earlier date, in which event they will be true as of such earlier date, or except as affected by transactions specifically permitted or contemplated by the Business Combination Agreement, or except for any failures or breaches of representations and warranties which, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on Churchill or prevent or delay the completion of the Business Combination or other transactions contemplated in the Business Combination Agreement), and Churchill will have provided to 9 Capital a certificate of the Chief Executive Officer of Churchill, certifying such accuracy on the Effective Date;

- Churchill will have complied with its covenants in the Business Combination Agreement (except to the extent that the failure to comply with such covenants has not had or would not have, individually or in the aggregate, a material adverse effect on Churchill or prevent or delay the completion of the Business Combination or the other transactions contemplated in the Business Combination Agreement), and Churchill will have provided to 9 Capital a certificate of the Chief Executive Officer of Churchill, certifying that Churchill has complied with its covenants in the Business Combination Agreement;
- all required regulatory consents, including the approval of the Exchange for the Business Combination and the listing of the 9 Capital Shares, and any third-party consents required to be obtained by Churchill pursuant to any agreement or other instrument, shall have been obtained;
- from the date of the Business Combination Agreement up to and including the Effective Time, there will have been no material adverse change in relation to Churchill;
- no bona fide legal or regulatory action or proceeding will be pending or threatened by any person to enjoin, restrict or prohibit the Business Combination or any other of the transactions contemplated thereby, or the right of 9 Capital, Subco, or Churchill to conduct, expand, and develop their business; and
- dissent rights will not have been exercised in respect of a total number of Churchill Shares which would, if such shares were converted into 9 Capital Shares pursuant to the Business Combination, exceed 5% of the 9 Capital Shares outstanding upon completion of the Amalgamation.

The conditions precedent listed above are for the exclusive benefit of 9 Capital and may be waived, in whole or in part, by 9 Capital.

Conditions to Obligations of Churchill

The obligations of Churchill to complete the Proposed Qualifying Transaction are subject to the fulfillment or waiver of the following conditions at or prior to the Effective Date:

- 9 Capital shall be able to satisfy the minimum listing requirements of the Exchange for a Tier 1 or Tier 2 Issuer as of the completion of the Business Combination, assuming the completion of the Business Combination and all related transactions contemplated thereby, as evidenced before the Effective Date by a conditional listing letter issued by the TSXV;
- 9 Capital shall have obtained the approval of its board of directors and shareholders (which have been obtained), as applicable, in accordance with the OBCA, for the Consolidation and the Name Change;
- the representations and warranties made in the Business Combination Agreement by 9 Capital will be true and correct as of the Effective Time as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date, in which event they will be true as of such earlier date, or except as affected by transactions specifically permitted or contemplated by the Business Combination Agreement, or except for any failures or breaches of representations and warranties which, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on 9 Capital or prevent or delay the completion of the Business Combination), and 9 Capital will have provided to Churchill a certificate of the Chief Executive Officer and Chief Financial Officer of 9 Capital, certifying such accuracy on the Effective Date;

- 9 Capital will have complied with its covenants in the Business Combination Agreement (except to the extent that the failure to comply with such covenants has not had or would not have, individually or in the aggregate, a material adverse effect on 9 Capital or prevent or delay the completion of the Business Combination or the other transactions contemplated in the Business Combination Agreement), and 9 Capital will have provided to Churchill a certificate of the Chief Executive Officer and Chief Financial Officer of 9 Capital, certifying that 9 Capital has complied with its covenants in the Business Combination Agreement;
- all required regulatory consents, including the approval of the TSXV for the Business Combination and the listing of the 9 Capital Shares, and any third-party consents required to be obtained by 9 Capital pursuant to any agreement or other instrument, shall have been obtained;
- from the date of the Business Combination Agreement up to and including the Effective Time, there will have been no material adverse change in relation to 9 Capital;
- no bona fide legal or regulatory action or proceeding will be pending or threatened by any person to enjoin, restrict or prohibit the Business Combination or any other of the transactions contemplated thereby, or the right of 9 Capital, Subco, Churchill, or any subsidiary of Churchill to conduct, expand, and develop their business; and
- dissent rights will not have been exercised in respect of a total number of Churchill Shares which would, if such shares were converted into 9 Capital Shares pursuant to the Business Combination, exceed 5% of the 9 Capital Shares outstanding upon completion of the Amalgamation.

The conditions precedent listed above are for the exclusive benefit of Churchill and may be waived, in whole or in part, by Churchill.

Termination of Agreement

The Business Combination Agreement may be terminated at any time prior to the Effective Date:

- by mutual written consent of 9 Capital and Churchill;
- by either 9 Capital and Churchill if there has been a misrepresentation, breach or non-performance by the breaching party of any representation, warranty, covenant or obligation contained in the Business Combination Agreement, which could reasonably be expected to have a material adverse effect on the terminating party or the ability of either party to complete the Business Combination in accordance with the terms of the Business Combination Agreement, provided the breaching party has been given notice of and 10 days to cure any such misrepresentation, breach or non-performance; and
- by either party if the Effective Date shall not have occurred by June 30, 2021 (or such later date as the parties may agree) except that the right to terminate the Business Combination Agreement shall not be available to any party in circumstances where the failure of the Effective Date to have occurred by June 30, 2021 is the result, directly or indirectly, of such party's breach of the Business Combination Agreement.

Procedure for the Proposed Qualifying Transaction to Become Effective

9 Capital Shareholder Approval

The Proposed Qualifying Transaction does not constitute a Non-Arm's Length Qualifying Transaction since: (a) the Proposed Qualifying Transaction was negotiated by the parties dealing at arm's length with each other, and (b) no party (together with its respective Associates or Affiliates) holds a sufficient number of securities of both 9 Capital and Churchill so as to affect materially the control of both 9 Capital and Churchill. As a result, approval of the Proposed Qualifying Transaction by the 9 Capital Shareholders is not required under the Exchange policies as a condition to the completion of the Proposed Qualifying Transaction.

In connection with the Proposed Qualifying Transaction, the 9 Capital Shareholders approved the Consolidation and Name Change, among other matters, at the 9 Capital Meeting held on April 8, 2021.

Churchill Shareholder Approval

As a condition of the Proposed Qualifying Transaction, the Churchill Shareholders were required to approve the Amalgamation. Such approval was obtained on June 4, 2021 by unanimous written consent of all of the Churchill Shareholders.

Exchange Approval

The Completion of the Proposed Qualifying Transaction is subject to the approval of the Exchange. Listing of the Resulting Issuer Shares to be issued in connection with the Proposed Qualifying Transaction is subject to the Resulting Issuer fulfilling all requirements of the Exchange on Completion of the Proposed Qualifying Transaction.

The Resulting Issuer will be considered to have completed the Proposed Qualifying Transaction on the date that the Exchange issues the Final Exchange Bulletin, which is expected to be on or about the fifth Business Day after the Closing, provided that all required documentation is filed with the Exchange. Exchange Policy 2.4 regarding CPCs shall cease to apply after the Completion of the Proposed Qualifying Transaction, with the exception of any escrow or resale restrictions, which will continue in full force and effect.

Interests of Insiders

The following is a summary of the interests of any Insider, promoter or Control Person of 9 Capital, Churchill and the Resulting Issuer and their respective Associates and Affiliates (before and after giving effect to the Proposed Qualifying Transaction), including any consideration that such individual may receive if the Proposed Qualifying Transaction proceeds.

Insiders, Promoter, Control Person	Position	Number Existing 9 Capital Shares and/or Churchill Shares as at the Date of the Filing Statement⁽¹⁾	Approximate Number of Resulting Issuer Shares upon Completion of the Proposed Qualifying Transaction⁽²⁾
Ben Cubitt <i>Toronto, Ontario</i>	President, Chief Executive and a Director of 9 Capital	1,000,000 Existing 9 Capital Shares ⁽³⁾	588,235 Resulting Issuer Shares
Vic Hugo <i>Toronto, Ontario</i>	Chief Financial Officer and Corporate Secretary of 9 Capital	100,000 Existing 9 Capital Shares ⁽⁴⁾	58,823 Resulting Issuer Shares
Dan Sternberg <i>Toronto, Ontario</i>	Director of 9 Capital	1,000,000 Existing 9 Capital Shares ⁽⁵⁾	588,235 Resulting Issuer Shares
Sean Kallir <i>Toronto, Ontario</i>	Director of 9 Capital	100,000 Existing 9 Capital Shares ⁽⁶⁾	58,823 Resulting Issuer Shares
David D'Onofrio <i>Toronto, Ontario</i>	Director of 9 Capital	500,000 Existing 9 Capital Shares ⁽⁷⁾	294,117 Resulting Issuer Shares
Alexander Concepts Inc. <i>Toronto, Ontario</i>	10%+ 9 Capital Shareholder	1,200,000 Existing 9 Capital Shares ⁽⁸⁾	705,882 Resulting Issuer Shares
Paul Sobie <i>Toronto, Ontario</i>	President, Chief Executive Officer and a Director of Churchill and proposed President, Chief Executive Officer and a Director of the Resulting Issuer	1,983,506 Churchill Shares ⁽⁹⁾	1,983,506 Resulting Issuer Shares ⁽⁹⁾
Paul Robertson <i>Vancouver, British Columbia</i>	Chief Financial Officer of Churchill and proposed Chief Financial Officer and Corporate Secretary of the Resulting Issuer	90,000 Churchill Shares	90,000 Resulting Issuer Shares

Insiders, Promoter, Control Person	Position	Number Existing 9 Capital Shares and/or Churchill Shares as at the Date of the Filing Statement ⁽¹⁾	Approximate Number of Resulting Issuer Shares upon Completion of the Proposed Qualifying Transaction ⁽²⁾
Bill Fisher <i>Toronto, Ontario</i>	Director of Churchill and a proposed Director of the Resulting Issuer	1,007,501 Churchill Shares ⁽¹⁰⁾	1,007,501 Resulting Issuer Shares ⁽¹⁰⁾
Alec Rowlands <i>Toronto, Ontario</i>	Director of Churchill	1,046,667 Churchill Shares	1,046,667 Resulting Issuer Shares
Kevin Tomlinson <i>Toronto, Ontario</i>	Director of Churchill and a proposed Director of the Resulting Issuer	1,380,015 Churchill Shares	1,380,015 Resulting Issuer Shares

Notes:

1. As of the date hereof, there are 11,920,501 Existing 9 Capital Shares outstanding and 27,813,216 Churchill Shares outstanding.
2. Upon completion of the Proposed Qualifying Transaction, it is expected there will be approximately 34,825,275 Resulting Issuer Shares issued and outstanding.
3. Mr. Cubitt also holds 9 Capital Options to purchase 298,012 Existing 9 Capital Shares. Such options were granted on September 25, 2018 and have an exercise price of \$0.10 per Existing 9 Capital Share. In accordance with Exchange Policy 2.4, these 9 Capital Options will expire the later of 12 months following Completion of the Proposed Qualifying Transaction and 90 days after Mr. Cubitt ceases to be a director, officer, employee or consultant of the Resulting Issuer.
4. Mr. Hugo also holds 9 Capital Options to purchase 119,205 Existing 9 Capital Shares. Such options were granted on September 25, 2018 and have an exercise price of \$0.10 per Existing 9 Capital Share. In accordance with Exchange Policy 2.4, these 9 Capital Options will expire the later of 12 months following Completion of the Proposed Qualifying Transaction and 90 days after Mr. Hugo ceases to be a director, officer, employee or consultant of the Resulting Issuer.
5. Mr. Sternberg also holds 9 Capital Options to purchase 298,012 Existing 9 Capital Shares. Such options were granted on September 25, 2018 and have an exercise price of \$0.10 per Existing 9 Capital Share. In accordance with Exchange Policy 2.4, these 9 Capital Options will expire the later of 12 months following Completion of the Proposed Qualifying Transaction and 90 days after Mr. Sternberg ceases to be a director, officer, employee or consultant of the Resulting Issuer.
6. Mr. Kallir also holds 9 Capital Options to purchase 298,012 Existing 9 Capital Shares. Such options were granted on September 25, 2018 and have an exercise price of \$0.10 per Existing 9 Capital Share. In accordance with Exchange Policy 2.4, these 9 Capital Options will expire the later of 12 months following Completion of the Proposed Qualifying Transaction and 90 days after Mr. Kallir ceases to be a director, officer, employee or consultant of the Resulting Issuer.
7. Mr. D'Onofrio also holds 9 Capital Options to purchase 178,809 Existing 9 Capital Shares. Such options were granted on September 25, 2018 and have an exercise price of \$0.10 per Existing 9 Capital Share. In accordance with Exchange Policy 2.4, these 9 Capital Options will expire the later of 12 months following Completion of the Proposed Qualifying Transaction and 90 days after Mr. D'Onofrio ceases to be a director, officer, employee or consultant of the Resulting Issuer.
8. These Existing 9 Capital Shares are beneficially owned by Brett Lindros who controls Alexander Concepts Inc.
9. Includes 402,072 Churchill Shares held by MPH Consulting Limited and 140,000 Churchill Shares held by PS Geological Consulting Limited, companies controlled by Mr. Sobie.
10. Includes 700,000 Churchill Shares held directly by Mr. Fisher's spouse.

Available Funds and Principal Purposes

Funds Available

9 Capital and Churchill anticipate that immediately following Closing of the Proposed Qualifying Transaction, the Resulting Issuer will have available funds of approximately \$980,481, based on estimated working capital of each company as at March 31, 2021. As set out in the pro forma financial statements of the Resulting Issuer attached hereto as Schedule "D", which should be referred to for more detail, the \$980,481 includes the net proceeds of the Churchill Private Placement for \$1,372,083, deducting the estimated cost of the Proposed Qualifying Transaction and the balance is cash. In addition, the net proceeds from the Subsequent Private Placement will be \$524,349.44 with funds to be made available to Churchill immediately prior to the Completion of the Proposed Qualifying Transaction.

Principal Purposes of Funds

The principal purposes of the available funds are expected to be as follows:

Principal Use of Funds	Amount
\$650,000 Technical Report Recommended Phase I and, if warranted based on the results of the Phase I exploration program, a Phase II exploration program on the Taylor Brook Project (\$375,000 represents expected expenditures in first 12 months following the Completion of the Proposed Qualifying Transaction)	\$375,000
General working capital and administrative costs	\$389,000 ⁽¹⁾
Unallocated	\$216,481
TOTAL	\$980,481

Notes:

1. Excludes \$524,349.44 that will be made available to Churchill pursuant to the Subsequent Private Placement immediately prior to the completion of the Proposed Qualifying Transaction which will be used to fund working capital requirements.

The Resulting Issuer intends to spend the available funds on completion of the principal purposes as indicated above. Notwithstanding the foregoing, there may also be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Resulting Issuer to achieve these objectives. The Resulting Issuer will require additional funds in order to fulfill all of the Resulting Issuer's expenditure requirements to meet its objectives, in which case the Resulting Issuer expects to either issue additional equity securities or incur indebtedness. There is no assurance that additional funds required by the Resulting Issuer will be available if needed. However, it is anticipated that the available funds will be sufficient to satisfy the Resulting Issuer's objectives over the next 12 months.

See "Part IV – Information Concerning the Resulting Issuer – Available Funds and Principal Purposes".

Selected Pro Forma Consolidated Financial Information

The following table summarizes selected pro forma financial information for the Resulting Issuer (as at March 31, 2021), after giving effect to the Proposed Qualifying Transaction, and should be read in conjunction with the pro forma financial statements of the Resulting Issuer attached hereto as Schedule "D".

Pro Forma Balance Sheet (C\$)	9 Capital as at May 31, 2021	Churchill as at February 28, 2021	Pro Forma Adjustments	Resulting Issuer Pro Forma⁽¹⁾
Current Assets	494,737	912,971	(100,000)	1,307,708
Total Assets	494,737	2,809,020		3,203,757
Current Liabilities	30,468	196,759	-	227,227
Total Liabilities	30,468	218,766	-	249,234
Total Shareholders' Equity	464,269	2,590,254	(100,000)	2,954,523

Notes:

1. Excludes \$524,349.44 that will be made available to Churchill pursuant to the Subsequent Private Placement immediately prior to the completion of the Proposed Qualifying Transaction which will be used to fund working capital requirements.

See “Part IV – Information Concerning the Resulting Issuer – Pro Forma Consolidated Capital”.

Listing and Share Price on the Exchange

The Existing 9 Capital Shares have been listed on the Exchange since September 25, 2018 under the symbol “NCPL.P”. Trading in Existing 9 Capital Shares was halted effective at the market open on September 28, 2020, and effective market open on September 30, 2020, trading in the Existing 9 Capital Shares was suspended by the TSXV as a result of 9 Capital not completing a Qualifying Transaction within 24 months of its date of listing. The closing price of the Existing 9 Capital Shares on September 25, 2020, being the last day on which the Existing 9 Capital Shares traded prior to the suspension from trading of the Existing 9 Capital Shares and the announcement of the Proposed Qualifying Transaction on December 23, 2020, was \$0.095 per Existing 9 Capital Share.

The Churchill Shares are not traded publicly and there is no public market for the securities of Churchill.

Sponsorship

Sponsorship of a Qualifying Transaction of a CPC is required by the Exchange unless exempt in accordance with Exchange Policy 2.4. 9 Capital applied for, and was granted, an exemption from sponsorship requirements in accordance with Exchange policies.

Details of Any Conflict of Interest

Other than as disclosed herein, neither the management of 9 Capital nor Churchill is aware of any material conflicts of interest arising out of the Proposed Qualifying Transaction.

The directors and officers of 9 Capital are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and the laws requiring disclosure by directors and officers of conflicts of interest. 9 Capital will rely upon such laws in respect of any such conflict of interest or in respect of any breach of duty by any of its directors or officers. All such conflicts are required to be disclosed by such directors or officers in accordance with the OBCA and the directors of 9 Capital are required to govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

Interests of Experts

No person or company, whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Filing Statement or as having prepared or certified a report or valuation described or included in this Filing Statement, holds, or is expected to hold, any beneficial interest, directly or indirectly, in any property of 9 Capital, Churchill or the Resulting Issuer or of an Associate or Affiliate of 9 Capital, Churchill or the Resulting Issuer and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of 9 Capital, Churchill or the Resulting Issuer or of an Associate or Affiliate of 9 Capital, Churchill or the Resulting Issuer and no such person is a Promoter of 9 Capital, Churchill or the Resulting Issuer or an Associate or Affiliate of 9 Capital, Churchill or the Resulting Issuer.

MNP LLP has informed 9 Capital that they are independent with respect to 9 Capital within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

Summary of Risk Factors

An investment in Existing 9 Capital Shares or Resulting Issuer Shares (both before and after Completion of the Proposed Qualifying Transaction) should be considered highly speculative and involves a high degree of risk. Material risk factors affecting the Resulting Issuer include the following: The impact of the COVID-19 public health crisis on the Resulting Issuer; the limited operating history of the Resulting Issuer; the general nature of the mineral exploration business; the Resulting Issuer’s current dependence on only one material mineral project; the inability of

the Resulting Issuer to discover any mineral resources or mineral reserves on its mineral properties; operational risks associated with the exploration and development of mineral properties; risks related to the ability to determine title on the Resulting Issuer's properties; future capital needs of the Resulting Issuer and uncertainty of additional financing when required; the general state of the global economic markets; changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, or other countries in which the Resulting Issuer may, upon completion of the Proposed Qualifying Transaction, carry on business; ability to obtain all requisite permits and licenses for the Resulting Issuer to conduct its operations now and in the future; labour and employment matters; outside contractor risks; health and safety risks; compliance with applicable environmental laws and regulations; dependence on reliable infrastructure to conduct exploration and development activities; ability of the Resulting Issuer to manage the growth and scope of its operations; fluctuation in metal prices; ability to retain and recruit employees and consultants with the necessary skills and knowledge required to conduct the business of the Resulting Issuer; expense associated with insuring certain risks and inability to obtain insurance for protection against other risks; litigation risks; ability to maintain reliable and continuous information technology systems; the Resulting Issuer's directors and officers may serve on the boards and act as officers of other companies whose interests may conflict with the Resulting Issuer; acquisition and integration risks; risk of reliance on key employees, suppliers, risks associated with recruiting and retaining qualified personnel; fluctuations of the market price of the Resulting Issuer Shares; other usual risks associated with an investment in the business of the Resulting Issuer; potential obligation to consult and work with indigenous peoples; future sales of Resulting Issuer Shares by existing shareholders which could depress the value of the Resulting Issuer Shares; currency risks; no intention of paying dividends in the near or medium term; and availability of reasonably priced raw materials. For a more detailed description of these and other risk factors affecting the Resulting Issuer, see "Risk Factors" below.

Conditional Listing Approval

The Exchange has conditionally accepted the Proposed Qualifying Transaction subject to 9 Capital fulfilling all of the requirements of the Exchange on or before September 1, 2021. Such conditional listing approval is subject to a number of standard conditions as well as receipt of final approval from the Exchange.

PART II - INFORMATION CONCERNING 9 CAPITAL

Corporate Structure

Name, Address and Incorporation

The full corporate name of the 9 Capital is 9 Capital Corp. 9 Capital was incorporated under the laws of the Province of Ontario pursuant to the OBCA on April 4, 2017. The registered and head office address of the Corporation is located at 82 Richmond Street East, 1st Floor, Toronto, Ontario M5C 1P1. 9 Capital is a reporting issuer in the provinces of British Columbia, Alberta and Ontario.

9 Capital does not have any subsidiaries other than Subco.

General Development of the Business

History

9 Capital was formed as a CPC under Exchange Policy 2.4. Since becoming a CPC, the principal business of 9 Capital has been to identify and evaluate opportunities for the acquisition of an interest in assets or businesses for the completion of a Qualifying Transaction and, once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder approval, where required, and acceptance for filing by the Exchange.

On February 15 and March 19, 2018, 9 Capital completed the 9 Capital Seed Private Placement by issuing, on a prospectus exempt basis, an aggregate of 8,200,000 Existing 9 Capital Shares at a price of \$0.05 per Existing 9 Capital Share for aggregate gross proceeds of \$410,000. The proceeds of the 9 Capital Seed Private Placement were added to the funds available to 9 Capital for identifying and evaluating assets or businesses and for general administrative purposes until the completion of a Qualifying Transaction.

On September 25, 2018, 9 Capital completed the CPC IPO and began trading under the symbol “NCPL.P” as a CPC on September 25, 2018. Pursuant to the CPC IPO, 9 Capital issued an aggregate of 3,720,500 Existing 9 Capital Shares at a price of \$0.10 per Existing 9 Capital Share, as qualified by a final prospectus dated August 10, 2018.

On November 10, 2020, 9 Capital announced that it has entered into a binding agreement dated November 6, 2020 with Renew, Youthful Living Ltd. to effect a business combination of the two companies. On December 22, 2020 9 Capital announced that it will not be proceeding with its proposed Qualifying Transaction with Renew and that the letter agreement dated November 6, 2020 between the Company and Renew had been terminated.

In December, 2020, 9 Capital began discussions with the directors and management of Churchill about a possible business combination among the parties. On December 23, 2020, 9 Capital and Churchill entered into the Letter Agreement. On January 31, 2021, as amended May 28, 2021, 9 Capital, Subco and Churchill entered into the Business Combination Agreement which supersedes the Letter Agreement. Pursuant to the terms of the Business Combination Agreement and subject to the receipt of all requisite approvals, 9 Capital will acquire all of the issued and outstanding Churchill Shares in exchange for the issuance of Resulting Issuer Shares in accordance with the Exchange Ratio, and Churchill will be amalgamated with Subco and continue as a wholly-owned subsidiary of 9 Capital. Churchill is at arm’s-length to 9 Capital and the Business Combination Agreement was negotiated at arm’s-length between Churchill and 9 Capital.

On April 8, 2021, the 9 Capital Shareholders approved, among other things, the Consolidation and the Name Change at the 9 Capital Meeting.

The 9 Capital Circular and accompanying letter of transmittal are available under 9 Capital’s issuer profile on SEDAR at www.sedar.com.

Description of the Qualifying Transaction

On December 23, 2020, 9 Capital entered into the Letter Agreement setting out the general terms of a business combination with Churchill, a privately held arm's length OBCA incorporated company. On January 31, 2021, 9 Capital, Subco and Churchill entered into the Business Combination Agreement which superseded the Letter Agreement. On May 28, 2021, the Business Combination Agreement was amended to extend the outside date to complete the Proposed Qualifying Transaction to June 30, 2021. Churchill is a privately-held exploration and development company focused on identifying and exploring prospective mineral resource projects in Canada. The Taylor Brook Project is located 60 km north of Deer Lake, Newfoundland, and is comprised of two contiguous mapstaked licenses containing 226 claims totalling 56.5 km², which has known high grade Ni-Cu-Co mineralization at surface and shallow drilled depths from work carried out between 1999-2012. The property is under option from Altius Resources Inc. to acquire an undivided 100% interest. The Pelly Bay Project consists of 153 mineral claims totalling 170.75 km² on tidewater near the town of Kugaaruk in central Nunavut, covers the entire diamondiferous Pelly Bay kimberlite field, as well as areas prospective for Ni-Cu-Co and gold mineralization. The White River Project is located approximately 30 km east of the Hemlo Gold Mine along the Trans-Canada Highway and consists of 1,355 claims totalling approximately 28.9 km² covering the White River diamondiferous melnoitic kimberlite intrusive field.

Upon completion of the Proposed Qualifying Transaction, it is the intention of the parties that the Resulting Issuer will continue to primarily focus on the exploration and development of the Taylor Brook Project.

Following the Completion of the Proposed Qualifying Transaction, 9 Capital Shareholders will hold approximately 20.2% of the Resulting Issuer Shares, and the current Churchill Shareholders will hold approximately 79.8% of the Resulting Issuer Shares. In connection with the Transaction, 9 Capital will issue an aggregate of 27,813,216 Resulting Issuer Shares at a deemed value of \$0.25 per Resulting Issuer Share in consideration for the acquisition of all of the issued and outstanding Churchill Shares.

The Proposed Qualifying Transaction is an arm's length transaction in accordance with the policies of the TSXV and is not subject to the approval of the 9 Capital Shareholders.

Management's Discussion and Analysis

9 Capital's management's discussion and analysis (the "**9 Capital MD&A**") for the fiscal years ended December 31, 2020 and 2019 and the interim period ended March 31, 2021 are attached hereto as Schedule "B".

Certain information included in the 9 Capital MD&A is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Forward-Looking Statements*" for further details.

Description of the Securities

9 Capital is authorized to issue an unlimited number of 9 Capital Shares without nominal or par value, of which, as at the date hereof, 11,920,501 Existing 9 Capital Shares are issued and outstanding as fully paid and non-assessable. Each Existing 9 Capital Share carries one vote at all meetings of shareholders, carries the right to receive a proportionate share, on a per share basis, of the assets of 9 Capital available for distribution in the event of a liquidation, dissolution, or winding-up of 9 Capital and the right to receive any dividend if declared by 9 Capital.

Stock Option Plan

The Stock Option Plan provides that the board of directors of 9 Capital may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants to 9 Capital, non-transferable options to purchase Existing 9 Capital Shares, provided that the number of Existing 9 Capital Shares reserved for issuance will not exceed 10% of the issued and outstanding Existing 9 Capital Shares. However, other than in connection with a Qualifying Transaction, during the time that 9 Capital is a CPC, the aggregate

number of 9 Capital Shares issuable upon exercise of all options granted under the Stock Option Plan shall not exceed 10% of the Existing 9 Capital Shares issued and outstanding at the closing of the CPC IPO. Such options will be exercisable for a period of up to 10 years from the date of grant. In connection with the foregoing, the number of Existing 9 Capital Shares reserved for issuance to all consultants will not exceed 2% of the issued and outstanding Existing 9 Capital Shares. In addition, the Stock Option Plan provides that no more than 5% of the issued Existing 9 Capital Shares will be granted to any individual in any 12-month period; no more than 2% of the issued shares of 9 Capital will be granted to any one consultant in any 12-month period; and no more than an aggregate of 2% of the issued shares of 9 Capital will be granted to an employee conducting investor relations activities in any 12-month period. 9 Capital, as long as it is a CPC, will not grant options to any person providing investor relations activities, promotional or market-making services. Options may be exercised the greater of 12 months after the Completion of the Proposed Qualifying Transaction and 90 days following cessation of the optionee's position with 9 Capital, provided that if the cessation of office, employment, directorship, or consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Any Existing 9 Capital Shares acquired pursuant to the exercise of options under the Stock Option Plan prior to Completion of the Proposed Qualifying Transaction must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. The exercise price of options issuable pursuant to the Stock Option Plan is determined by the board of directors of 9 Capital but shall not be less than the greater of \$0.10 and the Discounted Market Price (as such term is defined pursuant to the policies of the Exchange) as long as 9 Capital remains a CPC.

Prior Sales

No Existing 9 Capital Shares have been issued by 9 Capital during the 12-month period prior to the date of this Filing Statement.

Stock Exchange Price

The Existing 9 Capital Shares are listed for trading on the Exchange under the symbol "NCPL.P". Trading of the Existing 9 Capital Shares was halted on September 28, 2020 in connection with 9 Capital failing to complete its Qualifying Transaction within 24 months of its date of listing. On September 25, 2020, the last trading day prior to the trading halt, the closing price of the Existing 9 Capital Shares was \$0.095.

The following table sets forth the high and low daily closing prices and the volumes of trading of the Existing 9 Capital Shares for the periods indicated:

Period	Price Range		
	High (\$)	Low (\$)	Volume
September 1, 2020 to September 25, 2020	0.095	0.065	34,500
August 2020	n/a	n/a	Nil
July 2020	0.10	0.10	6,900
June 2020	0.095	0.07	13,500
May 2020	0.10	0.10	4,500
April 2020	n/a	n/a	Nil
March 2020	n/a	n/a	Nil
February 2020	0.07	0.06	15,600
January 2020	0.115	0.115	2,200
December 2019	n/a	n/a	Nil
November 2019	0.085	0.03	35,000
October 2019	0.09	0.09	1,000

Period	Price Range		
	High (\$)	Low (\$)	Volume
September 2020	0.075	0.07	20,000

Arm's-Length Qualifying Transaction

The acquisition by 9 Capital of all of the issued and outstanding Churchill Shares is not a Related Party Transaction for the purposes of Exchange policies and Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* and is not a Non-Arm's Length Qualifying Transaction pursuant to the policies of the Exchange. As a result, approval of the Amalgamation or the Business Combination by 9 Capital's shareholders are not required under the Exchange policies as a condition to the completion of the Proposed Qualifying Transaction.

Legal Proceedings

9 Capital is not aware of any material legal proceedings to which 9 Capital is a party or to which any of its property is subject, nor is 9 Capital aware that any such proceedings are contemplated.

Auditor, Transfer Agent and Registrar

The auditor of 9 Capital is MNP LLP, whose principal office is located at 111 Richmond Street West, Suite 300, Toronto, Ontario M5H 2G4.

The transfer agent and registrar for the Existing 9 Capital Shares is TSX Trust Company, at its principal office at 100 Adelaide St. W., Suite 301, Toronto, Ontario M5H 1S3.

Material Contracts

Since incorporation, the only material contracts entered into by 9 Capital, other than contracts entered into in the ordinary course of business, are as follows:

- (a) the Business Combination Agreement;
- (b) the agency agreement dated as of August 10, 2018 between 9 Capital and PI Financial Corp.;
- (c) the CPC Escrow Agreement; and
- (d) the transfer agency and registrar agreement dated as of August 10, 2018 between 9 Capital and TSX Trust Company.

Copies of the material contracts are available under 9 Capital's issuer profile on SEDAR at www.sedar.com.

PART III - INFORMATION CONCERNING CHURCHILL

Corporate Structure

Name, Address and Incorporation

Churchill Diamond Corporation (referred to as Churchill in this Filing Statement) is a corporation incorporated under the OBCA on April 10, 2014. Its registered and head office is located at Suite 505, 133 Richmond Street West, Toronto Ontario M5H 2L3.

Intercorporate Relationships

As of the date of this Filing Statement, Churchill has no subsidiaries.

Description of the Business

Churchill is a privately-held exploration and development company incorporated pursuant to the OBCA on April 10, 2014 focused on identifying and exploring prospective projects in Canada, namely the Taylor Brook Project, the Pelly Bay Project, and the White River Project. All three projects are at the evaluation stage, with known mineralized Ni-Cu-Co showings at Taylor Brook and Pelly Bay, and diamondiferous kimberlitic intrusives at Pelly Bay and White River. The Taylor Brook Project is located 60 km north of Deer Lake, Newfoundland, and is comprised of two contiguous map-staked licenses containing 226 claims totalling 56.5 km², which has known high grade Ni-Cu-Co mineralization at surface and shallow drilled depths from work carried out between 1999-2012. The property is currently under option from Altius to acquire an undivided 100% interest. Following the Completion of the Proposed Qualifying Transaction, it is the intention that the Resulting Issuer will continue to primarily focus on the exploration and development of the Taylor Brook Project. See “Special Note Regarding Forward-Looking Statements”.

Churchill has been operationally dormant on its diamond projects during 2019 and 2020, however, in 2019 Churchill enlarged the White River Project to include nearly all of the diamond-bearing intrusives through map-staking and thereby consolidating the diamond district. On December 4, 2019, Churchill and Western Troy Capital Resources entered into a binding letter agreement to complete a reverse take-over on the TSXV that was subsequently terminated on May 7, 2020 as the COVID-19 Pandemic had adversely affected the diamond sector and Churchill's financing efforts.

Review of Ni-Cu-Co properties, as well as Pelly Bay's Ni-Cu-Co potential, became Churchill's primary focus during the summer of 2020. This culminated on December 18, 2020, with Churchill and Altius entering into the Taylor Brook Option Agreement that provides Churchill with the option to acquire from Altius a 100% non-divided interest in the claims comprising the Taylor Brook Project, located within the Long-Range Gneiss Complex of Western Newfoundland, approximately 40-60 km north-northeast of Deer Lake. Pursuant to the terms of the Taylor Brook Option Agreement, Churchill will have the exclusive option for a period of 24 months to acquire an undivided 100% interest in the claims on satisfaction of the following conditions:

1. Issue 2,423,180 Churchill Shares on the execution date of the Taylor Brook Option Agreement (this condition has been satisfied).
2. Incur a minimum of \$250,000 in exploration expenditures on the Taylor Brook Project within 12 months following the execution the Taylor Brook Option Agreement.
3. Complete an equity financing with an amount of at least \$1 million with a share price of not less than \$0.25 within 12 months following the execution of the Taylor Brook Option Agreement (this condition has been satisfied).

4. Issue, on or prior to the date that is 24 months following the execution of the Taylor Brook Option Agreement, 9,000,000 Churchill Shares or such lesser number of Churchill Shares such that after such issuance Altius shall not own more than 19.9% of the issued and outstanding Churchill Shares (or Resulting Issuer Shares), after giving effect to the issuance, on a partially diluted basis.
5. Commence a transaction that will result in Churchill becoming a reporting issuer in at least one province of Canada within 12 months following the execution the Taylor Brook Option Agreement, and completing such transaction within 24 months following the execution of the Taylor Brook Option Agreement.
6. Churchill and Altius will enter into an investor rights agreement that will provide, among other matters, Altius with the right to designate one nominee for the election to the Resulting Issuer Board and will grant the right to Altius to participate in future equity financings undertaken by the Resulting Issuer to permit Altius to maintain its pro-rata ownership position in the Resulting Issuer.

As of the Effective Date, the Resulting Issuer will be in the business of a mineral exploration company and will hold indirectly all of the rights to the property interests of the Taylor Brook Project which are described below. The Resulting Issuer intends to complete the Stage I exploration program on the Taylor Brook Project as recommended in the Technical Report, consisting primarily of evaluating geophysical targets generated by the helicopter EM survey flown in February and March, 2021 through prospecting, ground geophysical surveys and diamond drilling, and estimated to cost approximately \$650,000 (comprised of \$350,000 in a Phase I program recommended pursuant to the Technical Report, and a contingent \$300,000 Phase II program. It is intended that this work program will take approximately six to 12 months. For further details on the Taylor Brook Project, please see “Information Concerning Churchill – Description of the Business – Description of the Taylor Brook Project”.

Between December 7, 2020 and January 4, 2021, Churchill completed the Churchill Private Placement. See “Information Concerning Churchill – Description of the Securities” and “Information Concerning Churchill – Prior Sales” for more information regarding the Churchill Private Placement.

On December 23, 2020, 9 Capital and Churchill entered into the Letter Agreement in respect of the Proposed Qualifying Transaction, as described in the news release of 9 Capital dated December 23, 2020. On January 31, 2021, as amended May 28, 2021, 9 Capital, Subco and Churchill entered into the Business Combination Agreement, which superseded and replaced the Letter Agreement, to carry out the Proposed Qualifying Transaction. See “Summary of the Filing Statement – Summary of the Proposed Qualifying Transaction”.

Description of the Taylor Brook Project

Churchill is engaged in the business of mineral exploration and development. Churchill’s sole material mineral project is the Taylor Brook Project. Over the past two years Altius has only conducted a detailed review of all existing geophysical data derived from earlier exploration work with no current exploration work having been conducted on the Taylor Brook Project.

Unless stated otherwise, the information in this section is summarized, compiled or extracted from the Technical Report. The Technical Report was prepared in accordance with NI 43-101 and has been filed with the securities regulatory authorities in the provinces of British Columbia, Alberta and Ontario. The disclosure in this Filing Statement derived from the Technical Report has been prepared with the consent of Dr. Derek H.C. Wilton, P.Geo. FGC and Jeremy S. Brett, M.Sc., P.Geo., who are each Qualified Persons within the meaning of NI 43-101 and independent of Churchill.

The Technical Report is subject to certain assumptions, qualifications and procedures described therein. Reference should be made to the full text of the Technical Report, which has been filed with Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review under 9 Capital’s issuer profile on SEDAR at www.sedar.com. The Technical Report is not and shall not be deemed to be incorporated by reference in this Filing Statement.

Project Description, Location and Access

The Taylor Brook Project consists of 226 map staked claims held under two map staked mineral licences encompassing an area of 5650 hectares, as per Figure 1-1 and Table 1-1.

Figure 1-1: Map of Mineral Licences that constitute the Taylor Brook Project

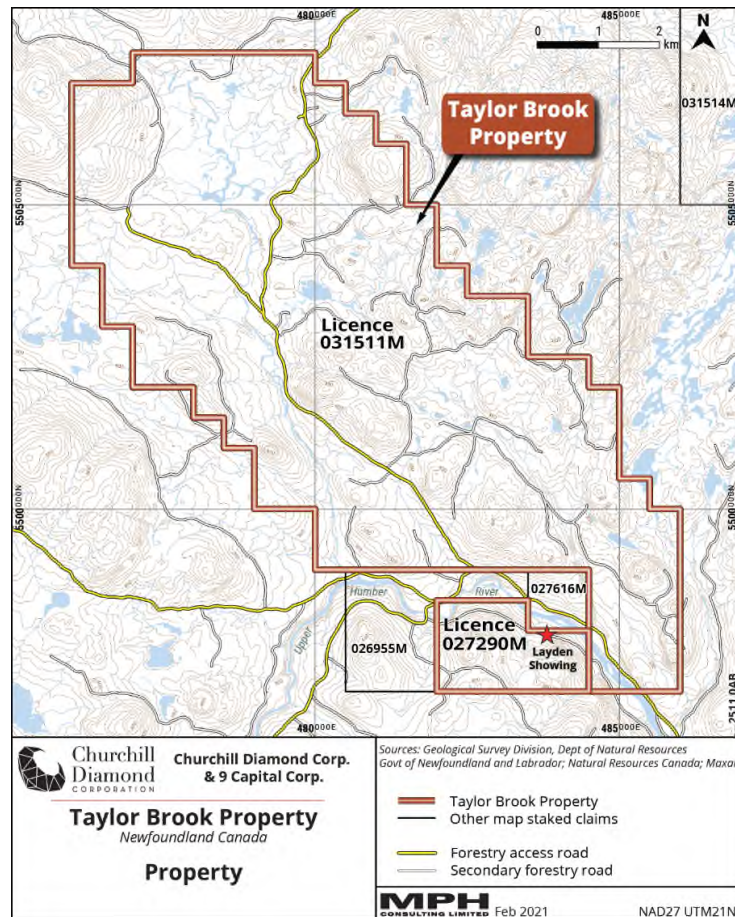


Table 1-1: Taylor Brook Project Claims

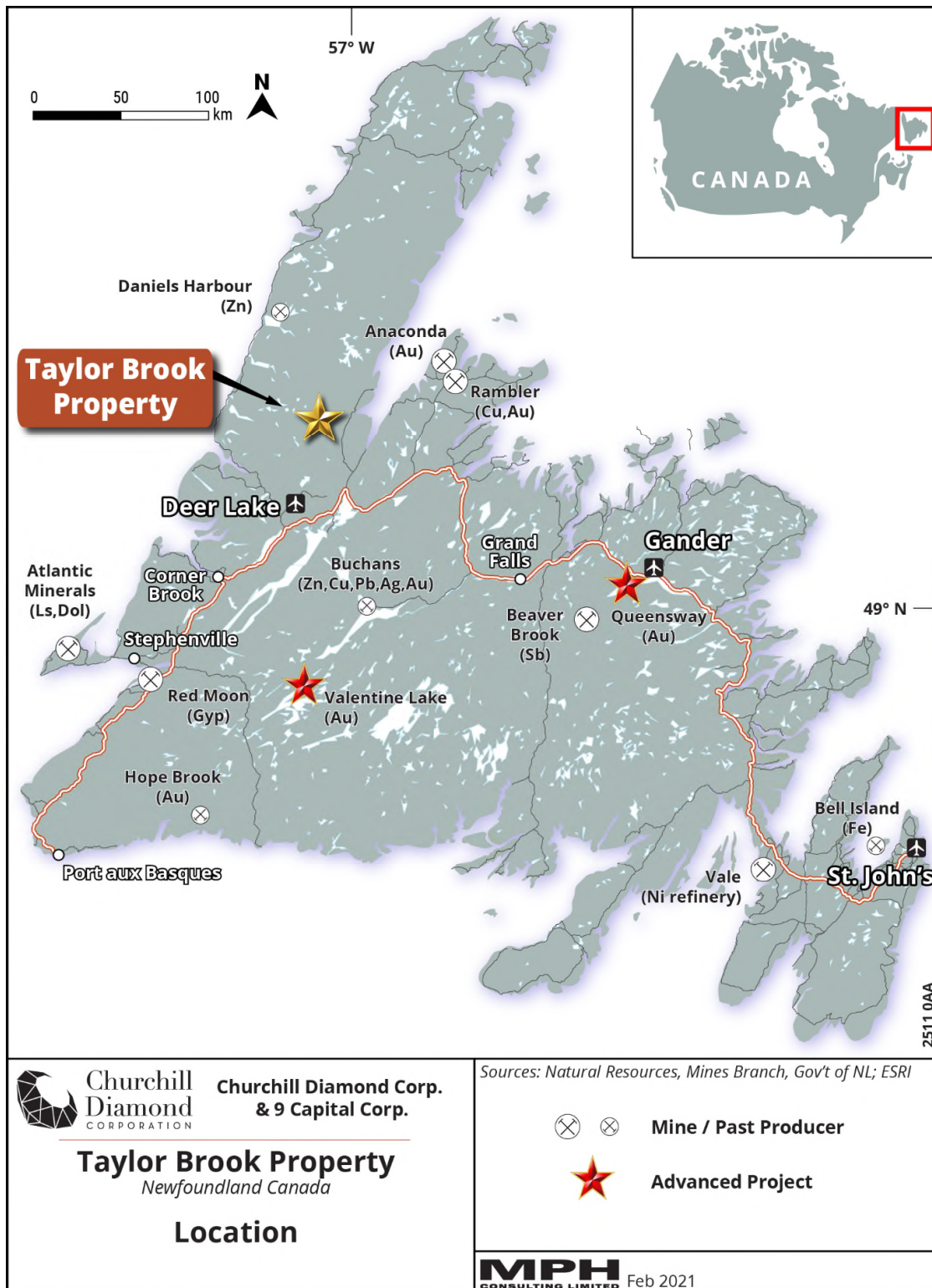
Licence Number	Number of Claims	Number of Hectares	Issuance Date	Tenure Year	Mode of License Acquisition
027290M	13	325	2019-Aug-29	3	Map-staked by Altius
031511M	213	5,325	TBA*	1	Map-staked by Altius
TOTALS	226	5,650			

* License issuance is still pending by the Division of Mineral Lands at NL Department of Industry, Energy and Technology

Location

The mineral licenses are located in the Western White Bay area on the island of Newfoundland in the Province of Newfoundland and Labrador (Figure 1-2).

Figure 1-2: Location Map of Taylor Brook Project on the island of Newfoundland, Province of Newfoundland and Labrador



The claims are held by Altius, who entered into the Taylor Brook Option Agreement pursuant to which Churchill can earn a 100% interest in the Taylor Brook Project, reserving a 1.6% gross sales royalty to Altius, if the conditions described below are met. Capitalized terms used below but not defined herein have the meanings ascribed to them in the Taylor Brook Option Agreement.

- On Execution Date, Churchill is to issue Altius such number of Churchill Shares that represents 9.9% of the issued and outstanding Churchill Shares. (Completed)
- On or prior to the First Anniversary date of the Taylor Brook Option Agreement, Churchill must incur a minimum of \$250,000 worth of Expenditures which would include the required Committed Expenditures amounting to \$43,000 to keep the licenses in good standing.
- On or prior to the First Anniversary, Churchill must complete a Private Placement which would raise gross proceeds of at least \$1 million at a share price of not less than \$0.25 per share. (Completed)
- On or prior to the First Anniversary, Churchill shall have commenced the Going Public Transaction and on or before the Second Anniversary, Churchill shall have completed the Going Public Transaction.
- On or prior to the Second Anniversary, Churchill will issue an additional number of shares to Altius such that Altius will own 19.9% of the issued and outstanding Churchill Shares.

Access

The Taylor Brook Project is situated west of the Hampden – Sops Arm Highway (Route 420) near the Upper Humber River, and can be accessed by travelling the Taylor Brook Resource Road (Figure 1-1). In addition, a network of secondary woods roads originating from the main resource road allow for easy access to most of the claims as per Figure 1-2.

The mineral licenses are located on Crown land and legal access to the areas is not an issue.

Neither Churchill nor the authors of the Technical Report are aware of any known environmental liabilities or issues associated with the Taylor Brook land package.

To date, the only work conducted by Churchill on the Taylor Brook Project has been compilation of historic data and desktop targeting studies, therefore Churchill has not had to apply for any exploration permits to carry out exploration work on the Taylor Brook Project. Some work program components recommended in the Technical Report fall within categories of exploration activity for which exploration permitting would be necessary. An Exploration Approval permit must be obtained from the NL DIET before any exploration program can commence. The regulation system in Newfoundland and Labrador is efficient, and typically exploration permit approval would take only four to six weeks. Altius has advised that it has had no difficulty to date obtaining exploration permits for previous work programs on the Taylor Brook Project and has not identified any factors that would substantively change this expectation for permitting of exploration work on the Taylor Brook Project.

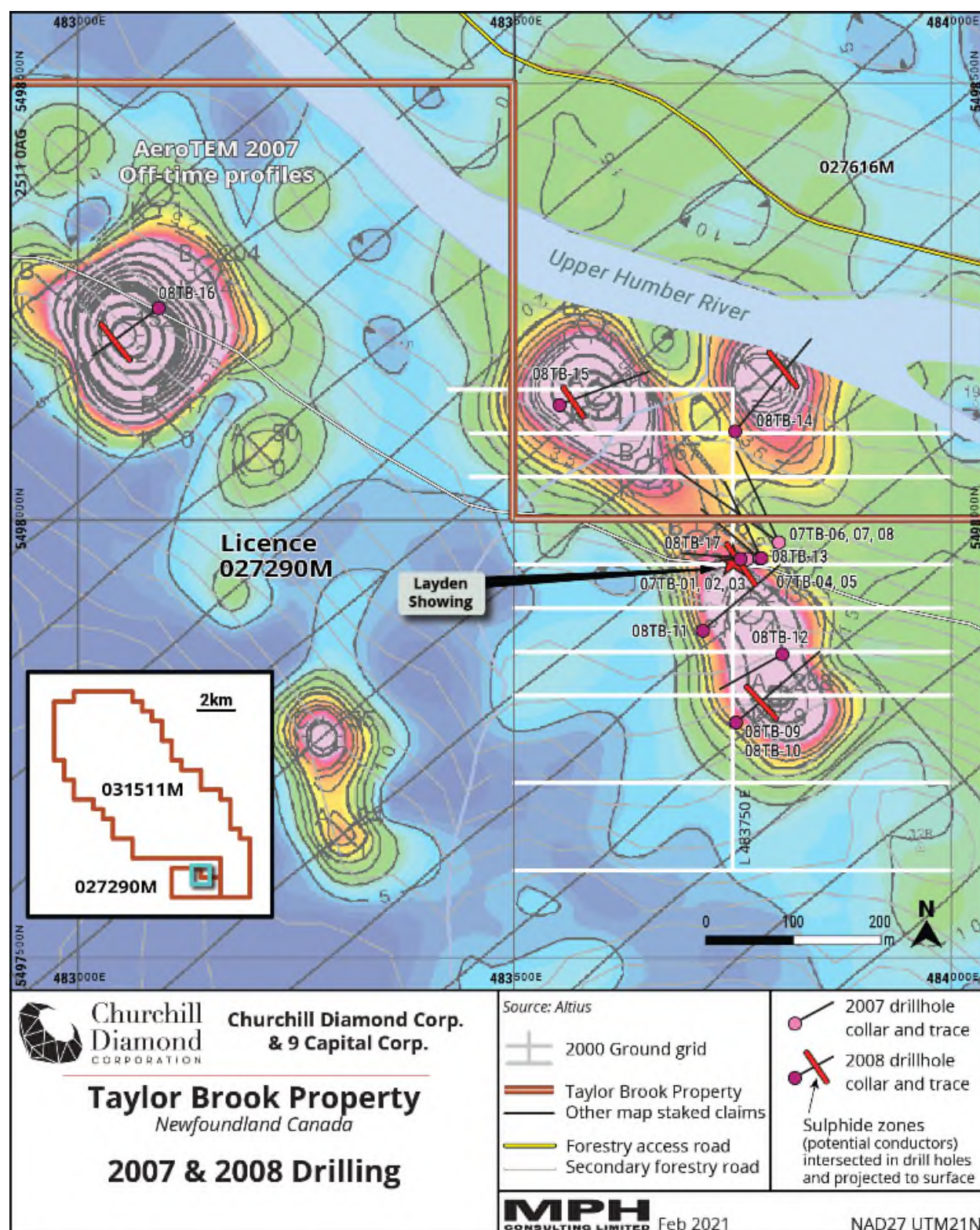
The author of the Technical Report is not aware of any other significant factor or risk that may affect access, title, or the right or ability to perform recommended work on the Taylor Brook Project.

History

Exploration in the Taylor Brook area has been relatively limited, spanning sporadic intervals between discovery in 1998 and the latest airborne survey in 2020. Early work on the property included a variety of geophysical surveys (including max-min, magnetometer, VLF-EM, and transient EM), line cutting, geological mapping, trenching, lithogeochemical analyses, and petrographic examinations.

Seventeen diamond drill holes were completed on the property in 2007-2008 with a cumulative length 2626.27 m (1205.47 m in 2007 and 1430.8 m in 2008) as shown in Figure 2-1. The 2007 holes were designed to intersect metabasite breccias north of the Layden Showing and ultimately enlarged the known size of the ultramafic unit to 200 x 100 x 50 m. The best assay intercept from the 2007 holes was 0.13% Ni, 0.21% Cu and 0.03% Co over 1 m. Between drill programs, downhole EM (PEM) surveys were conducted in two of the 2007 holes and a strong off-hole conductor was detected at a depth of 140 m depth and a weak one at 80 m.

Figure 2-1: Location of 2007-2008 drillholes, grid lines, and AeroTEM II EM conductors on the Layden Showing



The 2008 drilling intersected five distinct zones of sulphide mineralization including massive to semi-massive sulphide intervals. Hole 08TB-09 intersected three massive to semi-massive sulphide intervals, 0.3 to 0.95 m thick; 08TB-10 intersected four massive to semi-massive sulphide intervals, 0.02 to 0.1 m thick; 08TB-14 intersected two 0.2 m wide massive sulphide intervals; TB08-16 intersected 1 to 5 cm thick massive sulphide zones within a 5.2 m wide interval; and TB08-17 intersected semi-massive sulphide intervals. Significant drill-hole intercepts included: 1.71% Ni, 0.13% Cu and 0.028% Co over 4.15 m; 1.63% Ni, 0.36% Cu and 0.027% Co over 4.25 m; 1.35% Ni, 0.32% Cu and 0.023% Co over 1.35 m. Holes 08TB-09 and -10 intersected “Layden-style” pyrrhotite-pyrite-pentlandite-chalcocopyrite mineralization in metabasites. The table below lists the best mineralization intersections from the 2008 drilling campaign.

Summary of best intersections from the 2008 drilling on the Taylor Brook Property (after Ebert, 2008)

Hole	from	To	Width (m)	Ni %	Cu%	Co%
08TB-09	42.0	46.15	4.15	1.71	0.13	0.028
including	42.6	42.9	0.3	4.7	0.17	0.071
including	43.4	44.35	0.95	4.5	0.16	0.073
08TB-10	95.95	97.4	1.45	1.35	0.32	0.023
08TB-14	132.75	133.75	1	0.34	0.14	0.048
and	137.3	138.3	1	0.09	0.15	0.022
08TB-16	86.6	90.8	4.2	0.03	0.25	0.008
including	89.3	90.3	1	0.06	0.54	0.01
08TB-17	0	4.25	4.25	1.63	0.36	0.027
including	0.2	0.45	0.25	4.0	1.86	0.051
including	4.0	4.25	0.25	6.1	0.17	0.111

Drilling suggests that Layden Showing-style metabasite extends for at least 220 x 100 x 50 m. The showing correlates with a weak, shallow EM conductor and drilling on another conductor 700 m to the northwest of the Layden intersected 1 to 5 cm thick massive sulphides in metabasite.

Geological Setting, Mineralization, and Deposit Types

The island of Newfoundland defines a cross-section through the northern part of the Appalachian Orogenic Belt (Figure 3-1). Geologically the island can be subdivided into four Tectonostratigraphic Zones (the Humber, Dunnage, Gander and Avalon zones) that record the opening, closing, and ultimate destruction of the Iapetus Ocean through the early- to mid-Paleozoic (Williams, 1978a, 1978b; Williams et al., 1988). The Humber Zone represents the ancient eastern continental margin of ancient North America, termed Laurentia. It consists of two main elements: a Mesoproterozoic to Neoproterozoic crystalline basement, and Cambro-Ordovician cover sequences. The Precambrian basement, as exposed in the Long Range Inlier of the Great Northern Peninsula, is part of the Grenville Province of the Canadian Shield. The Avalon Zone represents the western margin of Gondwana, and consists of late Precambrian plutonic, volcanic, and sedimentary rocks overlain by Cambro-Ordovician platformal sedimentary units. Rocks of the Gander Zone record the development and destruction of a continental margin east of the Iapetus Ocean (McKerrow and Cocks, 1977), and the Dunnage Zone contains oceanic crust, vestiges of the Iapetus Ocean, and accreted island-arc systems and mélanges.

The Taylor Brook Project is situated within southeastern corner of the Long Range Inlier (LRI). The Long Range Inlier constitutes the largest and northernmost exposure of basement rocks in the Appalachian Orogen, covering an area of ca. 8500 km² in the Humber Zone of the Great Northern Peninsula. It is a massif of Neo-Proterozoic crystalline rocks (Owen, 1991). Mafic dykes and associated local flood basalts, dated at 615 to 600 Ma, crop out in the northwestern portions of the LRI (Williams et al., 1985). More widespread, unconformable cover sequences of Late Proterozoic-Cambrian clastic rocks are overlain by Middle Cambrian to Early Ordovician carbonate platform sequences (Williams and Stevens, 1974). On the eastern side, near the Taylor Brook Project, cover material has been metamorphosed and locally intruded by Silurian rocks.

Figure 3-1: Tectonostratigraphic map of Newfoundland Appalachians and locations of Long Range Inlier and Taylor Brook Project

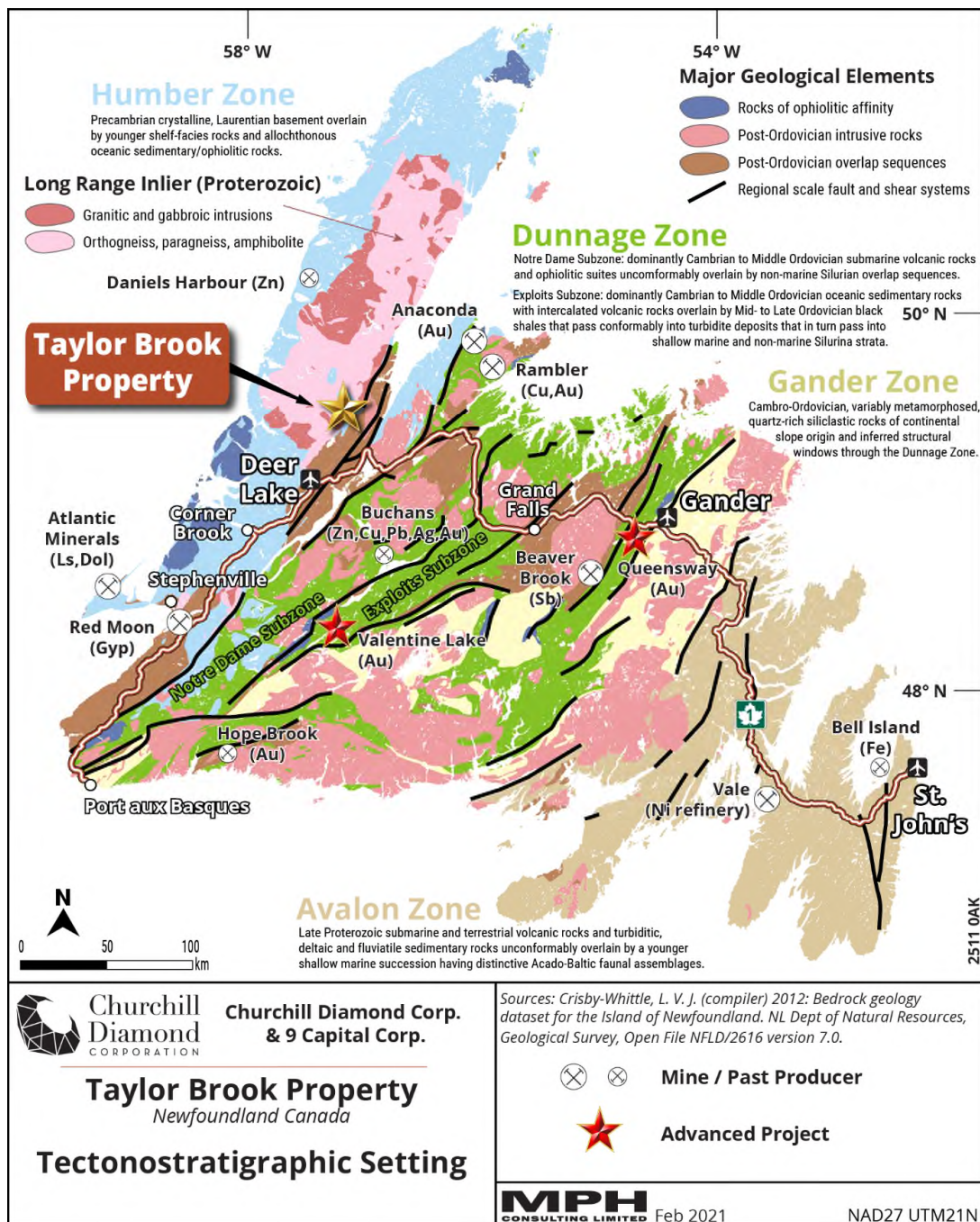


Figure 3-2 is the geology map of the Taylor Brook Project based on the work of Owen (1991). The Layden Showing occurs within what Owen (1991) termed granitic-granodioritic gneiss (unit Pgn) and indeed most of Licence 027290M is underlain by Pgn. According to Owen, in terms of size, this is the most important unit in the LRI gneiss complex. He noted that migmatite is common, and near the Taylor Brook Project, the unit grades into banded gneiss. On the southwestern corner of the licence, unit Pqdn crops out.

Figure 3-2a: Taylor Brook Project Geology Map

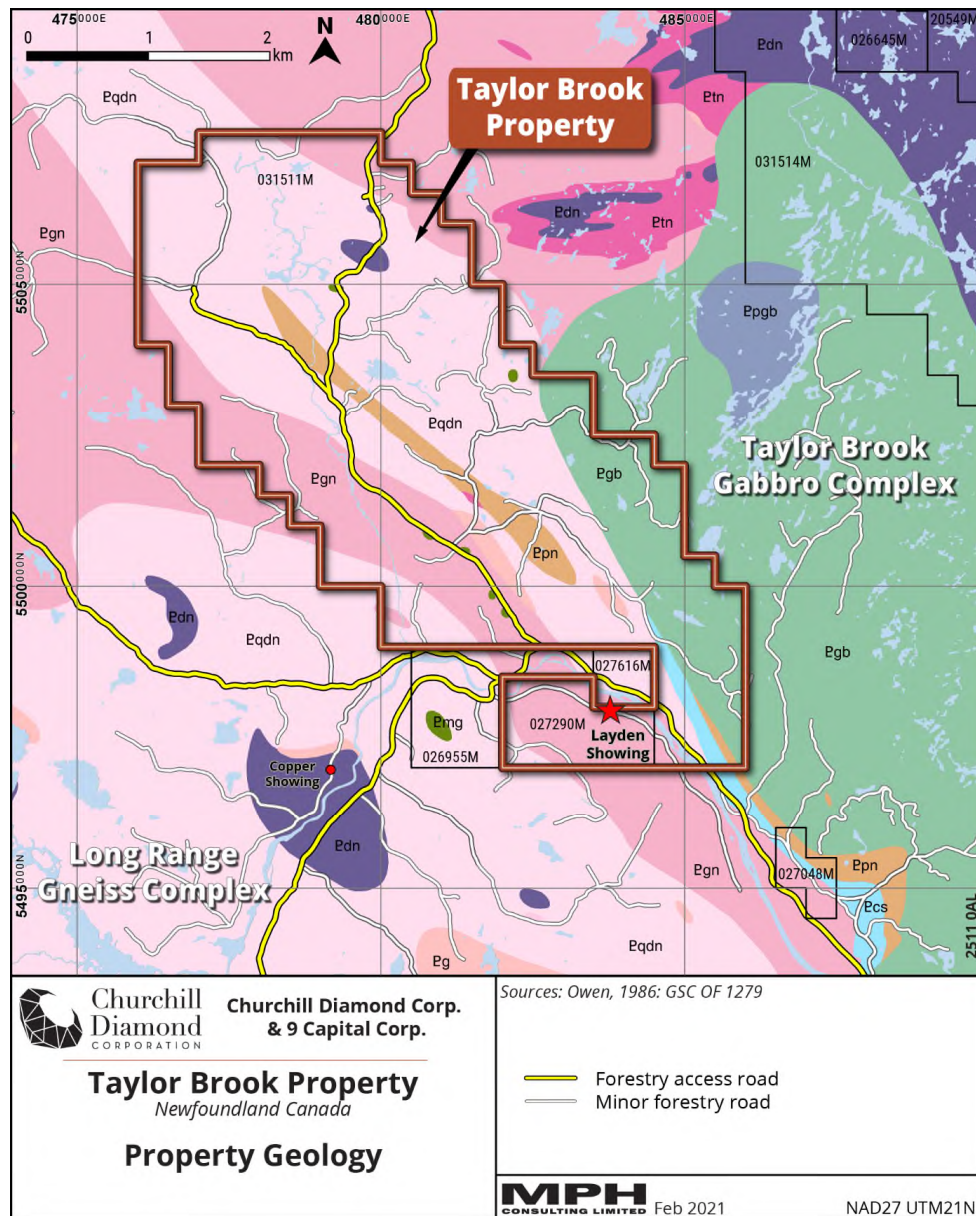
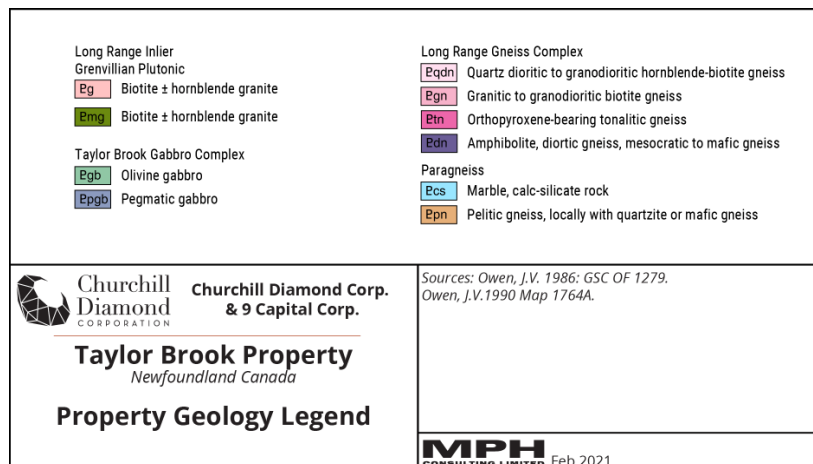


Figure 3-2b: Legend for Taylor Brook Project Geology Map

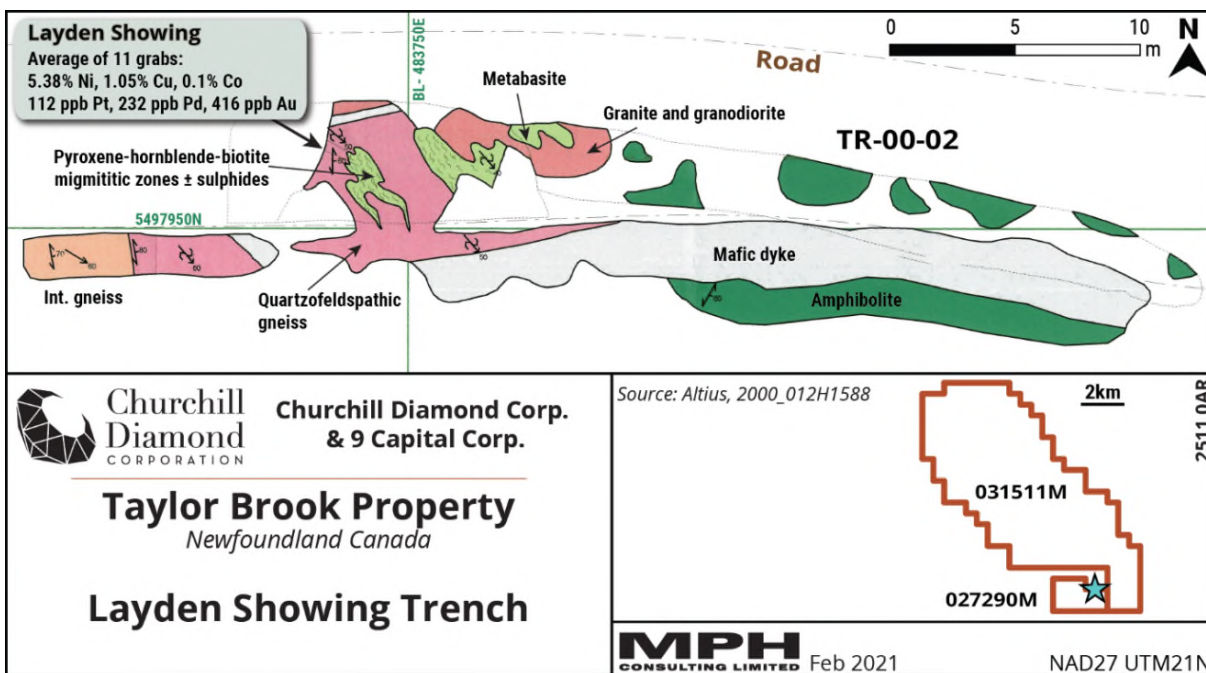


Mineralization

The exploration target within the Taylor Brook Project is magmatic Ni-Cu-(PGE) sulphide mineralization as exposed and drilled at the Layden Showing. The Taylor Brook Project claims are predominantly underlain by Neo-Proterozoic quartzofeldspathic and mafic gneisses, and amphibolites of the Long Range Gneiss Inlier of the Humber Zone. The oldest rocks in the Inlier comprise poly-deformed, leucocratic to mesocratic quartzofeldspathic gneiss, along with lenses of granitic orthogneiss (derived from plutonic protolithologies) and amphibolites. The inlier and its lithologies correlate with the Grenville Province of the Canadian Shield.

The Layden Showing consists of high-grade Ni-Cu-PGE sulphide mineralization associated with a primitive (high MgO), biotite-rich, “metabasite” intrusive host and local magmatic breccias. Sulphide mineralization consists of pyrrhotite and chalcopyrite, with lesser pentlandite; the pentlandite is present as both discrete grains intergrown with, and flame exsolution lamellae within, pyrrhotite. The minerals range from stringers through coarse disseminations to semi-massive and massive sulphide. The semi-massive horizons typically contain host rock fragments and as such could be classified as breccias. Eleven grab samples from the original Layden Prospect provided average assay values at 5.38% Ni, 1.05% Cu, 0.1% Co, 112 ppb Pt, 232 ppb Pd, and 416 ppb Au. Calculated nickel tenors and nickel/copper ratios from the Layden Showing assay data are higher than those reported for deposits in intracontinental settings (e.g., Noril’sk, Voisey’s Bay and Sudbury) and are more similar to published values from deposits in ultramafic settings.

Figure 3-3: Layden Showing (Trench TR-00-02), Taylor Brook Project



The original Layden horizon, as exposed, was up to 30 cm wide, consisting of 50% to 100% sulphides. The known area of disseminated to semi-massive sulphides has been mapped to be at least 15x50 m. The sulphides and biotite-rich host rock are strongly sheared and recrystallized, obscuring or obliterating primary textures. The mineralized horizon, itself, is interleaved with quartzofeldspathic gneiss and granites in tight folds which plunge moderately to the southeast.

Re-interpretation by Altius of geophysical surveys over the property suggested that: 1) though AeroTEM II surveys may have been too shallow, they did define a cluster of EM anomalies extending north from the Layden Showing that correlated with first magnetic vertical derivative data, 2) even though some anomalies had previously been deemed to be weak compared to those which would be expected from massive Ni-Cu-PGE sulphides, but the EM anomalies might be reflective of deeper conductors, 3) AEM, ground VLF-MAG and Moving Loop EM (MLEM) surveys suggested that there are moderate quality conductors in the immediate area of the Layden Showing that had not been drill-tested, 4) a MLEM survey defined the mineralization at Layden Showing best, 5) that EM surveys suggest “a broad area of higher conductivity with locally more conductive zones that fits the known mineralization in this area.”, and 6) other conductors remain to be evaluated and deeper/stronger geophysical surveys are recommended.

Deposit Type

Based on historical exploration work, the primary target for the Taylor Brook Project is a magmatic sulphide system with associated nickel, copper, and platinum group elements (PGE), typical of mafic to ultramafic-hosted deposits. These deposits are found in several locations across Canada, most significantly in the Voisey’s Bay area of Labrador, the Raglan belt of northern Quebec, and the Thompson belt in northern Manitoba. Most fundamentally, nickel, copper, and PGE deposits are associated with igneous rocks that form from the partial melting of mantle material.

These types of magmatic deposits can be subdivided into distinct types based on the lithology and nature of associated mafic-ultramafic magmas, depth of emplacement, abundance of sulphide minerals, relative proportion of metals, and position of the ores within the intrusion (Zientek et al, 2017). The Taylor Brook, Layden-style mineralization best fits conduit-type deposits that are associated with sill complexes and dyke swarms, as opposed to reef-type deposits in layered intrusions.

Exploration

Churchill commissioned a helicopter-borne VTEM™ Plus magnetic and time domain electromagnetic survey, which was carried out by Geotech Limited in February and March of 2021. The small 688 line-km survey fully covered the Taylor Brook property and is appropriate as a first pass geophysical investigation of the property potential. The magnetic data provides a base map for interpretation of property lithologies and structure, and the time domain electromagnetic data is appropriate for first pass evaluation of conductive sulfide targets.

The preliminary Magnetic data was examined and found to excellent for identifying both lithologies and structure. The Taylor Brook Gabbro Complex is evident in the Magnetic data as NWSE to NNW-SSE striking wide linear magnetic highs and lows. This is often observed with gabbro complexes, as well as in layered and differentiated mafic/ultramafic complexes. The Magnetic image is significantly more complex than the generally accepted mapped geology for the area, and this implies that a layered mafic/ultramafic series of sills may be present at or near the bottom southwest edge of the gabbros, as evident from a prominent magnetic high. This is overlain to the northeast by a magnetically quiet magnetic low, inferring perhaps the presence of a more depleted mafic magma. The gneissic terrane to the southwest of the Taylor Brook Gabbro is characterized by linear bands of magnetic highs and lows, typical of gneisses. There is abundant brittle and ductile deformation evident from the magnetic patterns. The brittle deformation may be significant for PGE mineralization.

There is a prominent signature trough the centre of the Geotech fly block, characterized by a prominent magnetic low, which correlated with the mapped Paragneiss unit pelitic gneiss, locally with quartzite or mafic gneiss). This magnetic low strikes NW-SE and parallel with the main mapped paragneiss unit, but also swings at the SE end towards a NNW-SSE strike direction as it passes through the Layden Showing area with a ~9.5km long strike of paragneiss. This Paragneiss unit appears to host both the Layden showing and many of the conductors identified from the Geotech survey. This is very interesting in that it connects the Layden showing with many of the VTEM conductors in geological context. The final Magnetic data will be leveled and gridded using the measured horizontal gradient data, so should be even more detailed and effective for identifying geological features related to the Ni-Cu-PGE exploration program.

The Time Domain Electromagnetic data from the Geotech survey was examined and found to identify numerous conductors that cluster in several groups on the Taylor Brook property. These have been highlighted on the Geotech EM Profile maps by the authors, and labelled as Group 1 through Group 10. The conductors are the most prominent in the B-Field enhancements of the profile, which has become an industry standard technique for Geotech, that highlights strong conductors on the VTEM EM profiles.

Drilling

Churchill has not carried out any drilling on the Taylor Brook Project.

Sampling, Analysis, and Data Verification

Excepting early prospecting work by Layden, all sampling work on the property has been conducted by Altius, or one of their joint venture partners Billiton (1999-2000) or Northern Abitibi (2007-2008), and is believed to have been conducted with industry best practice standards as far as the authors of the Technical Report are aware. The assessment reports do not describe specific sampling methods, or chain of custody procedures and protocols, however, the work does appear to have been carried out thoroughly and comprehensively by experienced personnel, many of whom Dr. Wilton knows professionally or personally.

The Taylor Brook Project has benefitted from the proximity of the nearby Eastern Analytical facility in Springdale, NL. The Altius-Billiton J-V and Altius in 2011 made use of XRAL Laboratories in Toronto, now part of SGS. Northern Abitibi in 2007-2008 and Altius in 2012 made use of the nearby ISO 17025 accredited Eastern Analytical facility in Springdale, NL. Northern Abitibi also sent a set of 10 samples to ALS Chemex in North Vancouver (Ebert, 2008). All three facilities are ISO 17025 accredited.

Table 4-1 provides a summary of the sampling carried out, analytical methods used and at which facility for the various exploration programs carried out on the Taylor Brook Project.

Table 4-1: Taylor Brook Project Sampling Summary

[illegible]

Samples collected by Wilton were in his possession from sample site to analytical laboratory. The core samples were marked in the core boxes by Wilton and then were cut by Mr. William Oldford, core storage technician with NL Department of Industry, Energy, using a diamond table saw. The quartered core pieces were placed in labelled plastic sample bags and sealed with tape at site. They were then transported to the Eastern Analytical Ltd. laboratory in Springdale NL by Wilton for ICP-30+Au and follow-up fire assay analyses for over limit values. Eastern

Analytical has ISO/ISE 17025 accreditation and the scope of their accreditation covers rocks and ores (inorganic), gold in rocks, soils by fire assay with AA finish as well as metals in rocks, soils by multi-acid digestion and AA finish. There is no relationship between Eastern Analytical and Altius and the authors of the Technical Report are independent of Eastern Analytical. All other data presented herein are historical in nature and have not been verified by the authors of the Technical Report. Geochemical sampling is proposed if exploration proceeds and preparation and quality assurance and quality control methods will be employed at that time. All such sampling will be supervised by a Qualified Person as defined by NI 43-101.

Data Verification

Co-author of the Technical Report, Derek Wilton, visited the NL Department of Industry, Energy and Technology core storage library at Buchans, NL, on February 8th, 2021 with Mr. Roderick Smith of Altius and took duplicate samples of core samples from five different holes drilled in 2008 on the property. Sample intervals were chosen based on drill logs from Northern Abitibi Mining Ltd. The samples were sent to Eastern Analytical Ltd. in Springdale NL, for ICP and fire assay analyses.

A total of 12 samples were submitted for analysis, numbered DW21-001 to DW21-12. A blank and standards (OREAS-13b) were inserted as sample DW21-001, and DW21-005 and DW21-12, respectively. The derived assay data are reasonably close to those reported by Northern Abitibi Mining Ltd. for the duplicate core samples, as per Table 12-1. Standard and blank values are also good.

Table 12-1: Comparison of Assay for duplicate core samples from Taylor Brook Project

Sample Number		Ag ppm	Co ppm	Co %	Cu ppm	Ni ppm	Ni %	S %	Au ppb	Pt ppb	Pd ppb
LAB 'BLANK		<0.2	<2	<0.001	<5	<1	<0.01	0.01	<5	<3	<3
STD-OREAS-45D (LAB)		0.3	26		366	228		0.05	54	566	252
STD ME 1201 (LAB)				--	1.59		--				
STD Su - 1b (LAB)				0.064	--		1.90				
DW-21-01 (Blank)	Blank	<0.2	<2		<5	1		0.01	8	<3	<3
DW-21-02	TB08-09 NA Assay 71862	0.2	28		294	212		0.21	338	<3	3
NA Assay 71862	46.15-47	0.2	35		388	312			752	<10	<2
DW-21-03	'TB08-10 NA Assay 71884	0.3	40	--	638	>1100	0.13	0.48	244	<3	24
NA assay 71884	68-70	0.2	34		799	967			87		
DW-21-04	'"TB08-16 NA Assay 71899	0.3	81		832	201		1.31	58	<3	<3
NA Assay 71899	86.60-87.60	0.2	63		1790	173			5		
DW-21-05	Std OREAS 13b	1.1	57	--	2276	>1100	0.23	1.01	210	202	132
OREAS 13b		0.9	75		2327	2247		1.19	211	204	17
DW-21-06	'"TB08-16 NA Assay 96403	0.9	93		4862	592		3.07	103	<3	12
NA Assay 96403	89.3-90.3	0.2	123		5416	577			15		
DW-21-07	'"TB08-17 NA Assay 96411	1.7	459	--	9754	>1100	3.61	10.65	334	216	376
NA Assay 96411	0.2-0.45	0.2	506		>10000	>1100	4.00		261		
DW-21-08	TB08-17 NA Assay 96415	0.9	394	--	8624	>1100	3	8.06	406	200	502
DW-21-08 DUP (LAB)									415	213	506

Sample Number		Ag ppm	Co ppm	Co %	Cu ppm	Ni ppm	Ni %	S %	Au ppb	Pt ppb	Pd ppb
NA Assay 96415	3.05-3.55	0.2	475		7805	>1100	3		206		
DW-21-09	TB08-17 NA Assay 96417	0.2	>550	0.08	1436	>1100	5.78	16.57	28	28	248
NA Assay 96417	4-4.25	0.2	>550	0.111	1727	>1100	6.10		34		
DW-21-10	'TB08-14 NA Assay 96361	0.8	148		1072	916		3.79	62	8	28
NA Assay 96361	112-113	0.2	131		1304	600			5		
DW-21-11	TB08-14 NA Assay 96371	0.7	319	--	1948	>1100	0.25	7.85	19	<3	11
NA Assay 96371	132.75-133.75	0.2	476		1368	>1100	0.34		5		
DW-21-11 DUP-P (LAB)		0.8	321	--	1957	>1100	0.24	7.99	214	196	130
DW-21-12	Std OREAS 13b	0.9	60	--	2289	>1100	0.23	1.09	217	207	134
OREAS 13b		0.9	75		2327	2247		1.19	211	204	17
DW-21-12 DUP (LAB)									214	196	130

Wilton and Smith also attempted a site visit of the Taylor Brook Project on February 9, 2021, but there was little to observe due to snow cover and an overgrown access road.

Mineral Processing and Metallurgical Testing

No mineral processing or metallurgical testing has been carried out on the Taylor Brook Project.

Mineral Resources and Mineral Reserves

There are no current mineral resources or mineral reserves estimated for the Taylor Brook Project at this time.

Exploration and Development

The authors of the Technical Report recommended a number of exploration activities as set out below.

Firstly, it is imperative that Churchill compile all available information on the Layden Showing Area including shallow drilling results in the context of the new VTEM data. This NI 43-101 exercise has assembled all geological data in one database which will allow for effective compilation with the final VTEM data.

A Phase 1 exploration program encompassing the following is recommended:

- 1) The initial work should involve a full and complete compilation of all past exploration work coupled with new VTEM mag and EM interpretations. This work will inform the follow-up field work. A detailed geological map of the Layden Showing should be compiled for ground-checking.
- 2) Detailed structural mapping should be conducted to get a better idea of the relationships between metabasite enclaves and hosting gneiss. A key question would be to determine if the metabasites bodies are truly pipe-like. All previously EM conductors should be trenched and examined during this field work. Geological mapping and prospecting should be conducted over Licence 031511M outside the main Layden Showing zone, particularly to define metabasite distribution.
- 3) An initial drilling program should be conducted with the aims of: a) deeper drilling at the Layden Showing, and b) evaluation of other conductors previously. This program should consist of at least 1,500 m cumulative drilling.

- 4) A large loop time domain EM survey should be conducted encompassing the Layden Showing and other conductors.

Phase 2 would consist of significantly more drilling and large loop EM surveying contingent on exploration success in Phase 1.

Follow-up activities in connection with Geotech VTEM Surveying, as set out below, are also recommended:

- 1) A full interpretation of the final Geotech VTEM Magnetic data should be conducted, in order to identify and catalogue all: (i) lithological responses which may relate to favourable exploration horizons for Ni-Cu sulfides, (ii) all ductile and brittle structures which may related to controls on PGE mineralization, (iii) all intrusive volcanic stratigraphy / layering of differentiated magmas in sills that could relate to favourable horizons for Ni-Cu sulfides, and (iv) the inversion of the Magnetic to produce a 3 dimensional model of the host lithologies.
- 2) A full interpretation of the final Geotech VTEM Time Domain Electromagnetic Conductivity data should be undertaken to identify discrete conductors that could be Ni-Cu sulfide targets. This should include the industry standard Plate Modelling of all significant VTEM Time Domain Electromagnetic anomalies, and the integration of these with the 3D Magnetic Inversion results.
- 3) A full interpretation of the final Geotech VTEM Time Domain Electromagnetic Resistivity data should be undertaken in order to identify subtle lithological changes and alteration that may relate to the Ni-Cu or the PGE exploration model.
- 4) Airborne Inductively Induced Polarization (“AIIP”) processing should be performed on the Geotech VTEM Time Domain Electromagnetic data in order to isolate all negative transients which may relate to near surface disseminated sulfide targets. These may relate to the Ni-Cu sulfide exploration model.
- 5) All target developed above from the Geotech VTEM data should be subject to field follow-up via prospecting, geological mapping, sampling, and geochemistry.
- 6) All priority targets upgraded by the above should be tested initially via trenching or diamond drilling.
- 7) All drillholes should be surveyed using industry standard Large Loop Borehole Time Domain Electromagnetic surveys, in order to detect the extents of intersected sulfide mineralization, as well as the presence of off-hole sulfide mineralization.
- 8) As per industry standards for Ni-Cu massive sulfide exploration, Large Loop Time Domain Electromagnetic surveys should be conducted to test for conductors caused by massive sulfide mineralization that was not detected via the Geotech VTEM survey.

Significant Acquisitions and Dispositions

Churchill has not completed any significant acquisitions or dispositions for which financial statements would be required under the policies of the TSXV.

Management’s Discussion and Analysis

Management’s Discussion and Analysis of the financial condition and results of operations of Churchill for the years ended August 31, 2020 and 2019 and for the period ended February 28, 2021 are included in Schedule C to this Filing Statement.

Description of the Securities of Churchill

Churchill Shares

The authorized share capital of Churchill consists of an unlimited number of Churchill Shares. As of the date hereof, 27,813,216 Churchill Shares are issued and outstanding as fully paid and non-assessable shares.

Subject to the provisions of the OBCA, holders of Churchill Shares are entitled to receive notice of and to attend all meetings of the Churchill Shareholders and shall have one vote, in person or by proxy, for each Churchill Share held at all meetings of the Churchill Shareholders. Churchill Shareholders are entitled to (a) receive any dividends as and when declared by the Churchill Board out of the assets of Churchill properly applicable to the payment of dividends, in such amount and in such form as the board of directors may from time to time determine, and (b) receive the remaining property of Churchill (after payment of all outstanding debts) in the event of any liquidation, dissolution or winding-up of Churchill. Holders of Churchill Shares have no pre-emptive, redemption or conversion rights.

Consolidated Capitalization

The following table sets forth the capitalization of Churchill as at the dates indicated.

Designation of Security	Amount authorized or to be authorized	Amount outstanding as at February 28, 2021	Amount to be outstanding following completion of the Subsequent Private Placement	Amount outstanding as of the Effective Date and Immediately prior to the Completion of the Proposed Qualifying Transaction
Churchill Shares	Unlimited	27,813,216	29,968,814	29,968,814
Churchill Options	N/A	1,800,000	1,800,000	1,800,000

Prior Sales

The table below sets forth for the 12-month period prior to the date of this Filing Statement details of the price at which securities have been issued or are to be issued by Churchill, the number of securities issued at that price and the date on which the securities were issued.

Date	Number and Type of Security	Issue Price per Security	Nature of Issuance ⁽²⁾
November 16, 2020	471,848 Churchill Shares	\$0.25 ⁽¹⁾	Debt Settlement
December 1, 2020	1,600,000 Churchill Shares	\$0.25	Private Placement
December 7, 2020	781,666 Churchill Shares	\$0.30	Private Placement
December 7, 2020	35,000 Churchill Shares	\$0.30 ⁽¹⁾	Compensation for services rendered
December 18, 2020	2,423,180 Churchill Shares	-	Option Payment
December 23, 2020	100,000 Churchill Shares	\$0.30	Private Placement
December 30, 2020	2,000,000 Churchill Shares	\$0.25	Private Placement
December 30, 2020	333,333 Churchill Shares	\$0.30	Private Placement
December 30, 2020	23,333 Churchill Shares	\$0.30 ⁽¹⁾	Compensation for services rendered
December 31, 2020	300,000 Churchill Shares	\$0.25	Private Placement
January 4, 2021	80,000 Churchill Shares	\$0.25	Private Placement
February 9, 2021	500,000 Churchill Shares	-	Option Payment

Notes:

1. Deemed issuance price.
2. Excludes an aggregate of 2,155,598 Churchill Shares (which amount includes 75,600 Churchill Shares to be issued as a finder's fee to an eligible finder) to be issued pursuant to the Subsequent Private Placement that will be completed prior to the Completion of the Proposed Qualifying Transaction.

Trading Price and Volume

None of the securities of Churchill are, or have ever been, listed for trading on any stock exchange or other securities market.

Executive Compensation

Set forth below is the Company's executive compensation summary for the year ended August 31, 2020 prepared in accordance with *Form 51-102F6V – Statement of Executive Compensation – Venture Issuers*.

Named Executive Officers

Paul Sobie, the President and Chief Executive Officer of Churchill, and Paul Robertson, the Chief Financial Officer of Churchill, were the only NEOs of Churchill during the year-end August 31, 2020.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth information concerning all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by Churchill, to each Named Executive Officer and director, other than stock options and other compensation securities, for each of the two most recently completed financial years.

Name and Position	Fiscal Year Ended Aug 31,	Salary, Consulting Fee, Retainer or Commission	Bonus	Committee or Meeting Fees	Value of Perquisites	Value of All Other Compensation	Total Compensation
Paul Sobie, President, Chief Executive Officer and Director	2020	\$5,625	Nil	Nil	Nil	Nil	\$5,625
	2019	\$3,213	Nil	Nil	Nil	Nil	\$3,213
Paul Robertson, Chief Financial Officer	2020	Nil	Nil	Nil	Nil	\$16,939 ⁽¹⁾	\$16,939
	2019	Nil	Nil	Nil	Nil	\$10,225 ⁽¹⁾	\$10,225
Alec Rowlands, Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Bill Fisher, Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Kevin Tomlinson, Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil

Note:

(1) Represents accounting and administrative fees paid to Quantum Advisory Partners LLP, an accounting firm of which Churchill's Chief Financial Officer is a partner.

Stock Options and Other Compensation Securities

Set forth in the table below is a summary of all compensation securities granted or issued to each Named Executive Officer and director of Churchill during the fiscal year ended August 31, 2020.

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities, and Percentage of Class	Date of Issue or Grant	Issue, Conversion or Exercise Price	Closing Price of Security or Underlying Security on Date of Grant	Closing Price of Security or Underlying Security at Year End	Expiry Date
Paul Sobie, President, Chief Executive Officer and Director	Stock Option	600,000 (33%)	November 28, 2019	\$0.25	n/a	n/a	March 25, 2025
Paul Robertson, Chief Financial Officer	Stock Option	200,000 (11%)	November 28, 2019	\$0.25	n/a	n/a	March 25, 2025
Alec Rowlands, Director	Stock Option	300,000(16.7%)	November 28, 2019	\$0.25	n/a	n/a	March 25, 2025
Bill Fisher, Director	Stock Option	200,000 (11%)	November 28, 2019	\$0.25	n/a	n/a	March 25, 2025
Kevin Tomlinson, Director	Stock Option	200,000 (11%)	November 28, 2019	\$0.25	n/a	n/a	March 25, 2025

Exercise of Compensation Securities by Directors and Named Executive Officers

During the financial year ended August 31, 2020, no NEO or director of Churchill exercised any compensation securities of Churchill.

Stock option plans and other incentive plans

The Company's only incentive plan is a stock option plan. Upon completion of the Proposed Qualifying Transaction, the Resulting Issuer will retain the Stock Option Plan adopted by 9 Capital. For an overview of the Stock Option Plan, please see the discussion under the heading "Part II – Information Concerning 9 Capital – Stock Option Plan".

Employment, consulting and management agreements

Churchill paid \$5,625 in wages (2019 – \$3,213), \$nil (2019 – \$42,960) in consulting fees expensed to exploration and evaluation and \$12,000 (2019 – \$12,000) in rent to MPH Consulting Limited, a consulting firm of which the Churchill's Chief Executive Officer is owner. As at August 31, 2020, \$119,111 (2019 – \$87,843) was owed to MPH which continues to provide administrative, office and exploration consulting services to Churchill.

Churchill incurred accounting and administrative fees of \$16,939 (2019 – \$10,225) with Quantum Advisory Partners LLP, an accounting firm of which Churchill's Chief Financial Officer is a partner, included in professional fees. As

at August 31, 2020, \$17,500 (2019 – \$10,713) was owed to this company, which continues to provide accounting and administrative services to Churchill.

Oversight and description of director and named executive officer compensation

The Churchill Board does not have in place a compensation committee. All tasks relating to the development and assessment of the compensation paid to both the NEOs and directors is performed by members of the Churchill Board. Compensation is reviewed on an annual basis. Churchill's compensation program is designed to provide competitive levels of compensation, a significant portion of which is dependent upon individual and corporate performance and contribution to increasing shareholder value. The Churchill Board recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive's level of responsibility.

The objectives and reasons for this system of compensation are generally to allow Churchill to remain competitive compared to its peers in attracting and retaining experienced personnel. In general, a NEO's compensation is comprised of salary, wages or contractor payments and stock option grants.

Salary, wages or contractor payments for each NEO are based on the position held, the related responsibilities and functions performed by the NEO and salary ranges paid to executives at similar companies. Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of Churchill, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs. When new options are granted, the Churchill Board takes into account the previous grants of options, the number of stock options currently held, position, overall individual performance, anticipated contribution to Churchill's future success and the individual's ability to influence corporate and business performance. The purpose of granting such stock options is to assist Churchill in compensating, attracting, retaining and motivating the officers, directors and employees of Churchill and to closely align the personal interest of such persons to the interest of the shareholders.

The exercise price of the stock options granted is generally determined by the market price at the time of grant. At this time the Churchill Board has not established any performance criteria or goals. There were no significant changes to Churchill's compensation policies during or after the most recently completed financial year that could or would have affected the Named Executive Officers' compensation.

Pension

Churchill does not have a pension plan under which benefits are determined primarily by final compensation (or average final compensation) and years of service.

Non-Arm's Length Transactions

Other than described below under the subheading "*Related Party Transactions*", within five years prior to the date hereof, Churchill has not acquired any assets or been provided any services from any director, officer, Insider or Promoter of Churchill, except in their capacities as directors, officers, employees or consultants of Churchill.

Related Party Transactions

During and up to the period ended February 28, 2021:

- Churchill paid \$12,910 in wages (February 29, 2020 – \$2,625) and \$9,000 (February 29, 2020 – \$6,000) in rent to a consulting firm of which Churchill's Chief Executive Officer is a partner. As at February 28, 2021, \$22,304 (August 31, 2020 – \$119,111) was owed to companies controlled by the Chief Executive Officer of Churchill.
- Churchill incurred accounting and administrative fees of \$33,100 (November 30, 2019 – \$6,939) with an accounting firm of which Churchill's Chief Financial Officer is a partner, included in professional fees. As at February 28, 2021, \$18,178 (August 31, 2020 – \$17,500) was owed to this partnership.
- During the six months ended February 28, 2021, Churchill repaid the non-interest-bearing promissory note with an amount of \$47,908 issued to the Churchill's Chief Executive Officer in full.

- During the six months ended February 28, 2021, Churchill issued 471,848 Churchill Shares with a value of \$117,962 to settle certain balances owed to related parties.

Legal Proceedings

Churchill is not aware of any material legal proceedings to which Churchill is a party or to which any of its property is subject, nor is Churchill aware that any such proceedings are contemplated.

Material Contracts

The only material contracts entered into by Churchill in the last two years (other than contracts entered into in the ordinary course of business) was the Business Combination Agreement and the Taylor Brook Option Agreement.

Copies of these agreements will be available for inspection at the offices of Churchill's legal counsel, Cassels Brock & Blackwell LLP, located at Suite 2100, Scotia Plaza, 40 King Street W., Toronto, Ontario M5H 3C2 until the date of closing of the Proposed Qualifying Transaction and for a period of 30 days thereafter.

PART IV - INFORMATION CONCERNING THE RESULTING ISSUER

Corporate Structure

Name and Incorporation

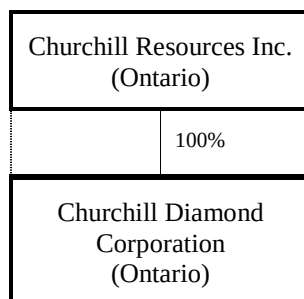
Following the Completion of the Proposed Qualifying Transaction, the Resulting Issuer will operate under the name “Churchill Resources Inc.” and will continue to be governed by the provisions of the OBCA.

The registered and head office of the Resulting Issuer will be Suite 505, 133 Richmond Street West, Toronto, Ontario, M5H 2L3.

Intercompany Relationships

Following the completion of the Proposed Qualifying Transaction, the Resulting Issuer will own, directly or indirectly, all of the issued and outstanding common shares of Churchill. As a result of the Proposed Qualifying Transaction, the previous shareholders of Churchill will become shareholders of the Resulting Issuer.

The following organizational chart demonstrates the intended corporate structure of the Resulting Issuer:



Description of the Business

The Resulting Issuer’s business objectives after the Completion of the Proposed Qualifying Transaction will be the business objectives of Churchill, namely the continued exploration and development of the Taylor Brook Project and other properties in which the Resulting Issuer may currently or hereafter acquire an interest. For the narrative description of the business of the Resulting Issuer, see “Part III – Information Concerning Churchill – Description of the Business”. For a discussion of the proposed exploration and development activities with respect to the Taylor Brook Project, see “Part III – Information Concerning Churchill –Description of Business – Description of the Taylor Brook Project”.

Description of the Securities

Upon Completion of the Proposed Qualifying Transaction, the 9 Capital Shares will be the Resulting Issuer Shares. For a description of the attributes of the 9 Capital Shares, please refer to “Part II – Information Concerning 9 Capital – Description of Securities” in this Filing Statement.

Pro Forma Consolidated Capitalization

The following table sets forth the pro forma share and loan capital of the Resulting Issuer as at March 31, 2021 on a consolidated basis, based on the pro forma consolidated financial statements contained in this Filing Statement after giving effect to the Proposed Qualifying Transaction. This table should be read in conjunction with the pro forma consolidated financial statements and notes thereto included in this Filing Statement.

Designation of Security	Amount authorized or to be authorized	Amount outstanding after giving effect to the Proposed Qualifying Transaction⁽¹⁾
Resulting Issuer Shares	Unlimited	36,980,873
Resulting Issuer Options ⁽²⁾	N/A	2,501,205
Long Term Debt	Nil	Nil

Notes:

1. After giving effect to the Proposed Qualifying Transaction, the accumulated deficit of the Resulting Issuer will be \$3,904,638.
2. See “Part IV – Information Concerning the Resulting issuer – Security Based Compensation”.

Fully Diluted Share Capital

The following tables outline the expected number and percentage of securities of the Resulting Issuer to be outstanding on a non-diluted and fully-diluted basis after giving effect to the Proposed Qualifying Transaction and the Financing:

Designation of Security	After Giving Effect to the Proposed Qualifying Transaction		
	Number⁽¹⁾⁽²⁾	Percentage (undiluted)	Percentage (fully-diluted)
Resulting Issuer Shares			
Shares Issued			
9 Capital Shares	7,012,059	18.9%	17.8%
Churchill Shares	27,813,216	75.2%	70.4%
Churchill Shares issuable pursuant to the Subsequent Private Placement	2,155,598	5.9%	5.5%
Subtotals	36,980,873	100 %	93.7%
Reserved for issuance:			
9 Capital Options	701,205	n/a	1.7%
Churchill Options Warrants	1,800,000	n/a	4.6%
Total (fully-diluted)	39,482,078		100%

Notes:

1. After giving effect to the Consolidation.
2. All outstanding options, warrants or other convertible securities of Churchill will be exchanged for equivalent securities of 9 Capital (after giving effect to the Consolidation) based upon the Exchange Ratio.

Available Funds and Principal Purposes

Funds Available

As at February 28, 2021, Churchill had estimated working capital of \$716,212. As at March 31, 2021, 9 Capital had estimated working capital of \$464,269. The estimated pro forma consolidated working capital of the Resulting Issuer as at March 31, 2021 was \$1,080,481 after giving effect to the Churchill Private Placement but prior to giving effect to the Subsequent Private Placement.

The following table sets forth the estimated available funds of the Resulting Issuer after giving effect to the Churchill Private Placement but prior to giving effect to the Subsequent Private Placement, as at March 31, 2021.

Source of Funds	Amount (\$)
Consolidated working capital of the Resulting Issuer as at March 31, 2021	\$1,080,481
Estimated Costs of the Proposed Qualifying Transaction	(\$100,000)
TOTAL	\$980,481⁽¹⁾

Notes:

1. Excludes \$524,349.44 that will be made available to Churchill pursuant to the Subsequent Private Placement immediately prior to the completion of the Proposed Qualifying Transaction which will be used to fund working capital requirements.

Dividends or Distributions

The proposed directors of the Resulting Issuer anticipate that the Resulting Issuer will retain all future earnings and other cash resources for the future operation and development of its business, and accordingly, do not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the board of the directors of the Resulting Issuer after taking into account many factors including the Resulting Issuer's operating results, financial condition and current and anticipated cash assets.

Principal Purposes of Funds

9 Capital and Churchill anticipate that immediately following Closing of the Proposed Qualifying Transaction, the Resulting Issuer will have available funds of approximately \$980,481 based on estimated working capital of each company as at March 31, 2021, prior to giving effect to the Subsequent Private Placement. See the pro forma financial statements of the Resulting Issuer attached hereto as Schedule "D" and "Part IV – Information Concerning the Resulting issuer – Available Funds and Principal Purposes – Available Funds". The Resulting Issuer intends to use the funds as set out below:

\$650,000 Technical Report Recommended Phase I and, if warranted based on the results of the Phase I exploration program, a Phase II exploration program on the Taylor Brook Project (\$375,000 represents expected expenditures in first 12 months following the Completion of the Proposed Qualifying Transaction)	\$375,000
General working capital and administrative costs	\$389,000
Unallocated	\$216,481
TOTAL	\$980,481⁽¹⁾

Notes:

2. Excludes \$524,349.44 that will be made available to Churchill pursuant to the Subsequent Private Placement immediately prior to the completion of the Proposed Qualifying Transaction which will be used to fund working capital requirements.

The Resulting Issuer intends to spend the available funds on completion of the principal purposes as indicated above. Notwithstanding the foregoing, there may also be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Resulting Issuer to achieve these objectives. The Resulting Issuer will require additional funds in order to fulfill all of the Resulting Issuer's expenditure requirements to meet its objectives, in which case the Resulting Issuer Expects to either issue additional equity securities or incur indebtedness. There is no assurance that additional funds required by the Resulting Issuer will be available if needed. However, it is anticipated that the available funds will be sufficient to satisfy the Resulting Issuer's objectives over the next 12 months.

Principal Securityholders

To the knowledge of 9 Capital or Churchill, upon completion of the Proposed Qualifying Transaction, no person will beneficially own, directly or indirectly, or exercise control or direction over more than 10% of the equity of the Resulting Issuer.

Directors, Officers and Promoters

Name, Address, Occupation and Security Holdings

The following are the names and municipalities of residence of each proposed director and officer of the Resulting Issuer, the positions and offices to be held with the Resulting Issuer, their respective principal occupations within the five preceding years and the number and percentage of Resulting Issuer Shares which will be held by each of them on completion of the Business Combination, after giving effect to the Churchill Private Placement. Each director will hold office until the next annual meeting of the Resulting Issuer unless his office is earlier vacated in accordance with the OBCA.

Name and Municipality of Residence	Position to be Held with the Resulting Issuer	Principal Occupation for the last five years	Number and Percentage of Resulting Issuer Shares After Giving Effect to the Proposed Qualifying Transaction
Paul Sobie ⁽¹⁾ <i>Toronto, Ontario</i>	President, Chief Executive Officer and a Director	President and Chief Executive Officer of Churchill Diamond Corporation (2014 to Present); President of MPH Consulting Limited (2009 to Present).	1,983,506 Resulting Issuer Shares (5.3%)
Paul Robertson <i>Vancouver, British Columbia</i>	Chief Financial Officer and Corporate Secretary	Managing Partner of Quantum Advisory Partners LLP since 2005.	90,000 Resulting Issuer Shares (<1%)
Kevin Tomlinson ⁽¹⁾ <i>Toronto, Ontario</i>	Director	CEO C3 Metals Inc. (Jan. 2021 to present). Chairman Infinity Lithium Corporation (ASX June 2017 to Dec. 2019). Chairman Bellevue Gold Ltd. (ASX – Sept. 2019 to present). Chairman Cardinal Resources Ltd. (Nov. 2016 to Dec. 2020). Chairman Xanadu Mine Ltd. (ASX – May 2016 to May 2018)	1,380,015 Resulting Issuer Shares (3.7%)
Bill Fisher ⁽¹⁾ <i>Toronto, Ontario</i>	Director	Director of GoldQuest Mining Corporation (TSXV.GQC) since April 2010, serving as CEO until December 2018; Chairman and Director of Horizonte Minerals (TSX.HZM: AIM) since May 2011.	307,501 Resulting Issuer Shares (<1%)

Note:

1. Proposed Member of the Audit Committee. It is expected that Bill Fisher will chair the Audit Committee.

At the 9 Capital Meeting, the 9 Capital Shareholders conditionally elected a slate of three individuals to serve as directors of the Resulting Issuer. The election of such persons was contingent on the closing of the Proposed Qualifying Transaction.

The term of office of the directors expires annually at the time of the Resulting Issuer's annual general meeting or when or until their successor is duly appointed or elected. The term of office of the Resulting Issuer's executive officers expires at the discretion of the Resulting Issuer's directors.

Directors of the Resulting Issuer will be appointed to the Audit Committee, Compensation Committee and the Corporate Governance and Nominating Committee following Completion of the Proposed Qualifying Transaction in accordance with regulatory guidelines. See "Part IV – Information Concerning the Resulting issuer – Audit Committee and Corporate Governance" below.

Shareholdings of Directors and Executive Officers

As at the date of this Filing Statement, after giving effect to the Proposed Qualifying Transaction, the proposed directors and executive officers of the Resulting Issuer, as a group, will own, directly or indirectly, approximately 4,127,590 Resulting Issuer Shares, representing approximately 12% of the issued and outstanding Resulting Issuer Shares (on a non-diluted basis), and assuming no convertible securities are exercised.

Biographies of Directors and Executive Officers

The following is a brief description of each of the proposed directors and executive officers of the Resulting Issuer.

Paul Sobie, President, Chief Executive Officer and a Director, Age 60

Mr. Sobie has over 30 years of discovery and evaluation experience with MPH Consulting Limited, an international exploration and mining consultancy, for major, mid-tier and junior mining companies in Canada, Africa, South America and Russia. Mr. Sobie is an economic geologist specializing in the design and management of exploration and evaluation programmes. He has extensive project development experience, including several gold, diamond and base metal ventures that have attained advanced and/or achieved production status. Mr. Sobie has also held senior managerial positions in the past with diamond, base metal and iron ore junior exploration issuers. Mr. Sobie is expected to devote 50% of his time to the business of the Resulting Issuer. It is also anticipated that Mr. Sobie will enter into an employment agreement with the Resulting Issuer containing customary non-disclosure and non-competition provisions.

Paul Robertson, Chief Financial Officer and Corporate Secretary, Age 48

Mr. Robertson is a Certified Professional Accountant (CPA) and is based in Vancouver, British Columbia, is the founding partner of Quantum Advisory Partners LLP and has over 20 years of accounting, auditing and tax experience. He has developed extensive experience in the mining sector and provides financial reporting, regulatory compliance, internal controls and taxation advisory services to a number of junior resource companies. Prior to founding Quantum Advisory Partners LLP, he was a tax manager with Ernst & Young LLP in Vancouver providing tax consulting and compliance services primarily to corporate clients in the high-technology and biotechnology industries as well as several multi-national mining companies. He is currently the Chief Financial Officer of GoldQuest Mining Corp. (TSXV: GQC), Ophir Gold Corp. (TSXV: OPHR), and previously served as Chief Financial Officer of Grayd Resource Corporation (until its acquisition by Agnico Eagle Mines Limited in 2011) and Orla Mining Ltd. (TSX: OLA) from 2015 to 2019. Mr. Robertson holds a BA from the University of Western Ontario (1993) and obtained his Chartered Accountant designation from the British Columbian Institute of Chartered Accountants in 1997. Mr. Robertson is expected to devote 20% of his time to the business of the Resulting Issuer. It is also anticipated that Mr. Robertson will enter into an employment agreement with the Resulting Issuer containing customary non-disclosure and non-competition provisions.

Kevin Tomlinson, Director, Age 60

Mr. Tomlinson is a Canadian /Australian structural geologist and investment banker with over 35 years experience in the exploration, development and financing of mining projects globally, and particularly the North American, Australasian and European capital markets. Mr. Tomlinson's diverse career commenced with 15 years in technical and senior exploration management roles predominantly at Plutonic Resources, followed by several years as the

managing director and CEO of ASX-listed junior Austminex, and as head of research for Hartleys stockbroking in Australia. For the past 20 years, Mr. Tomlinson has been a very effective resources investment banker, mergers and acquisitions adviser, and company director for some of the most successful junior exploration and development companies globally, including Centamin Plc., Orbis Gold, Medusa Mining, Cardinal Resources and Bellevue Gold. As managing director of investment banking at Westwind Partners/Stifel Nicolaus from 2006 to 2012, Mr. Tomlinson was involved in many financings and listings for growing junior and mid-tier resource companies across the Toronto Stock Exchange, Australian Securities Exchange, London Stock Exchange and alternative investment markets, including Centamin, SolGold, Allied Gold and Trelawney. Between 2015 to 2017, Mr. Tomlinson was a senior consultant to Maxit Capital, leading the merger of Gryphon Minerals with Teranga Gold and introducing SolGold to the firm as a corporate client. Mr. Tomlinson's most recent mergers and acquisitions role has been as chairman with Cardinal Resources during the delineation and development of its Tier 1, 5.1-million-ounce gold deposit in Ghana and the takeover of the company. Mr. Tomlinson is currently non-executive chairman of Bellevue Gold and non-executive director of Kodiak Copper. Mr. Tomlinson holds a B.Sc. (Hons.) and an M.Sc. degree in structural geology and a graduate diploma in finance and investment from the Securities Institute of Australia. He is a fellow of the Chartered Institute for Securities and Investment (CISI), a liveryman for the Worshipful Company of International Bankers (U.K.) and a fellow of the Institute of Directors (U.K.).

Bill Fisher, Director, Age 63

Mr. Fisher is a trained geologist and has extensive industry experience including a number of residential posts in Africa, Australia, Europe and Canada in both exploration and mining positions. Under his leadership, Karmin Exploration discovered the Aripuanã base metal massive sulphide deposits in Brazil. From 1997 to 2001 Mr. Fisher was Vice President, Exploration for Boliden AB, a major European mining and smelting company where he was responsible for 35 projects in nine countries. From 2001 to 2008 Mr. Fisher led GlobeStar Mining Corp. from an exploration company to an emerging precious and base metal producer in the Dominican Republic, developing and operating the Cerro de Maimon copper/gold mine until it was sold to Perilya for \$186 million. Mr. Fisher was also Chairman of Aurelian Resources which was sold to Kinross Gold in 2008 for \$1.2 Billion after the discovery of the Fruta del Norte gold deposit in Ecuador. Mr. Fisher currently serves as Executive Chairman of GoldQuest Mining Corp. (TSXV: GQC), and an independent director of Horizonte Minerals (AIM: HZM), Treasury Metals Inc. (TSX: TML) and London, UK based firms Andiamo Exploration and RAME Energy. Mr. Fisher will devote such time and expertise as is reasonably required by the Resulting Issuer.

Corporate Cease Trade Orders or Bankruptcies

Other than described below, no proposed director, officer or promoter of the Resulting Issuer, or any shareholder anticipated to hold sufficient number of securities of the Resulting Issuer to materially affect the control of the Resulting Issuer, is, or, within 10 years before the date of this Filing Statement, has been, a director, officer or promoter of any person or company that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order that denied the relevant company access to any exemptions under applicable securities legislation that was in effect for a period of more than 30 consecutive days; or
- (a) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Kevin Tomlinson served as a director of Maudore Minerals Ltd. ("**Maudore**") until May 22, 2014, and of Besra Gold Inc. ("**Besra**") until April 10, 2015. On September 8, 2014, Maudore announced that it had filed a notice of intention to make a proposal under the Bankruptcy and Insolvency Act (the "**BIA**"). On March 2, 2015, Maudore announced that the Superior Court of the Province of Quebec (the "Court") had granted an order whereby Maudore's proposal to creditors, which had initially been filed under the BIA, had been continued under the CCAA and that the Court had granted an initial stay of proceedings under the CCAA. Maudore made further announcements on March 27, 2015, June 19, 2015, September 22, 2015 and February 29, 2016 that the Court had granted extensions of the stay of proceedings under the CCAA. On May 16, 2016, Maudore announced that Maudore had, under the BIA, made an assignment of its property to a trustee for the benefit of its creditors generally.

On October 19, 2015, Besra announced that its board of directors had decided to file a notice of intention to make a proposal (the “**Notice of Intention**”) under the BIA. On January 29, 2016, Besra announced that, through its appointed proposal trustee, it had submitted a proposal (the “Proposal”) to its creditors in accordance with the Notice of Intention to make a proposal. The Proposal was subsequently amended on March 13, 2016 (the “**Amended Proposal**”). A meeting of creditors (the “**Meeting of Creditors**”) was initially called for March 17, 2016 and was adjourned until April 7, 2016 in order to permit creditors to consider the Amended Proposal. On April 7, 2016, Besra announced that at the Meeting of Creditors, the Amended Proposal had been approved by a majority of unsecured creditors holding in excess of two-thirds of the value of proven unsecured creditor claims. The Amended Proposal was approved by the Ontario Superior Court of Justice (Commercial List) on May 17, 2016. On December 17, 2014, the Ontario Securities Commission (“**OSC**”) issued a temporary cease trade order for the securities of Besra, and on December 29, 2014, the OSC issued a further cease trade order directing that trading in the securities of Besra cease until further order by the Director (together, the “**Besra Cease Trade Order**”). The British Columbia Securities Commission issued a cease trade order on December 17, 2014; the Autorité des marchés financiers issued a cease trade order on January 5, 2015; and the Alberta Securities Commission issued a cease trade order on March 30, 2015. The OSC partially revoked the Besra Cease Trade Order on March 4, 2015 to permit trades and acts in furtherance of trade in connection with a proposed private placement financing by Besra for proceeds of up to C\$15 million. On April 7, 2015, the first tranche of such financing, with gross proceeds of C\$2 million, was completed. Besra received no further proceeds from such financing. On October 14, 2016, the OSC issued an order (the “**October 2016 Order**”) partially revoking the Besra Cease Trade Order to permit trades and acts in furtherance of trades that are necessary for and are in connection with the Amended Proposal and a C\$10 million tranche of an exit financing. The October 2016 Order was subsequently varied by the OSC on November 18, 2016, and Besra announced on November 18, 2016 that it had closed a CDN\$10 million “exit financing” and intended to deliver to the Proposal trustee the consideration necessary to satisfy the elections made by creditors under the Proposal. Besra expects that once all requirements of the Proposal have been satisfied, the Proposal trustee will issue a certificate of full performance. In October 2014, trading in the common shares of Besra on the ASX was suspended and Besra’s common shares were delisted from the TSX because of Besra’s failure to file its financial statements for the year ended June 30, 2014.

Paul Robertson acted as an officer of Eco Oro Minerals Corp. (“**Eco**”), a British Columbia company previously listed on the TSX and now listed on the Canadian Securities Exchange, from September 2011 to January 2013 and April 2014 to August 2019. On or about March 16, 2017, Eco issued 10,600,000 common shares (the “**Eco Shares**”) to four shareholders pursuant to a financing. On March 10, 2017, the TSX granted Eco conditional approval for the issuance of the Eco Shares (the “**TSX Decision**”). Certain intervenors (the “**Eco Intervenors**”) filed a Notice of Application with the Ontario Securities Commission for a hearing in respect of the issuance of the Eco Shares. On April 23, 2017, the OSC set the TSX Decision aside and made an order requiring Eco to seek Eco shareholder approval for the issuance of the Eco Shares at a meeting of the Eco shareholders. On July 31, 2017, Eco entered into a comprehensive settlement agreement, as amended on September 11, 2017 (the “**Eco Settlement Agreement**”), with shareholders representing approximately 66.3% of the issued and outstanding common shares of Eco who were entitled to vote at Eco’s 2017 annual general and special meeting. The Eco Settlement Agreement resolved all outstanding litigation between Eco and the Eco Intervenors.

Penalties or Sanctions

No proposed director, officer or promoter of the Resulting Issuer, or any shareholder anticipated to hold a sufficient number of securities of the Resulting Issuer to materially affect control of the Resulting Issuer; is, or, within the last 10 years, has been:

- (a) subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

No proposed director, officer or promoter of the Resulting Issuer, or any shareholder anticipated to hold sufficient securities of the Resulting Issuer to materially affect the control of the Resulting Issuer, or a personal holding company of any such persons, has, within the last 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the individual.

Interests of Management and Others in Material Transactions

Except as disclosed in this Filing Statement, to the knowledge of Churchill and 9 Capital, no proposed director or executive officer of the Resulting Issuer, or person or company that will beneficially own, or control or direct, directly or indirectly, more than 10% of the Resulting Issuer Shares on Completion of the Proposed Qualifying Transaction, or any associate or affiliate of the foregoing, has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year prior to the date of this Filing Statement that has materially affected or is reasonably expected to materially affect the Resulting Issuer.

Conflicts of Interest

Directors and officers of the Resulting Issuer may also serve as directors and/or officers of other companies engaged in mineral exploration, development and mining and may be presented from time to time with situations or opportunities which give rise to apparent conflicts of interest which cannot be resolved by arm's-length negotiations but only through exercise by the officers and directors of such judgment as is consistent with their fiduciary duties to the Resulting Issuer which arise under applicable corporate law, especially insofar as taking advantage, directly or indirectly, of information or opportunities acquired in their capacities as directors or officers of the Resulting Issuer. It is expected that all conflicts of interest will be resolved in accordance with the OBCA, the policies of the Exchange and all other applicable securities laws, regulations and policies. It is expected that any transactions with officers and directors will be on terms consistent with industry standards and sound business practice in accordance with the fiduciary duties of those persons to the Resulting Issuer, and, depending upon the magnitude of the transactions and the absence of any disinterested board members, may be submitted to the shareholders for their approval.

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and promoters of the Resulting Issuer that are, or have been directors, officers or promoters of other reporting issuers:

<u>Name</u>	<u>Name of Reporting Issuer</u>	<u>Exchange or Market</u>	<u>Position</u>	<u>From</u>	<u>To</u>
Paul Sobie	Chop Exploration Inc.	N/A	VP, Exploration	2011	2014
	Firestone Diamonds plc	AIM	Director	2011	2019

<u>Name</u>	<u>Name of Reporting Issuer</u>	<u>Exchange or Market</u>	<u>Position</u>	<u>From</u>	<u>To</u>
Paul Robertson	Aton Resources Inc.	TSXV	CFO	2013	2013
	Eco Oro Minerals Corp.	CSE	CEO	2014	Present
	GoldQuest Mining Corp.	TSXV	CFO	2010	Present
	Gunpoint Exploration Ltd.	TSXV	CFO	2007	2014
	Grayd Resource Corporation	TSXV	CFO	2007	2011
	Libero Copper & Gold Corporation	TSXV	CFO	2010	2011
	Ophir Gold Corp.	TSXV	CFO	2021	Present
	Orla Mining Ltd.	TSX	CFO	2015	2019
	RBI Ventures Ltd.	NEX	Director	2009	2012
	Red Eagle Mining Corporation	TSX	CFO	2010	2011
	Sunward Resources ULC	N/A	CFO	2013	2015
Kevin Tomlinson	Besra Gold Inc.	N/A	Director	2012	2015
	C3 Metals Inc.	TSXV	President, CEO and Director	2021	Present
	Cardinal Resources Limited	N/A	Director	2017	2021
	Centamin plc	TSX	Director	2012	Present
	Centamin Egypt Limited	N/A	Director	2012	Present
	Maudore Minerals Ltd.	TSXV	Director	2012	2014
	Kodiak Copper Corp.	TSXV	Director	2020	Present
	Samco Gold Limited	TSXV	Director	2012	Present
	Xanadu Mines Ltd	TSX	Director	2018	2019
Bill Fisher	Aurelian Resources Inc.	N/A	Director	2003	2008
	Horizonte Minerals PLC	TSX	Director	2011	Present
	Globestar Mining Corporation	TSX	CEO	2001	2008
	GoldQuest Mining Corp.	TSXV	Director	2010	Present
	Karmin Exploration Inc.	N/A	CEO and Director	1996	2011
	PC Gold Inc.	N/A	Director	2008	2013
	RX Gold & Silver Inc.	N/A	Director	2010	2011
	Rockwell Diamonds Inc.	N/A	Director	2008	2010
	Treasury Metals Inc.	TSX	Director	2008	Present

Audit Committee and Corporate Governance

Audit Committee

Upon Completion of the Proposed Qualifying Transaction, the audit committee of the Resulting Issuer (“**Audit Committee**”) is expected to be composed of Bill Fisher (Chair), Kevin Tomlinson and Paul Sobie. Messrs. Fisher and Tomlinson will be “independent” and “financially literate” within the meaning of NI 52-110, and possesses education or experience that is relevant for the performance of their responsibilities as an Audit Committee member. Mr. Sobie will not be an independent member of the Audit Committee since he will be the Chief Executive Officer of the Resulting Issuer, but is “financially literate” within the meaning of NI 52-110, and possesses education or experience that is relevant for the performance of his responsibilities as an Audit Committee

member. See “Information Concerning the Resulting Issuer –Resulting Issuer Officers, Director and Promoters – Biographies of Directors and Executive Officers” above.

It is expected that the mandate of the Audit Committee will be to assist the Resulting Issuer Board in fulfilling its oversight responsibilities relating to financial accounting, reporting and internal controls for the Resulting Issuer. The Audit Committee will be responsible for: (i) conducting reviews and discussions with management and the external auditors relating to the audit and financial reporting; (ii) assessing the integrity of internal controls and financial reporting procedures; (iii) ensuring implementation of internal controls and procedures; (iv) reviewing the quarterly and annual financial statements and management’s discussion and analysis of the Resulting Issuer; (v) selecting and monitoring the independence, performance and remuneration of the external auditors; and (vi) oversight of all disclosure relating to financial information. The Audit Committee will also be responsible for reviewing and following the procedures established in the Resulting Issuer’s codes, policies and guidelines as may be established from time to time.

Since the Resulting Issuer will be a “venture issuer” pursuant to NI 52-110 (its securities are not listed or quoted on any of the Toronto Stock Exchange, a market in the U.S., or a market outside of Canada and the U.S.), it will be exempt from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

Corporate Governance

National Policy 58-201 – Corporate Governance Guidelines of the Canadian Securities Administrators sets out a series of guidelines for effective corporate governance (the “**Guidelines**”). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. NI 58-101 requires the disclosure by each listed corporation of its approach to corporate governance with reference to the Guidelines as it is recognized that the unique characteristics of individual corporations will result in varying degrees of compliance. Set out below is a description of the proposed approach of the Resulting Issuer to corporate governance in relation to the Guidelines.

Board of Directors

NI 58-101 defines an “independent director” as a director who has no direct or indirect material relationship with the Corporation. A “material relationship” is in turn defined as a relationship which could, in the view of the board, be reasonably expected to interfere with such member’s independent judgment. It is expected that the Resulting Issuer Board will be comprised of three members, two of whom will be “independent directors” within the meaning of NI 58-101. Kevin Tomlinson and Bill Fisher will be considered independent directors within the meaning of NI 58-101 since they are each independent of management and free from any material relationship with the Resulting Issuer. The basis for this determination is that, since the date of incorporation of Churchill and 9 Capital, and following the Completion of the Proposed Qualifying Transaction, none of the independent directors have worked for either Churchill or 9 Capital, received remuneration from either company or had material contracts with or material interests in either company which could interfere with their ability to act with a view to the best interests of the Resulting Issuer. Paul Sobie will not be considered an independent director because he will also be an executive officer of the Resulting Issuer.

The Resulting Issuer Board is expected to function independently of management. To enhance its ability to act independent of management, the Resulting Issuer Board may in the future meet in the absence of members of management or may excuse such persons from all or a portion of any meeting where an actual or potential conflict of interest arises or where the Board otherwise determines is appropriate.

Directorships

Certain of the proposed directors of the Resulting Issuer are also current directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction. See “Information Concerning the Resulting Issuer – Resulting Issuer Officers, Director and Promoters – Other Reporting Issuer Experience” above.

Orientation and Continuing Education

On Completion of the Proposed Qualifying Transaction, the Resulting Issuer is not expected to have a formal orientation and education program for new board members, however, it is expected that sufficient information (such as recent financial statements, technical reports and various other operating, property and budget reports) will be provided to all new members of the Resulting Issuer Board to ensure that new directors are familiarized with the Resulting Issuer's business and the procedures of the Resulting Issuer Board. In addition, new directors will be encouraged to visit and meet with management on a regular basis. The Resulting Issuer will also encourage continuing education of its directors and officers where appropriate in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Resulting Issuer. It is expected that the Resulting Issuer Board's continuing education will also consist of correspondence with the Resulting Issuer's legal counsel to remain up to date with developments in relevant corporate and securities law matters.

Ethical Business Conduct

The fiduciary duties placed on individual directors by the Resulting Issuer's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Resulting Board in which the director has an interest will ensure that the Resulting Issuer Board operates independently of management and in the best interests of the Resulting Issuer. Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Resulting Issuer and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, as some of the proposed directors of the Resulting Issuer also serve as directors and officers of other companies engaged in similar business activities, directors must comply with the conflict of interest provisions of the OBCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director will be required to declare the nature and extent of his or her interest and will not be entitled to vote at meetings of directors at which matters that give rise to such a conflict of interest are considered.

Board Committees

Following the Completion of the Qualifying Transaction, it is expected that the Resulting Issuer Board will have three standing committees: the Audit Committee, a nominating and corporate governance committee (the **"Nominating and Corporate Governance Committee"**), and a compensation committee (the **"Compensation Committee"**). The proposed members of these committees are in this Filing Statement under the heading "Audit Committee" above, and under the headings "— Nominating and Corporate Governance Committee", and "— Compensation Committee" below.

Nomination of Directors

Responsibility for identifying new candidates to join the Resulting Issuer Board will belong to the Resulting Issuer Board as a whole. The Resulting Issuer Board will encourage all directors to participate in the process of identifying and recruiting new candidates. It is expected that the Nominating and Corporate Governance Committee will have the responsibility of making recommendations to the Resulting Issuer Board with respect to the new nominees and for assessing directors on an on-going basis. While there are no specific criteria for Resulting Issuer Board membership, it is expected that the Resulting Issuer will seek to attract and retain directors with business knowledge and a particular expertise in mineral exploration and development or other areas of specialized knowledge (such as finance) which will assist in guiding the officers of the Resulting Issuer. It is expected that the members of the Nominating and Corporate Governance Committee will be Kevin Tomlinson (Chair), Bill Fisher and Paul Sobie.

Compensation Committee

The Compensation Committee will be responsible for assisting the Resulting Issuer in determining compensation of senior management of the Resulting Issuer as well as reviewing the adequacy and form of the directors' compensation. The Compensation Committee is expected to annually review the goals and objectives of the Chief

Executive Officer for the upcoming year and to perform an appraisal of the Chief Executive Officer's performance for the past year. The Compensation Committee will also administer and make recommendations regarding the operation of the Resulting Issuer's incentive plans. It is expected that the members of the Compensation Committee will be Kevin Tomlinson and Bill Fisher.

The Compensation Committee will also review, on an annual basis, the adequacy and form of compensation of directors and officers and will ensure that the levels of compensation of the Resulting Issuer Board reflect the responsibilities, time commitment and risks involved in being an effective director. Because at the time of the Completion of the Proposed Qualifying Transaction the Resulting Issuer's status as a mineral company that is still in the exploration stage, the Resulting Issuer will have a relatively small number of employees and will rely extensively on the input and expertise of its non-employee directors. In its efforts to attract and retain experienced directors, the Resulting Issuer may compensate directors in part with grants of incentive stock options, thereby conserving its cash resources and aligning the directors' incentives with the interests of shareholders of the Resulting Issuer by providing them with the opportunity to participate in any increase in shareholder value that results from their contribution.

Assessments

The Resulting Issuer Board will consider the Resulting Issuer Board and committee performance from time to time, as required.

Executive Compensation

Overview

It is expected that following the Completion of the Proposed Qualifying Transaction, the Resulting Issuer Board will appoint the Compensation Committee which will be responsible for ensuring that the Resulting Issuer has in place an appropriate plan for executive compensation and for making recommendations to the Resulting Issuer Board with respect to the compensation of the Resulting Issuer's executive officers. It is expected that the Compensation Committee will ensure that total compensation paid to all NEOs is fair and reasonable and is consistent with the Resulting Issuer's compensation philosophy.

It is expected that the Resulting Issuer's compensation philosophy will be to foster entrepreneurship at all levels of the organization through, among other things, the granting of stock options, which will be a significant component of executive compensation. This approach is based on the assumption that the performance of the Resulting Issuer Share price over the long term is an important indicator of long-term performance.

It is expected that the Resulting Issuer's compensation philosophy will be based on the following fundamental principles: (i) compensation programs align with shareholder interests – the Resulting Issuer aligns the goals of executives with maximizing long term shareholder value; (ii) performance sensitive – compensation for executive officers should be linked to operating and market performance of the Resulting Issuer and fluctuate with the performance; and (iii) offer market competitive compensation to attract and retain talent – the compensation program should provide market competitive pay in terms of value and structure in order to retain existing employees who are performing according to their objectives and to attract new individuals of the highest caliber.

It is expected that the objectives of the compensation program in compensating all NEOs will be developed based on the above-mentioned compensation philosophy and are expected to be as follows:

- to attract and retain highly qualified executive officers;
- to align the interests of executive officers with shareholders' interests and with the execution of the Resulting Issuer's business strategy;
- to evaluate executive performance on the basis of key measurements that correlate to long-term shareholder value; and

- to tie compensation directly to those measurements and rewards based on achieving and exceeding predetermined objectives.

Aggregate compensation for each NEO is expected to be designed to be competitive. It is expected that the Compensation Committee will review from time to time the compensation practices of similarly situated companies when considering the Resulting Issuer's executive compensation policy. Although it is expected that the Compensation Committee will review each element of compensation for market competitiveness, and it may weigh a particular element more heavily based on the NEO's role within the Resulting Issuer, it will be primarily focused on remaining competitive in the market with respect to total compensation.

From time to time, on an ad hoc basis, it is expected that the Compensation Committee will review data related to compensation levels and programs of various companies that are similar in size to the Resulting Issuer and operate within the mining exploration and development industry. It is expected that the Compensation Committee will also rely on the experience of its members as officers and/or directors at other companies in similar lines of business as the Resulting Issuer in assessing compensation levels.

Aligning the Interests of the NEOs with the Interests of the shareholders of the Resulting Issuer

Transparent, objective and easily verified corporate goals, combined with individual performance goals, is expected to play an important role in creating and maintaining an effective compensation strategy for the NEOs. It is expected that the planned objectives of the Resulting Issuer will be to establish benchmarks and targets for its NEOs which, if achieved, will enhance shareholder value. It is expected that a combination of fixed and variable compensation will be used to motivate executives to achieve overall corporate goals. It is expected that the three basic components of the Resulting Issuer's executive officer compensation program are expected to be: (i) fixed salary; (ii) annual incentives (cash bonus); and (iii) stock and option-based compensation.

It is expected that the fixed salary will comprise a portion of the total cash-based compensation; however, annual incentives and option based compensation represent compensation that is "at risk" and thus may or may not be paid to the respective executive officer depending on: (i) whether the executive officer is able to meet or exceed his or her applicable performance targets; and (ii) market performance of the Resulting Issuer Shares. To date, no specific formulae have been developed to assign a specific weighting to each of these components. Instead, the Resulting Issuer Board is expected to consider each performance target and the Resulting Issuer's performance and assigns compensation based on this assessment and the recommendations of the Compensation Committee.

Base Salary

It is expected that the Compensation Committee and the Resulting Issuer Board will approve the salary ranges for the NEOs. The base salary review for each NEO will be based on assessment of factors such as current competitive market conditions, compensation levels within compensation practices of similarly situated companies and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. It is expected that the Resulting Issuer may consider comparative data for the Resulting Issuer's peer group which would be accumulated from a number of external sources including independent consultants. The Resulting Issuer's policy for determining salary for executive officers is expected to be consistent with the administration of salaries for all other employees.

Annual Incentives

It is expected that the Resulting Issuer, in its discretion, may award annual incentives in order to motivate executives to achieve short-term corporate goals. However, it is expected that the Resulting Issuer, in its discretion, may award such incentives in order to motivate executives to achieve short term corporate goals. It is expected that the Compensation Committee and the Resulting Issuer Board will approve annual incentives. The success of NEOs in achieving their individual objectives and their contribution to the Resulting Issuer in reaching its overall goals are to be factors in the determination of their annual bonus. It is expected that the Compensation Committee will assess each NEO's performance on the basis of his or her respective contribution to the achievement of the predetermined corporate objectives, as well as to needs of the Resulting Issuer that arise on a day to day basis. This assessment is

expected to be used by the Compensation Committee in developing its recommendations to the Resulting Issuer Board with respect to the determination of annual bonuses for the NEOs. Where the Compensation Committee cannot unanimously agree, the matter is expected to be referred to the full Resulting Issuer Board for decision. It is expected that the Resulting Issuer Board will rely heavily on the recommendations of the Compensation Committee in granting annual incentives.

Option-Based Awards

The Resulting Issuer intends to grant Resulting Issuer Options to its directors, officers, employees and consultants; however, the details of such grants have not yet been determined and will be subject to the prior approval of the Resulting Issuer's board of directors. Such stock options are expected to be granted under the Stock Option Plan which will be assumed by the Resulting Issuer. For an overview of the Stock Option Plan, please see the discussion under the heading "Part II – Information Concerning 9 Capital – Stock Option Plan".

Compensation of Executives

It is expected that the Resulting Issuer Board will approve targeted amounts of annual incentives for each NEO at the beginning of each financial year. The targeted amounts are expected to be determined by the Compensation Committee based on a number of factors, including comparable compensation of similar companies. Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day-to-day corporate activities, is expected to trigger the award of a bonus payment to the NEOs. The NEOs are expected to receive a partial or full incentive payment depending on the number of the predetermined targets met and the Compensation Committee's and the Resulting Issuer Board's assessment of overall performance. It is expected that the determination as to whether a target has been met will ultimately be made by the Resulting Issuer Board and the Resulting Issuer Board will reserve the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate. At or prior to the Effective Time, the Resulting Issuer expects to enter into employment and/or consulting agreements with each of its NEOs, pursuant to which the NEOs will provide management and administrative services to, and be compensated for those services by, the Resulting Issuer, as more particularly described below under the heading "Employment Agreements" below.

Employment Agreements

At the Effective Time, the Resulting Issuer is expected to enter into an employment agreement with Paul Sobie pursuant to which Mr. Sobie will provide his services as President and Chief Executive Officer of the Resulting Issuer in consideration of an annual base salary of \$60,000. It is expected that the agreement will include a severance clause which provides for payment of 12 months of salary, bonus and benefits if Mr. Sobie is terminated without cause or if the Resulting Issuer undergoes a change in control, as will be defined in Mr. Sobie's employment agreement.

At the Effective Time, the Resulting Issuer is expected to enter into an employment agreement with Paul Robertson pursuant to which Mr. Robertson will provide his services as Chief Financial Officer and Corporate Secretary of the Resulting Issuer in consideration of an annual base salary of \$24,000. The agreement is expected to include a severance clause which provides for payment of 12 months of salary, bonus and benefits if Mr. Robertson is terminated without cause or if the Resulting Issuer undergoes a change in control, as will be defined in Mr. Robertson employment agreement.

Other than as may be provided pursuant to the employment agreements with Messrs. Sobie and Robertson, all as described herein, the Resulting Issuer is not now and will not be at the Effective Time party to any compensation plan or arrangement with NEOs resulting from the resignation, retirement or the termination of employment of any person.

Pension Plan Benefits

During the 12-month period following Completion of the Proposed Qualifying Transactions, it is not expected that the Resulting Issuer will provide for defined benefit plans or defined contribution plans, being plans that provide for payments or benefits at, following, or in connection with retirement, or provide for deferred compensation plans.

Compensation of Directors

It is anticipated that the directors of the Resulting Issuer will not be paid fees for their services following the Completion of the Proposed Qualifying Transaction; however, any future payments of fees and the amounts of such fees will be determined in the discretion of the board of directors of the Resulting Issuer following Completion of the Proposed Qualifying Transaction. The Resulting Issuer may also grant stock options to directors in recognition of the time and effort that such directors devote to the Resulting Issuer.

Compensation Risk Considerations

It is expected that the Compensation Committee will be responsible for considering, establishing and reviewing executive compensation programs, and whether the programs encourage unnecessary or excessive risk taking. The Resulting Issuer anticipates the programs will be balanced and will not motivate unnecessary or excessive risk taking. The Resulting Issuer does not currently have a policy that restricts directors or NEOs from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity. However, to the knowledge of the Resulting Issuer, as of the date of hereof, no proposed director or NEO of the Resulting Issuer has participated in the purchase of such financial instruments.

Base salaries are expected to be fixed at an amount that will not encourage risk taking. While annual incentive awards will focus on the achievement of short-term or annual goals and short-term goals may encourage the taking of short-term risks at the expense of long-term results, it is expected that the Resulting Issuer's annual incentive award program will represent a small percentage of employees' compensation opportunities. Annual incentive awards are expected to be based on various personal and company-wide achievements. Such performance goals are subjective and include achieving individual and/or corporate targets and objectives, as well as general performance in day-to-day corporate activities which would trigger the award of a bonus payment to the NEO. The determination as to whether a target has been met will ultimately be made by the Resulting Issuer Board (after receiving recommendations of the Compensation Committee) and the Resulting Issuer Board will reserve the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate. Funding of the annual incentive awards will be capped at the company level and the distribution of funds to the executive officers will be at the discretion of the Compensation Committee.

It is expected that stock option awards will be important to further align employees' interests with those of the shareholders of the Resulting Issuer. It is expected that the ultimate value of the awards will be tied to the price of the Resulting Issuer Shares and since awards are expected to be staggered and subject to long-term vesting schedules, they will help ensure that NEOs have significant value tied in long-term stock price performance.

Indebtedness of Directors and Officers

No individual who is, or at any time since the beginning of the most recently completed financial year of 9 Capital or Churchill, was, a director or officer of 9 Capital or Churchill, no proposed director or officer of the Resulting Issuer, and no associate of any such director, officer or proposed nominee, is indebted to 9 Capital or Churchill or any of its subsidiaries (other than for "routine indebtedness" as defined by applicable securities legislation) or has any indebtedness that is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by 9 Capital, Churchill or any of its subsidiaries.

Investor Relations Arrangements

Other than the engagement of Red Cloud Securities to provide investor relations services until June 30, 2021 for \$75,000, there is no written or oral agreement or understanding that has been reached with any person to provide any promotional or investor relations services for the Resulting Issuer.

Security Based Compensation

Security Based Compensation Plans

Upon completion of the Proposed Qualifying Transaction, the Resulting Issuer will retain the Stock Option Plan adopted by 9 Capital. For an overview of the Stock Option Plan, please see the discussion under the heading “Part II – Information Concerning 9 Capital – Stock Option Plan”.

Options to Purchase Securities

Other than as set out in the table below, as at the date of this Filing Statement, there are no stock options to purchase securities of the Resulting Issuer that will be held upon Completion of the Proposed Qualifying Transaction by:

- proposed officers of the Resulting Issuer as a group and proposed directors of the Resulting Issuer who are not also officers as a group;
- officers of all subsidiaries of the Resulting Issuer as a group and directors of those subsidiaries who are not also officers of the subsidiary as a group;
- other employees of the Resulting Issuer as a group;
- consultants of the Resulting Issuer as a group; and
- any other person or company, including any agent or underwriter.

The following table sets out information, as of the date of this Filing Statement, of convertible securities to purchase Resulting Issuer Shares that will be held upon completion of the Proposed Qualifying Transaction to the extent presently known and subject to applicable regulatory approvals:

Class of Optionee	Name of Holder	Type of Security	Number of Resulting Issuer Shares Under Option	Exercise Price	Expiry Date
Proposed Directors	As a group	Resulting Issuer Options	1,100,000	\$0.25	March 20, 2025
Employees	As a group	Resulting Issuer Options	200,000	\$0.25	March 20, 2025
Consultants/Service Providers/Former Directors	As a group	Resulting Issuer Options	500,000	\$0.25	March 20, 2025 (or 12 months following the Effective Date in the case of a former employee or director)
Former officers and directors of 9 Capital	As a group	Resulting Issuer Options	701,205	\$0.17	September 25, 2023 ⁽¹⁾

Notes:

1. In accordance with Exchange Policy 2.4, these Resulting Issuer Options will expire on the later of 12 following the Completion of the Proposed Qualifying Transaction and 90 days after the holder ceases to be a director, officer, employee or consultant of the Resulting Issuer. None of these option holders are expected to have any continuing involvement with the Resulting Issuer, and as such these Resulting Issuer Options will expire 12 months following the Completion of the Proposed Qualifying Transaction.

Escrowed Securities

CPC Escrowed Shares

The following table sets out, as of the date of this Filing Statement and to the knowledge of 9 Capital and Churchill, the name and municipality of residence of the holders of the aggregate of approximately 4,823,521 Resulting Issuer Shares (the “**CPC Escrowed Shares**”), which were originally issued prior to or in connection with the CPC IPO and will continue to be subject to an Exchange Form 5D – Escrow Agreement (on an undiluted basis):

Name and Municipality of Residence of Shareholder	Escrowed Securities ⁽¹⁾	Number and Percentage of Securities After Giving Effect to the Proposed Qualifying Transaction
Ben Cubitt <i>Toronto, Ontario</i>	Resulting Issuer Shares	588,235 (1.6%)
Vic Hugo <i>Toronto, Ontario</i>	Resulting Issuer Shares	58,823 (<1%)
Dan Sternberg <i>Toronto, Ontario</i>	Resulting Issuer Shares	588,235 (1.6%)
Sean Kallir <i>Toronto, Ontario</i>	Resulting Issuer Shares	58,823 (<1%)
David D’Onofrio <i>Toronto, Ontario</i>	Resulting Issuer Shares	294,117 (<1%)
Roy Sebag <i>Toronto, Ontario</i>	Resulting Issuer Shares	294,117 (<1%)
PowerOne Capital Limited Partnership. ⁽²⁾ <i>Toronto, Ontario</i>	Resulting Issuer Shares	588,235 (1.6%)
Jordan Fogle <i>Toronto, Ontario</i>	Resulting Issuer Shares	58,823 (<1%)
David Winter <i>Toronto, Ontario</i>	Resulting Issuer Shares	58,823 (<1%)
Alexander Concepts Inc. ⁽³⁾ <i>Toronto, Ontario</i>	Resulting Issuer Shares	705,882 (1.9%)
Kari Balzer <i>Vancouver, British Columbia</i>	Resulting Issuer Shares	29,411 (<1%)
Tack Exploration Ltd. <i>Vancouver, British Columbia</i>	Resulting Issuer Shares	117,647 (<1%)
Matthew MacIsaac <i>Vancouver, British Columbia</i>	Resulting Issuer Shares	294,117 (<1%)
Jay Goldman <i>Toronto, Ontario</i>	Resulting Issuer Shares	58,824 (<1%)
Osie Ukwuoma <i>Toronto, Ontario</i>	Resulting Issuer Shares	58,823 (<1%)
Graham Saunders <i>Toronto, Ontario</i>	Resulting Issuer Shares	176,470 (<1%)
Jim Christodoulis <i>Toronto, Ontario</i>	Resulting Issuer Shares	235,294 (<1%)
Mami Katz <i>Vancouver, British Columbia</i>	Resulting Issuer Shares	117,647 (<1%)

Name and Municipality of Residence of Shareholder	Escrowed Securities⁽¹⁾	Number and Percentage of Securities After Giving Effect to the Proposed Qualifying Transaction
Harry Fisher <i>Vancouver, British Columbia</i>	Resulting Issuer Shares	29,411 (<1%)
John Eymann <i>West Vancouver, British Columbia</i>	Resulting Issuer Shares	117,647 (<1%)
Derek Ham <i>East York, Ontario</i>	Resulting Issuer Shares	176,470 (<1%)
Patrick McBride <i>Toronto, Ontario</i>	Resulting Issuer Shares	117,647 (<1%)
Total	Resulting Issuer Shares	4,823,521 (13%)

Notes:

1. The escrow agent of these Resulting Issuer Shares will be TSX Trust Company (or such other escrow agent as the Resulting Issuer may appoint).
2. This entity is beneficially owned and controlled by Pat DiCapo.
3. This entity is beneficially owned and controlled by Brett Lindros.

QT Escrowed Shares

The following table sets out, as of the date of this Filing Statement and to the knowledge of 9 Capital and Churchill, the name and municipality of residence of the holders whose Resulting Issuer Shares (the “QT Escrowed Shares”) will be subject to an Exchange Form 5D – Escrow Agreement (on an undiluted basis):

Name and Municipality of Residence of Shareholder	Escrowed Securities⁽¹⁾	Number and Percentage of Securities After Giving Effect to the Proposed Qualifying Transaction
Paul Sobie <i>Toronto, Ontario</i>	Resulting Issuer Shares	1,441,434 (3.9%)
MPH Consulting Limited ⁽²⁾ <i>Ontario</i>	Resulting Issuer Shares	542,072 (1.5%)
Paul Robertson <i>Vancouver, British Columbia</i>	Resulting Issuer Shares	90,000 (<1%)
Kevin Tomlinson <i>Toronto, Ontario</i>	Resulting Issuer Shares	1,380,015 (3.7%)
Bill Fisher <i>Toronto, Ontario</i>	Resulting Issuer Shares	307,501 (<1%)
Alec Rowlands <i>Toronto, Ontario</i>	Resulting Issuer Shares	1,046,667 (2.8%)
Fiona Fisher <i>Toronto, Ontario</i>	Resulting Issuer Shares	700,000 (1.9%)
Catherine Robertson Shier <i>Vancouver, British Columbia</i>	Resulting Issuer Shares	600,000 (1.6%)
Total	Resulting Issuer Shares	6,107,689 (16.5%)

Notes:

1. It is anticipated that the escrow agent of these Resulting Issuer Shares will be TSX Trust Company (or such other escrow agent as the Resulting Issuer may appoint).
2. This entity is beneficially owned and controlled by Paul Sobie.

Release Terms of the Escrow for the CPC Escrowed Shares

Pursuant to the CPC Escrow Agreement, the CPC Escrowed Shares are held in escrow by Computershare Investor Services Inc. as the escrow agent. The CPC Escrow Agreement provides that the CPC Escrowed Shares shall not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without the written consent of the Exchange. On April 8, 2021, 9 Capital received disinterested shareholder approval to amend the escrow release conditions under the CPC Escrow Agreement, whereby 25% of the CPC Escrowed Shares will be released from escrow on the issuance of the Final Exchange Bulletin (the “**Initial Release**”) and an additional 25% will be released on the dates 6 months, 12 months, and 18 months following the Initial Release. If the Resulting Issuer meets the Exchange’s Tier 1 minimum listing requirements, the release of the CPC Escrow Shares will be accelerated. An accelerated escrow release will not commence until the Resulting Issuer has made application to the Exchange for listing as a Tier 1 issuer and the Exchange has issued a bulletin that announces the acceptance for listing of the Resulting Issuer on Tier 1 of the Exchange.

Release Terms of the Escrow for the QT Escrowed Shares

The QT Escrowed Shares listed above are expected to be subject to the QT Escrow Agreement. The QT Escrow Agreement will provide for a 36-month escrow release mechanism with 5% of the QT Escrowed Shares being releasable at the time of the Final Exchange Bulletin, 5% of the QT Escrowed Shares being releasable six months after the time of Final Exchange Bulletin, 10% of the QT Escrowed Shares being releasable 12 months after the time of Final Exchange Bulletin, 10% of the QT Escrowed Shares being releasable 18 months after the time of Final Exchange Bulletin, 15% of the QT Escrowed Shares being releasable 24 months after the time of Final Exchange Bulletin, 15% of the QT Escrowed Shares being releasable 30 months after the time of Final Exchange Bulletin, and 40% of the QT Escrowed Shares being releasable 36 months after the time of Final Exchange Bulletin.

Where the QT Escrowed Shares are held by a non-individual (a “**holding company**”), each holding company pursuant to the applicable escrow agreement has agreed, or will agree, not to carry out any transactions during the currency of the escrow agreement which would result in a change of control of the holding company, without the consent of the Exchange. Any holding company must sign an undertaking to the Exchange that, to the extent reasonably possible, it will not permit or authorize any issuance of securities or transfer of securities that could reasonably result in a change of control of the holding company. In addition, the Exchange may require an undertaking from any control person of the holding company not to transfer the shares of that company.

The QT Escrowed Shares may not be transferred within escrow without the approval of the Exchange for release or transfer other than in specified circumstances set out in the applicable escrow agreement.

Seed Share Resale Restrictions

Pursuant to Exchange Policy 5.4, certain non-principal Churchill Shareholders, upon exchange of the Churchill Shares into Resulting Issuer Shares, will be subject to seed share resale restrictions (“**SSRR**”). SSRRs are Exchange hold periods of various lengths which apply where seed shares are issued to non-principals by private companies prior to the completion of a Qualifying Transaction that are based on the length of time such Churchill Shares have been held and the price at which such shares were originally issued. An aggregate of 6,862,956 Resulting Issuer Shares will be subject to Tier 2 Value Escrow with 10% of the Resulting Issuer Shares being released every six (6) months, with the first release occurring at the time of the Final Exchange Bulletin.

Auditor, Transfer Agent and Registrar

Following the completion of the Proposed Qualifying Transaction, it is expected that the auditors of the Resulting Issuer will be Davidson & Company LLP, Chartered Professional Accountants, located at its offices located at 1200 – 609 Granville Street, P.O. Box 10372.

The registrar and transfer agent of the Resulting Issuer will be TSX Trust Company (the current registrar and transfer agent of 9 Capital) at its offices located at 100 Adelaide St. W., Suite 301, Toronto, Ontario M5H 1S3.

Risk Factors

AN INVESTMENT IN SECURITIES OF THE RESULTING ISSUER IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK AND SHOULD ONLY BE MADE BY INVESTORS WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT.

Prior to making an investment decision, investors should consider the investment risks set forth below and those described elsewhere in this document, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of 9 Capital and Churchill consider the risks set forth below to be the most significant, but do not consider them to be all of the risks associated with an investment in securities of 9 Capital, Churchill or the Resulting Issuer. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not to be material in connection with the Resulting Issuer's business, actually occur, the Resulting Issuer's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Resulting Issuer's securities could decline and investors may lose all or part of their investment.

Risk Factors Relating to 9 Capital

The Proposed Qualifying Transaction may not be Completed

The completion of the transactions contemplated by the Business Combination Agreement is subject to certain conditions, including (a) obtaining all necessary regulatory approvals, including Exchange approval of the Proposed Qualifying Transaction, the Consolidation and the Name Change and other transactions comprising part of the Proposed Qualifying Transaction, (b) the approval by the Churchill Shareholders of the Amalgamation and the transactions contemplated therein, and (c) other customary conditions. There can be no assurance that all of the necessary regulatory and shareholder approvals will be obtained. If the transactions contemplated by the Business Combination Agreement are not completed for these reasons or for any other reasons, 9 Capital will have incurred significant costs associated with the failed implementation of the Proposed Qualifying Transaction.

Furthermore, 9 Capital has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that 9 Capital will be able to identify a suitable Qualifying Transaction in future. Even if a proposed Qualifying Transaction is identified in the future, the completion of such other Qualifying Transaction will be subject to a number of conditions including acceptance by the Exchange and, in the case of a Non-Arm's Length Qualifying Transaction, approval of the majority of the minority shareholders.

Limited Operating History and History of Losses

9 Capital has not commenced commercial operations and has no assets other than cash. 9 Capital has no history of earnings and will not generate earnings or pay dividends until at least after the completion of a Qualifying Transaction. Until completion of a Qualifying Transaction, 9 Capital is not permitted to carry on any business other than the identification and evaluation of potential transactions.

Dilution

The Proposed Qualifying Transaction will be financed all or in part by the issuance of additional securities of 9 Capital and this will result in further dilution to the current 9 Capital Shareholders, which dilution will be significant and will result in a change of control of 9 Capital.

Management and Conflicts of Interest

The ability of 9 Capital to successfully complete a Qualifying Transaction is dependent on the performance of its current directors and officers, who only devote a portion of their time to the business and affairs of 9 Capital and are, or will be, engaged in other projects or businesses. The current directors, officers and Promoters of 9 Capital also serve as directors and/or officers of other companies which may compete with 9 Capital in its search for the businesses or assets targeted in order to complete a Qualifying Transaction. Accordingly, situations may arise where the directors, officers and promoters of 9 Capital are in a position of conflict with 9 Capital.

Risk Factors Relating to the Resulting Issuer

COVID-19 Public Health Crisis

The Resulting Issuer's business, operations and financial condition, and the market price of the Resulting Issuer Shares, could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in a number of countries including Canada. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Resulting Issuer cannot estimate whether, or to what extent, this outbreak and the potential financial impact may extend to countries outside of those currently impacted. Such public health crises can result in volatility and disruptions in the supply and demand for gold and other metals and minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk, share prices and inflation.

The risks to the Resulting Issuer of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak, increased labor and fuel costs, regulatory changes, political or economic instabilities or civil unrest. At this point, the extent to which COVID-19 will or may impact the Resulting Issuer is uncertain and these factors are beyond the Resulting Issuer's control; however, it is possible that COVID-19 and its related impacts have a material adverse effect on the Resulting Issuer's business, results of operations and financial condition and the market price of the Resulting Issuer Shares.

Limited Operating History

Churchill has only a limited operating history upon which an evaluation of Churchill and its prospects can be based. Churchill has no history of generating profits. The Resulting Issuer expects to continue to incur losses unless and until such time as it develops its properties and commences operations on its properties. The development of the properties will require the commitment of substantial financial resources. The amount and timing of expenditures will depend on a number of factors, some of which are beyond the Resulting Issuer's control, including the progress of ongoing exploration, studies and development, the results of consultant analysis and recommendations, the rate at which operating losses are incurred and the execution of any joint venture agreements with strategic parties, if any. There can be no assurance that the Resulting Issuer will generate operating revenues or profits in the future.

Nature of Mineral Exploration

Resource exploration and development is a speculative business and involves a high degree of risk which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The properties in which the Resulting Issuer holds an interest are without a known mineral resource or reserve. Each of the proposed programs on the properties is an exploratory search for resources or additional resources. There is no assurance that commercial quantities of resources will be discovered. There is also no assurance that even if commercial quantities of resources are discovered, a mineral property will be brought into commercial production. The discovery of mineral deposits is dependent upon a number of factors, not the least of which is the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit, once discovered, is also dependent

upon a number of factors, some of which are the particular attributes of the deposit, such as size, grade, ground conditions and proximity to infrastructure, community relations, metal prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Resulting Issuer not receiving an adequate return on invested capital. There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries of economic commercial quantities of ore.

Dependence on One Material Mineral Projects

The Taylor Brook Project is the only material property in which Churchill currently holds an interest. As such, the operations of the Resulting Issuer will be dependent on the Taylor Brook Project, which may never develop into commercially viable ore bodies. Any adverse development affecting the Taylor Brook Project will have a material adverse effect on the Resulting Issuer's business, prospects, financial performance and results of operations.

No Mineral Reserves/Mineral Resources

The Resulting Issuer's projects are currently considered to be in the exploration stage only. Churchill has not found any mineral resources or mineral reserves on its mineral properties and there can be no assurance that any of the mineral claims under exploration contain commercial quantities of any minerals. Churchill has identified prospects based on available geological information that indicates the potential presence of minerals. However, the areas that the Resulting Issuer decides to mine may not yield minerals in commercial quantities or qualities, or at all. Most of Churchill's current prospects are in various stages of evaluation that will require substantial drill-hole data interpretation. Even when properly used and interpreted, drill hole data analysis techniques are only tools used to assist geoscientists in identifying subsurface structures and mineral indicators and do not enable the interpreter to know whether minerals, are, in fact, present in those structures. Churchill does not know if any of its prospects will contain minerals in sufficient quantities or quality to recover exploration costs or to be economically viable. Even if commercial quantities of minerals are identified, there can be no assurance that the Resulting Issuer will be able to exploit the reserves or, if the Resulting Issuer is able to exploit them, that it will do so on a profitable basis.

Operational Risks

Mineral exploration and mining involve many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These hazards include unusual or unexpected formations, formation pressures, inclement weather conditions, seismic activity, fires, power outages, industrial accidents, flooding, explosions, rock bursts, cave-ins or pit wall failures and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, catastrophic damage to property or loss of life, labour disruptions, technological failure of mining methods, equipment failure or the inability to obtain suitable or adequate machinery, equipment or labour. Operations in which the Resulting Issuer will have a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage. Although the Resulting Issuer intends to maintain liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities could exceed policy limits, in which event the Resulting Issuer could incur significant costs that could have a materially adverse effect upon its financial condition.

Title to Properties

The acquisition of title to resource properties is a very detailed and time-consuming process. Although the Resulting Issuer has or will receive title for any claims or concessions in which it has or will acquire a material interest, there is no guarantee that title to such claims or concessions will be not challenged or impugned. The Resulting Issuer can never be certain that it or its option partners will have valid title to its mineral properties. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers under foreign law are often complex. The Resulting Issuer may or may not carry title insurance on its properties. In some countries, the system for recording title to the rights to explore, develop and mine natural resources is such that a title provides only minimal comfort that the holder has title. Also, in many countries, including Canada, claims have been made and

new claims are being made by Aboriginal peoples that call into question the rights granted by the governments of those countries. A successful claim that the Resulting Issuer (or its option partner) does not have title to a property could cause the Resulting Issuer to lose its right to explore, develop and mine any minerals on that property, perhaps without compensation for its prior expenditures relating to the property.

Options and Joint Ventures

The Resulting Issuer may, in the future be unable to meet its share of costs incurred under option, joint venture or shareholder agreements to which it is a party and the Resulting Issuer may have its interest in the properties subject to such agreements reduced as a result. If the Resulting Issuer does not raise the necessary capital to meet its obligations under current contractual obligations, then the Resulting Issuer may have to forfeit its interest in the properties or prospects earned or assumed under such contracts. Furthermore, if other parties to such agreements do not meet their share of such costs, the Resulting Issuer may be unable to finance the cost required to complete recommended programs.

Political Risks

The Resulting Issuer may acquire properties located in countries where mineral exploration activities may be affected by varying degrees of political instability and haphazard changes in government regulations such as tax laws, business laws and mining laws. Any changes in regulations or shifts in political conditions would be beyond the control of the Resulting Issuer and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price control, export controls, income taxes, and expropriation of property, environmental legislation, and mine safety.

Future Capital Needs and Uncertainty of Additional Financing

The Resulting Issuer plans to focus on exploring for minerals and will use its working capital to carry out such exploration. Churchill currently anticipates that the Resulting Issuer's expected cash on hand as of the Effective Date will be sufficient to meet its presently anticipated working capital and capital expenditure requirements over the next 12 months. However, the exploration and development of the Resulting Issuer's properties may require substantial additional financing. The exploration and development of the various mineral properties in which the Resulting Issuer holds interests and the acquisition of additional properties depend upon the Resulting Issuer's ability to obtain financing through joint ventures of projects, stream financing, debt financing, equity financing or other means. Although Churchill has been successful in raising funds to date, there can be no assurance that the Resulting Issuer will be able to obtain adequate financing in the future or that the terms of such financing will be favourable to the Resulting Issuer. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of the Resulting Issuer's projects or could cause the Resulting Issuer to reduce or terminate its operations or lose its interest in its properties and cease to continue as a going concern. In addition, there can be no assurance that future financing can be obtained without substantial dilution to existing shareholders. Additional financing needed to continue funding the exploration and development of the Resulting Issuer's projects may require the issuance of additional securities of the Resulting Issuer. The issuance of additional securities and the exercise of common share purchase warrants, stock options and other convertible securities will result in dilution of the equity interests of any persons who are or may become holders of Resulting Issuer Shares.

Global Financial and Economic Conditions

Current global financial and economic conditions, while improving, remain volatile. Many industries, including the mineral resource industry, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. Such factors may impact the Resulting Issuer's ability to obtain financing in the future on favourable terms or obtain any financing at all. Additionally, global economic conditions may cause a long term decrease in asset values. If such global volatility, market turmoil and the global recession continue, the Resulting Issuer's operations and financial condition could be adversely impacted.

Government Regulation

The proposed mining, processing, development and mineral exploration activities of the Resulting Issuer are subject to various laws governing environmental protection, natural resources prospecting, development, production, post-closure reclamation, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. The costs associated with compliance with such laws and regulations are substantial. Although Churchill believes that its mining and processing operations and exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be interpreted and applied in a manner which could cause additional expense, capital expenditures, restrictions on or suspension of the Resulting Issuer's operations and delays in the development of the Taylor Brook Project, and other properties in which the Resulting Issuer may explore or acquire an interest in the future. Moreover, governmental authorities and private parties may bring lawsuits based upon damage to property and injury to persons resulting from the environmental, health and safety impacts of the Resulting Issuer's future operations, which could lead to the imposition of substantial fines, penalties and other civil and criminal sanctions. Substantial costs and liabilities, including bonding, reclamation funding, or other requirements for restoring the environment after the closure of mines, will be inherent in the development of the Resulting Issuer's projects. There can be no assurance that any such law, regulation, enforcement or private claim, or any changes thereto, will not have a material adverse effect on the Resulting Issuer's business, financial condition or results of operations.

Permits and Licenses

The mining and exploration activities of the Resulting Issuer will require permits from various governmental authorities and such operations are, and will be, governed by laws and regulations governing exploration, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety, mine permitting and other matters. Companies engaged in mining and exploration activities generally experience increased costs and delays as a result of the need to comply with applicable laws, regulations and permits. While Churchill believes that it currently has all permits and licences necessary to carry on the current exploration activities on its properties, a substantial number of additional permits and licenses may be required should the Resulting Issuer elect to proceed beyond exploration. The Resulting Issuer anticipates that it will be able to obtain in the future all necessary licenses and permits to carry on the activities which it intends to conduct, and that it intends to comply in all material respects with the terms of such licenses and permits; however, there can be no assurance that all permits that the Resulting Issuer may require for mining and exploration will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations would not have an adverse effect on any project that the Resulting Issuer may undertake. Churchill believes it is in substantial compliance with all material laws and regulations which currently apply to its activities. However, there may be unforeseen environmental liabilities of the Resulting Issuer resulting from exploration and/or mining activities and these may be costly to remedy.

Labour and Employment Matters

While Churchill has good relations with its employees, these relations may be impacted by changes in labour laws which may be introduced by the relevant governmental authorities in jurisdictions in which the Resulting Issuer carries on business. Adverse changes in such legislation may have a material adverse effect on the Resulting Issuer's business, results of operations and financial condition.

Outside Contractor Risks

It is common for certain aspects of mining and development operations, such as construction management, engineering and procurement, drilling, blasting and underground development, to be conducted by outside contractors. As a result, the Resulting Issuer is subject to a number of risks, including: reduced control over the aspects of the tasks that are the responsibility of the contractors; failure of the contractors to perform under its agreement with the Resulting Issuer; inability to replace the contractors if their contracts are terminated; interruption of services in the event that the contractors cease operations due to insolvency or other unforeseen events; failure of the contractors to comply with applicable legal and regulatory requirements; and failure of the contractors to properly manage its workforce resulting in labour unrest or other employment issues.

Health and Safety Risk

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities due to accidents that could result in serious injury or death. The impact of such accidents could affect the profitability of the operations, cause an interruption to operations, lead to a loss of licenses, affect the reputation of the Resulting Issuer and its ability to obtain further licenses, damage community relations and reduce the perceived appeal of the Resulting Issuer as an employer. Failure to comply with applicable health and safety laws may result in injunctions, damages, suspension or revocation of licences or permits and the imposition of penalties. There can be no assurance that the Resulting Issuer will be at all times in complete compliance with such laws, regulations and permits, or that the costs of complying with current and future health and safety laws and permits will not adversely affect the Resulting Issuer's business, results of operations, financial condition or prospects. The Resulting Issuer will have rigorous procedures in place to manage health and safety protocols in order to reduce the risk of occurrence and the severity of any accident, and will continually invest time and resources to enhance health and safety at all operations. The Resulting Issuer will have insurance policies in place to cover accidents and will regularly monitor the adequacy of such policies.

Environmental Matters

The Resulting Issuer's operations will be subject to local laws and regulations regarding environmental matters, the use or abstraction of water, and the discharge of mining wastes and materials. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Furthermore, any failure to comply fully with all applicable laws and regulations could have significant adverse effects on the Resulting Issuer, including the suspension or cessation of operations. Environmental laws and regulations change frequently, and the implementation of new, or the modification of existing, laws or regulations could harm the Resulting Issuer. The Resulting Issuer cannot predict how agencies or courts in foreign countries will interpret existing laws and regulations or the effect that these adoptions and interpretations may have on the Resulting Issuer's business or financial condition.

The Resulting Issuer may be required to make significant expenditures to comply with governmental laws and regulations. Any significant mining operations will have some environmental impact, including land and habitat impact, arising from the use of land for mining and related activities, and certain impact on water resources near the project sites, resulting from water use, rock disposal and drainage run-off. No assurances can be given that such environmental issues will not have a material adverse effect on the Resulting Issuer's operations in the future. Environmental hazards may exist on the properties in which the Resulting Issuer holds interests which are unknown to Churchill at the present time and which have been caused by previous or existing owners or operators of the properties. While Churchill believes it does not currently have any material unsatisfied environmental obligations, exploration activities may give rise in the future to significant liabilities on the Resulting Issuer's part to the government and third parties and may require the Resulting Issuer to incur substantial costs of remediation. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Additionally, the Resulting Issuer does not intend to maintain insurance against environmental risks. As a result, any claims against the Resulting Issuer may result in liabilities the Resulting Issuer will not be able to afford, resulting in the failure of the Resulting Issuer's business. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation of existing laws, could have a material adverse impact on the Resulting Issuer and cause increases in exploration

expenses or capital expenditures or require abandonment or delays in development of new exploration properties.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important factors affecting capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Resulting Issuer's operations, financial condition and results of operations.

Management of Growth

The Resulting Issuer has recently experienced, and may continue to experience, rapid growth in the scope of its operations. This growth has resulted in increased responsibilities for the Resulting Issuer's existing personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Resulting Issuer will need to continue to implement and improve its operational, financial and management information systems, as well as hire, manage and retain its employees and maintain its corporate culture including technical and customer service standards. There can be no assurance that the Resulting Issuer will be able to manage such growth effectively or that its management, personnel or systems will be adequate to support the Resulting Issuer's operations.

Fluctuation in Mineral Prices

The mining industry in general is intensely competitive and there is no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist for the sale of same or mineral prices will be such that the Resulting Issuer's properties can be mined at a profit. Factors beyond the control of the Resulting Issuer may affect the ability of the Resulting Issuer to attract investors and receive further funds for exploration and development. Metal prices have experienced volatile and significant price movements over short periods of time, and are affected by numerous factors beyond the control of the Resulting Issuer, including international economic and political trends, expectations of inflation, currency exchange fluctuations (specifically, the Canadian and U.S. dollars relative to other currencies), interest rates, global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. In particular, the supply of and demand for gold are affected by, among other factors, political events, economic conditions and production costs in major gold-producing regions and governmental or central bank policies with respect to gold holdings. Declines in the price of gold may adversely affect the Resulting Issuer's development and mining projects. Although the Resulting Issuer believes that the fundamentals of supply and demand will remain stable in the future and participants in various sectors will continue to support the gold price despite uncertainties in the global economy, there is no guarantee that the gold price will not materially decrease.

Key Personnel

Locating and developing mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration, development and production personnel involved. The success of the Resulting Issuer is largely dependent on the performance of its key personnel. The Resulting Issuer's success is also largely dependent on its ability to hire and retain other highly qualified personnel. This is particularly true in highly technical businesses such as mineral exploration. The number of persons skilled in acquisition, exploration and development of mining properties is limited and competition for this workforce is intense. As the Resulting Issuer's business activity grows, the Resulting Issuer will require additional key executive, financial, operational, administrative and mining personnel. The Resulting Issuer will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. These individuals are in high demand and the Resulting Issuer may not be able to attract the personnel it needs. Failure to retain key personnel or to attract and retain additional key individuals with necessary skills could have a materially adverse impact upon the Resulting Issuer's business, its operating results as well as its overall financial condition. The Resulting Issuer has not purchased any "key-man" insurance with respect to any of its directors, officers or key employees and has no current plans to do so.

Insurance and Uninsured Risk

The business of the Resulting Issuer will be subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, explosions, rock bursts, cave-ins, natural phenomena such as inclement weather conditions, floods and earthquakes, changes in the regulatory environment and political or social instability. Such occurrences or events could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to properties of the Resulting Issuer or others, delays in mining, monetary losses and possible legal liability.

Although, the Resulting Issuer plans to maintain insurance for protection against certain risks in amounts it considers being reasonable, such insurance may not cover all the potential risks associated with Resulting Issuer's operations. The Resulting Issuer may also decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against political risk and risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Resulting Issuer or to other companies in the mining industry on acceptable terms. The Resulting Issuer will periodically evaluate the cost and coverage of the insurance against certain risks to determine if it would be appropriate to obtain such insurance. Without such insurance, losses from these events may cause the Resulting Issuer to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Litigation Risk

All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation and dispute resolution process, the litigation process could take away from management time and efforts and the resolution of any particular legal proceeding to which the Resulting Issuer may become subject could have a material adverse effect on the Resulting Issuer's financial position, results of operations or the Resulting Issuer's property development.

Information Technology

The Resulting Issuer will be reliant on the continuous and uninterrupted operations of its information technology ("IT") systems. User access and security of all IT systems are critical elements to the operations of the Resulting Issuer. Protection against cyber security incidents and cloud security, and security of all of the Resulting Issuer's IT systems, are critical to the operations of the Resulting Issuer. Any IT failure pertaining to availability, access or system security could result in disruption for personnel and could adversely affect the reputation, operations or financial performance of the Resulting Issuer. The Resulting Issuer stores all of its proprietary data on servers including, but not limited to, financial records, drilling databases, technical information, legal information, licences and human resource records. The Resulting Issuer utilizes standard protocols and procedures in protecting and backing up electronic records; however, there is no assurance that third parties will not illegally access these records which could have a material adverse effect on the Resulting Issuer.

Conflicts of Interest

Certain of the directors and officers of the Resulting Issuer will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Resulting Issuer may become subject to conflicts of interest. In accordance with the OBCA, directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Resulting Issuer are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Resulting Issuer. However, in conflict of interest situations, the Resulting Issuer's directors and officers may owe the same duty to another company and will need to balance the competing obligations and liabilities of their actions. Circumstances (including with respect to future corporate opportunities) may arise which are resolved in a manner that is unfavourable to the Resulting Issuer.

Competition

The Resulting Issuer may compete with other exploration, development and production companies which may have greater financial resources and technical abilities for the acquisition of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees. The Resulting Issuer's ability to increase the number of properties that it holds in the future will depend not only on its ability to explore and develop its present properties, but also on its ability to select, acquire and develop suitable properties or prospects.

Acquisitions and Integration

From time to time, it can be expected that the Resulting Issuer will examine opportunities to acquire additional exploration and/or mining assets and businesses. Any acquisition that the Resulting Issuer may choose to complete may be of a significant size, may change the scale of the Resulting Issuer's business and operations, and may expose the Company to new geographic, political, social, operating, financial and geological risks. The Resulting Issuer's success in its acquisition activities depends upon its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Resulting Issuer. Any acquisition would typically be accompanied by risks. If the Resulting Issuer chooses to raise debt capital to finance any such acquisitions, the Resulting Issuer's leverage will be increased, along with potential additional performance and covenant requirements which may increase the risk of default or reduced capital. If the Resulting Issuer chooses to use equity as consideration for such acquisitions, existing shareholders may suffer dilution. Alternatively, the Resulting Issuer may choose to finance any such acquisitions with its existing resources. There can be no assurance that the Resulting Issuer would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Aboriginal Claims and Consultation Issues

Many lands in Canadian territories in which the Churchill's properties are situated are or could become subject to aboriginal land claim to title. The legal nature of aboriginal land claims is a complex matter. The impact of any such claim on the Resulting Issuer ownership interests in its properties cannot be predicted with any degree of certainty. Aboriginal interests and rights as well as related consultation issues may impact the Resulting Issuer's ability to pursue exploration, development and mining at its Canadian properties. The Resulting Issuer may enter into agreements with First Nations and other Aboriginal communities in order to manage its relationship with those groups but there is no assurance that claims or other assertions of rights by Aboriginal communities or consultation issues will not arise on or with respect to the Resulting Issuer's properties or activities. These could result in significant costs and delays or materially restrict the Resulting Issuer's activities. While the Resulting Issuer intends to consult with all groups which may be adversely affected by the Resulting Issuer's activities, including various other aboriginal groups, there can be no assurance that satisfactory agreements can be reached.

Future Sales of Resulting Issuer Shares by Existing Shareholders

Sales of a large number of Resulting Issuer Shares in the public markets, or the potential for such sales, could decrease the trading price of the Resulting Issuer Shares and could impair the Resulting Issuer's ability to raise capital through future sales of Resulting Issuer Shares. In addition, shareholders of the Resulting Issuer who have an investment profit in the Resulting Issuer Shares that they own may seek to liquidate their holdings, which could decrease the trading price of the Resulting Issuer Shares and could also impair the Resulting Issuer's ability to raise capital through future sales of Resulting Issuer Shares.

Market Price and Volatile Securities Markets

Currently there is no public market for the Churchill Shares, and there can be no assurance that an active market for the Resulting Issuer Shares will develop or be sustained after Completion of the Proposed Qualifying Transaction. If an active public market for the Resulting Issuer Shares does not develop, the liquidity of an investor's investment in the Resulting Issuer Shares may be limited and the share price may decline. Worldwide securities markets have been experiencing a high level of price and volume volatility and market prices of securities of many companies have experienced unprecedented declines in prices which have not necessarily been related to the operating performance,

underlying asset values or prospects of such companies. Market forces may render it difficult or impossible for the Resulting Issuer to secure purchasers to purchase its securities at a price which will not lead to severe dilution to existing shareholders, or at all. In addition, shareholders may realize less than the original amount invested on dispositions of their Resulting Issuer Shares during periods of such market price decline.

The Resulting Issuer has no immediate plans to pay regular dividends on the Resulting Issuer Shares

The Resulting Issuer does not currently have plans to pay regular dividends on its Resulting Issuer Shares. Any declaration and payment of future dividends to holders of Resulting Issuer Shares will be at the sole discretion of the Resulting Issuer Board and will depend on many factors, including the financial condition, earnings, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends and other considerations of the Resulting Issuer that the Resulting Issuer Board deems relevant.

Availability of Reasonably Priced Raw Materials

The Resulting Issuer will require a variety of raw materials in its business. To the extent these materials are unavailable or available only at significantly increased prices, the Resulting Issuer's financial performance could be adversely impacted.

PART V – GENERAL MATTERS

Sponsorship

The Exchange has advised 9 Capital that it qualifies for an exemption from the sponsorship requirements of the Exchange in connection with the Proposed Qualifying Transaction.

Experts

Reports and Opinions

The following professional persons have prepared reports or provided opinions that are either included in or referred to in this Filing Statement:

- MNP LLP have provided an auditors' report on the financial statements of 9 Capital for the years ended December 31, 2020 and 2019, a copy of which is attached hereto as part of Schedule "A".
- Davidson & Company LLP have provided an auditors' report on the financial statements of Churchill for years ended August 31, 2020 and 2019, a copy of which is attached hereto as part of Schedule "C".
- Dr. Derek H.C. Wilton, P.Geo., FGC and Jeremy S. Brett, M.Sc., P.Geo, are the authors of the Technical Report and "independent qualified persons" (within the meaning of NI 43-101) responsible for the preparation of the Technical Report.

Interest of Experts

Except as disclosed herein, no person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Filing Statement or as having prepared or certified a report or valuation described or included in this Filing Statement holds more than 1% beneficial interest, direct or indirect, in any property of the Resulting Issuer or of an associate or affiliate of the Resulting Issuer and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Resulting Issuer or of an associate or affiliate of the Resulting Issuer and no such person is a promoter of the Resulting Issuer or an associate or affiliate of 9 Capital or the Resulting Issuer.

MNP LLP has informed 9 Capital that it is independent with respect to the Resulting Issuer within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

Davidson & Company LLP has informed Churchill that it is independent with respect to the Resulting Issuer within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

Other Material Facts

There are no material facts about 9 Capital, Churchill, the Resulting Issuer or the Proposed Qualifying Transaction that are not disclosed under the preceding items and are necessary in order for the Filing Statement to contain full, true and plain disclosure of all material facts relating to 9 Capital, Churchill and the Resulting Issuer, assuming Completion of the Proposed Qualifying Transaction.

Board Approval

This Filing Statement has been approved by the board of directors of each of 9 Capital and Churchill. Where information contained in this Filing Statement rests particularly with the knowledge of a Person other than 9 Capital and Churchill, each has relied upon information furnished by such Person.

Financial Statement Requirements

Financial statements for each of 9 Capital, Churchill and the Resulting Issuer may be found attached hereto at Schedules “A” through “D”, respectively.

CERTIFICATE OF 9 CAPITAL CORP.

Dated: 7th day of June, 2021

The foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities of 9 Capital Corp. assuming Completion of the Proposed Qualifying Transaction.

(signed)

Name: Ben Cubitt
Title: President & Chief Executive Officer

(signed)

Name: Vic Hugo
Title: Chief Financial Officer & Corporate Secretary

On behalf of the board of directors of 9 Capital Corp.

(signed)

Name: Dan Sternberg
Title: Director

(signed)

Name: David D'Onofrio
Title: Director

CERTIFICATE OF CHURCHILL DIAMOND CORPORATION

Dated: 7th day of June, 2021

The foregoing, as it relates to Churchill Diamond Corporation, constitutes full, true and plain disclosure of all material facts relating to the securities of Churchill Diamond Corporation.

(signed)

Name: Paul Sobie
Title: President & Chief Executive Officer

(signed)

Name: Paul Robertson
Title: Chief Financial Officer

On behalf of the board of directors of Churchill Diamond Corporation

(signed)

Name: Kevin Tomlinson
Title: Director

(signed)

Name: Bill Fisher
Title: Director

PERSONAL INFORMATION

“Personal Information” means any information about an identifiable individual, and includes information contained in any Items in the attached filing statement that are analogous to Items 4.2, 11, 12.1, 15, 17.3, 18, 22, 23, 25, 30.3, 31, 32, 33, 34, 35, 36, 37, 40 and 41 of Form 3B2 – Information Required in a Filing Statement For A Qualifying Transaction, as applicable.

9 Capital Corp. hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (a) the disclosure of Personal Information by 9 Capital Corp. to the Exchange pursuant to the Exchange pursuant to Form 3B2 – Information Required in a Filing Statement For A Qualifying Transaction; and
- (b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in the Exchange’s Appendix 6B or as otherwise identified by the Exchange, from time to time.

DATED this 7th day of June, 2021

(signed)

Name: Ben Cubitt
Title: President & Chief Executive Officer

(signed)

Name: Vic Hugo
Title: Chief Financial Officer

SCHEDULE "A"

**AUDITED FINANCIAL STATEMENTS OF 9 CAPITAL
FOR THE YEARS ENDED DECEMBER 31, 2020 & 2019 AND
THE PERIOD ENDED MARCH 31, 2021**

9 CAPITAL CORP.
(A CAPITAL POOL COMPANY)
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN CANADIAN DOLLARS)

Independent Auditor's Report

To the Shareholders of 9 Capital Corp.:

Opinion

We have audited the financial statements of 9 Capital Corp. (the "Company"), which comprise the statements of financial position as at December 31, 2020 and December 31, 2019, and the statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and December 31, 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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 Brock Stroud.

Toronto, Ontario
April 26, 2021

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

MNP

9 CAPITAL CORP.
(A Capital Pool Company)
Statements of Financial Position
(Expressed in Canadian Dollars)

	As at December 31, 2020	As at December 31, 2019
ASSETS		
Current assets		
Cash	\$ 521,613	\$ 575,081
Prepaid expense	750	750
Total current assets	522,363	575,831
Total assets	\$ 522,363	\$ 575,831
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 32,162	\$ 17,914
Total current liabilities	32,162	17,914
Equity		
Share capital (note 8)	651,262	651,262
Warrants (note 10)	-	19,800
Share-based payments (note 9)	89,600	89,600
Contributed surplus	19,800	-
Deficit	(270,461)	(202,745)
Total equity	490,201	557,917
Total equity and liabilities	\$ 522,363	\$ 575,831

The accompanying notes to the financial statements are an integral part of these statements.

Nature of operations (note 1)

Subsequent event (note 15)

Approved on behalf of the Board:

"Ben Cubitt", Director

"Dan Sternberg", Director

9 CAPITAL CORP.
(A Capital Pool Company)
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended December 31, 2020	Year Ended December 31, 2019
Operating expenses		
General and administrative	\$ 32,457	\$ 28,471
Professional fees	35,259	21,353
Net loss and comprehensive loss for the year	\$ (67,716)	\$ (49,824)
Basic and diluted net loss per share (note 12)	\$ (0.02)	\$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	3,720,500	3,720,500

The accompanying notes to the financial statements are an integral part of these statements.

9 CAPITAL CORP.
(A Capital Pool Company)
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended December 31, 2020	Year Ended December 31, 2019
Operating activities		
Net loss for the year	\$ (67,716)	\$ (49,824)
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	14,248	(49,373)
Net cash used in operating activities	(53,468)	(99,197)
Net change in cash	(53,468)	(99,197)
Cash, beginning of year	575,081	674,278
Cash, end of year	\$ 521,613	\$ 575,081

The accompanying notes to the financial statements are an integral part of these statements.

9 CAPITAL CORP.
(A Capital Pool Company)
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital \$	Contributed surplus \$	Warrants \$	Share-based payments \$	Deficit \$	Total \$
Balance, December 31, 2018	11,920,501	651,262	-	19,800	89,600	(152,921)	607,741
Net loss for the period year	-	-	-	-	-	(49,824)	(49,824)
Balance, December 31, 2019	11,920,501	651,262	-	19,800	89,600	(202,745)	557,917
Warrants expired	-	-	19,800	(19,800)	-	-	-
Net loss for the year	-	-	-	-	-	(67,716)	(67,716)
Balance, December 31, 2020	11,920,501	651,262	19,800	-	89,600	(270,461)	490,201

The accompanying notes to the financial statements are an integral part of these statements.

9 CAPITAL CORP.
(A Capital Pool Company)
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(Expressed in Canadian Dollars)

1. Nature of operations

9 Capital Corp. (the "Company") was incorporated pursuant to the provisions of the Business Corporations Act of Ontario on April 4, 2017. The Company intends to carry on business as a "Capital Pool Corporation" ("CPC"), as such term is defined in TSX Venture Exchange Inc. (the "Exchange") Policy 2.4 Capital Pool Companies ("Policy 2.4"). On September 26, 2018, the Company started trading on the TSXV under the symbol "NCPL.P". Under Policy 2.4, the Company must identify and complete a Qualifying Transaction within 24 months from the date the Company's shares are listed for trading on the Exchange. On September 28, 2020 trading of the common shares of the Company was halted and the Exchange suspended the trading of the Shares as a result of the Company not completing a Qualifying Transaction within 24 months of its date of listing. On February 1, 2021, the Company and Churchill Diamond Corporation ("Churchill") announced that they have entered into a definitive business combination agreement (see note 14).

As at December 31, 2020, the Company has no business operations and the Company's principal purpose is the identification, evaluation and acquisition of assets, properties or businesses or participation therein subject, in certain cases, to shareholder approval and acceptance by the Exchange. Where a Qualifying Transaction is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing.

The Company's registered head office address is The Canadian Venture Building, 82 Richmond St East, Toronto, Ontario, M5C 1P1.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

These financial statements have been prepared on a going concern basis, which presumes realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. As the Company has no revenues, its ability to continue as a going concern is dependent on obtaining additional financing and completing a Qualifying Transaction. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business. Such adjustments could be material.

9 CAPITAL CORP.
(A Capital Pool Company)
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(Expressed in Canadian Dollars)

2. Basis of presentation

These financial statements are prepared by the Company in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These financial statements have been prepared using the accrual basis of accounting, except for cash flow information. Furthermore, these financial statements are presented in Canadian dollars which is the functional currency of the Company.

These financial statements were authorized for issue by the Board of Directors on April 22, 2021.

3. Significant accounting policies

Cash

Cash can include cash on deposit at banking institutions, amounts in transit and amounts held in trust on behalf of the Company.

Financial instruments

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either fair value through profit or loss ("FVPL") or fair value through other comprehensive income ("FVOCI"), and "financial assets at amortized cost", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

The Company has classified its cash as loans and receivables which is measured at amortized cost.

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statements of loss.

9 CAPITAL CORP.
(A Capital Pool Company)
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(Expressed in Canadian Dollars)

3. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the statements of loss when the right to receive payments is established.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company does not hold any financial assets subject to impairment are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, which are each measured at amortized cost. All financial liabilities are recognized initially at fair value.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statements of loss.

9 CAPITAL CORP.
(A Capital Pool Company)
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(Expressed in Canadian Dollars)

3. Significant accounting policies (continued)

Financial instruments (continued)

Fair value hierarchy

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 – Value based on unadjusted quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques based on inputs other than quoted prices that are observable for assets or liabilities, either directly (ie. as prices) or indirectly (ie. derived from prices); and
- Level 3 – Valuation techniques using inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

As of December 31, 2020 and December 31, 2019 there are no amounts measured at fair value.

Income taxes

Income tax 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 or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

3. Significant accounting policies (continued)

Share-based payments

The Company has established an equity-settled stock option plan for the benefit of employees, officers, directors and consultants of the Company.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date using the Black-Scholes model. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a graded vesting basis over the period during which the employee becomes unconditionally entitled to equity instruments, based on the Company's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Basic and diluted loss per share

Basic loss per share is computed by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding for the relevant period.

Diluted loss per share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted. During the year ended December 31, 2020, the calculation of basic and diluted loss per share did not include the effect of all potentially dilutive instruments outstanding as they are anti-dilutive.

8,200,001 seed common shares are subject to a CPC Escrow Agreement. Under the CPC Escrow Agreement, 10% of the escrowed common shares will be released from escrow upon completion of a Qualifying Transaction by the Company and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. However, the release of the escrowed shares will be accelerated if the Company meets the Exchange Tier 1 initial listing requirements. The seed common shares are considered contingently issuable until the Company completes a Qualifying Transaction and accordingly, they are not considered to be outstanding shares for purposes of loss per share calculations.

9 CAPITAL CORP.
(A Capital Pool Company)
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(Expressed in Canadian Dollars)

3. Significant accounting policies (continued)

Use of estimates, assumptions and judgments

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Income taxes

In assessing the probability of realizing income tax assets and valuing income tax liabilities, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers relevant tax planning opportunities that are within the Company's control, are feasible and within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. To December 31, 2020, the Company has realized a net loss from operations and does not believe it is probable that future taxable profit will be available against which the Company can utilize the benefits. The Company reassesses unrecognized income tax assets at each reporting period.

Share-based compensation

The Company estimates the value of share-based compensation and warrants granted by using the Black-Scholes valuation method. Several assumptions including expected volatility, risk-free interest rate, and expected option life are significant assumptions used in determining the values of the options and warrants.

New standards adopted during the period

IFRS 3, Business Combinations ("IFRS 3")

Amendments to IFRS 3, issued in October 2018, provide clarification on the definition of a business. The amendments permit a simplified assessment to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendments are effective for transactions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020. The adoption of the amendments had no impact on the Company's financial statements.

9 CAPITAL CORP.
(A Capital Pool Company)
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(Expressed in Canadian Dollars)

3. Significant accounting policies (continued)

New standards adopted during the period (continued)

IAS 1, Presentation of Financial Statements ("IAS 1")

Amendments to IAS 1, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications. The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's financial statements.

IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")

Amendments to IAS 8, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications. The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's financial statements.

New standards not yet adopted and interpretations issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2021. Many are not applicable or do not have a significant impact to the Company and have been excluded.

4. Capital risk management

The Company manages its capital with the following objectives:

- ◆ to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities; and
- ◆ to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and financial markets in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, or adjusting spending. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital structure to consist of share capital and deficit, which at December 31, 2020 totaled \$490,201 (December 31, 2019 - \$557,917). The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. Selected information is provided to the Board of Directors of the Company. The Company has no external capital requirements imposed other than in note 7.

9 CAPITAL CORP.
(A Capital Pool Company)
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(Expressed in Canadian Dollars)

5. Financial instruments and risk management

Fair values

At December 31, 2020, the Company's financial instruments consisted of cash, and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

The Company is exposed in varying degrees to a number of risks arising from financial instruments. Management's involvement in the operations allows for the identification of risks and variances from expectations. The Company does not participate in the use of financial instruments to mitigate these risks. The Board approves the risk management processes. The Board's main objectives for managing risks are to ensure liquidity, the fulfillment of obligations, the continuation of the Company's search for a Qualifying Transaction, and limited exposure to credit and market risks.

The types of risk exposure and the way in which such exposures are managed are as follows:

Credit risk

Credit risk is the risk of loss if a third party to a financial instrument fails to meet its commercial obligations. The Company believes its exposure to credit risk is not significant.

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. None of the Company's financial instruments bear interest. Therefore, management believes that the Company is not exposed to any significant interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

6. Cash

	As at December 31, 2020	As at December 31, 2019
Cash at bank	\$ 521,613	\$ 575,081

9 CAPITAL CORP.
(A Capital Pool Company)
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(Expressed in Canadian Dollars)

7. Cash restrictions

Pursuant to the policies of the Exchange, the proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of the Qualifying Transaction by the Company as defined under the policies of the Exchange.

8. Share capital

a) Authorized share capital

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

b) Common shares issued

	Number of common shares	Amount
Balance, December 31, 2018, December 31, 2019 and December 31, 2020	11,920,501	\$ 651,262

9. Share-based payments

In April 2018, the Corporation established a stock option plan for its officers, directors, consultants and employees to which the Corporation may grant options to acquire a maximum number of common shares equal to 10% of the total issued and outstanding common shares of the Corporation.

	Number of stock options	Weighted average exercise price
Balance, December 31, 2018, December 31, 2019 and December 31, 2020	1,192,050	\$ 0.10

The following table reflects the actual stock options issued and outstanding as of December 31, 2020:

Expiry date	Weighted average Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable and outstanding)
September 25, 2023	0.10	2.73	1,192,050	1,192,050

9 CAPITAL CORP.
(A Capital Pool Company)
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(Expressed in Canadian Dollars)

10. Warrants

	Number of warrants	Amount
Balance, December 31, 2018 and December 31, 2019	372,050	\$ 19,800
Expired	(372,050)	(19,800)
Balance, December 31, 2020	-	\$ -

11. Income taxes

A reconciliation of combined federal and provincial corporate income taxes of statutory rates of 26.5% (2019 - 26.5%) and the Corporation's effective income tax expense is as follows:

	Year Ended December 31,	
	2020	2019
	\$	\$
Net loss for the period	\$ (67,716)	\$ (49,824)
Expected income tax recovery	(17,945)	(13,203)
Deferred tax assets not recognized	17,945	13,203
Deferred income tax provision (recovery)	\$ -	\$ -

At December 31, 2020, the Corporation has non – capital losses for income tax purposes of approximately \$231,000, which can be carried forward to be applied against future taxable income. These losses expire to the extent unutilized against future taxable income between 2037 and 2040.

The Corporation has not recorded deferred tax assets related to these unused carry forward losses as it is not probable that future taxable profits will be available against which these can be deducted.

12. Loss per share

For the year ended December 31, 2020, basic and diluted loss per share has been calculated based on the loss attributable to common shareholders of \$67,716 (year ended December 31, 2019 - \$49,824), and the weighted average number of common shares outstanding of 3,720,500 (year ended December 31, 2019 - 3,720,500). Diluted loss per share for the year ended December 31, 2020 did not include the effect of 1,192,050 options outstanding (year ended December 31, 2019 - 1,192,050) and nil warrants outstanding (year ended December 31, 2019 - 372,050), as they are anti-dilutive.

For the years ended December 31, 2020 and December 31, 2019, the 8,200,001 common shares were excluded from the calculation as they were contingently issuable and all conditions necessary for their issuance have not been satisfied (note 3).

13. Related party transactions

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

There were no related party transactions during the years ended December 31, 2020 and December 31, 2019.

14. Proposed transaction

The Company and Churchill Diamond Corporation (“Churchill”) have entered into a definitive business combination agreement which outlines the terms and conditions pursuant to which the parties will complete the proposed business combination (the “Proposed Transaction”).

The Proposed Transaction will result in a reverse take-over of the Company by Churchill and will constitute the Company’s “Qualifying Transaction” (as such term is defined in Policy 2.4 of the TSX Venture Exchange Manual). Pursuant to the Proposed Transaction, the Company will consolidate its issued and outstanding common shares (the “9 Capital Shares”) on the basis of one “new” 9 Capital Share for every 1.7 “old” existing common share of the Company. Immediately following the completion of the consolidation, Churchill and a wholly-owned subsidiary of the Company will amalgamate to form a new company, and upon such amalgamation, holders of common shares of Churchill (“Churchill Shares”) will receive one 9 Capital Share for every Churchill Share held.

Completion of the Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance and if applicable pursuant to the requirements of the TSXV, majority of the minority shareholder approval. Subsequent to the year ended December 31, 2020, the shareholders approved certain matters which are conditional on completion of the Company’s previously announced proposed qualifying transaction with Churchill Diamond Corporation at the annual and special meeting of shareholders held on April 8, 2021.

There can be no assurance that the Transaction will be completed as proposed or at all.

15. Subsequent event

- ◆ On January 28, 2021, the Company incorporated 2811807 Ontario Inc. as part of definitive business combination agreement (see note 14).
- ◆ On February 1, 2021, the Company and Churchill announced that they have entered into a definitive business combination agreement which outlines the terms and conditions pursuant to which the parties will complete the proposed business combination (see note 14).

9 CAPITAL CORP.
(A CAPITAL POOL COMPANY)
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2021
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

The accompanying unaudited condensed consolidated interim financial statements of 9 Capital Corp. (the "Company") have been prepared by and are the responsibility of management.

9 CAPITAL CORP.
(A Capital Pool Company)
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
Unaudited

	As at March 31, 2021	As at December 31, 2020
ASSETS		
Current assets		
Cash	\$ 493,987	\$ 521,613
Prepaid expense	750	750
Total current assets	494,737	522,363
Total assets	\$ 494,737	\$ 522,363
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 30,468	\$ 32,162
Total current liabilities	30,468	32,162
Equity		
Share capital (note 6)	651,262	651,262
Share-based payments (note 7)	89,600	89,600
Contributed surplus	19,800	19,800
Deficit	(296,393)	(270,461)
Total equity	464,269	490,201
Total equity and liabilities	\$ 494,737	\$ 522,363

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

Nature of operations (note 1)

Subsequent event (note 12)

Approved on behalf of the Board:

"Ben Cubitt", Director

"Dan Sternberg", Director

9 CAPITAL CORP.
(A Capital Pool Company)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
Unaudited

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Operating expenses		
General and administrative	\$ 14,482	\$ 15,913
Professional fees	11,450	5,936
Net loss and comprehensive loss for the period	\$ (25,932)	\$ (21,849)
Basic and diluted net loss per share (note 9)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	3,720,500	3,720,500

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

9 CAPITAL CORP.
(A Capital Pool Company)
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
Unaudited

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Operating activities		
Net loss for the period	\$ (25,932)	\$ (21,849)
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	(1,694)	7,359
Net cash used in operating activities	(27,626)	(14,490)
Net change in cash	(27,626)	(14,490)
Cash, beginning of period	521,613	575,081
Cash, end of period	\$ 493,987	\$ 560,591

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

9 CAPITAL CORP.**(A Capital Pool Company)****Condensed Interim Consolidated Statements of Changes in Equity****(Expressed in Canadian Dollars)****Unaudited**

	Number of Shares	Share Capital \$	Contributed surplus \$	Warrants \$	Share-based payments \$	Deficit \$	Total \$
Balance, December 31, 2019	11,920,501	651,262	-	19,800	89,600	(202,745)	557,917
Net loss for the period	-	-	-	-	-	(21,849)	(21,849)
Balance, March 31, 2020	11,920,501	651,262	-	19,800	89,600	(224,594)	536,068
Balance, December 31, 2020	11,920,501	651,262	19,800	-	89,600	(270,461)	490,201
Net loss for the period	-	-	-	-	-	(25,932)	(25,932)
Balance, March 31, 2021	11,920,501	651,262	19,800	-	89,600	(296,393)	464,269

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

9 CAPITAL CORP.
(A Capital Pool Company)
Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2021
(Expressed in Canadian Dollars)
Unaudited

1. Nature of operations

9 Capital Corp. (the "Company") was incorporated pursuant to the provisions of the Business Corporations Act of Ontario on April 4, 2017. The Company intends to carry on business as a "Capital Pool Corporation" ("CPC"), as such term is defined in TSX Venture Exchange Inc. (the "Exchange") Policy 2.4 Capital Pool Companies ("Policy 2.4"). On September 26, 2018, the Company started trading on the TSXV under the symbol "NCPL.P". Under Policy 2.4, the Company must identify and complete a Qualifying Transaction within 24 months from the date the Company's shares are listed for trading on the Exchange. On September 28, 2020 trading of the common shares of the Company was halted and the Exchange suspended the trading of the Shares as a result of the Company not completing a Qualifying Transaction within 24 months of its date of listing. On February 1, 2021, the Company and Churchill Diamond Corporation ("Churchill") announced that they have entered into a definitive business combination agreement (see note 11).

On January 28, 2021, the Company incorporated 2811807 Ontario Inc. as part of definitive business combination agreement.

As at March 31, 2021, the Company has no business operations and the Company's principal purpose is the identification, evaluation and acquisition of assets, properties or businesses or participation therein subject, in certain cases, to shareholder approval and acceptance by the Exchange. Where a Qualifying Transaction is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing.

The Company's registered head office address is The Canadian Venture Building, 82 Richmond St East, Toronto, Ontario, M5C 1P1.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

These unaudited condensed consolidated interim financial statements have been prepared on a going concern basis, which presumes realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. As the Company has no revenues, its ability to continue as a going concern is dependent on obtaining additional financing and completing a Qualifying Transaction. These unaudited condensed consolidated interim financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business. Such adjustments could be material.

9 CAPITAL CORP.
(A Capital Pool Company)
Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2021
(Expressed in Canadian Dollars)
Unaudited

2. Basis of presentation

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed consolidated interim financial statements are based on IFRS's issued and outstanding as of May 30, 2021, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed consolidated interim financial statement as compared with the most recent annual financial statements as at and for the year ended December 31, 2020. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the period ending December 31, 2021 could result in restatement of these unaudited condensed consolidated interim financial statements.

3. Significant accounting policies

New standards adopted during the period

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2021. Many are not applicable or do not have a significant impact to the Company and have been excluded.

New standards not yet adopted and interpretations issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2022. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IFRS 3, Business Combinations ("IFRS 3")

Amendments to IFRS 3 "Business Combinations" were issued in May 2020, and are effective on or after January 1, 2022, with earlier application permitted. The amendments update references within IFRS 3 to the 2018 Conceptual Framework and require that the principles in IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" be used to identify liabilities and contingent assets arising from a business combination. Adoption of these amendments is not expected to have a significant impact on the Company's unaudited condensed consolidated interim financial statements.

4. Cash

	As at March 31, 2021	As at December 31, 2020
Cash at bank	\$ 493,987	\$ 521,613

9 CAPITAL CORP.
(A Capital Pool Company)
Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2021
(Expressed in Canadian Dollars)
Unaudited

5. Cash restrictions

Pursuant to the policies of the Exchange, the proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of the Qualifying Transaction by the Company as defined under the policies of the Exchange.

6. Share capital

a) Authorized share capital

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

b) Common shares issued

	Number of common shares	Amount
Balance, December 31, 2019, March 31, 2020, December 31, 2020 and March 31, 2021	11,920,501	\$ 651,262

7. Share-based payments

In April 2018, the Corporation established a stock option plan for its officers, directors, consultants and employees to which the Corporation may grant options to acquire a maximum number of common shares equal to 10% of the total issued and outstanding common shares of the Corporation.

	Number of stock options	Weighted average exercise price
Balance, December 31, 2019, March 31, 2020, December 31, 2020 and March 31, 2021	1,192,050	\$ 0.10

The following table reflects the actual stock options issued and outstanding as of March 31, 2021:

Expiry date	Weighted average Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable and outstanding)
September 25, 2023	0.10	2.48	1,192,050	1,192,050

9 CAPITAL CORP.
(A Capital Pool Company)
Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2021
(Expressed in Canadian Dollars)
Unaudited

8. Warrants

	Number of warrants	Amount
Balance, December 31, 2019 and March 31, 2020	372,050	\$ 19,800
Balance, December 31, 2020 and March 31, 2021	-	\$ -

9. Loss per share

For the three months ended March 31, 2021, basic and diluted loss per share has been calculated based on the loss attributable to common shareholders of \$25,932 (three months ended March 31, 2020 - \$21,849), and the weighted average number of common shares outstanding of 3,720,500 (three months ended March 31, 2020 - 3,720,500). Diluted loss per share for the three months ended March 31, 2021 did not include the effect of 1,192,050 options outstanding (three months ended March 31, 2020 - 1,192,050) and nil warrants outstanding (three months ended March 31, 2020 - 372,050), as they are anti-dilutive.

For the three months ended March 31, 2021 and March 31, 2020, the 8,200,001 common shares were excluded from the calculation as they were contingently issuable and all conditions necessary for their issuance have not been satisfied.

10. Related party transactions

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

There were no related party transactions during the three months ended March 31, 2021 and March 31, 2020.

9 CAPITAL CORP.
(A Capital Pool Company)
Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2021
(Expressed in Canadian Dollars)
Unaudited

11. Proposed transaction

The Company and Churchill Diamond Corporation (“Churchill”) have entered into a definitive business combination agreement which outlines the terms and conditions pursuant to which the parties will complete the proposed business combination (the “Proposed Transaction”).

The Proposed Transaction will result in a reverse take-over of the Company by Churchill and will constitute the Company’s “Qualifying Transaction” (as such term is defined in Policy 2.4 of the TSX Venture Exchange Manual). Pursuant to the Proposed Transaction, the Company will consolidate its issued and outstanding common shares (the “9 Capital Shares”) on the basis of one “new” 9 Capital Share for every 1.7 “old” existing common share of the Company. Immediately following the completion of the consolidation, Churchill and a wholly-owned subsidiary of the Company will amalgamate to form a new company, and upon such amalgamation, holders of common shares of Churchill (“Churchill Shares”) will receive one 9 Capital Share for every Churchill Share held.

Completion of the Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance and if applicable pursuant to the requirements of the TSXV, majority of the minority shareholder approval. Subsequent to the three months ended March 31, 2021, the shareholders approved: (i) to remove the consequences of failing to complete a Qualifying Transaction (as defined in Policy 2.4 of the TSXV) within 24 months of the Company’s date of listing on the TSXV; and (ii) to amend the escrow release conditions and certain other provisions of the Company’s escrow agreement, and certain matters which are conditional on completion of the Company’s proposed qualifying transaction with Churchill Diamond Corporation such as: (i) the consolidation of the Company’s issued and outstanding common shares on the basis of 1 post-consolidation common share of the Company for each 1.7 pre- consolidation common shares; and (ii) the change of the name of the Company to "Churchill Resources Inc.", at the annual and special meeting of shareholders held on April 8, 2021.

There can be no assurance that the Transaction will be completed as proposed or at all.

12. Subsequent event

On May 28, 2021, the Company and Churchill announced that their respective boards of directors have approved an extension to the outside date to consummate its Proposed Transaction from May 31, 2021 to June 30, 2021.

SCHEDULE “B”

**MD&A OF 9 CAPITAL FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 AND
THE PERIOD ENDED MARCH 31, 2021**

**9 CAPITAL CORP.
(A CAPITAL POOL COMPANY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Introduction

The following Management's Discussion & Analysis ("MD&A") of the financial condition and results of the operations of 9 Capital Corp. ("9 Capital" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2020. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of the Company for the years ended December 31, 2020 and 2019, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the year ended December 31, 2020 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at April 28, 2021 unless otherwise indicated.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Information about the Company and its operations can be obtained from the offices of the Company.

Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements

9 CAPITAL CORP.
(A Capital Pool Company)
Management's Discussion and Analysis
For the Year Ended December 31, 2020
Dated April 28, 2021

Selected forward-looking statements, assumptions, and risk factors are as follows:

Forward-looking statements	Assumptions	Risk factors
The Company proposes to work towards completing a Qualifying transaction.	The Company expects to identify an asset or business to acquire and close a Qualifying Transaction, on terms favourable to the Company.	The Company's inability to find a target, the inability to satisfy all of the conditions precedent (due diligence, shareholder and regulatory approval, financing) to complete a Qualifying Transaction, resulting in the Company remaining as a public shell.
The Company's ability to meet its working capital needs at the current level for the twelve-month period ending December 31, 2021.	The operating activities of the Company for the twelve-month period ending December 31, 2021, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; regulatory compliance and changes in regulatory compliance and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond 9 Capital's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause 9 Capital's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

9 Capital Corp. ("9 Capital" or the "Company") was incorporated pursuant to the Business Corporations Act (Ontario) on April 4, 2017. On September 26, 2018, the Company started trading on the TSXV under the symbol "NCPL.P". The Company's registered head office address is The Canadian Venture Building, 82 Richmond St East, Toronto, Ontario, M5C 1P1. The Company intends to carry on business as a "Capital Pool Corporation" ("CPC"), which will focus on the identification and evaluation of potential Qualifying Transactions, as further described below "Qualifying Transaction".

As at December 31, 2020, the Company has no business operations and the Company's principal purpose is the identification, evaluation and acquisition of assets, properties or businesses or participation therein subject, in certain cases, to shareholder approval and acceptance by the Exchange. On December 23, 2020, the Company entered into a binding agreement (the "Letter Agreement") with Churchill Diamond Corporation ("Churchill"), an arm's length, Ontario based mineral exploration company which currently holds three mineral exploration projects in Canada, to effect a business combination of the two companies (the "Proposed Transaction") (see "Proposed Transaction" below).

Qualifying Transaction

Under Policy 2.4 Capital Pool Companies ("CPC Policy"), the Company must identify and complete a Qualifying Transaction within 24 months from the date the Company's shares are listed for trading on the Exchange. On September 26, 2018, the Company started trading on the TSXV. On September 28, 2020 trading of the common shares of the Company was halted and the Exchange suspended the trading of the Shares as a result of the Company not completing a Qualifying Transaction.

The Company is identifying and evaluating businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the TSX Venture Exchange ("TSXV" or "Exchange") and in the case of a Non-Arm's Length Qualifying Transaction is also subject to Majority of the Minority Approval in accordance with the CPC Policy. The Company is not specifically considering pursuing a company, asset or business in any specific business or industry sector, or in any particular geographical area, and the Company anticipates reviewing companies, assets and businesses in a broad range of industry sectors and geographical areas.

Until Completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition. Except as described herein, the funds raised pursuant to this Offering and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition.

On February 1, 2021, the Company and Churchill announced that they have entered into a definitive business combination agreement (see "Proposed Transaction" below). The Company expects that trading in the 9 Capital Shares will remain suspended pending closing of the Proposed Transaction.

Operational Highlights

On November 6, 2020, the Company entered into a binding agreement ("Binding Agreement") with Renew, Youthful Living Ltd. ("Renew") to effect a business combination of the two companies (Business Combination). Renew is a science-driven company focused on delivering consumer products to increase healthspan and combat the effects of ageing. Renew focuses on the research & development of products supporting longevity and the commercialisation of longevity supplements and cosmeceuticals. The obligations of the Company and Renew pursuant to the Binding Agreement shall terminate in certain specified circumstances, including in the event that a definitive business combination agreement to be entered into in connection with the Business Combination is not entered into by December 4, 2020.

On December 22, 2020, 9 Capital Corp. announced that it will not be proceeding with its Binding Agreement with Renew, and that the Binding Agreement has been terminated.

9 CAPITAL CORP.
(A Capital Pool Company)
Management's Discussion and Analysis
For the Year Ended December 31, 2020
Dated April 28, 2021

On December 23, 2020, the Company entered into a binding agreement with Churchill Diamond Corporation ("Churchill"), an arm's length, Ontario based mineral exploration company which currently holds three mineral exploration projects in Canada, to effect a business combination of the two companies (see "Proposed Transaction" below).

On January 28, 2021, the Company incorporated 2811807 Ontario Inc. as part of definitive business combination agreement (see "Proposed Transaction" below).

On February 1, 2021, the Company and Churchill announced that they have entered into a definitive business combination agreement.

The Company has no revenues, so its ability to ensure continuing operations is dependent on it completing a Qualifying Transaction. At December 31, 2020, the Company had a net working capital of \$490,201 (December 31, 2019 –\$557,917). The Company had cash of \$521,613 (December 31, 2019 - \$575,081). Working capital and cash and cash equivalents decreased during the twelve months ended December 31, 2020 due to cash used in operating activities.

The Company has sufficient capital to meet its ongoing operating expenses and continue to meet its obligations on its current projects for the twelve-month period ending December 31, 2021. Management may increase or decrease budgeted expenditures depending on exploration results and ongoing volatility in the economic environment. See "Liquidity and Capital Resources" below.

Trends

The Company plans to continue to search for suitable assets or businesses to acquire or merge with in order to maximize value for shareholders. Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Strong equity markets are favourable conditions for completing a public merger or acquisition transaction. Apart from these and the risk factors noted under the heading "Risk Factors", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Proposed Transactions

The Company routinely evaluates various business development opportunities which could entail optioning properties, direct acquisitions, trades and/or divestitures.

On December 23, 2020, the Company entered into a binding agreement (the "Letter Agreement") with Churchill Diamond Corporation ("Churchill"), an arm's length, Ontario based mineral exploration company which currently holds three mineral exploration projects in Canada, to effect a business combination of the two companies (the "Proposed Transaction").

Churchill is a private Ontario company managed by career mining industry professionals which currently holds three exploration projects, namely Taylor Brook in Newfoundland, Pelly Bay in Nunavut and White River in Ontario. All three projects are at the evaluation stage, with known mineralized Ni-Cu-Co showings at Taylor Brook and Pelly Bay, and diamondiferous kimberlitic intrusives at White River.

9 CAPITAL CORP.
(A Capital Pool Company)
Management's Discussion and Analysis
For the Year Ended December 31, 2020
Dated April 28, 2021

The Proposed Transaction will be effected by way of a three-cornered amalgamation, share exchange, merger, amalgamation, arrangement or other similar form of transaction as is acceptable to the parties. On or immediately prior to the completion of the Proposed Transaction, it is anticipated that: (i) the Company will effect a name change to such name as may be determined by Churchill; and (ii) the Company will consolidate the issued and outstanding common shares in the capital of the Company (the "9 Capital Shares") on the basis of one "new" 9 Capital Share for every 1.7 "old" 9 Capital Shares issued and outstanding (the "Consolidation").

Pursuant to the Proposed Transaction, holders of the issued and outstanding common shares of Churchill (the "Churchill Shares") will receive one 9 Capital Share (as they exist on a post-Consolidation basis) for each Churchill Share held (the "Exchange Ratio"). Pursuant to the Proposed Transaction, all existing securities convertible into Churchill Shares shall be exchanged, based on the Exchange Ratio, for similar securities to purchase 9 Capital Shares on substantially similar terms and conditions.

In connection with the Proposed Transaction, Churchill proposes to issue and sell, on a non-brokered private placement basis, Churchill Shares at a price per share of \$0.25 for aggregate gross proceeds of a minimum of \$1,000,000 and a maximum of \$1,500,000 (the "**Offering**"). Completion of the proposed Offering is a condition to the closing of the Proposed Transaction.

Completion of the Transaction is subject to a number of other conditions, including but not limited to, TSXV acceptance and if applicable pursuant to the requirements of the TSXV, shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. Subsequent to the year ended December 31, 2020, the shareholders approved certain matters which are conditional on completion of the Company's previously announced proposed qualifying transaction with Churchill Diamond Corporation at the annual and special meeting of shareholders held on April 8, 2021.

There can be no assurance that the Transaction will be completed as proposed or at all.

Financial Highlights

Selected Annual Financial Information

	For the Year ended December 31, 2020 \$	For the Year ended December 31, 2019 \$	For the Year ended December 31, 2018 \$
Revenue	Nil	Nil	Nil
Net loss for the period	(67,716)	(49,824)	(150,921)
Basic and diluted loss per share	(0.02)	(0.01)	(0.15)
	As at December 31, 2020 \$	As at December 31, 2019 \$	As at December 31, 2017 \$
Total Assets	522,363	575,831	675,028

9 CAPITAL CORP.
(A Capital Pool Company)
Management's Discussion and Analysis
For the Year Ended December 31, 2020
Dated April 28, 2021

- The net loss for the year ended December 31, 2020, consist primarily of: (i) general and administrative expenses of \$32,457; and (ii) professional fees of \$35,259.
- The net loss for the year ended December 31, 2019, consist primarily of: (i) general and administrative expenses of \$28,471; and (ii) professional fees of \$21,353.
- The net loss for the year ended December 31, 2018, consist primarily of: (i) share-based payments of \$89,600; (ii) general and administrative expenses of \$37,716; and (iii) professional fees of \$23,605.

Summary of Quarterly Information

Three Months Ended	Total Revenue \$	Profit or (Loss)	
		Total \$	Per Share ⁽¹⁾ \$
December 31, 2020 ⁽²⁾	Nil	(29,552)	(0.01)
September 30, 2020 ⁽³⁾	Nil	(8,283)	(0.00)
June 30, 2020 ⁽⁴⁾	Nil	(8,032)	(0.00)
March 31, 2020 ⁽⁵⁾	Nil	(21,849)	(0.01)
December 31, 2019 ⁽⁶⁾	Nil	(11,522)	(0.00)
September 30, 2019 ⁽⁷⁾	Nil	(10,360)	(0.00)
June 30, 2019 ⁽⁸⁾	Nil	(15,538)	(0.00)
March 31, 2019 ⁽⁹⁾	Nil	(12,404)	(0.00)

Notes

- (1) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.
- (2) Net loss of \$29,552 was for: professional fees of 20,998 which principally related to legal and audit fees; general and administrative expenses of \$8,554 related for general working capital purposes.
- (3) Net loss of \$8,283 was for: general and administrative expenses of \$4,382 related for general working capital purposes; and professional fees of \$3,901 which principally related to legal and audit fees.
- (4) Net loss of \$8,032 was for: professional fees of \$4,424 which principally related to audit and tax accounting fees; and general and administrative expenses of \$3,608 related for general working capital purposes.
- (5) Net loss of \$21,849 was for: general and administrative expenses of \$15,913 related for general working capital purposes; and professional fees of \$5,936 which principally related to legal, audit and tax accounting fees.
- (6) Net loss of \$11,522 was for: professional fees of 7,586 which principally related to legal and audit fees; general and administrative expenses of \$3,936 related for general working capital purposes..
- (7) Net loss of \$10,360 was for: professional fees of 6,501 which principally related to audit, tax and legal fees; general and administrative expenses of \$3,859 related for general working capital purposes.

- (8) Net loss of \$15,538 was for: general and administrative expenses of \$10,772 related for general working capital purposes; and professional fees of \$4,766 which principally related to legal and audit fees.
- (9) Net loss of \$12,404 was for: general and administrative expenses of \$9,904 related for general working capital purposes; and professional fees of \$2,500 which principally related to audit fees.

Discussion of Operations

Three Months ended December 31, 2020 compare with Three Months ended December 31, 2019

The Company's net loss totaled \$29,552 for the three months ended December 31, 2020, with basic and diluted loss per share of \$0.01. This compares with a net loss of \$11,522 with basic and diluted loss per share of \$0.00 for the three months ended December 31, 2019. The increase of \$18,030 in net loss was principally because:

- for the three months ended December 31, 2020 professional fees was \$20,998, compare to 7,586 for the three months ended December 31, 2019. The increase was mainly due to legal cost related to the Proposed transactions;
- general and administrative expenses for the three months ended December 31, 2020 increased to \$8,554 compared to \$3,936 for the three months ended December 31, 2019. The increase was mainly due to an increase in public reporting costs.

Year ended December 31, 2020 compare with Year ended December 31, 2019

The Company's net loss totaled \$67,716 for the year ended December 31, 2020, with basic and diluted loss per share of \$0.02. This compares with a net loss of \$49,824 with basic and diluted loss per share of \$0.01 for the year ended December 31, 2019. The increase of \$17,892 in net loss was principally because:

- for the year ended December 31, 2020 professional fees was \$35,259 compare to \$21,353 for the year ended December 31, 2019. The increase was mainly due to legal cost related to the Proposed transactions;
- general and administrative expenses for the year ended December 31, 2020 increased to \$32,457 compared to \$28,471 for the year ended December 31, 2019. The decrease was mainly due to a increase in public reporting and listing costs.

Cash Flow

The Company had cash of \$521,613 as at December 31, 2020 (December 31, 2019 - \$575,081). The decrease in cash from the previous period was primarily due to cash used in operating activities.

Cash used in operating activities was \$53,468 for the year ended December 31, 2020. Operating activities were affected by net loss for the period of \$67,716, and a change in non-cash working capital balances because of an increase in accounts payable and accrued liabilities of \$14,248. For the year ended December 31, 2019, cash used in operating activities was \$99,197 for the year ended December 31, 2020. Operating activities were affected by net loss for the period of \$49,824, and a change in non-cash working capital balances because of a decrease in accounts payable and accrued liabilities of \$49,373.

Liquidity and Capital Resources

The Company reported working capital as at December 31, 2020 of \$490,201 (December 31, 2019 – \$557,917), including cash of \$521,613 (December 31, 2019 - \$575,081).

The Company funds its activities through equity financing, which at this time will be principally used for identifying and completing a Qualifying Transaction.

The cash on hand as at December 31, 2020, and the completion of the proposed offering is expected to be sufficient to meet the Company's liquidity requirements until a Qualifying Transaction is completed; however, upon completion of the Qualifying Transaction additional capital may be necessary.

The Company does not generate revenue from operations. The Company incurred a net loss of \$67,716 for the twelve months ended December 31, 2020 and, as of that date the Company's deficit was \$270,461. However, the Company believes that its working capital of \$490,201 as at December 31, 2020 will provide the Company with sufficient cash resources to meet its obligations for at least twelve months from the end of the reporting period. As the Company has no revenues, its ability to continue as a going concern is dependent on obtaining additional financing and completing a Qualifying Transaction.

Cash Restriction

Pursuant to the policies of the Exchange, the proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of the Qualifying Transaction by the Company as defined under the policies of the Exchange.

Related Party Transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Insider shareholdings

As of December 31, 2020, directors and officers of the Corporation, with individual control of less than 10% of the total common shares outstanding, collectively control 2,700,000 common shares of the Corporation or approximately 22.65% of the total common shares outstanding.

Remuneration

There were no related party transactions during the years ended December 31, 2020 and December 31, 2019.

New Standards Adopted During the Period

IFRS 3, Business Combinations ("IFRS 3")

Amendments to IFRS 3, issued in October 2018, provide clarification on the definition of a business. The amendments permit a simplified assessment to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendments are effective for transactions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020. The adoption of the amendments had no impact on the Company's unaudited condensed interim financial statements.

IAS 1, Presentation of Financial Statements ("IAS 1")

Amendments to IAS 1, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications. The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's unaudited condensed interim financial statements.

IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")

Amendments to IAS 8, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications. The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's unaudited condensed interim financial statements.

Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2020. Many are not applicable or do not have a significant impact to the Company and have been excluded.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Income taxes

In assessing the probability of realizing income tax assets and valuing income tax liabilities, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken

will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers relevant tax planning opportunities that are within the Company's control, are feasible and within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. To December 31, 2020, the Company has realized a net loss from operations and does not believe it is probable that future taxable profit will be available against which the Company can utilize the benefits. The Company reassesses unrecognized income tax assets at each reporting period.

Share-based compensation

The Company estimates the value of share-based compensation and warrants granted by using the Black-Scholes valuation method. Several assumptions including expected volatility, risk-free interest rate, and expected option life are significant assumptions used in determining the values of the options and warrants.

Capital Risk Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and financial markets in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, or adjusting spending. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital structure to consist of share capital and deficit, which at December 31, 2020 totaled \$490,201 (December 31, 2019 - \$557,917). The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. Selected information is provided to the Board of Directors of the Company.

The Company has no external capital requirements imposed other noted under the heading :Cash Restriction" above.

Financial Instruments and Risk Management

Fair Values

At December 31, 2020, the Company's financial instruments consisted of cash, accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

9 CAPITAL CORP.
(A Capital Pool Company)
Management's Discussion and Analysis
For the Year Ended December 31, 2020
Dated April 28, 2021

The Company is exposed in varying degrees to a number of risks arising from financial instruments. Management's involvement in the operations allows for the identification of risks and variances from expectations. The Company does not participate in the use of financial instruments to mitigate these risks. The Board approves the risk management processes. The Board's main objectives for managing risks are to ensure liquidity, the fulfillment of obligations, the continuation of the Company's search for a Qualifying Transaction, and limited exposure to credit and market risks.

The types of risk exposure and the way in which such exposures are managed are as follows:

Credit Risk

Credit risk is the risk of loss if a third party to a financial instrument fails to meet its commercial obligations. The Company believes its exposure to credit risk is not significant.

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. None of the Company's financial instruments bear interest. Therefore, management believes that the Company is not exposed to any significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim financial statements; and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

- a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Share Capital

The Company is authorized to issue an unlimited number of common shares without par value. As at the date of this MD&A, there were 11,920,501 common shares issued; and 1,192,050 stock options outstanding with an exercise price of \$0.10 expiring in September 25, 2023.

Risks and Uncertainties

The Company's financial condition, results of operation and business are subject to certain risks, certain of which are described below (and elsewhere in this MD&A):

Stage of Development

The Company has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and shall not generate earnings or pay dividends until at least after Completion of the Qualifying Transaction. Accordingly, investment in the Company is highly speculative given the proposed nature of the Company's business and present stage of development. Until Completion of a Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions.

Uncertainty Regarding Qualifying Transaction

The Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction. Furthermore, even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction. Completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and, in the case of a Non Arm's Length Qualifying Transaction, Majority of the Minority Approval.

Unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed Non Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Company of fair value for the common shares. Neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction.

Trading Halts

Upon public announcement of a proposed Qualifying Transaction, trading in the common shares of the Company (if listed on the Exchange) will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. If listed on the Exchange, the common shares of the Company will be reinstated to trading before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Company completing the proposed Qualifying Transaction.

If listed on the Exchange, (i) trading in the common shares of the Company may be halted at other times for other reasons, including for failure by the Company to submit documents to the Exchange in the time periods required; and (ii) the Exchange will generally suspend trading in the Company's common shares or delist the Company in the event that the Exchange has not issued a Final Exchange Bulletin within 24 months from the date of listing.

Financing of Qualifying Transactions

The Qualifying Transaction may be financed in whole or in part by the issuance of additional securities by the Company and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Company. Subject to prior acceptance by the Exchange, the Company may be permitted to loan or advance up to an aggregate of \$250,000 of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Company will be able to recover that loan. In the event that such funds are advanced and/or additional securities issued, and the associated Qualifying Transaction is not completed, these matters could have a material adverse effect upon the Company.

Enforcement of Judgements

In the event that management of the Company resides outside of Canada or the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.

Market Price of Common Shares

There can be no assurance that an active market for the common shares will develop after the Offering. Securities of small- and mid-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the common shares is also likely to be significantly affected by short-term changes in the Company's financial condition or results of operations as reflected in its financial statements. Other factors unrelated to the performance of the Company that may have an effect on the price of the common shares include the following: the extent of analytical coverage available to investors concerning the business of the Company may be limited if investment banks with research capabilities do not follow the Company's securities; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of common shares; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the common shares that persists for a significant period

of time could cause the Company's securities, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. If an active market for the common shares does not develop, the liquidity of an investor's investment may be limited and the price of the common shares may decline below the price at which the shares are issued. If such a market does not develop, investors may lose their entire investment.

As a result of any of these factors, the market price of the common shares at any given point in time may not accurately reflect the long-term value of the Company. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Dilution to Common Shares

The issue of common shares of the Company upon the exercise of the options will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional option and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

Global Financial Conditions

Global financial conditions have been subject to increased volatility and numerous financial institutions have recently either gone into bankruptcy or have had to be rescued by governmental authorities. Such events may impact the ability of the Company to obtain equity or debt financing in the future or on terms favourable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the value and the price of the common shares and other securities could also be adversely affected.

Requirement for Additional Financing

The Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify and complete a suitable Qualifying Transaction. Further, even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to complete the transaction. The Qualifying Transaction may be financed in whole, or in part, by the issuance of additional securities by the Company and this may result in further dilution to investors, which dilution may be significant and which may also result in a change of control of the Company. Subject to prior Exchange approval, the Company may be permitted to loan or advance up to an aggregate of \$250,000 of its proceeds as a refundable deposit to a target business under certain conditions noted in the CPC Policy and there can be no assurance that the Company will be able to recover that loan.

Dividend Policy

No dividends on the common shares have been paid by the Company to date. Payment of any future dividends, if any, will be at the discretion of the Company's board of directors after taking into account many factors, including the Company's operating results, financial condition, and current and anticipated cash needs.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of common shares in the public markets, or the potential for such sales, could decrease the trading price of the common shares and could impair the Company's ability to raise capital through future sales of common shares. The Company has previously completed private placements at prices per share which are from time to time lower than the market price of the common shares. Accordingly, a significant number of shareholders of the Company have an investment profit in the common shares that they may seek to liquidate.

Key Executives

The Company is dependent on the services of key executives, including the President and Chief Executive Officer of the Company, and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Company, the loss of these persons or the Company's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations.

Conflicts of Interest

The directors and officers of the Company will only devote a portion of their time to the business and affairs of the Company and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time. Any decision made by any of such directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in applicable corporate law.

Outlook

For the immediate future, the Company intends complete the proposed Qualifying Transaction with Churchill. The Company will continue to monitor its spending.

Additional Information

Additional information relating to the Company is available on the SEDAR website www.sedar.com.

Additional Disclosure for Issuers without Significant Revenue

	For the Year Ended December 31, 2020	For the Year Ended December 31, 2019
Operating expenses	\$	\$
General and administrative	32,457	28,471
Professional fees	35,259	21,353
Total	67,716	49,824

**9 CAPITAL CORP.
(A CAPITAL POOL COMPANY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Introduction

The following Management's Discussion & Analysis ("MD&A") of the financial condition and results of the operations of 9 Capital Corp. ("9 Capital" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2019. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of the Company for the years ended December 31, 2019 and 2018, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the year ended December 31, 2019 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at March 27, 2020 unless otherwise indicated.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Information about the Company and its operations can be obtained from the offices of the Company.

Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements

9 CAPITAL CORP.
(A Capital Pool Company)
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For the Year Ended December 31, 2019
Dated March 27, 2020

Selected forward-looking statements, assumptions, and risk factors are as follows:

Forward-looking statements	Assumptions	Risk factors
The Company proposes to work towards completing a Qualifying transaction.	The Company expects to identify an asset or business to acquire and close a Qualifying Transaction, on terms favourable to the Company.	The Company's inability to find a target, the inability to satisfy all of the conditions precedent (due diligence, shareholder and regulatory approval, financing) to complete a Qualifying Transaction, resulting in the Company remaining as a public shell.
The Company's ability to meet its working capital needs at the current level for the twelve-month period ending December 31, 2020.	The operating activities of the Company for the twelve-month period ending December 31, 2020, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; regulatory compliance and changes in regulatory compliance and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond 9 Capital's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause 9 Capital's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

9 Capital Corp. ("the Company") was incorporated pursuant to the Business Corporations Act (Ontario) on April 4, 2017. On September 26, 2018, the Company started trading on the TSXV under the symbol "NCPL.P". The Company's registered head office address is The Canadian Venture Building, 82 Richmond St East, Toronto, Ontario, M5C 1P1. The Company intends to carry on business as a "Capital Pool Corporation" ("CPC"), which will focus on the identification and evaluation of potential Qualifying Transactions, as further described below "Qualifying Transaction".

As at December 31, 2019, the Company has no business operations and the Company's principal purpose is the identification, evaluation and acquisition of assets, properties or businesses or participation therein subject, in certain cases, to shareholder approval and acceptance by the Exchange.

Qualifying Transaction

Under Policy 2.4 Capital Pool Companies ("CPC Policy"), the Company must identify and complete a Qualifying Transaction within 24 months from the date the Company's shares are listed for trading on the Exchange. On September 26, 2018, the Company started trading on the TSXV.

The Company intends to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the TSX Venture Exchange ("TSXV" or "Exchange") and in the case of a Non-Arm's Length Qualifying Transaction is also subject to Majority of the Minority Approval in accordance with the CPC Policy. The Company is not specifically considering pursuing a company, asset or business in any specific business or industry sector, or in any particular geographical area, and the Company anticipates reviewing companies, assets and businesses in a broad range of industry sectors and geographical areas.

Until Completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition. Except as described herein, the funds raised pursuant to this Offering and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition.

Although the Company has commenced the process of identifying potential acquisitions with a view to completing the Qualifying Transaction, the Company has not yet entered into an Agreement in Principle.

Operational Highlights

The Company has no revenues, so its ability to ensure continuing operations is dependent on it completing a Qualifying Transaction. At December 31, 2019, the Company had a net working capital of \$557,917 (December 31, 2018 –\$607,741). The Company had cash of \$575,081 (December 31, 2018 - \$674,278). Working capital and cash and cash equivalents decreased during the twelve months ended December 31, 2019 due to cash used in operating activities.

The Company has sufficient capital to meet its ongoing operating expenses and continue to meet its obligations on its current projects for the twelve-month period ending December 31, 2020. Management may increase or decrease budgeted expenditures depending on exploration results and ongoing volatility in the economic environment. See "Liquidity and Capital Resources" below.

Trends

The Company plans to continue to search for suitable assets or businesses to acquire or merge with in order to maximize value for shareholders. Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Strong equity markets are favourable conditions for completing a public merger or acquisition transaction. Apart from these and the risk factors noted under the

9 CAPITAL CORP.
(A Capital Pool Company)
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Dated March 27, 2020

heading "Risk Factors", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Proposed Transactions

The Company routinely evaluates various business development opportunities which could entail optioning properties, direct acquisitions, trades and/or divestitures.

Contingency on Completing a Qualifying Transaction

There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Company's shares from trading.

Financial Highlights

Selected Annual Financial Information

	For the Year ended December 31, 2019 \$	For the Year ended December 31, 2018 \$	For the Period from, April 4, 2017 to December 31, 2017 \$
Revenue	Nil	Nil	Nil
Net loss for the period	(49,824)	(150,921)	(2,000)
Basic and diluted loss per share	(0.01)	(0.15)	(0.00)
	As at December 31, 2019 \$	As at December 31, 2018 \$	As at December 31, 2017 \$
Total Assets	575,831	675,028	Nil

9 CAPITAL CORP.
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Dated March 27, 2020

- The net loss for the year ended December 31, 2019, consist primarily of: (i) general and administrative expenses of \$28,471; and (ii) professional fees of \$21,353.
- The net loss for the year ended December 31, 2018, consist primarily of: (i) share-based payments of \$89,600; (ii) general and administrative expenses of \$37,716; and (iii) professional fees of \$23,605.
- The net loss for the period from Incorporation (April 2, 2017) to December 31, 2017, consist primarily of professional fees for legal expense.

Summary of Quarterly Information

Three Months Ended	Total Revenue \$	Profit or (Loss)	
		Total \$	Per Share ⁽¹⁾ \$
December 31, 2019 ⁽²⁾	Nil	(11,522)	(0.00)
September 30, 2019 ⁽³⁾	Nil	(10,360)	(0.00)
June 30, 2019 ⁽⁴⁾	Nil	(15,538)	(0.00)
March 31, 2019 ⁽⁵⁾	Nil	(12,404)	(0.01)
December 31, 2018 ⁽⁶⁾	Nil	16,370	0.00
September 30, 2018 ⁽⁷⁾	Nil	(100,739)	(0.50)
June 30, 2018 ⁽⁸⁾	Nil	(57,774)	(0.00)
March 31, 2018 ⁽⁹⁾	Nil	(8,778)	(0.00)

Notes

- (1) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.
- (2) Net loss of \$11,522 was for: professional fees of 7,586 which principally related to legal and audit fees; general and administrative expenses of \$3,936 related for general working capital purposes.
- (3) Net loss of \$10,360 was for: professional fees of 6,501 which principally related to audit, tax and legal fees; general and administrative expenses of \$3,859 related for general working capital purposes.
- (4) Net loss of \$15,538 was for: general and administrative expenses of \$10,772 related for general working capital purposes; and professional fees of \$4,766 which principally related to legal and audit fees.
- (5) Net loss of \$12,404 was for: general and administrative expenses of \$9,904 related for general working capital purposes; and professional fees of \$2,500 which principally related to audit fees.
- (6) Net gain of \$16,370 which principally related to: an increase of legal fees for being capitalized as share-issue cost related to the September 2018 initial public offering.
- (7) Net loss of \$100,739 was for: share-based payment of \$89,600; general and administrative expenses of \$36,927 related for general working capital purposes; and professional fees of \$25,788 which principally related to legal fees.
- (8) Net loss of \$57,774 was for: professional fees of \$49,104 which principally related to legal and audit fees; and general and administrative expenses of \$8,670 related for general working capital purposes.

- (9) Net loss of \$8,778 was for: general and administrative expenses of \$2,147 related for general working capital purposes; and professional fees of \$6,631 which principally related to legal and audit fees.

Discussion of Operations

Three Months ended December 31, 2019 compare with Three Months ended December 31, 2018

The Company's net loss totaled \$11,522 for the three months ended December 31, 2019, with basic and diluted loss per share of \$0.00. This compares with a net profit of \$16,370 with basic and diluted profit per share of \$0.00 for the three months ended December 31, 2018. The increase of \$27,892 in net loss was principally because:

- for the three months ended December 31, 2019, professional fees was \$7,586, compare to (\$6,342) for the three months ended December 31, 2018. The increase was mainly due to legal cost reallocated to the share issuance cost in completion of the initial public offering in September 2018.
- general and administrative expenses for the three months ended December 31, 2019 decreased to \$3,936 compared to \$10,028 for the three months ended December 31, 2018. The decrease was mainly due to a decrease in public reporting costs.

Year ended December 31, 2019 compare with Year ended December 31, 2018

The Company's net loss totaled \$49,824 for the year ended December 31, 2019, with basic and diluted loss per share of \$0.01. This compares with a net loss of \$150,921 with basic and diluted loss per share of \$0.15 for the year ended December 31, 2018. The decrease of \$101,097 in net loss was principally because:

- for the year ended December 31, 2019, share-based payments was \$nil, compare to \$89,600 for the year ended December 31, 2018. The decrease was mainly due the Company issued 1,192,050 stock options to directors and officers of the Company during the year ended December 31, 2018 that vested immediately;
- general and administrative expenses for the year ended December 31, 2019 decreased to \$28,471 compared to \$37,716 for the year ended December 31, 2018. The decrease was mainly due to a decrease in public reporting and listing costs;
- for the year ended December 31, 2019, professional fees was \$21,353, compare to \$23,605 for the year ended December 31, 2018. The decrease was mainly due to lower audit fees related to the work for the completion of the initial public offering of September 2018.

Cash Flow

The Company had cash of \$575,081 as at December 31, 2019 (December 31, 2018 - \$674,278). The decrease in cash from the previous period was primarily due to cash used in operating activities.

Cash used in operating activities was \$99,197 for the year ended December 31, 2019. Operating activities were affected by net loss for the period of \$49,824, and a change in non-cash working capital balances because of a decrease in accounts payable and accrued liabilities of \$49,373. For the year ended December 31, 2018, cash provided by operating activities was \$3,216. Operating activities are affected by

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increases in accounts payable and accrued liabilities to \$65,287, offset by an increase in prepaid expenses of \$750. The Company also recorded share-based payments of \$89,600.

Cash provided by financing activities was \$671,062 for the year ended December 31, 2018 which consisted of net proceeds from the initial seed financing of \$396,100 and initial public offering of \$274,962.

Liquidity and Capital Resources

The Company reported working capital as at December 31, 2019 of \$557,917 (December 31, 2018 – \$ 607,741) and cash of \$575,081 (December 31, 2018 - \$674,278).

The Company funds its activities through equity financing, which at this time will be principally used for identifying and completing a Qualifying Transaction.

The cash on hand as at December 31, 2019, and the completion of the proposed offering is expected to be sufficient to meet the Company's liquidity requirements until a Qualifying Transaction is completed; however, upon completion of the Qualifying Transaction additional capital may be necessary.

The Company does not generate revenue from operations. The Company incurred a net loss of \$49,824 for the twelve months ended December 31, 2019 and, as of that date the Company's deficit was \$202,745. However, the Company believes that its working capital of \$557,917 as at December 31, 2019 will provide the Company with sufficient cash resources to meet its obligations for at least twelve months from the end of the reporting period. As the Company has no revenues, its ability to continue as a going concern is dependent on obtaining additional financing and completing a Qualifying Transaction.

Cash Restriction

Pursuant to the policies of the Exchange, the proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of the Qualifying Transaction by the Company as defined under the policies of the Exchange. As of December 31, 2019, the Company has not exceeded this limit.

Related Party Transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Insider shareholdings

During the year ended December 31, 2018, the officers and directors of the Company subscribed to 2,700,000 shares at a \$0.05 per common share being 32.9% of the in January to March 2018. No shares were issued or subscribed to by officers and directors of the Company during the year ended December 31, 2019.

As of December 31, 2019, directors and officers of the Corporation, with individual control of less than 10% of the total common shares outstanding, collectively control 2,700,000 common shares of the Corporation or approximately 22.65% of the total common shares outstanding.

Remuneration

Remuneration of directors and key management personnel of the Company was as follows:

	Year Ended December 31, 2019 \$	Year Ended December 31, 2018 \$
Option-based payments ⁽ⁱ⁾		
Ben Cubitt (Officer and Director)	Nil	22,400
Sean Kallir (Director)	Nil	22,400
Dan Sternberg (Director)	Nil	22,400
David O'Onofrio (Director)	Nil	13,440
Vic Hugo (Officer)	Nil	8,960
Total	Nil	89,600

⁽ⁱ⁾ The dollar values in respect of the options were arrived at using the Black-Scholes valuation model.

New Standards Adopted During the Period

IFRIC 23 – Uncertainty Over Income Tax Treatments (“IFRIC 23”)

IFRIC 23 was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. The Company has determined there was no material impact on the unaudited condensed interim financial statements.

Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2020. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IAS 1 – Presentation of Financial Statements (“IAS 1”) and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”) were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. The Company has determined there will be no material impact on the financial statements.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Income taxes

In assessing the probability of realizing income tax assets and valuing income tax liabilities, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers relevant tax planning opportunities that are within the Company's control, are feasible and within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. To December 31, 2018, the Company has realized a net loss from operations and does not believe it is probable that future taxable profit will be available against which the Company can utilize the benefits. The Company reassesses unrecognized income tax assets at each reporting period.

Share-based compensation

The Company estimates the value of share-based compensation and warrants granted by using the Black-Scholes valuation method. Several assumptions including expected volatility, risk-free interest rate, and expected option life are significant assumptions used in determining the values of the options and warrants.

Capital Risk Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and financial markets in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, or adjusting spending. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

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The Company considers its capital structure to consist of share capital and deficit, which at December 31, 2019 totaled \$557,917 (December 31, 2018 - \$607,741). The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. Selected information is provided to the Board of Directors of the Company.

The Company has no external capital requirements imposed other noted under the heading "Cash Restriction" above.

Financial Instruments and Risk Management

Fair Values

At December 31, 2019, the Company's financial instruments consisted of cash and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

The Company is exposed in varying degrees to a number of risks arising from financial instruments. Management's involvement in the operations allows for the identification of risks and variances from expectations. The Company does not participate in the use of financial instruments to mitigate these risks. The Board approves the risk management processes. The Board's main objectives for managing risks are to ensure liquidity, the fulfillment of obligations, the continuation of the Company's search for a Qualifying Transaction, and limited exposure to credit and market risks.

The types of risk exposure and the way in which such exposures are managed are as follows:

Credit Risk

Credit risk is the risk of loss if a third party to a financial instrument fails to meet its commercial obligations. The Company believes its exposure to credit risk is not significant.

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. None of the Company's financial instruments bear interest. Therefore, management believes that the Company is not exposed to any significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for

the periods presented by the unaudited condensed interim financial statements; and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Share Capital

The Company is authorized to issue an unlimited number of common shares without par value. As at the date of this MD&A, there were 11,920,501 common shares issued; 372,050 warrants at an exercise price of \$0.10 expiring September 25, 2020; and 1,192,050 stock options outstanding with an exercise price of \$0.10 expiring in September 25, 2023.

Risks and Uncertainties

The Company's financial condition, results of operation and business are subject to certain risks, certain of which are described below (and elsewhere in this MD&A):

Stage of Development

The Company was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and shall not generate earnings or pay dividends until at least after Completion of the Qualifying Transaction. Accordingly, investment in the Company is highly speculative given the proposed nature of the Company's business and present stage of development. Until Completion of a Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions.

Uncertainty Regarding Qualifying Transaction

The Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction. Furthermore, even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction. Completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and, in the case of a Non Arm's Length Qualifying Transaction, Majority of the Minority Approval.

Unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed Non Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Company of fair value for the common shares. Neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction.

Trading Halts

Upon public announcement of a proposed Qualifying Transaction, trading in the common shares of the Company (if listed on the Exchange) will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. If listed on the Exchange, the common shares of the Company will be reinstated to trading before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Company completing the proposed Qualifying Transaction.

If listed on the Exchange, (i) trading in the common shares of the Company may be halted at other times for other reasons, including for failure by the Company to submit documents to the Exchange in the time periods required; and (ii) the Exchange will generally suspend trading in the Company's common shares or delist the Company in the event that the Exchange has not issued a Final Exchange Bulletin within 24 months from the date of listing.

Financing of Qualifying Transactions

The Qualifying Transaction may be financed in whole or in part by the issuance of additional securities by the Company and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Company. Subject to prior acceptance by the Exchange, the Company may be permitted to loan or advance up to an aggregate of \$250,000 of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Company will be able to recover that loan. In the event that such funds are advanced and/or additional securities issued, and the associated Qualifying Transaction is not completed, these matters could have a material adverse effect upon the Company.

Enforcement of Judgements

In the event that management of the Company resides outside of Canada or the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.

Market Price of Common Shares

There can be no assurance that an active market for the common shares will develop after the Offering. Securities of small- and mid-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the common shares is also likely to be significantly affected by short-term changes in the Company's financial condition or results of operations as reflected in its financial statements. Other factors unrelated to the performance of the Company that may have an effect on the price of the common shares include the following: the extent of analytical coverage available to investors concerning the business of the Company may be limited if investment banks with research capabilities do not follow the Company's securities; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of common shares; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the common shares that persists for a significant period of time could cause the Company's securities, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. If an active market for the common shares does not develop, the liquidity of an investor's investment may be limited and the price of the common shares may decline below the price at which the shares are issued. If such a market does not develop, investors may lose their entire investment.

As a result of any of these factors, the market price of the common shares at any given point in time may not accurately reflect the long-term value of the Company. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Dilution to Common Shares

The issue of common shares of the Company upon the exercise of the options will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional option and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

Global Financial Conditions

Global financial conditions have been subject to increased volatility and numerous financial institutions have recently either gone into bankruptcy or have had to be rescued by governmental authorities. Such events may impact the ability of the Company to obtain equity or debt financing in the future or on terms favourable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the value and the price of the common shares and other securities could also be adversely affected.

Requirement for Additional Financing

The Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify and complete a suitable Qualifying Transaction. Further, even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to complete the transaction. The Qualifying Transaction may be financed in whole, or in part, by the issuance of additional securities by the Company and this may result in further dilution to investors, which dilution may be significant and which may also result in a change of control of

the Company. Subject to prior Exchange approval, the Company may be permitted to loan or advance up to an aggregate of \$250,000 of its proceeds as a refundable deposit to a target business under certain conditions noted in the CPC Policy and there can be no assurance that the Company will be able to recover that loan.

Dividend Policy

No dividends on the common shares have been paid by the Company to date. Payment of any future dividends, if any, will be at the discretion of the Company's board of directors after taking into account many factors, including the Company's operating results, financial condition, and current and anticipated cash needs.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of common shares in the public markets, or the potential for such sales, could decrease the trading price of the common shares and could impair the Company's ability to raise capital through future sales of common shares. The Company has previously completed private placements at prices per share which are from time to time lower than the market price of the common shares. Accordingly, a significant number of shareholders of the Company have an investment profit in the common shares that they may seek to liquidate.

Key Executives

The Company is dependent on the services of key executives, including the President and Chief Executive Officer of the Company, and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Company, the loss of these persons or the Company's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations.

Conflicts of Interest

The directors and officers of the Company will only devote a portion of their time to the business and affairs of the Company and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time. Any decision made by any of such directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in applicable corporate law.

COVID-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity

of these developments and the impact on the financial results and condition of the Company in future periods.

Outlook

For the immediate future, the Company intends to identify and evaluate potential Qualifying Transactions. The Company continues to monitor its spending and will amend its plans based on business opportunities that may arise in the future.

Additional Information

Additional information relating to the Company is available on the SEDAR website www.sedar.com.

Additional Disclosure for Issuers without Significant Revenue

	For the Year Ended December 31, 2019 \$	For the Year Ended December 31, 2018 \$
Operating expenses		
General and administrative	28,471	37,716
Professional fees	21,353	23,605
Share-based payments	Nil	89,600
Total	49,824	150,921

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(A CAPITAL POOL COMPANY)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS –
QUARTERLY HIGHLIGHTS**

**FOR THE THREE MONTHS ENDED
MARCH 31, 2021**

Introduction

The following Management's Discussion & Analysis ("MD&A") of 9 Capital Corp. ("9 Capital" or the "Company") for the three months ended March 31, 2021 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management's discussion & analysis, being the Management's Discussion & Analysis ("MD&A") for the for the fiscal year ended December 31, 2020. This Interim MD&A does not provide a general update to the MD&A, or reflect any non-material events since date of the MD&A.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's MD&A, audited annual financial statements for the year ended December 31, 2020 and December 31, 2019, together with the notes thereto, and unaudited condensed interim financial statements for the three months ended March 31, 2021, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of May 31, 2021, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Information about the Company and its operations can be obtained from the offices of the Company.

Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements

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Selected forward-looking statements, assumptions, and risk factors are as follows:

Forward-looking statements	Assumptions	Risk factors
The Company proposes to work towards completing the Qualifying transaction with Churchill Diamond Corporation.	The Company expects close a Qualifying Transaction, on terms favourable to the Company.	The Company's inability to satisfy all of the conditions precedent (due diligence, shareholder and regulatory approval, financing) to complete the Qualifying Transaction, resulting in the Company remaining as a public shell.
The Company's ability to meet its working capital needs at the current level for the twelve-month period ending March 31, 2022.	The operating activities of the Company for the twelve-month period ending March 31, 2022, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; regulatory compliance and changes in regulatory compliance and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond 9 Capital's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause 9 Capital's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

9 Capital Corp. ("the Company") was incorporated pursuant to the Business Corporations Act (Ontario) on April 4, 2017. On September 26, 2018, the Company started trading on the TSXV under the symbol "NCPL.P". The Company's registered head office address is The Canadian Venture Building, 82 Richmond St East, Toronto, Ontario, M5C 1P1. The Company intends to carry on business as a "Capital Pool Corporation" ("CPC"), which will focus on the identification and evaluation of potential Qualifying Transactions, as further described below "Qualifying Transaction".

As at March 31, 2021, the Company has no business operations and the Company's principal purpose is the identification, evaluation and acquisition of assets, properties or businesses or participation therein subject, in certain cases, to shareholder approval and acceptance by the Exchange. On December 23, 2020, the Company entered into a binding agreement (the "Letter Agreement") with Churchill Diamond Corporation ("Churchill"), an arm's length, Ontario based mineral exploration company which currently holds three mineral exploration projects in Canada, to effect a business combination of the two companies (the "Proposed Transaction") (see "Proposed Transaction" below).

Qualifying Transaction

Under Policy 2.4 Capital Pool Companies ("CPC Policy"), the Company must identify and complete a Qualifying Transaction within 24 months from the date the Company's shares are listed for trading on the Exchange. On September 26, 2018, the Company started trading on the TSXV. On September 28, 2020 trading of the common shares of the Company was halted and the Exchange suspended the trading of the Shares as a result of the Company not completing a Qualifying Transaction

The Company intends to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the TSX Venture Exchange ("TSXV" or "Exchange") and in the case of a Non-Arm's Length Qualifying Transaction is also subject to Majority of the Minority Approval in accordance with the CPC Policy. The Company is not specifically considering pursuing a company, asset or business in any specific business or industry sector, or in any particular geographical area, and the Company anticipates reviewing companies, assets and businesses in a broad range of industry sectors and geographical areas.

Until Completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition. Except as described herein, the funds raised pursuant to this Offering and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition.

On February 1, 2021, the Company and Churchill announced that they have entered into a definitive business combination agreement (see "Proposed Transaction" below). The Company expects that trading in the 9 Capital Shares will remain suspended pending closing of the Proposed Transaction.

Operational Highlights

On January 28, 2021, the Company incorporated 2811807 Ontario Inc. as part of definitive business combination agreement (see "Proposed Transaction" below).

On February 1, 2021, the Company and Churchill announced that they have entered into a definitive business combination agreement.

At the annual and special meeting of shareholders held on April 8, 2021, the shareholders approved: (i) the consolidation of the Company's issued and outstanding common shares on the basis of 1 post-consolidation common share of the Company for each 1.7 pre-consolidation common shares; (ii) the change of the name of the Company to "Churchill Resources Inc.". Additionally the shareholders approved: (i) to remove the consequences of failing to complete a Qualifying Transaction (as defined in Policy 2.4 of

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(A Capital Pool Company)
Management's Discussion and Analysis – Quarterly Highlights
For the Three Months Ended March 31, 2021
Dated May 31, 2021

the TSXV) within 24 months of the Company's date of listing on the TSXV; and (ii) to amend the escrow release conditions and certain other provisions of the Company's escrow agreement.

On May 28, 2021, the Company and Churchill announced that their respective boards of directors have approved an extension to the outside date to consummate its Proposed Transaction from May 31, 2021 to June 30, 2021.

The Company has no revenues, so its ability to ensure continuing operations is dependent on it completing a Qualifying Transaction. At March 31, 2021, the Company had a net working capital of \$464,269 (December 31, 2020 –\$490,201). The Company had cash of \$493,987 (December 31, 2020 - \$521,613). Working capital and cash and cash equivalents decreased during the twelve months ended December 31, 2020 due to cash used in operating activities.

The Company has sufficient capital to meet its ongoing operating expenses and continue to meet its obligations on its current projects for the twelve-month period ending March 31, 2022. Management may increase or decrease budgeted expenditures depending on exploration results and ongoing volatility in the economic environment. See "Liquidity and Capital Resources" below.

Trends

The Company plans to continue to search for suitable assets or businesses to acquire or merge with in order to maximize value for shareholders. Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Strong equity markets are favourable conditions for completing a public merger or acquisition transaction.

Due to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labour availability and supply lines;
- Availability of government supplies, such as water and electricity;
- The ability to complete a RTO;
- Purchasing power of the Canadian dollar; and
- Ability to obtain funding.

At the date of this MD&A, the Canadian federal government and the provincial government of Ontario have not introduced measures that have directly impeded the operational activities of the Company. Although cash in the Company has materially declined, management believes the business will continue and, accordingly, the current situation has not impacted management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Apart from these and the risk factors noted under the heading "Risk Factors", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Proposed Transactions

The Company routinely evaluates various business development opportunities which could entail optioning properties, direct acquisitions, trades and/or divestitures.

On December 23, 2020, the Company entered into a binding agreement (the "Letter Agreement") with Churchill Diamond Corporation ("Churchill"), an arm's length, Ontario based mineral exploration company which currently holds three mineral exploration projects in Canada, to effect a business combination of the two companies (the "Proposed Transaction").

Churchill is a private Ontario company managed by career mining industry professionals which currently holds three exploration projects, namely Taylor Brook in Newfoundland, Pelly Bay in Nunavut and White River in Ontario. All three projects are at the evaluation stage, with known mineralized Ni-Cu-Co showings at Taylor Brook and Pelly Bay, and diamondiferous kimberlitic intrusives at White River.

The Proposed Transaction will be effected by way of a three-cornered amalgamation, share exchange, merger, amalgamation, arrangement or other similar form of transaction as is acceptable to the parties. On or immediately prior to the completion of the Proposed Transaction, it is anticipated that: (i) the Company will effect a name change to such name as may be determined by Churchill; and (ii) the Company will consolidate the issued and outstanding common shares in the capital of the Company (the "9 Capital Shares") on the basis of one "new" 9 Capital Share for every 1.7 "old" 9 Capital Shares issued and outstanding (the "Consolidation").

Pursuant to the Proposed Transaction, holders of the issued and outstanding common shares of Churchill (the "Churchill Shares") will receive one 9 Capital Share (as they exist on a post-Consolidation basis) for each Churchill Share held (the "Exchange Ratio"). Pursuant to the Proposed Transaction, all existing securities convertible into Churchill Shares shall be exchanged, based on the Exchange Ratio, for similar securities to purchase 9 Capital Shares on substantially similar terms and conditions.

In connection with the Proposed Transaction, Churchill completed a non-brokered private placement on the basis of, Churchill Shares at a price per share of \$0.25 for aggregate gross proceeds of a minimum of \$1,000,000 and a maximum of \$1,500,000 (the "**Offering**"). Completion of the proposed Offering is a condition to the closing of the Proposed Transaction.

Completion of the Transaction is subject to a number of other conditions, including but not limited to, TSXV acceptance and if applicable pursuant to the requirements of the TSXV, shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. Subsequent to the three months ended March 31, 2021, the shareholders was received at the annual and special meeting of shareholders held on April 8, 2021 (see "Operational Highlights" above).

There can be no assurance that the Transaction will be completed as proposed or at all.

Contingency on Completing a Qualifying Transaction

There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Company's shares from trading.

Discussion of Operations

Three Months ended March 31, 2021 compare with Three Months ended March 31, 2020

The Company's net loss totaled \$25,932 for the three months ended March 31, 2021, with basic and diluted loss per share of \$0.01. This compares with a net loss of \$21,849 with basic and diluted profit per share of \$0.01 for the three months ended March 31, 2020. The increase in net loss was principally because:

- general and administrative expenses for the three months ended March 31, 2021 decreased to \$14,482 compared to \$15,913 for the three months ended March 31, 2020. The decrease was mainly due to a decrease in public reporting costs.
- for the three months ended March 31, 2021 professional fees was \$11,450, compare to \$5,936 for the three months ended March 31, 2020. The increase was mainly due to an increase in legal fees as the Company is working on the QUILIFYING transaction.

Cash Flow

The Company had cash of \$493,987 as at March 31, 2021 (December 31, 2020 - \$521,613). The decrease in cash was primarily due to cash used in operating activities.

Cash used in operating activities was \$27,626 for the three months ended March 31, 2021. Operating activities were affected by net loss for the period of \$25,932, and a change in non-cash working capital balances primarily due to a decrease in accounts payable and accrued liabilities of \$1,694. For the three months ended March 31, 2020, cash provided by operating activities was \$14,490. Operating activities are affected by by net loss for the three months ended March 31, 2020 of \$21,849, and a change in non-cash working capital balances primarily due to a increase in accounts payable and accrued liabilities of \$7,359.

Liquidity and Capital Resources

The Company reported working capital as at March 31, 2021 of \$464,269 (December 31, 2020 – \$490,201) and cash of \$493,987 (December 31, 2020 - \$521,613).

The Company funds its activities through equity financing, which at this time will be principally used for identifying and completing a Qualifying Transaction.

The cash on hand as March 31, 2021, and the completion of the proposed offering is expected to be sufficient to meet the Company's liquidity requirements until a Qualifying Transaction is completed; however, upon completion of the Qualifying Transaction additional capital may be necessary.

The Company does not generate revenue from operations. For the three months ended March 31, 2021, the Company incurred a net loss of \$25,932, and as of that date the Company's deficit was \$296,393 (December 31, 2020 - \$270,461). However, the Company believes that its working capital of \$464,269 as at March 31, 2021 will provide the Company with sufficient cash resources to meet its obligations for at least twelve months from the end of the reporting period.

Cash Restriction

Pursuant to the policies of the Exchange, the proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that

not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of the Qualifying Transaction by the Company as defined under the policies of the Exchange. As of March 31, 2021, the Company has not exceeded this limit.

Related Party Transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Insider shareholdings

As of March 31, 2021, directors and officers of the Corporation, with individual control of less than 10% of the total common shares outstanding, collectively control 2,700,000 common shares of the Corporation or approximately 22.65% of the total common shares outstanding.

New Standards Adopted During the Period

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2021. Many are not applicable or do not have a significant impact to the Company and have been excluded.

Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2022. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IFRS 3, Business Combinations ("IFRS 3")

Amendments to IFRS 3 "Business Combinations" were issued in May 2020, and are effective on or after January 1, 2022, with earlier application permitted. The amendments update references within IFRS 3 to the 2018 Conceptual Framework and require that the principles in IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" be used to identify liabilities and contingent assets arising from a business combination. Adoption of these amendments is not expected to have a significant impact on the Company's unaudited condensed consolidated interim financial statements.

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the unaudited condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim financial statements; and (ii) the unaudited condensed interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

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Dated May 31, 2021

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

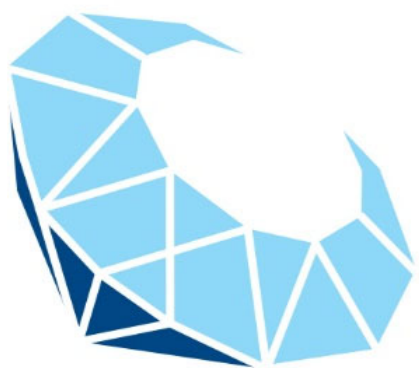
The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risks and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk and Uncertainties" in the Company's Annual MD&A for the fiscal year ended December 31, 2020, available on SEDAR at www.sedar.com

SCHEDULE "C"

**AUDITED FINANCIAL STATEMENTS AND MD&A OF CHURCHILL
FOR THE YEARS ENDED AUGUST 31, 2020 & 2019 AND
THE INTERIM PERIOD ENDED FEBRUARY 28, 2021**



Churchill
Diamond
Corporation

CHURCHILL DIAMOND CORPORATION
FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2020 AND 2019
(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Churchill Diamond Corporation

Opinion

We have audited the accompanying financial statements of Churchill Diamond Corporation (the "Company"), which comprise the statements of financial position as at August 31, 2020 and 2019, and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2020 and 2019, 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 audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company has incurred losses since inception. As at August 31, 2020, the Company had a working capital deficiency of \$323,659 and an accumulated deficit of \$2,173,158. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Erez Bahar.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada
Accountants

Chartered

Professional

June 7, 2021

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Churchill Diamond Corporation
Statements of Financial Position

(Expressed in Canadian Dollars)

	As at	August 31,	August 31,
	Note(s)	2020	2019
		\$	\$
ASSETS			
Current assets			
Cash		154	3,162
Accounts receivable		1,914	2,716
Prepaid expenses		510	454
		2,578	6,332
Non-current assets			
Plant and equipment	4	42,839	341
Exploration and evaluation assets	5	1,099,492	1,150,314
		1,142,331	1,150,655
TOTAL ASSETS		1,144,909	1,156,987
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		262,427	206,526
Loan payable	7, 8	47,908	10,000
Flow through shares premium liability	9	2,090	-
Current portion of lease obligation	6	13,812	-
		326,237	216,526
Long term liabilities			
Lease obligation	6	29,746	-
		29,746	-
TOTAL LIABILITIES		355,983	216,526
SHAREHOLDERS' EQUITY			
Share capital	7	2,638,711	2,389,155
Share subscription received		-	30,000
Obligation to issue shares		-	75,000
Stock options reserve		323,373	63,848
Accumulated deficit		(2,173,158)	(1,617,542)
TOTAL SHAREHOLDERS' EQUITY		788,926	940,461
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,144,909	1,156,987
Nature and continuance of operations	1		
Commitments	9		
Segmented information	10		
Subsequent events	1, 5, 8, 12, 14		

These financial statements were approved for issue by the Board of Directors and signed on its behalf by:

/s/ Paul Sobie Director

/s/ Bill Fisher Director

See accompanying notes to these financial statements.

Churchill Diamond Corporation

Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

	Note(s)	For the years ended	
		August 31,	August 31,
		2020	2019
		\$	\$
Expenses			
Bank charges		287	305
Depreciation	4	4,235	417
Exploration and evaluation	5, 8	29,837	65,633
General and administrative costs		4,984	3,335
Other income	9	(2,910)	(9,167)
Professional fees	8	28,176	38,893
Salaries and benefits	8	5,625	3,213
Share-based compensation	7, 8	259,525	-
Rent	8	9,000	12,000
		(338,759)	(114,629)
Other expenses			
Accretion interest of lease obligation	6	(1,325)	-
Impairment of exploration and evaluation assets	5	(215,532)	-
		(216,857)	-
Total loss and comprehensive loss		(555,616)	(114,629)
Basic and diluted loss per share for the year attributable to common shareholders		(0.03)	(0.01)
Weighted average number of common shares outstanding - basic and diluted		18,862,397	17,843,656

See accompanying notes to these financial statements.

Churchill Diamond Corporation

Statements of Shareholders' Equity
(Expressed in Canadian Dollars)

Share capital								
Note(s)	Number of shares	Amount \$	Share subscription received \$	Obligation to issue shares \$	Stock options reserve \$	Accumulated deficit \$	Total \$	
Balance as at August 31, 2018	17,381,506	2,203,253	40,003	-	63,848	(1,502,913)	804,191	
Share subscriptions received in advance	7	-	-	30,000	-	-	30,000	
Shares issued for cash - flow through	7	100,001	25,000	(20,000)	-	-	5,000	
Shares issued for cash - non flow-through	7	80,015	20,003	(20,003)	-	-	-	
Flow through shares issued for debt settlement	7, 8	83,334	20,833	-	-	-	20,833	
Shares issued for exploration and evaluation assets	5, 7	500,000	125,000	-	-	-	125,000	
Share issue costs		-	(4,934)	-	-	-	(4,934)	
Obligation to issue shares related to exploration and evaluation assets	5, 7	-	-	-	75,000	-	75,000	
Net loss for the year		-	-	-	-	(114,629)	(114,629)	
Balance as at August 31, 2019	18,144,856	2,389,155	30,000	75,000	63,848	(1,617,542)	940,461	
Shares issued for cash - flow through	7	100,000	25,000	(20,000)	-	-	5,000	
Shares issued for cash - non flow-through	7	80,000	20,000	(10,000)	-	-	10,000	
Non flow-through shares issued for debt settlement	7, 8	40,000	10,000	-	-	-	10,000	
Shares issued for exploration and evaluation assets	5, 7	800,000	200,000	-	(75,000)	-	125,000	
Share issue costs		-	(5,444)	-	-	-	(5,444)	
Share-based payments	7, 8	-	-	-	-	259,525	259,525	
Net loss for the year		-	-	-	-	(555,616)	(555,616)	
Balance as at August 31, 2020	19,164,856	2,638,711	-	-	323,373	(2,173,158)	788,926	

See accompanying notes to these financial statements.

Churchill Diamond Corporation
Statements of Cash Flows

(Expressed in Canadian Dollars)

	Note(s)	For the years ended	
		August 31, 2020	August 31, 2019
		\$	\$
Cash flows from			
OPERATING ACTIVITIES			
Net loss for the year		(555,616)	(114,629)
<i>Adjustments for items not affecting cash:</i>			
Depreciation	4	4,235	417
Accretion interest of lease obligation	6	1,325	-
Impairment of exploration and evaluation assets	5	215,532	-
Other income	9	(2,910)	(9,167)
Share-based payments	7, 8	259,525	-
Net changes in non-cash working capital items			
Accounts receivable		802	(105)
Prepaid expenses		(56)	319
Accounts payable and accrued liabilities		25,901	91,290
Cash flow used in operating activities		(51,262)	(31,875)
INVESTING ACTIVITIES			
Acquisition of mineral properties exploration and evaluation assets	5	(9,710)	(10,800)
Cash flow used in investing activities		(9,710)	(10,800)
FINANCING ACTIVITIES			
Loan payable	8	47,908	10,000
Shares issued for cash, net of share issue costs	7	14,556	5,066
Subscriptions received in advance		-	30,000
Lease payments	6	(4,500)	-
Cash flow from financing activities		57,964	45,066
Increase (decrease in cash)		(3,008)	2,391
Cash, beginning of year		3,162	771
Cash, end of year		154	3,162
Supplementary cash flow information			
Increase in accounts payable and accrued liabilities related to mineral property costs		30,000	30,000
Obligation to issue shares related to exploration and evaluation assets		75,000	75,000
Reclassification of shares subscription received to share capital	7	30,000	40,003
Reduction to share capital for flow-through share premium liability	7, 9	5,000	9,167
Shares issued for debt settlement	7, 8	10,000	25,000
Shares issued for exploration and evaluation assets	5, 7	125,000	125,000
Initial recognition of right-of-use assets and lease obligation	4, 6	46,733	-
Reclassification of the current portion of lease obligation	6	13,812	-
Cash paid during the year for interest		-	-
Cash paid during the year for income taxes		-	-

See accompanying notes to these financial statements.

Churchill Diamond Corporation

Notes to the Financial Statements

For the years ended August 31, 2020 and 2019

(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Churchill Diamond Corporation (referred to as the “Company” or “Churchill”), is a Canadian exploration stage mining company which is focused on the exploration of minerals and precious gems in Canada’s Nunavut Territory and Ontario.

The Company was incorporated on April 10, 2014, under the Canada Business Corporations Act. Its registered office is located at Suite 501, 133 Richmond Street West, Toronto, Ontario, M5H 2L3. The Company’s records office is located at 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2.

At the date of these financial statements, the Company has not identified a known body of commercial grade minerals on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

These financial statements have been prepared assuming the Company will continue on a going concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going concern depends upon its ability to raise adequate financing and to develop profitable operations. As at August 31, 2020, the Company had working capital deficiency of \$323,659 (2019 – \$210,194) and an accumulated deficit of \$2,173,158 (2019 – \$1,617,542). These conditions may cast substantial doubt regarding the Company’s ability to continue as a going concern. These financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company’s operations and exploration programs. In addition, management closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favorable or adverse market conditions occur.

Acquisition of mining claim

On October 22, 2020, the Company entered into a letter of intent (the “LOI”) with Altius Resources Inc. (“Altius”) to acquire 100% interest of the mining claims (the “Claims”) known as the Taylor Brook Nickel-Copper-Cobalt Project which is located within the Long Range Gneiss Complex of Western Newfoundland, approximately 40-60km north-northeast of Deer Lake. Pursuant to the LOI, the Company will have the exclusive option for a period of 24 months (the “Option Period”) to acquire an undivided 100% interest in the Claims (the “Acquisition”).

On December 18, 2020 (the “Execution Date”), the Company signed an option agreement (the “Option Agreement”) with Altius.

Pursuant to the Option Agreement, the Company will:

- 1) Issue 2,160,000 common shares, or such number which is equivalent to 9.9% of the common shares issued and outstanding of the Company at the date of issuance, to Altius upon the Execution Date (2,423,180 common shares were issued on the Execution Date);
- 2) Incur a minimum of \$250,000 in exploration expenditures on the Claims within 12 months following the Execution Date;

Churchill Diamond Corporation

Notes to the Financial Statements

For the years ended August 31, 2020 and 2019

(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS (CONTINUED)

Acquisition of mining claim (continued)

- 3) Complete an equity financing with an amount of at least \$1 million with a share price of not less than \$0.25 (the "Proposed Private Placement") within 12 months following the Execution Date (Note 14);
- 4) Issue common shares which will result in Altius' post Proposed Private Placement ownership at 19.9% based on the common shares issued and outstanding of the Company at the date of issuance, to Altius within 24 months following the Execution Date;
- 5) Commencing a transaction that will result in the Company becoming a reporting issuer in at least one province of Canada (the "Going Public Transaction") Claims within 12 months following the Execution Date and complete the Going Public Transaction within 24 months following the Execution Date (see "proposed business combination" below); and
- 6) Enter into an investor rights agreement (the "Investor Rights Agreement") with Altius.

The Investor Rights Agreement will entitle Altius to designate one nominee for the election to the board of directors of the Company and will grant the right to Altius to participate in future equity financing (the "Future Financings") undertaken by the Company on the same terms which are offered to third parties to subscribe the common shares of the Company to maintain Altius' post Future Financings ownership in the Company at 19.9% of the issued and outstanding common shares of the Company.

Proposed business combination

On December 23, 2020, the Company entered into a binding agreement with 9 Capital Corp. ("9 Capital"), a Capital Pool Company ("CPC") and intends the Acquisition to constitute its Qualifying Transaction (the "Qualifying Transaction") under the policies of the TSX Venture Exchange, to effect a business combination of the Company and 9 Capital (the "Proposed Business Combination"). The Proposed Business Combination will be a reverse takeover of 9 Capital by the Company and its shareholders.

On or immediately prior to the completion of the Business Combination, it is anticipated that:

- a) 9 Capital will effect a name change to such name as may be determined by the Company; and
- b) 9 Capital will implement the share consolidation of 1 post-consolidation common share ("9 Capital New Share") for 1.7 pre-consolidation common shares.

Pursuant to the Proposed Business Combination:

- a) the Company's shareholders will receive one 9 Capital New Share for each Company's common share they held at the date of completion (the "Exchange Ratio").
- b) all existing securities convertible into Company's common shares will be exchanged, based on the Exchange Ratio, for similar securities to purchase 9 Capital New Shares on substantially similar terms and conditions.

Financings

To close the Proposed Business Combination, the Company is required to complete a financing to issue common share at \$0.25 per share for aggregate gross proceeds of a minimum of \$1,000,000 and a maximum of \$1,500,000 (the "Financings"). Completion of the Financings is a condition to the closing of the Proposed Business Combination. (Note 14)

Churchill Diamond Corporation

Notes to the Financial Statements

For the years ended August 31, 2020 and 2019

(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS (CONTINUED)

COVID-19

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time. In terms of the timing of the Proposed Business Combination, COVID-19 may cause a delay in the process.

The financial statements of Churchill for the year ended August 30, 2020 were approved by the Board of Directors on June 6, 2021.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

Statement of compliance with International Financial Reporting Standards

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of preparation

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The accounting policies set out below have been applied consistently to all years presented in these financial statements.

Critical accounting estimates

The information about significant areas of estimation uncertainly considered by management in preparing the financial statements are as follows:

Carrying value and recoverability of exploration and evaluation assets

The carrying amount of Company's exploration and evaluation assets does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to commence and complete development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

To the extent that any of management's assumptions change, there could be a significant impact on the Company's future financial position, operating results and cash flows.

Churchill Diamond Corporation

Notes to the Financial Statements

For the years ended August 31, 2020 and 2019

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Critical accounting estimates (continued)

Income taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Critical accounting judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments.

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1.

Share-based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and consultants. The Company recognizes share-based payments expense based on the estimated fair value of the options. A fair value measurement is made for each vesting installment within each option grant and is determined using the Black-Scholes option-pricing model. The fair value of the options is recognized over the vesting period of the options granted as both share-based payments and stock option reserve. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserves account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Churchill Diamond Corporation

Notes to the Financial Statements

For the years ended August 31, 2020 and 2019

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in shareholders' equity, in which case it is recognized in shareholders' equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred tax is recorded by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. 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 statement of financial position date.

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.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. 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.

Exploration and evaluation assets

Upon acquiring the legal right to explore a mineral property, all direct costs related to the acquisition of exploration and evaluation assets are capitalized. Exploration and evaluation expenditures incurred prior to the determination of the feasibility of mining operations and a decision to proceed with development, are charged to profit or loss as incurred.

Exploration costs are expensed as incurred as the Company is in the process of exploring its exploration and evaluation assets and has not yet determined whether these properties contain ore reserves that are economically recoverable. If and when the Company's management determines that economically extractable proven or probable mineral reserves have been established, the subsequent costs incurred to develop such property, including costs to further delineate the ore body, will be capitalized.

At each reporting date the carrying amounts of the Company's exploration and evaluation assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

Churchill Diamond Corporation

Notes to the Financial Statements

For the years ended August 31, 2020 and 2019

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-lived assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as the related asset.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the year.

For the years presented the Company has no provisions for environmental rehabilitation.

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency for the Company is the Canadian dollar.

Foreign currency transactions are translated into the Canadian dollar using the exchange rates prevailing at the dates of the transactions. At the end of the each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign amounts are translated at the rate of exchange at the statement of financial position date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Loss per share

The Company presents basic loss per share 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.

Impairment of long-lived assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Churchill Diamond Corporation

Notes to the Financial Statements

For the years ended August 31, 2020 and 2019

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Impairment of long-lived assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Flow-through shares

Under Canadian income tax legislation, a company is permitted to issue flow-through shares whereby it agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. The proceeds from issuance of these shares are allocated between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the market price of the existing shares and the amount the investor pays for the flow-through shares. A flow-through share premium liability is recognized for this difference. The Company renounces the deductions for tax purposes related to the eligible exploration and evaluation expenditures on the date the flow-through shares are issued under the look-back rule.

The flow-through share premium liability is reduced on a pro-rata basis and recorded in profit or loss as other income based on the corresponding eligible expenditures that have been incurred.

Equipment

Equipment is initially recognized at cost which includes the purchase price, and directly attributable costs for bringing the asset to the present location and condition necessary for its intended use, and the estimated present value of any future costs of dismantling and removing items. All items of equipment are subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is provided for at the following rate:

- Computer equipment 30%

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset as appropriate, only when it's probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the year in which they are incurred.

Financial instruments

- Financial assets

Classification and measurement

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The classification of debt instruments is driven by the business model for managing the financial assets and their contractual cash flow characteristics. Debt instruments are measured at amortized cost if the business model is to hold the instrument for collection of contractual cash flows and those cash flows are solely principal and interest. If the business model is not to hold the debt instrument, it is classified as FVTPL. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

- **Financial assets (continued)**

Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL, for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument by-instrument basis) to designate them as at FVTOCI.

Financial assets at FVTPL – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the statement of loss in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges.

Financial assets at FVTOCI – Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost – Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

- **Impairment of financial assets at amortized cost**

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

- **Derecognition of financial assets**

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the income statement. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

Churchill Diamond Corporation

Notes to the Financial Statements

For the years ended August 31, 2020 and 2019

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Financial instruments (continued)

- **Financial liabilities**

The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss (FVTPL) – This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities – This category consists of liabilities carried at amortized cost using the effective interest method. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Refer to Note 12 for further disclosures.

Leases

Prior to the adoption of IFRS 16 Leases (“IFRS 16”) on September 1, 2019, the Company recognized operating lease payments as an expense on a straight-line basis over the term of the operating lease. Effective September 1, 2019, IFRS 16 was effective for the Company and it has applied the following policy since that date (see Note 3).

The Company assesses whether a contract is a lease based on whether the contract conveys the right to control the use of an underlying asset for a period of time in exchange for consideration. Leases are recognized as a lease liability and a corresponding ROU asset at the date on which the leased asset is available for use by the Company. Liabilities and assets arising from a lease are initially measured at the present value of the remaining lease payments, discounted using the Company's estimated incremental borrowing rate when the rate implicit in the lease is not readily available. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, if there is a change in the amount expected to be payable under a residual value guarantee or if there is a change in the assessment of whether the Company will exercise a purchase, extension or termination option that is within the control of the Company.

Lease payments are allocated between the lease liability and finance costs. Cash outflows for repayment of the principal portion of the lease liability are classified as cash flows from financing activities. The interest portion of the lease payments is classified as cash flows from operating activities.

The ROU asset is initially measured at an amount equal to the corresponding lease liability and is subsequently depreciated on a straight-line basis, over the shorter of the estimated useful life of the asset or the lease term.

The ROU asset may be adjusted for certain remeasurements of the lease liability and impairment losses.

Leases that have terms of less than twelve months or leases on which the underlying asset is of low value are recognized as an expense in the consolidated statement of loss on a straight-line basis over the lease term.

Churchill Diamond Corporation

Notes to the Financial Statements

For the years ended August 31, 2020 and 2019

(Expressed in Canadian Dollars)

3. NEW ACCOUNTING STANDARDS

Adoption of new and amended accounting standards

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that were effective for accounting periods beginning before or on January 1, 2019 and were adopted by the Company on September 1, 2019.

IFRS 16 – Leases

IFRS 16 introduced a single accounting model for lessees. The Company, as lessee, is required to recognize a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments. The Company was permitted to elect to not apply IFRS 16 to leases with a term of less than 12 months, which election is made by the underlying class of assets to which the right of use asset relates, or leases where the underlying asset is of low value, which election is made on an asset-by-asset basis.

The Company adopted this standard using the modified retrospective approach. Accordingly, the comparative information presented for the year ended August 31, 2019 has not been restated.

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under IFRIC 4, 'Determining Whether an Arrangement contains a Lease'. On adoption of IFRS 16, the Company now assesses whether a contract is or contains a lease based on whether the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. On transition to IFRS 16, the Company elected to apply the practical expedient permitted by the standard to grandfather the assessment of which transactions are leases. IFRS 16 was applied only to contracts that were previously identified as leases.

Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed using the definition of a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after September 1, 2019.

On initial adoption, the Company used the following practical expedients as permitted by the standard when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- Applied the exemption not to recognize right-of-use assets and liabilities for leases with low value.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term remaining.
- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases in a similar economic environment).
- Used hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

On adoption of IFRS 16, the Company completed an assessment and concluded that there is no material impact on the financial statements at the date of adoption. (Note 6)

IFRIC 23 – Uncertainty over Income Tax Treatments

This standard was issued by the IASB in June 2017 and specifies the interpretation to be applied to the determination of taxable profit, tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The adoption of this standard did not have an impact on the financial statements.

Churchill Diamond Corporation

Notes to the Financial Statements

For the years ended August 31, 2020 and 2019

(Expressed in Canadian Dollars)

4. EQUIPMENT

	Computer equipment \$	Right-of-use asset \$	Total \$
Cost			
As at August 31, 2019	1,046	-	1,046
Additions	-	46,733	46,733
As at August 31, 2020	1,046	46,733	47,779
Depreciation			
As at August 31, 2019	(705)	-	(705)
Charged for the year	(341)	(3,894)	(4,235)
As at August 31, 2020	(1,046)	(3,894)	(4,940)
Net book value			
As at August 31, 2019	341	-	341
As at August 31, 2020	-	42,839	42,839
Cost			
As at August 31, 2018	1,046	-	1,046
As at August 31, 2019	1,046	-	1,046
Depreciation			
As at August 31, 2018	(288)	-	(288)
Charged for the year	(417)	-	(417)
As at August 31, 2019	(705)	-	(705)
Net book value			
As at August 31, 2018	758	-	758
As at August 31, 2019	341	-	341

Churchill Diamond Corporation

Notes to the Financial Statements

For the years ended August 31, 2020 and 2019

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

The Company's exploration and evaluation assets are broken down as follows:

	Pelly Bay \$	Sandspit Lake \$	White River \$	Other \$	Total \$
Balance as of August 31, 2018	407,144	140,532	360,418	1,420	909,514
Acquisition costs					
- Cash	-	-	30,000	-	30,000
- Common shares	-	75,000	125,000	-	200,000
	-	75,000	155,000	-	230,000
Staking costs	-	-	10,800	-	10,800
Balance as of August 31, 2019	407,144	215,532	526,218	1,420	1,150,314
Acquisition costs					
- Cash	-	-	30,000	-	30,000
- Common shares	-	-	125,000	-	125,000
	-	-	155,000	-	155,000
Staking costs	-	-	9,710	-	9,710
Impairments	-	(215,532)	-	-	(215,532)
Balance as of August 31, 2020	407,144	-	690,928	1,420	1,099,492

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets, and, to the best of its knowledge, title to all of its properties, are properly registered and in good standing.

Churchill Diamond Corporation

Notes to the Financial Statements

For the years ended August 31, 2020 and 2019

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Pelly Bay Property, Nunavut

The Pelly Bay Property is located in central Nunavut, Canada. The Company has a 100% interest in all claims of the Pelly Bay Property.

Adamera, the original optionor, will retain a 2% Gross Over-riding Royalty ("GOR") on all diamonds mined in a specific Area of Interest, of which 1% can be purchased by the Company not later than within the first year of production, for \$1,000,000. Adamera also retains a 2% GOR on all other commodities mined in the Area of Interest, under the same terms.

The Pelly Bay Property claims are currently suspended as per Nunavut Mining Regulations policies as the Company awaits the approval of the Water Permit from the Nunavut Water Board. Assessment requirements upon re-activation of the claims will total \$1,707,500 in qualified work expenditures, or cash fees, to keep all claims in good standing to July 24, 2021, should the claims be activated at the Company's request following receipt of the water permit. Work or charges for each year from July 24, 2021 to July 24, 2024, due on these dates, is \$853,750 per year, assuming the entire property is retained.

Sandspit Lake Property, Northern Ontario

On August 23, 2016, the Company entered into an earn-in agreement with Rudolf Wahl and Frederick Lowndes (collectively, the "Vendors") on the Sandspit Lake property ("Sandspit Lake"). Sandspit Lake originally consisted of one isolated claim that required \$5,103 work annually. The Company increased the size of the property by staking 19 new legacy claims during 2017, which have been converted in 2019 under Ontario's new Mining Lands Administration System ("MLAS"), to 280 claim cells.

Pursuant to the agreement, the Company can acquire up to a 100% interest in Sandspit Lake by making the following payments:

- On August 23, 2016: \$10,000 cash (paid) and 150,000 shares (issued; fair value of \$37,500)
- On August 23, 2017: \$15,000 cash (paid) and 100,000 shares (issued; fair value of \$25,000)
- On August 23, 2018: \$15,000 cash (deferred) and 100,000 shares (issued; fair value of \$25,000)
- On August 23, 2019: \$50,000 cash (deferred) and 300,000 shares (issued ⁽¹⁾; fair value of \$75,000)

(1) Issued on September 25, 2019.

During the year ended August 31, 2018, the Company entered into agreement with the Vendors to defer the final cash payment requirement indefinitely.

The Vendors will retain a 3% GOR on all diamonds mined at Sandspit Lake, of which 2% can be purchased by the Company at any time for \$2,000,000. The Vendors will also retain a 3% GOR on all other commodities mined at Sandspit Lake, with the same royalty terms. As of August 31, 2020, the Company incurred qualified exploration expenditures of \$302,924 on the Sandspit Lake Property (2019 – \$300,769), such that all claims are in good standing.

On October 29, 2020, the Company returned the Sandpit Lake Property to the Vendors; as a result, the Company impaired the carrying value of the Sandspit Lake as of August 31, 2020, and recognized an impairment loss of \$215,532 in the statements of loss and comprehensive loss during the year ended August 31, 2020.

Churchill Diamond Corporation

Notes to the Financial Statements

For the years ended August 31, 2020 and 2019

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

White River Property, Northern Ontario

On February 9, 2017, the Company entered into an earn-in agreement with the Vendors) on the White River property ("White River"). The original property totaled 12 mining claims which the Company increased to 72 legacy claims through physical staking programs in 2017 which were converted in 2019 to 970 MLAS claim cells. During 2019, the Company was able to further increase the size of the property by map staking 409 new MLAS claim cells under Churchill's name.

Pursuant to the agreement, the Company can acquire up to a 100% interest in White River by making the following payments:

- Upon signing the agreement: \$40,000 cash (paid)
- Upon regulatory approval: 350,000 common shares (issued; fair value of \$87,500)
- On or before February 9, 2018: \$30,000 cash (paid) and 500,000 common shares (issued; fair value of \$125,000)
- On or before February 9, 2019: \$30,000 cash (deferred) and 500,000 common shares (issued; fair value of \$125,000)
- On or before February 9, 2020: \$30,000 cash (paid ⁽¹⁾) and 500,000 common shares (issued; fair value of 125,000)
- On or before February 9, 2021: \$30,000 cash (paid ⁽¹⁾) and 500,000 common shares (issued ⁽²⁾)
- On or before February 9, 2022: \$50,000 cash and 500,000 common shares

(1) Paid subsequent to August 31, 2020.

(2) Issued subsequent to August 31, 2020.

The Company is also required to incur a minimum of \$1,000,000 in exploration work on the White River by February, 2022, of which \$72,000 is required to be incurred by February, 2018 (incurred). As of August 31, 2020, the Company incurred qualified exploration expenditures of \$641,305 on the White River Property such that all claims are in good standing (2019 – \$609,577).

The Vendors will retain a 3% GOR on all diamonds mined at White River, of which 1.5% can be purchased by the Company at any time for \$2,000,000. The Vendors will also retain a 2% GOR on all other commodities mined at White River, of which 1% can be purchased by the Company at any time for \$1,000,000.

Churchill Diamond Corporation

Notes to the Financial Statements

For the years ended August 31, 2020 and 2019

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

The Company's exploration and evaluation expenditures during the years ended August 31, 2020 and 2019 are broken down as follows:

	August 31, 2020	August 31, 2019	Cumulative exploration and evaluation expenditures as at August 31, 2020
	\$	\$	\$
Consulting	3,405	50,000	512,486
Drilling	-	-	24,850
Equipment rental	-	-	28,220
Field work	26,432	15,313	92,512
Helicopter	-	-	48,100
Licenses and permits	-	-	715
Line cutting	-	-	52,850
Mapping	-	-	3,215
Project	-	-	45,962
Repairs and maintenance	-	-	2,204
Recovery	-	-	(47,206)
Salaries and wages	-	320	16,280
Sample	-	-	122,609
Survey	-	-	201,145
Transportation	-	-	68,036
Travel	-	-	54,441
	29,837	65,633	1,226,419

Churchill Diamond Corporation

Notes to the Financial Statements

For the years ended August 31, 2020 and 2019

(Expressed in Canadian Dollars)

6. LEASE OBLIGATION

On June 1, 2020, the Company recognized a lease obligation for its office lease, which has a term of three years.

	\$
As at August 31, 2019	-
Addition	46,733
Finance costs	1,325
Payments	(4,500)
As at August 31, 2020	43,558
Minimum undiscounted lease payments for each fiscal year:	
2021	18,120
2022	18,600
2023	14,220
	50,940
Effect of discounting	(7,382)
	43,558
Current	13,812
Long-term	29,746
	43,558

Churchill Diamond Corporation

Notes to the Financial Statements

For the years ended August 31, 2020 and 2019

(Expressed in Canadian Dollars)

7. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At August 31, 2020, the Company had 19,164,856 (2019 – 18,144,856) common shares issued and outstanding.

During the year ended August 31, 2020

- On September 25, 2019, the Company issued 300,000 common shares with fair value of \$75,000 for the Sandspit Lake Property (Note 5).
- On December 10, 2019, the Company issued 40,000 non-flow-through shares at a price of \$0.25 to settle the balance of \$10,000 promissory note issued to the Company's Chief Executive Officer during the year ended August 31, 2019 (Note 8).
- On December 10, 2019, the Company completed a non-brokered private placement for an aggregate of 80,000 non-flow-through shares at a price of \$0.25 per non-flow-through share for aggregate gross proceeds of \$20,000 of which \$10,000 was received during the year ended August 31, 2019.
- On December 10, 2019, the Company completed a non-brokered private placement for an aggregate of 100,000 flow-through shares at a price of \$0.30 per flow through share for aggregate gross proceeds of \$30,000 of which \$20,000 was received during the year ended August 31, 2019. The Company reclassified \$5,000 as a flow-through share premium liability (Note 8).
- On February 11, 2020, the Company issued 500,000 common shares with fair value of \$125,000 for the White River Property (Note 5).

During the year ended August 31, 2019

- On November 28, 2018, the Company issued 83,334 flow-through shares at a price of \$0.30 to settle the balance of \$25,000 promissory note issued to the Company's Chief Executive Officer during the year ended August 31, 2018. The Company reclassified \$4,167 as a flow-through share premium liability (Note 8).
- On November 28, 2018, the Company completed a non-brokered private placement for an aggregate of 80,015 non-flow-through shares at a price of \$0.25 per non-flow-through share for aggregate gross proceeds of \$20,003. This amount was received during the year ended August 31, 2018.
- On November 28, 2018, the Company completed a non-brokered private placement for an aggregate of 100,001 flow-through shares at a price of \$0.30 per flow through share for aggregate gross proceeds of \$30,000 of which \$20,000 was received during the year ended August 31, 2018. The Company reclassified \$5,000 as a flow-through share premium liability (Note 8).
- On February 20, 2019, the Company issued 500,000 common shares with fair value of \$125,000 for the White River Property (Note 5).

Churchill Diamond Corporation

Notes to the Financial Statements

For the years ended August 31, 2020 and 2019

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (CONTINUED)**Stock options**

The Company does not have a formal stock option plan, any historical grants of stock options occurred outside of any formal plan. Stock options to purchase common shares have been granted to executives, directors, and consultants at exercise prices determined by the Board of Directors at the time such stock options were granted. The Board of Directors also set vesting provisions, and maximum option life terms.

The changes in options during the years ended August 31, 2020 and 2019 are as follows:

	August 31, 2020		August 31, 2019	
	Number outstanding	Weighted average exercise price (\$)	Number outstanding	Weighted average exercise price (\$)
Balance, beginning of year	1,050,000	0.25	1,050,000	0.25
Granted	750,000	0.25	-	-
Balance, end of year	1,800,000	0.25	1,050,000	0.25

During the year ended August 31, 2020

- On November 28, 2019, the Company's Board of Directors approved a resolution to extend the expiry date of the options, which originally expired on March 20, 2020, to March 20, 2025.

As a result of the modification, the Company remeasured the fair value of the options and recognized \$136,386 amounts as share-based payments in the statement of loss and comprehensive loss immediately after the amendment.

- On November 28, 2019, the Company granted 750,000 options with an exercise price of \$0.25 to certain officers, directors and consultants. The options are exercisable for a period of five years. All of the options granted vested immediately at the date of grant.

There were no options granted, exercised or expired during the years ended August 31, 2019.

The estimated grant date fair value of the options granted during the years ended August 31, 2020 calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

Number of options granted	750,000
Risk-free interest rate	1.49%
Expected annual volatility	80%
Expected life (in years)	5.00
Expected dividend yield	0%
Grant date fair value per option (\$)	0.16
Share price at grant date (\$)	0.25

During the year ended August 31, 2020, the Company recognized share-based payments of \$259,525 (2019 – \$nil), of which \$136,386 was related to the modification of the options discussed above (2019 – \$nil).

Churchill Diamond Corporation

Notes to the Financial Statements

For the years ended August 31, 2020 and 2019

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (CONTINUED)

Stock options (continued)

The following summarizes information about stock options outstanding and exercisable at August 31, 2020:

Expiry date	Exercise price (\$)	Options outstanding	Options exercisable	Estimated grant date fair value (\$)	Weighted average remaining contractual life (in years)
March 20, 2025	0.25	1,800,000	1,800,000	323,374	4.56

8. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. Key management includes executive officers and directors.

Key management personnel compensation

No management fees were paid during the years ended August 31, 2020 and 2019.

During the year ended August 31, 2020, the Company recognized share-based payments of 259,525 (2019 – \$nil) for the options granted to the Company's officers and directors (Note 6).

Other related party transactions

- The Company paid \$5,625 in wages (2019 – \$3,213), \$nil (2019 – \$42,960) in consulting fees expensed to exploration and evaluation and \$12,000 (2019 – \$12,000) in rent to a consulting firm of which the Company's Chief Executive Officer is a partner. As at August 31, 2020, \$119,111 (2019 – \$87,843) was owed to companies controlled by the Chief Executive Officer.
- The Company incurred accounting and administrative fees of \$16,939 (2019 – \$10,225) with an accounting firm of which the Company's Chief Financial Officer is a partner, included in professional fees. As at August 31, 2020, \$17,500 (2019 – \$10,713) was owed to this partnership.
- The Company paid \$3,978 (2019 – \$5,966) in consulting fees expensed to exploration and evaluation to a company controlled by its VP Exploration. As at August 31, 2020, \$9,944 (2019 – \$7,955) was owed to this company.

Churchill Diamond Corporation

Notes to the Financial Statements

For the years ended August 31, 2020 and 2019

(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Other related party transactions (continued)

- During the year ended August 31, 2020, the Company issued a non-interest-bearing promissory note with an amount of \$47,908 (2019 – \$10,000) to the Company's Chief Executive Officer. The promissory note is unsecured and payable on demand.
- During the year ended August 31, 2020, the Company issued 40,000 non flow-through shares at a price of \$0.25 to settle the promissory note issued to the Company's Chief Executive Officer during the year ended August 31, 2019 (Note 6).
- During the year ended August 31, 2019, the Company issued 83,334 flow-through shares at a price of \$0.30 to settle the promissory note issued to the Company's Chief Executive Officer during the year ended August 31, 2018 (Note 6).
- Subsequent to August 31, 2020, the Company issued 471,848 common shares with a value of \$117,962 to settle certain balances owed to the related parties as of August 31, 2020.

9. COMMITMENTS

The Company periodically issues flow-through shares with any resulting flow-through premium recorded as a flow-through share premium liability. The liability is subsequently reduced when the required exploration expenditures are made, and accordingly, a recovery of the flow-through premium is recorded as other income.

During the year ended August 31, 2020, the Company issued 100,000 flow-through shares (2019 – 183,335) (Note 6). Based on Canadian tax law, the Company is required to spend the proceeds from the issuance of the flow-through shares on eligible exploration expenditures within two years from the date of issuance. If the Company is unable to meet this deadline, it will be subject to Part XII.6 taxes in accordance with the Canadian Income Tax Act.

A continuity of the flow-through share premium liability is as follows:

	August 31, 2020	August 31, 2019
	\$	\$
Balance, beginning of the year	-	-
Liability incurred on flow-through shares issued	5,000	9,167
Settlement on expenditures made recorded as other income	(2,910)	(9,167)
Balance, end of year	2,090	-

10. SEGMENTED INFORMATION

The Company operates in one reportable segment, being the exploration and evaluation of exploration and evaluation assets. All of the Company's exploration and evaluation assets are located in Canada.

Churchill Diamond Corporation

Notes to the Financial Statements

For the years ended August 31, 2020 and 2019

(Expressed in Canadian Dollars)

11. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its exploration and evaluation assets, acquire additional exploration interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

The Company is not subject to externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the years ended August 31, 2020 and 2019.

12. FINANCIAL INSTRUMENTS

Fair value

The carrying values of cash, accounts receivable, accounts payable and accrued liabilities and loan payable approximate their fair values due to the relatively short period to maturity of those financial instruments.

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 Inputs that are not based on observable market data.

As at August 31, 2020 and 2019, there were no financial assets or liabilities measured and recognized in the statement of financial position at fair value that would be categorized as Level 1, 2 and 3 in the fair value hierarchy above.

Churchill Diamond Corporation

Notes to the Financial Statements

For the years ended August 31, 2020 and 2019

(Expressed in Canadian Dollars)

12. FINANCIAL INSTRUMENTS (CONTINUED)**Fair value (continued)**

Set out below are the Company's financial assets and financial liabilities by category:

	August 31, 2020	FVTPL \$	Amortized costs \$	FVTOCI \$
ASSETS				
Cash	154	-	154	-
Accounts receivable	1,914	-	1,914	-
LIABILITIES				
Accounts payable and accrued liabilities	262,427	-	262,427	-
Loan payable	47,908	-	47,908	-

	August 31, 2019	FVTPL \$	Amortized costs \$	FVTOCI \$
ASSETS				
Cash	3,162	-	3,162	-
Accounts receivable	2,716	-	2,716	-
LIABILITIES				
Accounts payable and accrued liabilities	206,526	-	206,526	-
Loan payable	10,000	-	10,000	-

Financial risk management**Credit risk**

Credit risk is the risk of an unexpected loss if a customer or third party to financial instruments fails to meet its contractual obligations. The Company's exposure to credit risk includes cash and sales taxes receivable.

The Company's cash is held at a large Canadian financial institution in interest bearing accounts. The Company has no investments in asset-backed commercial paper.

The Company's sales taxes receivable consists of GST receivable from the government of Canada. The Company's maximum exposure to credit risk is the carrying value of its financial assets. Management believes that the credit risk related to its cash and sales taxes receivable is negligible.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

At August 31, 2020, the Company had cash of \$154, accounts payable and accrued liabilities of \$260,927 of which \$117,962 was settled with the issuance of 471,848 common shares subsequent to August 31, 2020, and loan payable of \$47,908. All accounts payable and accrued liabilities and loan payable are current.

Churchill Diamond Corporation

Notes to the Financial Statements

For the years ended August 31, 2020 and 2019

(Expressed in Canadian Dollars)

12. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (continued)

Market Risk

The significant market risks to which the Company is exposed are interest rate risk, foreign currency risk, and price risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash is held mainly in high yield saving accounts and term deposits and therefore there is currently minimal interest rate risk. Because of the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of August 31, 2020.

The Company's loan payable is not subject to interest rate risk as it is non-interest bearing.

Foreign Currency risk

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. As at August 31, 2020, the Company is not exposed to currency risk as all transactions and balances are denominated in Canadian dollars.

Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on the results of operations due to commodity price movements and volatilities. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

13. INCOME TAXES

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

	2020	2019
	\$	\$
Loss for the year	(555,616)	(114,629)
Expected income tax (recovery)	(147,000)	(30,000)
Change in statutory, foreign tax, foreign exchange rates and other	-	(1,000)
Permanent differences	68,000	(3,000)
Share issue cost	(1,000)	(1,000)
Change in unrecognized deductible temporary differences	80,000	35,000
Total income tax expense (recovery)	-	-

Churchill Diamond Corporation

Notes to the Financial Statements

For the years ended August 31, 2020 and 2019

(Expressed in Canadian Dollars)

13. INCOME TAXES (CONTINUED)

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

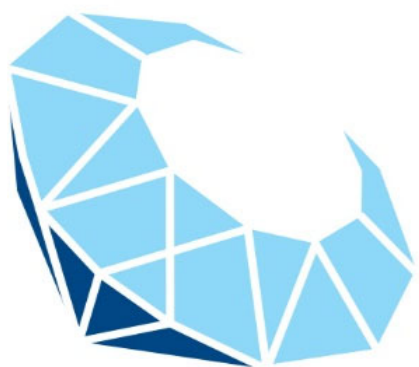
	2020	Expiry Date Range	2019	Expiry Date Range
	\$		\$	
Temporary Differences				
Exploration and evaluation assets	762,000	No expiry date	516,000	No expiry date
Property and equipment	2,000	No expiry date	1,000	No expiry date
Share issue costs	10,000	2021	10,000	2020 to 2021
Non-capital losses available for future periods	541,000	2034 to 2040	480,000	2034 to 2039

Tax attributes are subject to review, and potential adjustment, by tax authorities.

14. SUBSEQUENT EVENTS

As discussed in Note 1, on December 31, 2020, the Company completed the Financings by issuing the following:

- issued 1,174,999 flow-through shares at a price of \$0.30 per flow-through share for aggregate gross proceeds of \$352,500; and
- issued 4,078,333 non-flow-through shares at a price of \$0.25 per non-flow-through share for aggregate gross proceeds of \$1,019,583.



Churchill
Diamond
Corporation

CHURCHILL DIAMOND CORPORATION

**MANAGEMENT DISCUSSION & ANALYSIS
(FORM 51-102F1)**

FOR THE YEAR ENDED AUGUST 31, 2020 AND 2019

(EXPRESSED IN CANADIAN DOLLARS)

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BACKGROUND

This Management Discussion and Analysis ("MD&A") of Churchill Diamond Corporation ("Churchill" or the "Company") financial position and results of operations for the year ended August 31, 2020 is prepared as at June 6, 2021. This MD&A should be read in conjunction with the audited financial statements for the year ended August 31, 2020 and the supporting notes. Those audited financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain information contained in this MD&A may constitute forward-looking information, which is information regarding possible events, conditions or results of operations of the Company that is based upon assumptions about future economic condition and courses of action and which is inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "feel", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information contained in this MD&A includes, without limitation, our expectations regarding anticipated exploration activities and results and financing activities and other factors on our operating results, and the performance of global capital markets, commodity prices and interest rates.

Forward-looking information involves known and unknown risk, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking information contained in this MD&A include, but are not limited to: risks relating to exploration results, market fluctuations, commodity price fluctuations and the strength of the Canadian, U.S. and other economies.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. The Corporation undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

COVID-19

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time. In terms of the timing of the Proposed Business Combination, COVID-19 may cause a delay in the process.

Churchill Diamond Corporation

Management's Discussion and Analysis

For the Year Ended August 31, 2020 and 2019

COMPANY OVERVIEW

Churchill Diamond Corporation (referred to as the "Company" or "Churchill") is a Canadian exploration stage mining company which is focused on the exploration of minerals and precious gems in Canada. The Company currently holds three exploration projects, namely Taylor Brook in Newfoundland, Pelly Bay in Nunavut and White River in Ontario. All three projects are at the evaluation stage, with known mineralized Ni-Cu-Co showings at Taylor Brook and Pelly Bay, and diamondiferous kimberlitic intrusives at White River and Pelly Bay.

The Company was incorporated on April 10, 2014, under the Canada Business Corporations Act. Its registered office is located at Suite 505, 133 Richmond Street West, Toronto, Ontario, M5H 2L3. The Company's records office is located at 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2.

Acquisition of mining claim

On October 22, 2020, the Company entered into a letter of intent (the "LOI") with Altius Resources Inc. ("Altius") to acquire 100% interest of the mining claims (the "Claims") known as the Taylor Brook Nickel-Copper-Cobalt Project which is located within the Long Range Gneiss Complex of Western Newfoundland, approximately 40-60km north-northeast of Deer Lake. Pursuant to the LOI, the Company will have the exclusive option for a period of 24 months (the "Option Period") to acquire an undivided 100% interest in the Claims (the "Acquisition").

On December 18, 2020 (the "Execution Date"), the Company signed an option agreement (the "Option Agreement") with Altius.

Pursuant to the Option Agreement, the Company will:

- 1) Issue 2,160,000 common shares, or such number which is equivalent to 9.9% of the common shares issued and outstanding of the Company at the date of issuance, to Altius upon the Execution Date (2,423,180 common shares were issued on the Execution Date);
- 2) Incur a minimum of \$250,000 in exploration expenditures on the Claims within 12 months following the Execution Date;
- 3) Complete an equity financing with an amount of at least \$1 million with a share price of not less than \$0.25 (the "Proposed Private Placement") within 12 months following the Execution Date (see "financings" below);
- 4) Issue common shares which will result in Altius' post Proposed Private Placement ownership at 19.9% based on the common shares issued and outstanding of the Company at the date of issuance, to Altius within 24 months following the Execution Date;
- 5) Commencing a transaction that will result in the Company becoming a reporting issuer in at least one province of Canada (the "Going Public Transaction") Claims within 12 months following the Execution Date and complete the Going Public Transaction within 24 months following the Execution Date (see "proposed business combination" below); and
- 6) Enter into an investor rights agreement (the "Investor Rights Agreement") with Altius.

The Investor Rights Agreement will entitle Altius to designate one nominee for the election to the board of directors of the Company and will grant the right to Altius to participate in future equity financing (the "Future Financings") undertaken by the Company on the same terms which are offered to third parties to subscribe the common shares of the Company to maintain Altius' post Future Financings ownership in the Company at 19.9% of the issued and outstanding common shares of the Company.

Churchill Diamond Corporation

Management's Discussion and Analysis

For the Year Ended August 31, 2020 and 2019

Proposed business combination

On December 23, 2020, the Company entered into a binding agreement with 9 Capital Corp. ("9 Capital"), a Capital Pool Company ("CPC") and intends the Acquisition to constitute its Qualifying Transaction (the "Qualifying Transaction") under the policies of the TSX Venture Exchange, to affect a business combination of the Company and 9 Capital (the "Proposed Business Combination"). The Proposed Business Combination will be a reverse takeover of 9 Capital by the Company and its shareholders.

On or immediately prior to the completion of the Business Combination, it is anticipated that:

- a) 9 Capital will affect a name change to such name as may be determined by the Company; and
- b) 9 Capital will implement the share consolidation of 1 post-consolidation common share ("9 Capital New Share") for 1.7 pre-consolidation common shares.

Pursuant to the Proposed Business Combination:

- a) the Company's shareholders will receive one 9 Capital New Share for each Company's common share they held at the date of completion (the "Exchange Ratio").
- b) all existing securities convertible into Company's common shares will be exchanged, based on the Exchange Ratio, for similar securities to purchase 9 Capital New Shares on substantially similar terms and conditions.

Financings

To close the Proposed Business Combination, the Company is required to complete a financing to issue common share at \$0.25 per share for aggregate gross proceeds of a minimum of \$1,000,000 and a maximum of \$1,500,000 (the "Financings"). Completion of the Financings is a condition to the closing of the Proposed Business Combination.

The Financings were completed on December 31, 2020 by issuing the following:

- issued 1,174,999 flow-through shares at a price of \$0.30 per flow-through share for aggregate gross proceeds of \$352,500; and
- issued 4,078,333 non-flow-through shares at a price of \$0.25 per non-flow-through share for aggregate gross proceeds of \$1,019,583.

EXPLORATION AND EVALUATION ASSETS

Pelly Bay Property, Nunavut

The Pelly Bay Property is located in central Nunavut, Canada. The Company has a 100% interest in all claims of the Pelly Bay Property.

Adamera, the original optionor, will retain a 2% Gross Over-riding Royalty ("GOR") on all diamonds mined in a specific Area of Interest, of which 1% can be purchased by the Company not later than within the first year of production, for \$1,000,000. Adamera also retains a 2% GOR on all other commodities mined in the Area of Interest, under the same terms.

The Pelly Bay Property claims are currently suspended as per Nunavut Mining Regulations policies as the Company awaits the approval of the Water Permit from the Nunavut Water Board. Assessment requirements upon re-activation of the claims will total \$1,707,500 in qualified work expenditures, or cash fees, to keep all claims in good standing to July 24, 2021, should the claims be activated at the Company's request following receipt of the water permit. Work or charges for each year from July 24, 2021 to July 24, 2024, due on these dates, is \$853,750 per year, assuming the entire property is retained.

Sandspit Lake Property, Northern Ontario

On August 23, 2016, the Company entered into an earn-in agreement with Rudolf Wahl and Frederick Lowndes (collectively, the "Vendors") on the Sandspit Lake property ("Sandspit Lake"). Sandspit Lake originally consisted of one isolated claim that required \$5,103 work annually. The Company increased the size of the property by staking 19 new legacy claims during 2017, which have been converted in 2019 under Ontario's new Mining Lands Administration System ("MLAS"), to 280 claim cells.

Pursuant to the agreement, the Company can acquire up to a 100% interest in Sandspit Lake by making the following payments:

- On August 23, 2016: \$10,000 cash (paid) and 150,000 shares (issued; fair value of \$37,500)
- On August 23, 2017: \$15,000 cash (paid) and 100,000 shares (issued; fair value of \$25,000)
- On August 23, 2018: \$15,000 cash (deferred) and 100,000 shares (issued; fair value of \$25,000)
- On August 23, 2019: \$50,000 cash (deferred) and 300,000 shares (issued ⁽¹⁾; fair value of \$75,000)

(1) Issued on September 25, 2019.

During the year ended August 31, 2018, the Company entered into agreement with the Vendors to defer the final cash payment requirement indefinitely.

The Vendors will retain a 3% GOR on all diamonds mined at Sandspit Lake, of which 2% can be purchased by the Company at any time for \$2,000,000. The Vendors will also retain a 3% GOR on all other commodities mined at Sandspit Lake, with the same royalty terms. As of August 31, 2020, the Company incurred qualified exploration expenditures of \$302,924 on the Sandspit Lake Property (2019 – \$300,769), such that all claims are in good standing.

On October 29, 2020, the Company returned the Sandpit Lake Property to the Vendors; as a result, the Company impaired the carrying value of the Sandspit Lake as of August 31, 2020, and recognized an impairment loss of \$215,532 in the statements of loss and comprehensive loss during the year ended August 31, 2020.

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White River Property, Northern Ontario

On February 9, 2017, the Company entered into an earn-in agreement with the Vendors) on the White River property ("White River"). The original property totaled 12 mining claims which the Company increased to 72 legacy claims through physical staking programs in 2017 which were converted in 2019 to 970 MLAS claim cells. During 2019, the Company was able to further increase the size of the property by map staking 409 new MLAS claim cells under Churchill's name.

Pursuant to the agreement, the Company can acquire up to a 100% interest in White River by making the following payments:

- Upon signing the agreement: \$40,000 cash (paid)
- Upon regulatory approval: 350,000 common shares (issued; fair value of \$87,500)
- On or before February 9, 2018: \$30,000 cash (paid) and 500,000 common shares (issued; fair value of \$125,000)
- On or before February 9, 2019: \$30,000 cash (deferred) and 500,000 common shares (issued; fair value of \$125,000)
- On or before February 9, 2020: \$30,000 cash (paid ⁽¹⁾) and 500,000 common shares (issued; fair value of 125,000)
- On or before February 9, 2021: \$30,000 cash (paid ⁽¹⁾) and 500,000 common shares (issued ⁽²⁾)
- On or before February 9, 2022: \$50,000 cash and 500,000 common shares

(1) Paid subsequent to August 31, 2020.

(2) Issued subsequent to August 31, 2020.

The Company is also required to incur a minimum of \$1,000,000 in exploration work on the White River by February, 2022, of which \$72,000 is required to be incurred by February, 2018 (incurred). As of August 31, 2020, the Company incurred qualified exploration expenditures of \$641,305 on the White River Property such that all claims are in good standing.

The Vendors will retain a 3% GOR on all diamonds mined at White River, of which 1.5% can be purchased by the Company at any time for \$2,000,000. The Vendors will also retain a 2% GOR on all other commodities mined at White River, of which 1% can be purchased by the Company at any time for \$1,000,000.

Taylor Brook Property, Newfoundland

On December 18, 2020, the Company signed an option agreement with Altius Resources Inc. ("Altius") to acquire 100% interest of the mining claims (the "Claims") known as the Taylor Brook Nickel-Copper-Cobalt Project which is located within the Long Range Gneiss Complex of Western Newfoundland, approximately 40-60km north-northeast of Deer Lake.

The Taylor Brook Property is comprised of two contiguous map-staked licenses containing 226 claims totalling approximate 56,500 hectares, which has known high grade Ni-Cu-Co mineralization at surface and shallow drilled depths from work carried out between 1999-2012.

The Taylor Brook Ni-Cu-Co-PGE property in Newfoundland has excellent potential for magmatic Ni-Cu-Co deposits (ie. Vale's Voisey's Bay Ovoid and Eastern Deep ore bodies, Sudbury Offset Dyke Ni-Cu-PGE deposits such as Kelly Lake within the Copper Cliff Offset dyke and Totten and Victoria within the Worthington Offset dyke that includes:

- Surface showings and shallow (to -100m) drill intercepts of massive and disseminated sulphides within altered mafic dykes near the margin of the large Taylor Brook Intrusive Complex

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- Numerous EM targets to test, existing DDH's to survey for down hole conductors
- Pro-mining friendly and secure jurisdiction (Newfoundland and Labrador) with commitment by provincial government to bring into production at least 5 new mines by 2030
- 12-month access, 30km from Trans-Canada Highway, extensive logging roads
- 11 grab samples averaged 5.38% Ni, 1.05% Cu, 0.10% , 112ppb Pt, 232ppb Pd and 416ppb Au.
- Drilling EM conductors 200m apart beneath Layden Prospect intersected 4.25m of 1.63% Ni, 0.36% Cu and 0.027% Co & 4.15m of 1.71% Ni, 0.13% Cu and 0.028% Co.

Qualified Person

Paul Sobie, P.Geo, the Company's Chief Executive Officer, is the Qualified Person, as defined by National Instrument 43-101 (NI 43-101), who has reviewed and approved the technical information disclosed in this MD&A.

OUTLOOK

The Company plans to spend approximately \$1 million on exploration during 2021 that is anticipated to include:

Taylor Brook Nickle property: an airborne EM survey followed with ground large loop EM surveys, as well as borehole surveys of the existing drill holes, to arrive at a comprehensive picture of shallow and deep sulphide targets for drilling of up to 2,500 metres in the Spring and Summer of 2021.

A compilation of the Ni-Cu and gold exploration database at Pelly Bay to generate targets, and an airborne magnetic survey over the new claims at White River are also planned.

The Company expects 2021 to be a pivotal year in the advancement of the Taylor Brook Project as it plans to aggressively explore the known Ni-Cu-Co mineralization and test newly developed targets. The extensive database of historical information will be augmented by new exploration data, and by applying the most recent exploration concepts and techniques.

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SUMMARY OF QUARTERLY INFORMATION

The quarterly results for the last eight quarters are summarized below:

	Three months ended			
	August 31, 2020	May 31, 2020	February 29, 2020	November 30, 2019
	\$	\$	\$	\$
Net loss	(240,312)	(19,365)	(17,204)	(278,735)
Comprehensive loss	(240,312)	(19,365)	(17,204)	(278,735)
Loss per share (basic and diluted)	(0.01)	(0.00)	(0.00)	(0.02)

	Three months ended			
	August 31, 2019	May 31, 2019	February 28, 2019	November 30, 2018
	\$	\$	\$	\$
Net loss	(37,823)	(48,033)	(23,094)	(5,679)
Comprehensive loss	(37,823)	(48,033)	(23,094)	(5,679)
Loss per share (basic and diluted)	(0.00)	(0.00)	(0.00)	(0.00)

SELECTED INFORMATION

	For the years ended		
	August 31, 2020	August 31, 2019	August 31, 2018
	\$	\$	\$
Net loss	(555,616)	(114,629)	(222,118)
Comprehensive loss	(555,616)	(114,629)	(222,118)
Basic and diluted loss per share	(0.03)	(0.01)	(0.01)

As at:	August 31, 2020	August 31, 2019	August 31, 2018
	\$	\$	\$
Working capital (deficiency)	(323,659)	(210,194)	(106,081)
Total assets	1,144,909	1,156,987	914,427
Total liabilities	355,983	216,526	110,236
Share capital	2,638,711	2,389,155	2,203,253
Deficit	(2,173,158)	(1,617,542)	(1,502,913)

RESULTS OF OPERATIONS

Three months ended August 31, 2020

During the three months ended August 31, 2020, the Company recorded a net loss of \$240,312 compared to \$37,823 for the three months ended August 31, 2019.

During the three months ended August 31, 2020, the Company incurred the following significant expenditures:

- Exploration and evaluation costs of \$5,540 (August 31, 2019 – \$8,235);
- Professional fees of \$13,224 (August 31, 2019 – \$33,741);
- Salaries and benefits of \$3,000 (August 31, 2019 – \$888); and
- Rent expenses of \$nil (August 31, 2019 – \$3,000).

In addition, the Company impaired the carrying value of the Sandspit Lake and recognized an impairment loss of \$215,532 (August 31, 2019 – \$nil).

In addition, the Company recognized other income of \$2,910 (August 31, 2019 – \$9,167) related to settlement on the qualified flow-through expenditures incurred.

Year ended August 31, 2020

During the year ended August 31, 2020, the Company recorded a net loss of \$555,616 compared to \$114,629 for the year ended August 31, 2019.

During the year ended August 31, 2020, the Company incurred the following significant expenditures:

- Exploration and evaluation costs of \$29,837 (August 31, 2019 – \$65,633);
- Professional fees of \$28,176 (August 31, 2019 – \$38,893);
- Salaries and benefits of \$5,625 (August 31, 2019 – \$3,213);
- Share-based payments of \$259,525 (August 31, 2019 – \$nil); and
- Rent expenses of \$9,000 (August 31, 2019 – \$12,000).

In addition, the Company impaired the carrying value of the Sandspit Lake and recognized an impairment loss of \$215,532.

In addition, the Company recognized other income of \$2,910 (August 31, 2019 – \$9,167) related to settlement on the qualified flow-through expenditures incurred.

LIQUIDITY AND CAPITAL RESOURCES

The Company's activities have been funded through equity financings and the Company expects it will continue to be able to utilize this source of financing until it develops cash flow from future operations.

There can be no assurances the Company will be successful in its endeavors. If such funds are not available or other sources of finance cannot be obtained then the Company will be forced to curtail its activities to a level for which funding is available or can be obtained.

As of August 31, 2020, the Company has working capital deficiency of \$323,659.

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Subsequent to August 31, 2020, the Company completed the Financings by issuing 1,174,999 flow-through shares at a price of \$0.30 per flow-through share for aggregate gross proceeds of \$352,500 and 4,078,333 non-flow-through shares at a price of \$0.25 per non-flow-through share for aggregate gross proceeds of \$1,019,583.

OUTSTANDING SHARE DATA

Share Capital

Authorized

Unlimited number of common shares without par value.

Issued share capital

At August 31, 2020, the Company had 19,164,856 (2019 – 18,144,856) common shares issued and outstanding.

During the year ended August 31, 2020

- On September 25, 2019, the Company issued 300,000 common shares with fair value of \$75,000 for the Sandspit Lake Property.
- On December 10, 2019, the Company issued 40,000 non-flow-through shares at a price of \$0.25 to settle the balance of \$10,000 promissory note issued to the Company's Chief Executive Officer during the year ended August 31, 2019.
- On December 10, 2019, the Company completed a non-brokered private placement for an aggregate of 80,000 non-flow-through shares at a price of \$0.25 per non-flow-through share for aggregate gross proceeds of \$20,000 of which \$10,000 was received during the year ended August 31, 2019.
- On December 10, 2019, the Company completed a non-brokered private placement for an aggregate of 100,000 flow-through shares at a price of \$0.30 per flow through share for aggregate gross proceeds of \$30,000 of which \$20,000 was received during the year ended August 31, 2019. The Company reclassified \$5,000 as a flow-through share premium liability.
- On February 11, 2020, the Company issued 500,000 common shares with fair value of \$125,000 for the White River Property.

Subsequent to August 31, 2020

- On November 16, 2020, the Company issued 471,848 common shares with a value of \$117,962 to settle certain balances owed to the related parties as of August 31, 2020.
- On December 18, 2020, the Company issued 2,160,000 common shares to Altius pursuant to Option Agreement.
- The Company completed the Financings by issuing 1,174,999 flow-through shares at a price of \$0.30 per flow-through share for aggregate gross proceeds of \$352,500 and 4,078,333 non-flow-through shares at a price of \$0.25 per non-flow-through share for aggregate gross proceeds of \$1,019,583.
- The Company issued 500,000 common shares with fair value of \$125,000 for the White River Property.

Options

During the year ended August 31, 2020

- On November 28, 2019, the Company's Board of Directors approved a resolution to extend the expiry date of the options, which originally expired on March 20, 2020, to March 20, 2025.
- On November 28, 2019, the Company granted 750,000 options with an exercise price of \$0.25 to certain officers, directors and consultants. The options are exercisable for a period of five years. All of the options granted vested immediately at the date of grant.

As of the date of this MDA, the Company had:

- 27,813,216 common shares issued and outstanding; and
- 1,800,000 stock options with an exercise price of \$0.25

SUBSEQUENT EVENTS

Subsequent to August 31, 2020:

- On October 29, 2020, the Company returned the Sandpit Lake Property to the Vendors.
- On November 16, 2020, the Company issued 471,848 common shares with a value of \$117,962 to settle certain balances owed to the related parties as of August 31, 2020
- On October 22, 2020, the Company entered into a LOI with Altius to acquire 100% interest of the Claims. On December 18, 2020, the Company signed an Option Agreement with Altius. On December 18, 2020, the Company issued 2,160,000 common shares to Altius pursuant to Option Agreement.
- The Company completed the Financings by issuing 1,174,999 flow-through shares at a price of \$0.30 per flow-through share for aggregate gross proceeds of \$352,500 and 4,078,333 non-flow-through shares at a price of \$0.25 per non-flow-through share for aggregate gross proceeds of \$1,019,583.
- The Company issued 500,000 common shares with fair value of \$125,000 for the White River Property.

RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. Key management includes executive officers and directors.

Key management personnel compensation

No management fees were paid during the years ended August 31, 2020 and 2019.

During the year ended August 31, 2020, the Company recognized share-based payments of 259,525 (2019 – \$nil) for the options granted to the Company's officers and directors (Note 6).

Other related party transactions

- The Company paid \$5,625 in wages (2019 – \$3,213), \$nil (2019 – \$42,960) in consulting fees expensed to exploration and evaluation and \$12,000 (2019 – \$12,000) in rent to a consulting firm of which the Company's

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Chief Executive Officer is a partner. As at August 31, 2020, \$119,111 (2019 – \$87,843) was owed to companies controlled by the Chief Executive Officer.

- The Company incurred accounting and administrative fees of \$16,939 (2019 – \$10,225) with an accounting firm of which the Company's Chief Financial Officer is a partner, included in professional fees. As at August 31, 2020, \$17,500 (2019 – \$10,713) was owed to this company.
- The Company paid \$3,978 (2019 – \$5,966) in consulting fees expensed to exploration and evaluation to a company controlled by its VP Exploration. As at August 31, 2020, \$9,944 (2019 – \$7,955) was owed to this company.
- During the year ended August 31, 2020, the Company issued a non-interest-bearing promissory note with an amount of \$47,908 (2019 – \$10,000) to the Company's Chief Executive Officer. The promissory note is unsecured and payable on demand.
- During the year ended August 31, 2020, the Company issued 40,000 non flow-through shares at a price of \$0.25 to settle the promissory note issued to the Company's Chief Executive Officer during the year ended August 31, 2019.
- During the year ended August 31, 2019, the Company issued 83,334 flow-through shares at a price of \$0.30 to settle the promissory note issued to the Company's Chief Executive Officer during the year ended August 31, 2018.
- Subsequent to August 31, 2020, the Company issued 471,848 common shares with a value of \$117,962 to settle certain balances owed to the related parties as of August 31, 2020.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

These financial statements, including comparatives, have been prepared using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting except for cash flow information. Refer to Note 2 of the audited financial statements for the year ended August 31, 2020 for details on critical accounting estimates and judgments.

CHANGES IN ACCOUNTING POLICIES

Adoption of new and amended accounting standards

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning before or on January 1, 2019.

The adoption of the following IFRS pronouncement will result in enhanced financial statement disclosures in the Company's annual consolidated financial statements.

- **IFRS 16 – Leases**

New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019. Under IFRS 16, as a lessee, the Company is required to recognize all leases in the statement of financial position as a "right-of-use" asset and a lease liability unless the lease term is 12 months or less or the underlying asset has a very low value. The asset is subsequently accounted for in accordance with the cost or revaluation model in IAS 16 Property, Plant and Equipment or as Investment Property under IAS 40 Investment Property. The liability is unwound over the term of the lease giving rise to an interest expense. On adoption of IFRS 16, the Company completed an assessment and concluded that there is no material impact on the financial statements at the date of adoption.

- **IFRIC 23 – Uncertainty over Income Tax Treatments**

This standard was issued by the IASB in June 2017 and specifies the interpretation to be applied to the determination of taxable profit, tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The adoption of this standard did not have an impact on the financial statements.

FINANCIAL INSTRUMENTS

In the normal course of business, the Company is inherently exposed to certain financial risks, including market risk, credit risk and liquidity risk, through the use of financial instruments. The timeframe and manner in which the Company manages these risks varies based upon management's assessment of the risk and available alternatives for mitigating risk. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. All transactions undertaken are to support the Company's operations. These financial risks and the Company's exposure to these risks are provided in various tables in note 12 of our audited financial statements for the year ended August 31, 2020. For a discussion on the significant assumptions made in determining the fair value of financial instruments, refer also to note 2 of the financial statements for the year ended August 31, 2020.

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OTHER MD&A REQUIREMENTS

Management's responsibility for financial statements

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

Risks and uncertainties

The Company is subject to a number of risk factors due to the nature of its business. These risks and uncertainties may impact the Company's ability to successfully execute its key strategies and may affect future events, performance or results. Certain of these risks and uncertainties are described in this MD&A. However, the risks and uncertainties set out in this MD&A are not exhaustive. New risk factors may emerge from time to time and it is not possible for management to predict all such risk factors, nor can it assess the impact of all such risk factors on the Company's business performance, condition, operations or strategies and plans.

- **General**

The Company is in the business of exploring and, if warranted, developing mineral properties, which is a highly speculative endeavor. A purchase of any of the securities of the Company involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Company should not constitute a significant portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective purchasers should evaluate carefully the following risk factors associated with an investment in the Company's securities prior to purchasing any of its securities.

- **Limited Operating History**

The Company has no history of earnings. There are no known commercial quantities of mineral reserves on any properties optioned by the Company. The purpose of the Private Placement was to raise funds to carry out exploration and, if thought appropriate, development with the objective of establishing economic quantities of mineral reserves. There is no guarantee that economic quantities of mineral reserves will be discovered on any properties optioned by the Company in the near future or at all. If the Company does not generate revenue, it may be unable to sustain its operations in which case it may become insolvent and you may lose your investment.

- **Speculative Nature of Mineral Exploration**

Resource exploration is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital. There is no assurance that the Company's mineral exploration activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

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- **Uninsurable Risks**

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

- **Government Regulations**

The Company's activities must comply with the applicable legislation on exploration and development, environmental protection, obtaining of permits, and authorization of mining operations in general. The Company believes that it is in compliance in all material respects with such laws. Changing government regulations could have an adverse impact on the Company's operations

- **Environmental and Safety Regulations and Risks**

Environmental laws and regulations may affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be withdrawn temporarily where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations. In all major developments, the Company generally relies on recognized designers and development contractors from which the Company will, in the first instance, seek indemnities. The Company intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards. There is a risk that environmental laws and regulations may become more onerous, making the Company's operations more expensive.

- **Mineral Titles**

Although the Company has taken reasonable measures to ensure proper title to its properties, there is no guarantee that titles to any of its properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company interests.

- **Fluctuating Mineral Prices**

The Company's revenues in the future, if any, are expected to be in large part derived from the extraction and sale of precious and base minerals and metals, which in turn depend on the results of the Company's exploration on these properties and whether development will be commercially viable or even possible. Factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Company's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices.

- **Competition**

The mining industry is intensely competitive in all its phases. The Company competes for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees with many companies possessing greater financial resources and technical facilities than the Company. The competition in the mineral exploration and development business could have an adverse effect on the Company's ability to hire or maintain experienced and expert personnel or acquire suitable properties or prospects for mineral exploration in the future.

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- **Industry Conditions**

Mineral resource exploration and development involves a high degree of risk that even a combination of careful assessment, experience and know-how cannot eliminate. While the discovery of a deposit may prove extremely lucrative, few properties that undergo prospecting ever generate a producing mine. Substantial amounts may be required to establish ore reserves, develop metallurgical processes and build mining and processing facilities at a given site. There can be no assurance that the exploration and development programs planned by the Company will result in a profitable mining operation. The economic viability of a mineral deposit depends on a number of factors, some of which relate to the particular characteristics of the deposit, particularly its size, grade and proximity to infrastructure, as well as the cyclical nature of metal prices and government regulations, including those regarding prices, royalties, production limits, importation and exportation of minerals, and environmental protection. The impact of such factors cannot be precisely assessed but may prevent the Company from providing an adequate return on investment.

- **Management**

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business.

- **Financing Risks**

The Company has no history of significant earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable. The Company has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is through the sale of its securities. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists on the properties owned by the Company. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of the property owned by the Company, there is no assurance that any such funds will be available. If available, future equity financing may result in substantial dilution to purchasers under the Offering. At present it is impossible to determine what amounts of additional funds, if any, may be required.

- **Negative Cash Flows from Operations**

The Company had negative operating cash flow for the period from incorporation to August 31, 2020. To the extent that the Company has negative cash flow in future periods, the Company may need to allocate a portion of its cash reserves to fund such negative cash flow.

The Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that additional capital or other types of financing will be available when needed or that these financings will be on terms favourable to the Company.

- **Resale of Common Shares**

The continued operation of the Company will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Company is unable to generate such revenues or obtain such additional financing, any investment in the Company may be lost. In such event, the probability of resale of the Common Shares purchased would be diminished.

- **Price Volatility of Publicly Traded Securities**

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any

Churchill Diamond Corporation

Management's Discussion and Analysis

For the Year Ended August 31, 2020 and 2019

quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of Common Shares distributed hereunder will be affected by such volatility. There is no public market for the Common Shares. An active public market for the Common Shares might not develop or be sustained after the Offering. The initial public offering price of the Common Shares has been determined by the Company and this price will not necessarily reflect the prevailing market price of the Common Shares following the Offering. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline below the initial public offering price.

- **Conflicts of Interest**

Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with the Company. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the British Columbia Business Corporations Act. Some of the directors and officers of the Company are or may become directors or officers of other companies engaged in other business ventures. In order to avoid the possible conflict of interest which may arise between the directors' duties to the Company and their duties to the other companies on whose boards they serve, the directors and officers of the Company have agreed to the following:

- Participation in other business ventures offered to the directors will be allocated between the various companies and on the basis of prudent business judgment and the relative financial abilities and needs of the companies to participate;
- No commissions or other extraordinary consideration will be paid to such directors and officers; and business opportunities formulated by or through other companies in which the directors and officers are involved will not be offered to the Company except on the same or better terms than the basis on which they are offered to third party participants.

- **Tax Issues**

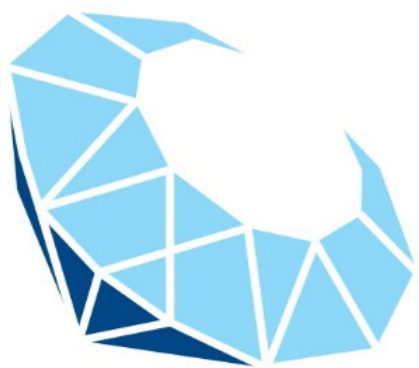
Income tax consequences in relation to the Common Shares will vary according to circumstances of each investor. Investors should seek independent advice from their own tax and legal advisers prior to investing in Common Shares of the Company.

- **Dividends**

The Company does not anticipate paying any dividends on its Common Shares in the foreseeable future.

- **COVID-19 Pandemic**

The COVID-19 pandemic has caused significant and negative impact to the global financial market. The Company continues to monitor and assess the impact on its business activities. The potential impact is uncertain, and it is difficult to reliably measure the extent of the effect of the COVID-19 pandemic on future financial results.



Churchill
Diamond
Corporation

CHURCHILL DIAMOND CORPORATION
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED FEBRUARY 28, 2021 AND 2020
(Expressed in Canadian Dollars)
(UNAUDITED)

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Churchill Diamond Corporation

Condensed Interim Statements of Financial Position (unaudited)

(Expressed in Canadian Dollars)

	As at	February 28,	August 31,
	Note(s)	2021	2020
		\$	\$
ASSETS			
Current assets			
Cash		580,414	154
Accounts receivable		40,708	1,914
Deposits		10,000	-
Prepaid expenses		281,849	510
		912,971	2,578
Non-current assets			
Plant and equipment	3	35,762	42,839
Exploration and evaluation assets	4	1,860,287	1,099,492
		1,896,049	1,142,331
TOTAL ASSETS		2,809,020	1,144,909
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	138,849	262,427
Loan payable	7	-	47,908
Flow through shares premium liability	8	43,000	2,090
Current portion of lease obligation	5	14,910	13,812
		196,759	326,237
Long term liabilities			
Lease obligation	5	22,007	29,746
		22,007	29,746
TOTAL LIABILITIES		218,766	355,983
SHAREHOLDERS' EQUITY			
Share capital	6	4,768,718	2,638,711
Stock options reserve	6	323,373	323,373
Accumulated deficit		(2,501,837)	(2,173,158)
TOTAL SHAREHOLDERS' EQUITY		2,590,254	788,926
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,809,020	1,144,909
Nature and continuance of operations	1		
Commitments	8		
Segmented information	9		
Subsequent events	1		

These condensed interim financial statements were approved for issue by the Board of Directors and signed on its behalf by:

/s/ Paul Sobie Director/s/ Bill Fisher Director

See accompanying notes to these condensed interim financial statements.

Churchill Diamond Corporation

Condensed Interim Statements of Loss and Comprehensive Loss (unaudited)

(Expressed in Canadian Dollars)

		For the three months ended		For the six months ended	
		February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
	Note(s)	\$	\$	\$	\$
Expenses					
Bank charges		99	63	228	161
Depreciation	3	4,008	47	7,902	94
Exploration and evaluation	4	105,079	10,020	107,039	21,580
General and administrative costs		2,282	1,685	2,889	2,140
Other income	8	(17,720)	-	(17,840)	-
Professional fees	7	128,561	1,639	147,511	4,139
Salaries and benefits	7	11,760	750	12,910	2,300
Share-based compensation		-	-	-	259,525
Shareholder information and investor relations		61,480	-	61,480	-
Rent		-	3,000	-	6,000
Transfer agent, regulatory and listing fees		4,201	-	4,201	-
		(299,750)	(17,204)	(326,320)	(295,939)
Other expenses					
Accretion interest of lease obligation	5	(1,130)	-	(2,359)	-
		(1,130)	-	(2,359)	-
Total loss and comprehensive loss					
		(300,880)	(17,204)	(328,679)	(295,939)
Basic and diluted loss per share for the period attributable to common shareholders					
		(0.01)	(0.00)	(0.01)	(0.02)
Weighted average number of common shares outstanding					
- basic and diluted		25,998,134	18,747,493	22,601,722	18,556,614

See accompanying notes to these condensed interim financial statements.

Churchill Diamond Corporation

Condensed Interim Statements of Shareholders' Equity (unaudited)
(Expressed in Canadian Dollars)

Share capital								
Note(s)	Number of shares	Amount \$	Share subscription received \$	Obligation to issue shares \$	Stock options reserve \$	Accumulated deficit \$	Total \$	
Balance as at August 31, 2020		19,164,856	2,638,711	-	-	323,373	(2,173,158)	788,926
Shares issued for cash - flow through	6	1,174,999	293,750	-	-	-	-	293,750
Shares issued for cash - non flow-through	6	4,078,333	1,019,583	-	-	-	-	1,019,583
Shares issued for debt settlement	6	471,848	117,962	-	-	-	-	117,962
Shares issued for exploration and evaluation assets	4, 6	2,923,180	730,795	-	-	-	-	730,795
Share issue costs	6	-	(32,083)	-	-	-	-	(32,083)
Net loss for the period		-	-	-	-	-	(328,679)	(328,679)
Balance as at February 28, 2021		27,813,216	4,768,718	-	-	323,373	(2,501,837)	2,590,254
Balance as at August 31, 2019		18,144,856	2,389,155	30,000	75,000	63,848	(1,617,542)	940,461
Shares issued for cash - flow through	6	100,000	25,000	(20,000)	-	-	-	5,000
Shares issued for cash - non flow-through	6	80,000	20,000	(10,000)	-	-	-	10,000
Non flow-through shares issued for debt settlement	6	40,000	10,000	-	-	-	-	10,000
Shares issued for exploration and evaluation assets	4, 6	800,000	200,000	-	(75,000)	-	-	125,000
Share issue costs	6	-	(5,444)	-	-	-	-	(5,444)
Share-based payments		-	-	-	-	259,525	-	259,525
Net loss for the period		-	-	-	-	-	(295,939)	(295,939)
Balance as at February 29, 2020		19,164,856	2,638,711	-	-	323,373	(1,913,481)	1,048,603

See accompanying notes to these condensed interim financial statements.

Churchill Diamond Corporation

Condensed Interim Statements of Cash Flows (unaudited)

(Expressed in Canadian Dollars)

	Note(s)	For the six months ended	
		February 28, 2021	February 29, 2020
		\$	\$
Cash flows from			
OPERATING ACTIVITIES			
Net loss for the period		(328,679)	(295,939)
<i>Adjustments for items not affecting cash:</i>			
Depreciation	3	7,902	94
Accretion interest of lease obligation	5	2,359	-
Other income	8	(17,840)	-
Share-based payments		-	259,525
Net changes in non-cash working capital items			
Accounts receivable		(38,794)	1,250
Prepaid expenses		(281,339)	(2,794)
Deposits		(10,000)	-
Accounts payable and accrued liabilities		(5,616)	31,395
Cash flow used in operating activities		(672,007)	(6,469)
INVESTING ACTIVITIES			
Acquisition of mineral properties exploration and evaluation assets	4	(30,000)	(39,710)
Purchase of equipment	3	(825)	-
Cash flow used in investing activities		(30,825)	(39,710)
FINANCING ACTIVITIES			
Loan payable	7	(47,908)	20,000
Shares issued for cash, net of share issue costs	6	1,340,000	24,556
Lease payments	5	(9,000)	-
Cash flow from financing activities		1,283,092	44,556
Increase (decrease in cash)		580,260	(1,623)
Cash, beginning of period		154	3,162
Cash, end of period		580,414	1,539
Supplementary cash flow information			
Reclassification of shares subscription received to share capital	7	-	30,000
Reduction to share capital for flow-through share premium liability	7, 8	58,750	5,000
Shares issued for debt settlement	6	117,962	-
Shares issued for exploration and evaluation assets	4, 7	730,795	-
Reclassification of the current portion of lease obligation	5	1,098	-
Cash paid during the period for interest		-	-
Cash paid during the period for income taxes		-	-

See accompanying notes to these condensed interim financial statements.

Churchill Diamond Corporation

Notes to the Condensed Interim Financial Statements (unaudited)

For the six months ended February 28, 2021 and 2020

(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Churchill Diamond Corporation (referred to as the “Company” or “Churchill”), is a Canadian exploration stage mining company which is focused on the exploration of minerals and precious gems in Canada’s Nunavut Territory and Ontario.

The Company was incorporated on April 10, 2014, under the Canada Business Corporations Act. Its registered office is located at Suite 501, 133 Richmond Street West, Toronto, Ontario, M5H 2L3. The Company’s records office is located at 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2.

At the date of these financial statements, the Company has not identified a known body of commercial grade minerals on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

These unaudited condensed interim financial statements have been prepared assuming the Company will continue on a going concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going concern depends upon its ability to raise adequate financing and to develop profitable operations. As at February 28, 2021, the Company had working capital of \$716,212 (August 31, 2020 – working capital deficiency of \$323,659) and an accumulated deficit of \$2,501,837 (August 31, 2020 – \$2,173,158). These conditions may cast substantial doubt regarding the Company’s ability to continue as a going concern. These unaudited condensed interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company’s operations and exploration programs. In addition, management closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favorable or adverse market conditions occur.

Acquisition of mining claim

On October 22, 2020, the Company entered into a letter of intent (the “LOI”) with Altius Resources Inc. (“Altius”) to acquire 100% interest of the mining claims (the “Claims”) known as the Taylor Brook Nickel-Copper-Cobalt Project which is located within the Long Range Gneiss Complex of Western Newfoundland, approximately 40-60km north-northeast of Deer Lake. Pursuant to the LOI, the Company will have the exclusive option for a period of 24 months (the “Option Period”) to acquire an undivided 100% interest in the Claims (the “Acquisition”).

On December 18, 2020 (the “Execution Date”), the Company signed an option agreement (the “Option Agreement”) with Altius.

See Note 4 for details.

Churchill Diamond Corporation

Notes to the Condensed Interim Financial Statements (unaudited)

For the six months ended February 28, 2021 and 2020

(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS (CONTINUED)

Proposed business combination

On December 23, 2020, the Company entered into a binding agreement with 9 Capital Corp. ("9 Capital"), a Capital Pool Company ("CPC") and intends the Acquisition to constitute its Qualifying Transaction (the "Qualifying Transaction") under the policies of the TSX Venture Exchange, to effect a business combination of the Company and 9 Capital (the "Proposed Business Combination"). The Proposed Business Combination will be a reverse takeover of 9 Capital by the Company and its shareholders.

On or immediately prior to the completion of the Business Combination, it is anticipated that:

- a) 9 Capital will effect a name change to such name as may be determined by the Company; and
- b) 9 Capital will implement the share consolidation of 1 post-consolidation common share ("9 Capital New Share") for 1.7 pre-consolidation common shares.

Pursuant to the Proposed Business Combination:

- a) the Company's shareholders will receive one 9 Capital New Share for each Company's common share they held at the date of completion (the "Exchange Ratio").
- b) all existing securities convertible into Company's common shares will be exchanged, based on the Exchange Ratio, for similar securities to purchase 9 Capital New Shares on substantially similar terms and conditions.

Financings

To close the Proposed Business Combination, the Company is required to complete a financing to issue common shares at \$0.25 per share for aggregate gross proceeds of a minimum of \$1,000,000 and a maximum of \$1,500,000 (the "Financings"). Completion of the Financings is a condition to the closing of the Proposed Business Combination. The Financings had been completed during the six months ended February 28, 2021 (Note 6).

COVID-19

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time. In terms of the timing of the Proposed Business Combination, COVID-19 may cause a delay in the process.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

Statement of compliance to International Financial Reporting Standards

These unaudited condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements comply with International Accounting Standard 34, Interim Financial Reporting.

These unaudited condensed interim financial statements were approved by the Board of Directors and authorized for issuance on June 6, 2021.

Churchill Diamond Corporation

Notes to the Condensed Interim Financial Statements (unaudited)

For the six months ended February 28, 2021 and 2020

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Basis of presentation

These unaudited condensed interim financial statements do not include all of the information required of a full annual financial report and are intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended August 30, 2020.

New accounting standards

There were no new or amended IFRS pronouncements effective January 1, 2020 that impacted these condensed interim financial statements.

3. EQUIPMENT

	Computer equipment \$	Right-of-use asset \$	Total \$
Cost			
As at August 31, 2020	-	46,733	46,733
Additions	825	-	825
As at February 28, 2021	825	46,733	47,558
Depreciation			
As at August 31, 2020	-	(3,894)	(3,894)
Charged for the period	(113)	(7,789)	(7,902)
As at February 28, 2021	(113)	(11,683)	(11,796)
Net book value			
As at August 31, 2020	-	42,839	42,839
As at February 28, 2021	712	35,050	35,762

4. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets, and, to the best of its knowledge, title to all of its properties, are properly registered and in good standing.

Churchill Diamond Corporation

Notes to the Condensed Interim Financial Statements (unaudited)

For the six months ended February 28, 2021 and 2020

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Pelly Bay Property, Nunavut

The Pelly Bay Property is located in central Nunavut, Canada. The Company has a 100% interest in all claims of the Pelly Bay Property.

Adamera, the original optionor, will retain a 2% Gross Over-riding Royalty ("GOR") on all diamonds mined in a specific Area of Interest, of which 1% can be purchased by the Company not later than within the first year of production, for \$1,000,000. Adamera also retains a 2% GOR on all other commodities mined in the Area of Interest, under the same terms.

The Pelly Bay Property claims are currently suspended as per Nunavut Mining Regulations policies as the Company awaits the approval of the Water Permit from the Nunavut Water Board. Assessment requirements upon re-activation of the claims will total \$1,707,500 in qualified work expenditures, or cash fees, to keep all claims in good standing to July 24, 2021, should the claims be activated at the Company's request following receipt of the water permit. Work or charges for each year from July 24, 2021 to July 24, 2024, due on these dates, is \$853,750 per year, assuming the entire property is retained.

Sandspit Lake Property, Northern Ontario

On August 23, 2016, the Company entered into an earn-in agreement with Rudolf Wahl and Frederick Lowndes (collectively, the "Vendors") on the Sandspit Lake property ("Sandspit Lake").

On October 29, 2020, the Company returned the Sandpit Lake Property to the Vendors; as a result, the Company impaired the carrying value of the Sandspit Lake as of August 31, 2020 and recognized an impairment loss of \$215,532 in the statements of loss and comprehensive loss during the year ended August 31, 2020.

White River Property, Northern Ontario

On February 9, 2017, the Company entered into an earn-in agreement with the Vendors) on the White River property ("White River"). The original property totaled 12 mining claims which the Company increased to 72 legacy claims through physical staking programs in 2017 which were converted in 2019 to 970 MLAS claim cells. During 2019, the Company was able to further increase the size of the property by map staking 409 new MLAS claim cells under Churchill's name.

Pursuant to the agreement, the Company can acquire up to a 100% interest in White River by making the following payments:

- Upon signing the agreement: \$40,000 cash (paid)
- Upon regulatory approval: 350,000 common shares (issued; fair value of \$87,500)
- On or before February 9, 2018: \$30,000 cash (paid) and
500,000 common shares (issued; fair value of \$125,000)
- On or before February 9, 2019: \$30,000 cash (paid) and
500,000 common shares (issued; fair value of \$125,000)
- On or before February 9, 2020: \$30,000 cash (paid) and
500,000 common shares (issued; fair value of 125,000)
- On or before February 9, 2021: \$30,000 cash (paid) and
500,000 common shares (issued; fair value of 125,000)
- On or before February 9, 2022: \$50,000 cash and 500,000 common shares

Churchill Diamond Corporation

Notes to the Condensed Interim Financial Statements (unaudited)

For the six months ended February 28, 2021 and 2020

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

White River Property, Northern Ontario (continued)

The Company is also required to incur a minimum of \$1,000,000 in exploration work on the White River by February, 2022, of which \$72,000 is required to be incurred by February, 2018 (incurred). As of February 28, 2021, the Company incurred qualified exploration expenditures of \$642,408 on the White River Property such that all claims are in good standing.

The Vendors will retain a 3% GOR on all diamonds mined at White River, of which 1.5% can be purchased by the Company at any time for \$2,000,000. The Vendors will also retain a 2% GOR on all other commodities mined at White River, of which 1% can be purchased by the Company at any time for \$1,000,000.

Taylor Brook Property, Newfoundland

On December 18, 2020, the Company signed the Option Agreement with Altius to acquire 100% interest of the Claims known as the Taylor Brook Nickel-Copper-Cobalt Project which is located within the Long Range Gneiss Complex of Western Newfoundland, approximately 40-60km north-northeast of Deer Lake. The Company will have the exclusive right to acquire an undivided 100% interest in the Claims during the Option Period.

Pursuant to the Option Agreement, the Company will:

- 1) Issue 2,423,180 common shares, or such number which is equivalent to 9.9% of the common shares issued and outstanding of the Company at the date of issuance, to Altius upon the Execution Date (issued on the Execution Date);
- 2) Incur a minimum of \$250,000 in exploration expenditures on the Claims within 12 months following the Execution Date;
- 3) Complete an equity financing with an amount of at least \$1 million with a share price of not less than \$0.25 (the "Proposed Private Placement") within 12 months following the Execution Date (Note 6);
- 4) Issue common shares which will result in Altius' post Proposed Private Placement ownership at 19.9% based on the common shares issued and outstanding of the Company at the date of issuance, to Altius within 24 months following the Execution Date;
- 5) Commencing a transaction that will result in the Company becoming a reporting issuer in at least one province of Canada (the "Going Public Transaction") Claims within 12 months following the Execution Date and complete the Going Public Transaction within 24 months following the Execution Date (see "proposed business combination" below); and
- 6) Enter into an investor rights agreement (the "Investor Rights Agreement") with Altius.

The Investor Rights Agreement will entitle Altius to designate one nominee for the election to the board of directors of the Company and will grant the right to Altius to participate in future equity financing (the "Future Financings") undertaken by the Company on the same terms which are offered to third parties to subscribe the common shares of the Company to maintain Altius' post Future Financings ownership in the Company at 19.9% of the issued and outstanding common shares of the Company.

Churchill Diamond Corporation

Notes to the Condensed Interim Financial Statements (unaudited)

For the six months ended February 28, 2021 and 2020

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

The Company's exploration and evaluation expenditures during the six months ended February 28, 2021 and 2020 are broken down as follows:

For the six months ended February 28, 2021

	Pelly Bay	White River	Taylor Brook	Total
	\$	\$	\$	\$
Consulting	2,790	1,103	48,110	52,003
Survey	-	-	55,036	55,036
	2,790	1,103	103,146	107,039

For the six months ended February 29, 2020

	Pelly Bay	White River	Taylor Brook	Total
	\$	\$	\$	\$
Consulting	-	2,480	-	2,480
Field work	-	19,100	-	19,100
	-	21,580	-	21,580

5. LEASE OBLIGATION

As at February 28, 2021, future minimum lease payments for the Company's under finance lease are as follows:

	\$
As at August 31, 2020	43,558
Finance costs	2,359
Payments	(9,000)
As at February 28, 2021	36,917
Minimum undiscounted lease payments for each fiscal year:	
2022	9,120
2023	18,600
2024	14,220
	41,940
Effect of discounting	(5,023)
	36,917
Current	14,910
Long-term	22,007
	36,917

Churchill Diamond Corporation

Notes to the Condensed Interim Financial Statements (unaudited)

For the six months ended February 28, 2021 and 2020

(Expressed in Canadian Dollars)

6. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At February 28, 2021, the Company had 27,813,216 (August 31, 2020 – 19,164,856) common shares issued and outstanding.

During the six months ended February 28, 2021

- The Company completed a non-brokered private placement for an aggregate of 4,078,333 non-flow-through shares at a price of \$0.25 per non-flow-through share for aggregate gross proceeds of \$1,019,583.
- The Company completed a non-brokered private placement for an aggregate of 1,174,999 flow-through shares at a price of \$0.30 per flow through share for aggregate gross proceeds of \$352,500. The Company reclassified \$58,750 as a flow-through share premium liability.
- As discussed in Note 1, the Company issued 2,423,180 common shares with fair value of \$605,795 to Altius on the Execution Date.
- The Company issued 500,000 common shares with fair value of \$125,000 for the White River Property (Note 4).
- The Company issued 471,848 common shares with a value of \$117,962 to settle certain balances owed to related parties (Note 7).

During the six months ended February 29, 2020

- The Company completed a non-brokered private placement for an aggregate of 80,000 non-flow-through shares at a price of \$0.25 per non-flow-through share for aggregate gross proceeds of \$20,000 of which \$10,000 was received during the year ended August 31, 2019.
- The Company completed a non-brokered private placement for an aggregate of 100,000 flow-through shares at a price of \$0.30 per flow through share for aggregate gross proceeds of \$30,000 of which \$20,000 was received during the year ended August 31, 2019. The Company reclassified \$5,000 as a flow-through share premium liability.
- The Company issued 300,000 common shares with fair value of \$75,000 for the Sandspit Lake Property.
- The Company issued 500,000 common shares with fair value of \$125,000 for the White River Property.
- The Company issued 40,000 non-flow-through shares at a price of \$0.25 to settle the balance of \$10,000 promissory note issued to the Company's Chief Executive Officer during the year ended August 31, 2019.

Churchill Diamond Corporation

Notes to the Condensed Interim Financial Statements (unaudited)

For the six months ended February 28, 2021 and 2020

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (CONTINUED)

Stock options

The Company does not have a formal stock option plan, any historical grants of stock options occurred outside of any formal plan. Stock options to purchase common shares have been granted to executives, directors, and consultants at exercise prices determined by the Board of Directors at the time such stock options were granted. The Board of Directors also set vesting provisions, and maximum option life terms.

There were no options granted, exercised or expired during the six months ended February 28, 2021 and 2020.

The following summarizes information about stock options outstanding and exercisable at February 28, 2021:

Expiry date	Exercise price (\$)	Options outstanding	Options exercisable	Estimated grant date fair value (\$)	Weighted average remaining contractual life (in years)
March 20, 2025	0.25	1,800,000	1,800,000	323,374	4.07
Weighted average exercise price (\$)		0.25	0.25		

7. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. Key management includes executive officers and directors.

- The Company paid \$12,910 in wages (February 29, 2020 – \$2,625) and \$9,000 (February 29, 2020 – \$6,000) in rent to a consulting firm of which the Company's Chief Executive Officer is a partner. As at February 28, 2021, \$22,304 (August 31, 2020 – \$119,111) was owed to companies controlled by the Chief Executive Officer.
- The Company incurred accounting and administrative fees of \$33,100 (November 30, 2019 – \$ 6,939) with an accounting firm of which the Company's Chief Financial Officer is a partner, included in professional fees. As at February 28, 2021, \$18,178 (August 31, 2020 – \$17,500) was owed to this partnership.
- During the six months ended February 28, 2021, the Company repaid the non-interest-bearing promissory note with an amount of \$47,908 issued to the Company's Chief Executive Officer in full.
- During the six months ended February 28, 2021, the Company issued 471,848 common shares with a value of \$117,962 to settle certain balances owed to related parties.

Churchill Diamond Corporation

Notes to the Condensed Interim Financial Statements (unaudited)

For the six months ended February 28, 2021 and 2020

(Expressed in Canadian Dollars)

8. COMMITMENTS

The Company periodically issues flow-through shares with any resulting flow-through premium recorded as a flow-through share premium liability. The liability is subsequently reduced when the required exploration expenditures are made, and accordingly, a recovery of the flow-through premium is recorded as other income.

During the six months ended February 28, 2021, the Company issued 1,174,999 flow-through shares (Note 6). Based on Canadian tax law, the Company is required to spend the proceeds from the issuance of the flow-through shares on eligible exploration expenditures within two years from the date of issuance. If the Company is unable to meet this deadline, it will be subject to Part XII.6 taxes in accordance with the Canadian Income Tax Act.

A continuity of the flow-through share premium liability is as follows:

	\$
Balance, beginning of the period	2,090
Liability incurred on flow-through shares issued	58,750
Settlement on expenditures made recorded as other income	(17,840)
Balance, end of period	43,000

9. SEGMENTED INFORMATION

The Company operates in one reportable segment, being the exploration and evaluation of exploration and evaluation assets. All of the Company's exploration and evaluation assets are located in Canada.

10. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its exploration and evaluation assets, acquire additional exploration interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

The Company is not subject to externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the six months ended February 28, 2021.

Churchill Diamond Corporation

Notes to the Condensed Interim Financial Statements (unaudited)

For the six months ended February 28, 2021 and 2020

(Expressed in Canadian Dollars)

11. FINANCIAL INSTRUMENTS**Fair value**

The carrying values of cash, accounts receivable, accounts payable and accrued liabilities and loan payable approximate their fair values due to the relatively short period to maturity of those financial instruments.

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 Inputs that are not based on observable market data.

As at February 28, 2021 and August 31, 2020, there were no financial assets or liabilities measured and recognized in the statement of financial position at fair value that would be categorized as Level 1, 2 and 3 in the fair value hierarchy above.

Set out below are the Company's financial assets and financial liabilities by category:

		FVTPL	Amortized costs	FVTOCI
	February 28, 2021	\$	\$	\$
ASSETS				
Cash	580,414	-	580,414	-
Accounts receivable	40,708	-	40,708	-
LIABILITIES				
Accounts payable and accrued liabilities	138,849	-	138,849	-
Loan payable	-	-	-	-

		FVTPL	Amortized costs	FVTOCI
	August 31, 2020	\$	\$	\$
ASSETS				
Cash	154	-	154	-
Accounts receivable	1,914	-	1,914	-
LIABILITIES				
Accounts payable and accrued liabilities	262,427	-	262,427	-
Loan payable	47,908	-	47,908	-

Churchill Diamond Corporation

Notes to the Condensed Interim Financial Statements (unaudited)

For the six months ended February 28, 2021 and 2020

(Expressed in Canadian Dollars)

11. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to financial instruments fails to meet its contractual obligations. The Company's exposure to credit risk includes cash and sales taxes receivable.

The Company's cash is held at a large Canadian financial institution in interest bearing accounts. The Company has no investments in asset-backed commercial paper.

The Company's sales taxes receivable consists of GST receivable from the government of Canada. The Company's maximum exposure to credit risk is the carrying value of its financial assets. Management believes that the credit risk related to its cash and sales taxes receivable is negligible.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

At February 28, 2021, the Company had cash of \$580,414, accounts payable and accrued liabilities of \$ 138,849. All accounts payable and accrued liabilities are current.

Market Risk

The significant market risks to which the Company is exposed are interest rate risk, foreign currency risk, and price risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash is held mainly in high yield saving accounts and term deposits and therefore there is currently minimal interest rate risk. Because of the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of February 28, 2021.

The Company's loan payable is not subject to interest rate risk as it is non-interest bearing.

Foreign Currency risk

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. As at February 28, 2021, the Company is not exposed to currency risk as all transactions and balances are denominated in Canadian dollars.

Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on the results of operations due to commodity price movements and volatilities. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.



Churchill
Diamond
Corporation

CHURCHILL DIAMOND CORPORATION

**MANAGEMENT DISCUSSION & ANALYSIS
(FORM 51-102F1)**

FOR THE SIX MONTHS ENDED FEBRUARY 28, 2021 AND 2020

(EXPRESSED IN CANADIAN DOLLARS)

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Churchill Diamond Corporation

Management's Discussion and Analysis

For the Six Months Ended February 28, 2021 and 2020

BACKGROUND

This Management Discussion and Analysis ("MD&A") of Churchill Diamond Corporation ("Churchill" or the "Company") financial position and results of operations for the six months ended February 28, 2021 is prepared as at June 6, 2021.

This MD&A is intended to supplement and complement the financial statements and notes thereto prepared in accordance with International Financial Reporting Standards ("IFRS") for the six months ended February 28, 2021. This MD&A should be read in conjunction with our unaudited condensed interim financial statements for the six months ended February 28, 2021 and our annual audited financial statements for the year ended August 31, 2020. All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain information contained in this MD&A may constitute forward-looking information, which is information regarding possible events, conditions or results of operations of the Company that is based upon assumptions about future economic condition and courses of action and which is inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "feel", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information contained in this MD&A includes, without limitation, our expectations regarding anticipated exploration activities and results and financing activities and other factors on our operating results, and the performance of global capital markets, commodity prices and interest rates.

Forward-looking information involves known and unknown risk, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking information contained in this MD&A include, but are not limited to: risks relating to exploration results, market fluctuations, commodity price fluctuations and the strength of the Canadian, U.S. and other economies.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. The Corporation undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

COVID-19

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time. In terms of the timing of the Proposed Business Combination, COVID-19 may cause a delay in the process.

Churchill Diamond Corporation

Management's Discussion and Analysis

For the Six Months Ended February 28, 2021 and 2020

COMPANY OVERVIEW

Churchill Diamond Corporation (referred to as the "Company" or "Churchill") is a Canadian exploration stage mining company which is focused on the exploration of minerals and precious gems in Canada. The Company currently holds three exploration projects, namely Taylor Brook in Newfoundland, Pelly Bay in Nunavut and White River in Ontario. All three projects are at the evaluation stage, with known mineralized Ni-Cu-Co showings at Taylor Brook and Pelly Bay, and diamondiferous kimberlitic intrusives at White River and Pelly Bay.

The Company was incorporated on April 10, 2014, under the Canada Business Corporations Act. Its registered office is located at Suite 505, 133 Richmond Street West, Toronto, Ontario, M5H 2L3. The Company's records office is located at 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2.

Acquisition of mining claim

On October 22, 2020, the Company entered into a letter of intent (the "LOI") with Altius Resources Inc. ("Altius") to acquire 100% interest of the mining claims (the "Claims") known as the Taylor Brook Nickel-Copper-Cobalt Project which is located within the Long Range Gneiss Complex of Western Newfoundland, approximately 40-60km north-northeast of Deer Lake. Pursuant to the LOI, the Company will have the exclusive option for a period of 24 months (the "Option Period") to acquire an undivided 100% interest in the Claims (the "Acquisition").

On December 18, 2020 (the "Execution Date"), the Company signed an option agreement (the "Option Agreement") with Altius.

Pursuant to the Option Agreement, the Company will:

- 1) Issue 2,160,000 common shares, or such number which is equivalent to 9.9% of the common shares issued and outstanding of the Company at the date of issuance, to Altius upon the Execution Date (2,423,180 common shares were issued on the Execution Date);
- 2) Incur a minimum of \$250,000 in exploration expenditures on the Claims within 12 months following the Execution Date;
- 3) Complete an equity financing with an amount of at least \$1 million with a share price of not less than \$0.25 (the "Proposed Private Placement") within 12 months following the Execution Date (see "financings" below);
- 4) Issue common shares which will result in Altius' post Proposed Private Placement ownership at 19.9% based on the common shares issued and outstanding of the Company at the date of issuance, to Altius within 24 months following the Execution Date;
- 5) Commencing a transaction that will result in the Company becoming a reporting issuer in at least one province of Canada (the "Going Public Transaction") Claims within 12 months following the Execution Date and complete the Going Public Transaction within 24 months following the Execution Date (see "proposed business combination" below); and
- 6) Enter into an investor rights agreement (the "Investor Rights Agreement") with Altius.

The Investor Rights Agreement will entitle Altius to designate one nominee for the election to the board of directors of the Company and will grant the right to Altius to participate in future equity financing (the "Future Financings") undertaken by the Company on the same terms which are offered to third parties to subscribe the common shares of the Company to maintain Altius' post Future Financings ownership in the Company at 19.9% of the issued and outstanding common shares of the Company.

Churchill Diamond Corporation

Management's Discussion and Analysis

For the Six Months Ended February 28, 2021 and 2020

Proposed business combination

On December 23, 2020, the Company entered into a binding agreement with 9 Capital Corp. ("9 Capital"), a Capital Pool Company ("CPC") and intends the Acquisition to constitute its Qualifying Transaction (the "Qualifying Transaction") under the policies of the TSX Venture Exchange, to affect a business combination of the Company and 9 Capital (the "Proposed Business Combination"). The Proposed Business Combination will be a reverse takeover of 9 Capital by the Company and its shareholders.

On or immediately prior to the completion of the Business Combination, it is anticipated that:

- a) 9 Capital will affect a name change to such name as may be determined by the Company; and
- b) 9 Capital will implement the share consolidation of 1 post-consolidation common share ("9 Capital New Share") for 1.7 pre-consolidation common shares.

Pursuant to the Proposed Business Combination:

- a) the Company's shareholders will receive one 9 Capital New Share for each Company's common share they held at the date of completion (the "Exchange Ratio").
- b) all existing securities convertible into Company's common shares will be exchanged, based on the Exchange Ratio, for similar securities to purchase 9 Capital New Shares on substantially similar terms and conditions.

Financings

To close the Proposed Business Combination, the Company is required to complete a financing to issue common shares at \$0.25 per share for aggregate gross proceeds of a minimum of \$1,000,000 and a maximum of \$1,500,000 (the "Financings"). Completion of the Financings is a condition to the closing of the Proposed Business Combination.

The Financings were completed on December 31, 2020 by issuing the following:

- issued 1,174,999 flow-through shares at a price of \$0.30 per flow-through share for aggregate gross proceeds of \$352,500; and
- issued 4,078,333 non-flow-through shares at a price of \$0.25 per non-flow-through share for aggregate gross proceeds of \$1,019,583.

Churchill Diamond Corporation

Management's Discussion and Analysis

For the Six Months Ended February 28, 2021 and 2020

EXPLORATION AND EVALUATION ASSETS

Pelly Bay Property, Nunavut

The Pelly Bay Property is located in central Nunavut, Canada. The Company has a 100% interest in all claims of the Pelly Bay Property.

Adamera, the original optionor, will retain a 2% Gross Over-riding Royalty ("GOR") on all diamonds mined in a specific Area of Interest, of which 1% can be purchased by the Company not later than within the first year of production, for \$1,000,000. Adamera also retains a 2% GOR on all other commodities mined in the Area of Interest, under the same terms.

The Pelly Bay Property claims are currently suspended as per Nunavut Mining Regulations policies as the Company awaits the approval of the Water Permit from the Nunavut Water Board. Assessment requirements upon re-activation of the claims will total \$1,707,500 in qualified work expenditures, or cash fees, to keep all claims in good standing to July 24, 2021, should the claims be activated at the Company's request following receipt of the water permit. Work or charges for each year from July 24, 2021 to July 24, 2024, due on these dates, is \$853,750 per year, assuming the entire property is retained.

Sandspit Lake Property, Northern Ontario

On August 23, 2016, the Company entered into an earn-in agreement with Rudolf Wahl and Frederick Lowndes (collectively, the "Vendors") on the Sandspit Lake property ("Sandspit Lake"). Sandspit Lake originally consisted of one isolated claim that required \$5,103 work annually. The Company increased the size of the property by staking 19 new legacy claims during 2017, which have been converted in 2019 under Ontario's new Mining Lands Administration System ("MLAS"), to 280 claim cells.

Pursuant to the agreement, the Company can acquire up to a 100% interest in Sandspit Lake by making the following payments:

- On August 23, 2016: \$10,000 cash (paid) and 150,000 shares (issued; fair value of \$37,500)
- On August 23, 2017: \$15,000 cash (paid) and 100,000 shares (issued; fair value of \$25,000)
- On August 23, 2018: \$15,000 cash (deferred) and 100,000 shares (issued; fair value of \$25,000)
- On August 23, 2019: \$50,000 cash (deferred) and 300,000 shares (issued; fair value of \$75,000)

During the year ended August 31, 2018, the Company entered into agreement with the Vendors to defer the final cash payment requirement indefinitely.

The Vendors will retain a 3% GOR on all diamonds mined at Sandspit Lake, of which 2% can be purchased by the Company at any time for \$2,000,000. The Vendors will also retain a 3% GOR on all other commodities mined at Sandspit Lake, with the same royalty terms. As of August 31, 2020, the Company incurred qualified exploration expenditures of \$302,924 on the Sandspit Lake Property (2019 – \$300,769), such that all claims are in good standing.

On October 29, 2020, the Company returned the Sandpit Lake Property to the Vendors; as a result, the Company impaired the carrying value of the Sandspit Lake as of August 31, 2020, and recognized an impairment loss of \$215,532 in the statements of loss and comprehensive loss during the year ended August 31, 2020.

Churchill Diamond Corporation

Management's Discussion and Analysis

For the Six Months Ended February 28, 2021 and 2020

White River Property, Northern Ontario

On February 9, 2017, the Company entered into an earn-in agreement with the Vendors) on the White River property ("White River"). The original property totaled 12 mining claims which the Company increased to 72 legacy claims through physical staking programs in 2017 which were converted in 2019 to 970 MLAS claim cells. During 2019, the Company was able to further increase the size of the property by map staking 409 new MLAS claim cells under Churchill's name.

Pursuant to the agreement, the Company can acquire up to a 100% interest in White River by making the following payments:

- Upon signing the agreement: \$40,000 cash (paid)
- Upon regulatory approval: 350,000 common shares (issued; fair value of \$87,500)
- On or before February 9, 2018: \$30,000 cash (paid) and 500,000 common shares (issued; fair value of \$125,000)
- On or before February 9, 2019: \$30,000 cash (paid) and 500,000 common shares (issued; fair value of \$125,000)
- On or before February 9, 2020: \$30,000 cash (paid) and 500,000 common shares (issued; fair value of 125,000)
- On or before February 9, 2021: \$30,000 cash (paid) and 500,000 common shares (issued; fair value of 125,000)
- On or before February 9, 2022: \$50,000 cash and 500,000 common shares

The Company is also required to incur a minimum of \$1,000,000 in exploration work on the White River by February, 2022, of which \$72,000 is required to be incurred by February, 2018 (incurred). As of November 30, 2020, the Company incurred qualified exploration expenditures of \$642,408 on the White River Property such that all claims are in good standing.

The Vendors will retain a 3% GOR on all diamonds mined at White River, of which 1.5% can be purchased by the Company at any time for \$2,000,000. The Vendors will also retain a 2% GOR on all other commodities mined at White River, of which 1% can be purchased by the Company at any time for \$1,000,000.

Taylor Brook Property, Newfoundland

On December 18, 2020 (the "Execution Date"), the Company signed an option agreement (the "Option Agreement") with Altius Resources Inc. ("Altius") to acquire 100% interest of the mining claims (the "Claims") known as the Taylor Brook Nickel-Copper-Cobalt Project which is located within the Long Range Gneiss Complex of Western Newfoundland, approximately 40-60km north-northeast of Deer Lake.

The Taylor Brook Property is comprised of two contiguous map-staked licenses containing 226 claims totalling approximate 56,500 hectares, which has known high grade Ni-Cu-Co mineralization at surface and shallow drilled depths from work carried out between 1999-2012.

The Taylor Brook Ni-Cu-Co-PGE property in Newfoundland has excellent potential for magmatic Ni-Cu-Co deposits ie. Vale's Voisey's Bay Ovoid and Eastern Deep ore bodies, Sudbury Offset Dyke Ni-Cu-PGE deposits such as Kelly Lake within the Copper Cliff Offset dyke and Totten and Victoria within the Worthington Offset dyke that includes:

- Surface showings and shallow (to -100m) drill intercepts of massive and disseminated sulphides within altered mafic dykes near the margin of the large Taylor Brook Intrusive Complex
- Numerous EM targets to test, existing DDH's to survey for down hole conductors

Churchill Diamond Corporation

Management's Discussion and Analysis

For the Six Months Ended February 28, 2021 and 2020

- Pro-mining friendly and secure jurisdiction (Newfoundland and Labrador) with commitment by provincial government to bring into production at least 5 new mines by 2030
- 12-month access, 30km from Trans-Canada Highway, extensive logging roads
- 11 grab samples averaged 5.38% Ni, 1.05% Cu, 0.10% , 112ppb Pt, 232ppb Pd and 416ppb Au.
- Drilling EM conductors 200m apart beneath Layden Prospect intersected 4.25m of 1.63% Ni, 0.36% Cu and 0.027% Co & 4.15m of 1.71% Ni, 0.13% Cu and 0.028% Co.

Pursuant to the Option Agreement, the Company will:

- 1) Issue 2,160,000 common shares, or such number which is equivalent to 9.9% of the common shares issued and outstanding of the Company at the date of issuance, to Altius upon the Execution Date (2,423,180 common shares were issued on the Execution Date);
- 2) Incur a minimum of \$250,000 in exploration expenditures on the Claims within 12 months following the Execution Date;
- 3) Complete an equity financing with an amount of at least \$1 million with a share price of not less than \$0.25 (the "Proposed Private Placement") within 12 months following the Execution Date;
- 4) Issue common shares which will result in Altius' post Proposed Private Placement ownership at 19.9% based on the common shares issued and outstanding of the Company at the date of issuance, to Altius within 24 months following the Execution Date;
- 5) Commencing a transaction that will result in the Company becoming a reporting issuer in at least one province of Canada (the "Going Public Transaction") Claims within 12 months following the Execution Date and complete the Going Public Transaction within 24 months following the Execution Date (see "proposed business combination" above); and
- 6) Enter into an investor rights agreement (the "Investor Rights Agreement") with Altius.

The Investor Rights Agreement will entitle Altius to designate one nominee for the election to the board of directors of the Company and will grant the right to Altius to participate in future equity financing (the "Future Financings") undertaken by the Company on the same terms which are offered to third parties to subscribe the common shares of the Company to maintain Altius' post Future Financings ownership in the Company at 19.9% of the issued and outstanding common shares of the Company.

Qualified Person

Paul Sobie, P.Geo., the Company's Chief Executive Officer, is the Qualified Person, as defined by National Instrument 43-101 (NI 43-101), who has reviewed and approved the technical information disclosed in this MD&A.

Churchill Diamond Corporation

Management's Discussion and Analysis

For the Six Months Ended February 28, 2021 and 2020

OUTLOOK

The Company plans to spend approximately \$1 million on exploration during 2021 that is anticipated to include:

Taylor Brook Ni-Cu property: an airborne EM survey (completed March 2021) followed with ground large loop EM surveys, as well as borehole surveys of the existing drill holes, to arrive at a comprehensive picture of shallow and deep sulphide targets for drilling of up to 1,500 metres in the Spring and Summer of 2021.

A compilation of the Ni-Cu and gold exploration database at Pelly Bay to generate targets is in progress, and an airborne magnetic survey over the new claims at White River is also planned.

The Company expects 2021 to be a pivotal year in the advancement of the Taylor Brook Project as it plans to aggressively explore the known Ni-Cu-Co mineralization and test newly developed targets. The extensive database of historical information will be augmented by new exploration data, and by applying the most recent exploration concepts and techniques.

SUMMARY OF QUARTERLY INFORMATION

The quarterly results for the last eight quarters are summarized below:

	Three months ended			
	February 28, 2021	November 30, 2020	August 31, 2020	May 31, 2020
	\$	\$	\$	\$
Net loss	(300,880)	(27,799)	(240,312)	(19,365)
Comprehensive loss	(300,880)	(27,799)	(240,312)	(19,365)
Loss per share (basic and diluted)	(0.01)	(0.00)	(0.01)	(0.00)

	Three months ended			
	February 29, 2020	November 30, 2019	August 31, 2019	May 31, 2019
	\$	\$	\$	\$
Net loss	(17,204)	(278,735)	(37,823)	(48,033)
Comprehensive loss	(17,204)	(278,735)	(37,823)	(48,033)
Loss per share (basic and diluted)	(0.00)	(0.02)	(0.00)	(0.00)

Churchill Diamond Corporation

Management's Discussion and Analysis

For the Six Months Ended February 28, 2021 and 2020

SELECTED INFORMATION

	For the six months ended		
	February 28, 2021	February 29, 2020	February 28, 2019
	\$	\$	\$
Net loss	(328,679)	(295,939)	(137,723)
Comprehensive loss	(328,679)	(295,939)	(137,723)
Basic and diluted loss per share	(0.01)	(0.02)	(0.01)

As at:	February 28, 2021	August 31, 2020	August 31, 2019
	\$	\$	\$
Working capital (deficiency)	716,212	(323,659)	(210,194)
Total assets	2,809,020	1,144,909	1,156,987
Total liabilities	218,766	355,983	216,526
Share capital	4,768,718	2,638,711	2,389,155
Deficit	(2,501,837)	(2,173,158)	(1,617,542)

RESULTS OF OPERATIONS**Three months ended February 28, 2021**

During the three months ended February 28, 2021, the Company recorded a net loss of \$300,880 compared to \$17,204 for the three months ended February 29, 2020.

During the three months ended February 28, 2021, the Company incurred the following significant expenditures:

- Exploration and evaluation costs of \$105,079 (February 29, 2020 – \$10,020);
- Professional fees of \$128,561 (February 29, 2020 – \$1,639);
- Salaries and benefits of \$11,760 (February 29, 2020 – \$750);
- Shareholder information and investor relations of \$61,480 (February 29, 2020 – \$nil);
- Rent expenses of \$nil (February 29, 2020 – \$3,000); and
- Transfer agent, regulatory and listing fees of \$4,201 (February 29, 2020 – \$nil).

In addition, during the three months ended February 28, 2021, the Company recognized other income of \$17,720 (February 29, 2020 – \$nil) related to settlement on the qualified flow-through expenditures incurred.

Six months ended February 28, 2021

During the six months ended February 28, 2021, the Company recorded a net loss of \$328,679 compared to \$295,939 for the six months ended February 29, 2020.

During the six months ended February 28, 2021, the Company incurred the following significant expenditures:

- Exploration and evaluation costs of \$107,039 (February 29, 2020 – \$21,580);
- Professional fees of \$147,511 (February 29, 2020 – \$4,139);
- Salaries and benefits of \$12,910 (February 29, 2020 – \$2,300);
- Share-based compensation of \$nil (February 29, 2020 – \$259,525); and
- Shareholder information and investor relations of \$61,480 (February 29, 2020 – \$nil);
- Rent expenses of \$nil (February 29, 2020 – \$6,000); and

Churchill Diamond Corporation

Management's Discussion and Analysis

For the Six Months Ended February 28, 2021 and 2020

- Transfer agent, regulatory and listing fees of \$4,201 (February 29, 2020 – \$nil).

In addition, during the six months ended February 28, 2021, the Company recognized other income of \$17,720 (February 29, 2020 – \$nil) related to settlement on the qualified flow-through expenditures incurred.

LIQUIDITY AND CAPITAL RESOURCES

The Company's activities have been funded through equity financings and the Company expects it will continue to be able to utilize this source of financing until it develops cash flow from future operations.

There can be no assurances the Company will be successful in its endeavors. If such funds are not available or other sources of finance cannot be obtained then the Company will be forced to curtail its activities to a level for which funding is available or can be obtained.

During the six months ended February 28, 2021, the Company completed the Financings by issuing 1,174,999 flow-through shares at a price of \$0.30 per flow-through share for aggregate gross proceeds of \$352,500 and 4,078,333 non-flow-through shares at a price of \$0.25 per non-flow-through share for aggregate gross proceeds of \$1,019,583.

As of February 28, 2021, the Company has working capital of \$716,212.

OUTSTANDING SHARE DATA

Share Capital

Authorized

Unlimited number of common shares without par value.

Issued share capital

At February 28, 2021, the Company had 27,813,216 (August 31, 2020 – 19,164,856) common shares issued and outstanding.

During the six months ended February 28, 2021

- The Company completed a non-brokered private placement for an aggregate of 4,078,333 non-flow-through shares at a price of \$0.25 per non-flow-through share for aggregate gross proceeds of \$1,019,583.
- The Company completed a non-brokered private placement for an aggregate of 1,174,999 flow-through shares at a price of \$0.30 per flow through share for aggregate gross proceeds of \$352,500.
- The Company issued 2,423,180 common shares with fair value of \$605,795 to Altius on the Execution Date.
- The Company issued 500,000 common shares with fair value of \$125,000 for the White River Property.
- The Company issued 471,848 common shares with a value of \$117,962 to settle certain balances owed to related parties.

As of the date of this MDA, the Company had:

- 27,813,216 common shares issued and outstanding; and

Churchill Diamond Corporation

Management's Discussion and Analysis

For the Six Months Ended February 28, 2021 and 2020

- 1,800,000 stock options with an exercise price of \$0.25

SUBSEQUENT EVENTS

N/A

RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. Key management includes executive officers and directors.

- The Company paid \$12,910 in wages (February 29, 2020 – \$2,625) and \$9,000 (February 29, 2020 – \$6,000) in rent to a consulting firm of which the Company's Chief Executive Officer is a partner. As at February 28, 2021, \$22,304 (August 31, 2020 – \$119,111) was owed to companies controlled by the Chief Executive Officer.
- The Company incurred accounting and administrative fees of \$33,100 (November 30, 2019 – \$ 6,939) with an accounting firm of which the Company's Chief Financial Officer is a partner, included in professional fees. As at February 28, 2021, \$18,178 (August 31, 2020 – \$17,500) was owed to this partnership.
- During the six months ended February 28, 2021, the Company repaid the non-interest-bearing promissory note with an amount of \$47,908 issued to the Company's Chief Executive Officer in full.
- During the six months ended February 28, 2021, the Company issued 471,848 common shares with a value of \$117,962 to settle certain balances owed to related parties.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

The preparation of our financial statements requires management to use judgment and make estimates and assumptions that affect the reported amounts assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amount of expenses during the period. Actual results could materially differ from these estimates. Refer to note 2 of our annual audited financial statements for the year ended August 31, 2020 for a more detailed discussion of the critical accounting estimates and judgments.

ADOPTION OF NEW AND AMENDED IFRS PRONOUNCEMENTS

There were no new or amended IFRS pronouncements effective January 1, 2020 that impacted the Company's unaudited condensed interim financial statements for the six months ended February 28, 2021.

FINANCIAL INSTRUMENTS

In the normal course of business, the Company is inherently exposed to certain financial risks, including market risk, credit risk and liquidity risk, through the use of financial instruments. The timeframe and manner in which the Company manages these risks varies based upon management's assessment of the risk and available alternatives for mitigating risk. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. All transactions undertaken are to support the Company's operations. These financial risks and the Company's exposure to these risks are provided in various tables in note 11 and note 12 of our unaudited condensed

Churchill Diamond Corporation**Management's Discussion and Analysis****For the Six Months Ended February 28, 2021 and 2020**

interim financial statements for the six months ended February 28, 2021 and audited financial statements for the year ended August 30, 2020, respectively. For a discussion on the significant assumptions made in determining the fair value of financial instruments, refer also to note 2 of the financial statements for the year ended August 30, 2020.

RISKS AND UNCERTAINTIES

To the date of this MD&A, except for the possible impact from COVID-19 mentioned above, there have been no significant changes to the risk factors set out in the Company's annual management discussion and analysis for the year ended August 31, 2020.

SCHEDULE “D”

**PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS
OF THE RESULTING ISSUER**

Churchill Resources Inc.
(formerly known as 9 Capital Corp.)

Pro forma Consolidated Financial Statements

**(Unaudited - Prepared by Management of Churchill Resources Inc.)
MARCH 31, 2021**

(Expressed in Canadian dollars)

CHURCHILL RESOURCES INC. (FORMERLY KNOWN AS 9 CAPITAL CORP.)
PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT MARCH 31, 2021
(EXPRESSED IN CANADIAN DOLLARS)

	Churchill Resources Inc. March 31 2021 As at \$	Churchill Diamond Corporation February 28 2021 \$	Pro forma adjustments Note(s) \$		Pro forma Churchill Resources Inc. (Consolidated) \$
ASSETS					
Current assets					
Cash and cash equivalents	493,987	580,414	(100,000)	(d)	974,401
Accounts receivable	-	40,708	-		40,708
Deposits	-	10,000	-		10,000
Prepaid expenses	750	281,849	-		282,599
	494,737	912,971	(100,000)		1,307,708
Non-current assets					
Plant and equipment	-	35,762	-		35,762
Mineral property	-	1,860,287	-		1,860,287
	-	1,896,049	-		1,896,049
TOTAL ASSETS	494,737	2,809,020	(100,000)		3,203,757
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	30,468	138,849	-		169,317
Flow through shares premium liability	-	43,000	-		43,000
Current portion of lease obligations	-	14,910	-		14,910
	30,468	196,759	-		227,227
Long term liabilities					
Lease obligations	-	22,007	-		22,007
TOTAL LIABILITIES	30,468	218,766	-		249,234
EQUITY					
Share capital	651,262	4,768,718	(651,262) 1,753,015	(a) (d)	6,521,733
Contributed surplus	19,800	-	(19,800)	(b)	-
Stock options reserve	89,600	323,373	(89,600) 64,973	(b) (d)	388,346
Accumulated deficit	(296,393)	(2,501,837)	296,393 (1,453,719)	(c) (c), (d)	(3,955,556)
TOTAL EQUITY	464,269	2,590,254	(100,000)		2,954,523
TOTAL EQUITY AND LIABILITIES	494,737	2,809,020	(100,000)		3,203,757

CHURCHILL RESOURCES INC. (FORMERLY KNOWN AS 9 CAPITAL CORP.)
NOTES TO THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
AS AT MARCH 31, 2021
(EXPRESSED IN CANADIAN DOLLARS)

1. DESCRIPTION OF BUSINESS

The accompanying unaudited pro forma condensed consolidated financial statements of Churchill Resources Inc. (formerly known as 9 Capital Corp.) ("9 Capital" or the "Company") have been prepared to give effect to a transaction between 9 Capital and Churchill Diamond Corporation ("Churchill").

9 Capital was incorporated pursuant to the provisions of the Business Corporations Act of Ontario on April 4, 2017. The Company intends to carry on business as a "Capital Pool Corporation" ("CPC"), as such term is defined in TSX Venture Exchange Inc. (the "Exchange") Policy 2.4 Capital Pool Companies ("Policy 2.4"). On September 26, 2018, the Company started trading on the TSXV under the symbol "NCPL.P". Under Policy 2.4, the Company must identify and complete a Qualifying Transaction within 24 months from the date the Company's shares are listed for trading on the Exchange. On September 28, 2020 trading of the common shares of the Company was halted and the Exchange suspended the trading of the Shares as a result of the Company not completing a Qualifying Transaction within 24 months of its date of listing. The Company continues to seek a Qualifying Transaction in accordance with the policies of the Exchange.

Churchill is a Canadian exploration stage mining company which is focused on the exploration of minerals and precious gems in Canada's Nunavut Territory and Ontario. The Company is in the process of exploring its resource properties and has not yet determined whether these interests contain mineral reserves that are economically recoverable.

2. SIGNIFICANT ACCOUNTING POLICIES

These unaudited pro forma consolidated financial statements have been compiled using the significant accounting policies as set out in the audited consolidated financial statements of Churchill as of August 31, 2020. Management has determined that no material pro forma adjustments are necessary to conform the Company's accounting policies to the accounting policies used by Churchill in the preparation of its audited financial statements.

3. BASIS OF PRESENTATION

The unaudited pro forma consolidated financial statements of 9 Capital have been prepared by management of 9 Capital for inclusion in the information circular in connection with the proposed transaction described in Note 4, as of March 31, 2021.

The pro forma consolidated financial statements of 9 Capital have been compiled from the following financial statements:

- The unaudited financial statements of 9 Capital as at and for the three months ended March 31, 2021; and
- The unaudited financial statements of Churchill as at and for the six months ended February 28, 2021.

These unaudited pro forma consolidated financial statements are not necessarily indicative of the Company's financial position on closing of the proposed transaction. In preparing these unaudited pro forma consolidated financial statements, no adjustments have been made to reflect additional costs or savings that could result from the transaction described in Note 4. Actual amounts recorded upon approval of the transaction will likely differ from those recorded in the unaudited pro forma consolidated financial statements.

CHURCHILL RESOURCES INC. (FORMERLY KNOWN AS 9 CAPITAL CORP.)
NOTES TO THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
AS AT MARCH 31, 2021
(EXPRESSED IN CANADIAN DOLLARS)

3. BASIS OF PRESENTATION (CONTINUED)

The accompanying unaudited pro forma consolidated financial statements of the Company have been prepared by management from information derived from the financial statements, which were prepared in accordance with International Financial Reporting Standards ("IFRS"), of the Company and Churchill to show effect of the proposed transaction as discussed in Note 4.

The unaudited pro forma consolidated financial statements should be read in conjunction with the following:

- The unaudited financial statements of 9 Capital as at and for the three months ended March 31, 2021;
- The audited financial statements of 9 Capital as at and for the year ended December 31, 2020;
- The unaudited financial statements of Churchill as at and for the six months ended February 28, 2021; and
- The financial statements of Churchill as at and for the year ended August 31, 2020.

4. PROPOSED TRANSACTION

On December 23, 2020, Churchill entered into a binding agreement with 9 Capital and intends the Acquisition to constitute its Qualifying Transaction (the "Qualifying Transaction") under the policies of the TSX Venture Exchange, to effect a business combination of Churchill and 9 Capital (the "Proposed Business Combination"). The Proposed Business Combination will be a reverse takeover ("RTO") of 9 Capital by the Company and its shareholders.

On or immediately prior to the completion of the Business Combination, it is anticipated that:

- a) 9 Capital will effect a name change to such name as may be determined by Churchill; and
- b) 9 Capital will implement the share consolidation of 1 post-consolidation common share ("9 Capital New Share") for 1.7 pre-consolidation common shares.

Pursuant to the Proposed Business Combination:

- a) the Churchill's shareholders will receive one 9 Capital New Share for each Churchill's common share they held at the date of completion (the "Exchange Ratio").
- b) all existing securities convertible into Churchill's common shares will be exchanged, based on the Exchange Ratio, for similar securities to purchase 9 Capital New Shares on substantially similar terms and conditions.

5. ACCOUNTING FOR RTO

9 Capital does not meet the definition of a business nor does this transaction meet the definition of a business combination under IFRS 3. The acquisition of Churchill by 9 Capital constitutes a reverse asset acquisition where purchase of 9 Capital's net assets is considered an equity-settled share-based payment under IFRS 2 (Share-based Payment) by Churchill. Accordingly, as a result of the transaction, the pro forma financial statements have been adjusted for the elimination of 9 Capital's equity balances.

Refer to Note 6(d) for pro forma RTO adjustment and calculation of listing expense.

The pro forma adjustments and allocations of the estimated consideration transferred are based in part on estimates of the fair value of assets to be acquired and liabilities to be assumed. The final determination of the consideration transferred and the related allocation of the fair value of the Company's net assets to be acquired pursuant to the Proposed Business Combination will ultimately be determined after the closing of the transactions.

CHURCHILL RESOURCES INC. (FORMERLY KNOWN AS 9 CAPITAL CORP.)
NOTES TO THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
AS AT MARCH 31, 2021
(EXPRESSED IN CANADIAN DOLLARS)

6. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

- a) A reduction in share capital of \$651,262 to eliminate 9 Capital's historical share capital.
- b) A reduction of \$19,800 in contributed surplus and \$89,600 in reserves to eliminate 9 Capital's historical equity balances.
- c) An adjustment of \$296,393 to eliminate 9 Capital's historical deficit.
- d) Based on 9 Capital's financial statements for the year ended on December 31, 2020, Churchill will be acquiring net assets with the estimated fair market value as follows:

	\$
Consideration transferred	
7,012,059 shares a fair value of \$0.25 per share	1,753,015
701,205 options (1)	64,973
Transaction costs	100,000
	1,917,988
Cash	493,987
Prepaid expenses	750
Accounts payable and accrued liabilities	(30,468)
Listing expenses	1,453,719
	1,917,988

(1) Valued using the Black-Scholes Option Pricing Model using volatility of 100%, strike price of \$0.17, risk free rate of 0.23%, expected life of 90 days and dividend yield of 0%.

7. PRO FORMA SHARE CAPITAL

Shares in the unaudited pro forma consolidated financial statements are comprised of the following:

	Note	Number of shares	Share capital (\$)
9 Capital's common shares outstanding - February 28, 2021 post 1 for 1.7 consolidation of 9 Capital's shares		7,012,059	651,262
Reverse takeover adjustment - 9 Capital's common shares	6(a)	-	(651,262)
Common shares issued to Churchill's shareholders		27,813,216	4,768,718
Consideration transferred to shareholders of 9 Capital	6(d)	-	1,753,015
Pro forma consolidated share capital		34,825,275	6,521,733