



IC CAPITALIGHT CORP.

Consolidated Financial Statements

For the years ended December 31, 2020 and 2019

Expressed in Canadian Dollars

Independent Auditor's Report

To the Shareholders of IC Capitalight Corp. (formerly International Corona Capital Corp.):

Opinion

We have audited the consolidated financial statements of IC Capitalight Corp. (formerly International Corona Capital Corp.) and its subsidiary (the "Company"), which comprise of the consolidated statement of financial position, consolidated statements of operations and comprehensive loss, cash flows and changes in shareholders' (deficit) equity for the years ended December 31, 2020 and December 31, 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2020 and December 31, 2019 and its consolidated financial performance and its consolidated 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 Consolidated 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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended December 31, 2020 and, as of that date, had an accumulated deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Other Information

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

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

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the 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 Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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 Blair Michael Mabee.

MNP LLP

Mississauga, Ontario

April 30, 2021

Chartered Professional Accountants

Licensed Public Accountants

IC Capitalight Corp.
Consolidated Statements of Financial Position
Expressed in CAD Dollars

	December 31, 2020	December 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 76,176	\$ 645,775
Accounts receivable (note 3)	13,389	22,271
Amounts receivable (note 15)	42,525	34,687
Debenture interest receivable (note 4)	48,731	25,463
Prepaid expenses	22,630	16,624
Total current assets	203,451	744,820
Prepaid investment deposit (note 4)	-	506,250
Investments (note 4)	1,842,253	807,874
Intangible asset (note 5)	50,400	63,000
Goodwill (note 5)	189,000	189,000
Exploration and evaluation assets (note 6)	2	2
Total Assets	\$ 2,285,106	\$ 2,310,946
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities (note 15)	453,181	448,819
Deferred flow-through premium (note 13)	21,500	21,500
Deferred revenue (note 7)	134,692	98,248
Deferred obligation (note 8)	300,000	-
Total current liabilities	909,373	568,567
Long-term debt (note 14)	40,000	-
Total Liabilities	949,373	568,567
Shareholders' Equity		
Share capital (note 9)	8,216,854	8,145,552
Contributed surplus	746,885	613,208
Accumulated deficit	(7,628,006)	(7,016,381)
Total Shareholders' Equity	1,335,733	1,742,379
Total Liabilities and Shareholders' Equity	\$ 2,285,106	\$ 2,310,946

The accompanying notes are integral to these consolidated financial statements.

Nature of Operations of Going Concern (note 1)
Commitments (note 13)
Subsequent events (note 19)

IC Capitalight Corp.
Consolidated Statements of Operations and Comprehensive Loss
Expressed in CAD Dollars

	The year ended on December 31, 2020	The year ended on December 31, 2019
Revenues	\$ 296,537	\$ 81,330
Operating expenses		
Management fees (note 15)	258,441	80,000
Research payroll and benefits	256,983	59,788
Research consultants and services	120,278	35,469
Exploration and evaluation expenses (note 6)	105,685	35,479
Professional and legal fees (notes 12 and 15)	87,642	231,523
Public filing fees	26,708	56,441
Telecommunications	9,422	5,481
Travel expenses	10,899	10,560
Rent	19,200	3,247
Bad debts (note 3)	7,731	1,212
IT systems	16,586	-
General and administrative expenses	12,493	9,758
Insurance expenses	8,375	4,200
Bank fees	2,278	1,027
Amortization of brand value (note 5)	12,600	-
Impairment (note 5)	-	421,347
Interest (income) expense	250	(166)
Share-based compensation (notes 11 and 15)	121,714	-
Accretion of deferred obligation (note 8)	20,697	-
Foreign exchange (gain) loss	10,920	573
Total operating expenses	1,108,902	955,939
Loss before other income	(812,365)	(874,609)
Coupon income from debentures (note 4)	177,079	25,463
Unrealized gain on investments (note 4)	23,661	-
Net loss and comprehensive loss for the year	\$ (611,625)	\$ (849,146)
Weighted-average common shares (basic and diluted)	85,621,224	35,003,707
Net loss per common shares (basic and diluted)	\$ (0.01)	\$ (0.02)

The accompanying notes are integral to these consolidated financial statements.

IC Capitalight Corp.
Consolidated Statements of Cash Flows
Expressed in CAD Dollars

	For the year ended December 31, 2020	For the year ended December 31, 2019
Cash flows from operating activities		
Net (loss) income for the year	\$ (611,625)	\$ (849,146)
Add (deduct) items not affecting cash:		
Change in value of deferred obligation	20,697	-
Amortization of brand value	12,600	-
Share-based compensation	121,714	-
Share-based payments	38,630	-
Unrealized gain on investment	(23,661)	-
Impairment	-	421,347
Change in non-cash working capital balances:		
(Increase) decrease in accounts and amounts receivable	(22,224)	(50,210)
(Increase) decrease in prepaid expenses	(6,006)	28,826
Increase (decrease) in accounts payable and accrued liabilities	4,363	208,882
Increase (decrease) in deferred revenue	36,444	1,255
Net cash from operating activities	(429,068)	(239,046)
Cash flows from investing activities		
Cash acquired from Capitalight Research acquisition	-	25,637
Acquisition of debenture units	(225,166)	-
Net cash from investing activities	(225,166)	25,637
Cash flows from financing activities		
Proceeds from long-term debt	40,000	-
Proceeds from issuance of common shares	44,636	814,000
Net cash from financing activities	84,636	814,000
(Decrease) increase in cash and cash equivalents	(569,599)	600,591
Cash and cash equivalents - beginning of year	645,775	45,184
Cash and cash equivalents - end of year	\$ 76,176	\$ 645,775

The accompanying notes are integral to these consolidated financial statements.

IC Capitalight Corp.
Consolidated Statements of Changes in Shareholders' (Deficit) Equity
Expressed in CAD Dollars

	Shares Outstanding	Share Capital	Contributed Surplus	Accumulated Deficit	Total Equity
Balance – December 31, 2018	34,252,230	5,626,779	613,208	(6,167,235)	72,752
Private placement of common shares (note 8)	13,208,333	814,000	-	-	814,000
Fair value of flow-through premium (note 8, 12)	-	(21,500)	-	-	(21,500)
Acquisition of Murenbeeld & Co. Inc. (note 5)	6,666,667	400,000	-	-	400,000
Reclassification of share capital for escrow (note 5)	-	(127,851)	-	-	(127,851)
Acquisition of Stone Debentures (note 4)	28,227,500	1,693,650	-	-	1,693,650
Reclassification of share capital for escrow (note 4)	-	(379,526)	-	-	(379,526)
Shares issued for settlement of debt (note 8)	2,333,333	140,000	-	-	140,000
Net loss for the year	-	-	-	(849,146)	(849,146)
Balance – December 31, 2019	84,688,063	8,145,552	613,208	(7,016,381)	1,742,379
Shares issued for settlement of debt (note 9)	892,707	44,636	-	-	44,636
Shares issued for joint venture acquisition (notes 6 and 9)	666,666	26,667	-	-	26,667
Warrants issued for joint venture acquisition (notes 6 and 10)	-	-	11,963	-	11,963
Share based compensation	-	-	121,714	-	121,714
Net loss for the year	-	-	-	(611,625)	(611,625)
Balance – December 31, 2020	86,247,436	\$ 8,216,854	\$ 746,885	\$ (7,628,006)	\$ 1,335,733

The accompanying notes are integral to these consolidated financial statements.

1. Nature of Operations and Going Concern

IC Capitalight Corp. (the “Company”) is incorporated under the British Columbia Business Corporations Act and has a fiscal year-end of December 31. The Company’s registered office is at 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC, V6C 3E8.

On October 2, 2019, the Company completed a change of business transaction whereby the Company changed its name from International Corona Capital Corp. to IC Capitalight Corp., acquired all of the issued and outstanding shares of Capitalight Research Inc. (“Capitalight Research”) and certain fixed income debentures of Stone Investment Group Limited (“Stone Debentures”). Prior to the change of business, the Company was focused only on the exploration and development of mineral projects.

The Company operates as a merchant bank that pursues value-based investment opportunities in accordance with its internal investment policies. The Company provides shareholders with long-term capital growth by investing in a portfolio of companies, securities and mineral properties. The securities portfolio consists primarily of Stone Debentures, which are generating positive cash flow on a quarterly basis. The Company’s portfolio consists of Capitalight Research Inc. (“Capitalight Research”), a wholly owned subsidiary, that operates a proprietary subscription research business that publishes reports focused on the gold and silver sectors, Canadian preferred shares, bonds and economics. Capitalight Research generates recurring revenues and is expected to generate positive operating cash flows as it achieves profitability. The mineral exploration portfolio consists of the Blue Lake Cu-Ni-Pt-Pd and the Ashuanipi Gold projects, which are at an early stage of exploration.

The Company does not pay dividends and is unlikely to do so in the immediate or foreseeable future.

These consolidated financial statements were approved by the Board of Directors on April 30, 2021.

Corporate Structure

IC Capitalight Corp. owns 100% of Capitalight Research Inc., an Ontario company, which was acquired on October 2, 2019 and was formerly known as “Murenbeeld & Co Inc.”.

Going Concern Assumption

The accompanying consolidated financial statements have been prepared on the basis of a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business.

As of December 31, 2020, the Company had an accumulated deficit of \$7,628,006 (December 31, 2019: \$7,016,381) and incurred a net loss and comprehensive loss of \$611,625 during the year ended December 31, 2020 (2019: \$849,146). As such, conditions exist that may cast significant doubt regarding the Company's ability to continue as a going concern. In assessing whether the going concern assumption is appropriate, management considers all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company's ability to continue operations is dependent on management's ability to manage its working capital and secure additional financing. Although management has been successful at securing additional financing in the past, there can be no assurance it will be able to do so in the future. These conditions may cast significant doubt about the Company’s ability to continue as a going concern. These consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore need to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements. These adjustments could be material.

COVID-19

As of December 31, 2020, the outbreak of the novel strain of coronavirus and its variants, specifically identified as “COVID-19”, has continued to result 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 remains 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 conditions of the Company in future periods. COVID-19 has not had a material impact on the operations of the Company. During the year ended December 31, 2020, the Company received the Canada Emergency Business Account loan in the amount of \$40,000 (note 14).

2. Significant Accounting Policies

Statement of compliance with IFRS

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Accounting Standards (“IAS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the IFRS Interpretations Committee (“IFRIC”). The accounting policies adopted are consistent with those of the previous financial year.

The accounting policies applied in the preparation of the consolidated financial statements for the year ended December 31, 2020 are set out below.

Basis of measurement

These consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies below.

Basis of consolidation

These consolidated financial statements include the financial position, results of operation and cash flows of the Company and Capitalight Research, its wholly owned subsidiary. Intercompany balances, transactions, income and expenses, profits and losses, including gains and losses relating to the subsidiary have been eliminated on consolidation.

Significant accounting estimates, judgments and assumptions

To prepare consolidated financial statements in conformity with IFRS, the Company must make estimates, judgements and assumptions concerning the future that affect the carrying values of assets and liabilities as of the date of the financial statements and the reported values of revenues and expenses during the reporting period. By their nature, these are uncertain and actual outcomes could differ from the estimates, judgments and assumptions.

The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods when the revision affects both current and future periods. Significant accounting judgments, estimates and assumptions are reviewed on an ongoing basis.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could have an effect on the amounts recognized in the consolidated financial statements relate to the following:

Going concern: The preparation of the consolidated financial statements requires management to make judgments and estimates regarding the ability to continue as a going concern.

Impairment: The preparation of the consolidated financial statements requires management to make judgments and estimates regarding cash flows and discount rates regarding the impairment of the fair value of financial assets carried at amortized costs and goodwill and intangible assets.

Fair value of private investments (level 3): The preparation of the consolidated financial statements requires management to make judgments regarding the fair value of the private company investments held by the Company. Where the fair values of investments cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, management’s judgment is required to establish fair values.

Deferred 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 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 deferred tax provisions or recoveries could be affected.

2. Significant Accounting Policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when the obligation under the liability is extinguished, discharged, cancelled or expired. Gains and losses on derecognition of financial assets and financial liabilities are recognized within financing income and financing expense, respectively.

Management determines the classification of financial assets and financial liabilities at initial recognition and, except in very limited circumstances, the classification is not changed subsequent to initial recognition. The classification depends on the purpose for which the financial instruments were acquired, their characteristics and/or management's intent. Transaction costs with respect to instruments not classified as fair value through profit or loss are recognized as an adjustment to the cost of the underlying instruments and amortized using the effective interest method.

The Company's financial instruments were classified in the following categories:

Financial assets measured at fair value through profit or loss (FVTPL):

An instrument is classified as fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. A financial asset is classified as fair value through profit or loss if acquired principally for the purpose of selling in the short term or if so, designated by management. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments.

Financial instruments included in this category are initially recognized at fair value and transaction costs are taken directly to earnings along with gains and losses arising from changes in fair value. All changes in their fair value are recorded through profit or loss.

The following financial assets are measured at fair value through profit or loss:

- Cash and cash equivalents
- Investments

Financial assets measured at amortized cost:

Financial assets measured at amortized cost are initially recognized at fair value net of transaction costs and are subsequently measured at amortized cost. Interest revenue on advances and loans receivable are recognized using the effective interest method.

The following financial assets are measured at amortized cost:

- Accounts receivable
- Amounts receivable (excluding HST)

Impairment of financial assets measured at amortized costs:

At each reporting date, the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired if there is objective evidence that the estimated future cash flows of the financial asset or the group of financial assets have been negatively impacted. Evidence of impairment may include indications that debtors are experiencing financial difficulty, default or delinquency in interest or principal payments, or other observable data which indicates that there is a measurable decrease in the estimated future cash flows.

If an impairment loss has occurred, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account, and the loss is recognized in financing expense. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of financing

income. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If an impairment is later recovered, the recovery is credited to financing income.

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets. Credit losses are defined as the difference between all the contractual cash flows that are due to an entity and the cash flows that it expects to receive. This difference is discounted at the original effective interest rate (or credit adjusted effective interest rate for purchased or originated credit-impaired financial assets). Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions, and forecasts of future economic conditions. In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk, whereby '12-month expected credit losses' are recognized ('Stage 1')
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low, whereby 'lifetime expected credit losses' are recognized ('Stage 2')
- financial assets that have objective evidence of impairment at the reporting date, whereby the asset is written off as there is no reasonable expectation of recovering all or any portion thereof ('Stage 3')

The Company applied the simplified approach in accounting for accounts receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The Company uses its historical experience, external indicators and forward-looking information to calculate the lifetime expected credit losses using a provision matrix.

For financial assets assessed as impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses.

Loss allowances for expected credit losses are presented in the consolidated statement of financial position as a deduction from the gross carrying amount of the financial asset.

Financial liabilities measured at amortized cost:

Financial liabilities are initially recognized at fair value net of transaction costs and are subsequently measured at amortized cost using the effective interest method except for derivatives and financial liabilities designated as FVTPL.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within accretion of deferred obligation, finance costs or finance income.

The following financial liabilities are measured at amortized cost:

- Accounts payable and accrued liabilities
- Deferred obligation
- Long-term debt

Financial liabilities measured at fair value through profit or loss:

Financial liabilities designated as FVTPL are initially recognized at fair value and transaction costs are taken directly to earnings along with gains and losses arising from changes in fair value. Derivative instruments, including embedded derivatives, are recorded at fair value unless exempted from derivative treatment as normal purchase and sale. All changes in their fair value are recorded through profit or loss.

Fair Value

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

Both the binomial and Black Scholes valuation techniques are permitted under IFRS for fair value calculations.

2. Significant Accounting Policies (continued)

Business combination

A business combination is a transaction or event in which an acquirer obtains control of one or more businesses. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest), or generating other income from ordinary activities.

A business combination is accounted for using the acquisition method. The acquisition method has four steps: identifying the acquirer; determining the acquisition date; recognizing and measuring at fair value on the acquisition date the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree; and, recognizing and measuring goodwill or a gain from a bargain purchase. Goodwill is recognized as the aggregate consideration transferred less the acquisition value of net assets acquired. Identifiable intangible assets acquired in a business combination are recognized separately from goodwill. Deferred tax assets and liabilities are also recognized and measured. Acquisition related costs are expensed as incurred, except those incurred to issue debt or equity securities.

Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

Intangible assets

Brand names acquired in a business combination that qualify for separate recognition are recognised as intangible assets at their fair values. All finite-lived intangible assets, including capitalised internally developed software, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date and are subject to impairment testing. When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, which is recognised in profit or loss within other income or other expenses.

Impairment of goodwill, other intangible assets and non-current assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset or cash-generating unit recoverable amount exceeds its carrying amount.

Private company investments

All privately held investments (including options, warrants and conversion features) are initially recorded at the transaction price, being the fair value at the time of acquisition. At the end of each reporting period, the fair value of an investment may (depending upon the circumstances) be adjusted using one or more of the valuation indicators described below. These are included in Level 3 of the fair value hierarchy (see Note 4).

The determination of fair value of the Company's privately held investments at other than initial cost, is subject to certain limitations. Financial information for private companies in which the Company has investments, may not be available and, even if available, that information may be limited and/or unreliable.

2. Significant Accounting Policies (continued)

Use of the valuation approach described below may involve uncertainties and determinations based on management's judgment and any value estimated from these techniques may not be realized or realizable.

Company-specific information is considered when determining whether the fair value of a privately held investment should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, the Company will also consider trends in general market conditions and the share performance of comparable publicly traded companies when valuing privately held investments.

The fair value of a privately held investment may be adjusted if:

- i. There has been a significant subsequent equity financing provided by outside investors at a valuation different than the current value of the investee company, in which case the fair value of the investment is set to the value at which that financing took place;
- ii. There have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a material impact on the investee company's prospects and therefore its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be realized or realizable;
- iii. The investee company is placed into receivership or bankruptcy;
- iv. Based on financial information received from the investee company, it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern;
- v. Release by the investee company of positive/negative operational results; and
- vi. Important positive/negative management changes by the investee company that the Company's management believes will have a very positive/negative impact on the investee company's ability to achieve its objectives and build value for shareholders.

Adjustments to the fair value of a privately held investment will be based upon management's judgment and any value estimated may not be realized or realizable. The resulting values for non-publicly traded investments may differ from values that would be realized if a ready market existed.

In addition, the amounts at which the Company's privately held investments could be currently disposed of may differ from the carrying value assigned.

Revenue Recognition

The following describes principal activities of Capitalight Research from which the Company generates revenue.

Subscription Revenue

Capitalight Research generates revenue from providing subscription services to proprietary research. Performance obligations are satisfied upon delivery of the weekly and monthly publications which are distributed through email.

Revenue is recognized over the useful life of the subscription, or the time frame which the customers have access to the publications. This provides a faithful depiction of the transfer of goods and services to the client as the subscription directly relates to these performance obligations. There have been no changes to the revenue recognition policy since Murenbeeld's incorporation.

Consideration is typically due from receipt of the invoice. The transaction price is determined by the type of customer as well as a fair price to pay for the subscription services to be rendered. This is determined through management's judgment as well as negotiations with customers.

Paid-for Research Revenue

Capitalight Research generates revenue from providing custom paid-for proprietary research. Performance obligations are satisfied upon delivery of the custom research report to the client. Revenue is recognized upon delivery to the client.

Consideration is typically due from receipt of the invoice. The transaction price is determined by the type of customer as well as a fair price to pay for the subscription services to be rendered. This is determined through management's judgment as well as negotiations with customers.

2. Significant Accounting Policies (continued)

Deferred Revenue

Deferred revenue consists of the remaining performance obligations relating to subscription or paid-for research revenues.

Share Capital

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

Flow-through shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resources property exploration expenditures. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Foreign Currency Translation

The functional and reporting currency is the Canadian dollar for the Company and its subsidiary. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the consolidated statements of operations and comprehensive loss.

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 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 offset 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 basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income 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 tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

2. Significant Accounting Policies (continued)

Estimates

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all “in the money” stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive.

Comprehensive Loss

Comprehensive loss is the change in the Company’s net assets that results from transactions, events and circumstances from sources other than the Company’s shareholders and includes items that are not included in the consolidated statements of operations and comprehensive loss.

Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as share-based payments expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in the share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in the share-based payment reserve is credited to share capital, adjusted for any consideration paid.

Exploration and Evaluation Assets

The Company records its interests in mineral properties and areas of geological interest at cost. All direct and indirect costs related to the acquisition of these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold or management has determined there to be impairment in value. The amounts shown for exploration and evaluation assets represent costs, net of impairment write-offs.

Mineral Exploration and Development Costs

Exploration costs are charged to operations as incurred.

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3. Accounts Receivable

	December 31, 2020	December 31, 2019
Current	\$ 6,395	\$ 13,517
1 - 30 days past due	4,833	6,700
30 – 60 days past due	-	2,620
60 – 90 days past due	2,782	-
> 90 days past due	-	-
	14,009	22,837
Lifetime expected credit losses	(620)	(566)
Ending balance	13,389	22,271

All categories of receivables are required to have a provision, even when they are not past due. The following is the provision matrix used to determine the lifetime expected credit losses:

	Current	1-30 days	31-60 days	61-90 days	>90 days
Default rate	1%	3%	9%	15%	20%

The following is the movement in lifetime expected credit losses:

	Movement in Lifetime Credit Losses
Balance - December 31, 2018	\$ -
Loss allowance on Capitalight Research acquisition date	3,768
Loss allowance remeasurement	(3,202)
Balance - December 31, 2019	566
Loss allowance remeasurement	54
Balance - December 31, 2020	\$ 620

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4. Investments

As of December 31, 2020, the investment portfolio consisted of 2,599 debentures units, consisting of 2,599 debentures and 1,559,400 warrants, and 112,810 common shares issued by Stone Investment Group Limited (“Stone”), a private company that operates a 25-year-old mutual fund business with \$550 million of assets under management (“AUM”).

Stone initially issued 12,000 senior secured debenture units on December 28, 2006 due on December 28, 2011 earning 9% interest per annum paid in cash on a quarterly basis and additional deferred interest of 0.25% per annum per \$35 million of AUM that will be paid in cash at maturity. Each debenture unit consists of a debenture with a \$1,000 face value and 600 common share purchase warrants. The holders subsequently voted to modify the interest rate, additional deferred interest terms and extend the maturity until December 28, 2016. The holders subsequently voted to extend maturity until December 28, 2021. The debentures currently pay 7.5% interest per annum, payable in cash on a quarterly basis, and have been earning additional interest since December 31, 2007, which is estimated at approximately 27% of the principal is payable in cash at maturity. The warrants are exercisable at a price of 0.68 per common share until maturity of the debentures and are subject to a minimum company repurchase obligation of \$0.05 per warrant at maturity of the debentures on December 28, 2021.

The Company believes that Stone intends to propose another extension of the debenture maturity to the debenture holders. Further amendments to the debenture indenture agreement require approval by 66.66% of the holders. If 33.33% of the holders vote against further proposed amendments, the debenture maturity cannot be extended and will mature on December 28, 2021. As of December 31, 2020, the Company held 21.7% of the total outstanding Stone debentures and intends to make further purchases.

As of December 31, 2020, the 2,599 debentures had a total face value of \$2,599,000 and a carrying value of \$1,786,555 for a yield to maturity of 31.2% excluding additional interest. As of December 31, 2020, the 1,559,000 warrants had a total repurchase value of \$77,970 and a carrying value of \$55,698 for a yield to maturity of 28.6%. As of December 31, 2020, the 112,810 common shares had a carrying value of \$nil.

The Company’s investments portfolio consisted of the following securities as of December 31, 2020:

Investments	Cost	Level 1	Level 2	Level 3	Total Fair Value
	\$	\$	\$	\$	\$
Debentures	1,762,894	-	-	1,786,555	1,786,555
Warrants	-	-	-	55,698	55,698
Common shares	-	-	-	-	-
Total investments	1,762,894	-	-	1,842,253	1,842,253

The Company’s investments portfolio consisted of the following securities as of December 31, 2019:

Investments	Cost	Level 1	Level 2	Level 3	Total Fair Value
	\$	\$	\$	\$	\$
Debentures	807,874	-	-	807,874	807,874
Warrants	-	-	-	-	-
Common shares	-	-	-	-	-
Total investments	807,874	-	-	807,874	807,874

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4. Investments (continued)

Level 3 fair value hierarchy

The following table presents the changes in fair value measurements classified at Level 3 of the fair value hierarchy. The financial instruments are measured at fair value utilizing non-observable market inputs. The net realized gains (loss) on disposals of investments and the net change in unrealized gains (loss) on investments are recognized in the consolidated statements of operations and comprehensive loss.

Year Ending	Opening Balance	Purchases / Loans	Transfers / Conversions	Net Proceeds	Realized Gains	Unrealized Gains	Ending Balance
	\$	\$	\$	\$	\$	\$	\$
December 31, 2019	-	807,874	-	-	-	-	807,874
December 31, 2020	807,874	1,010,718	-	-	-	23,661	1,842,253

Within Level 3, the Company included private company investments and other investment instruments such as debentures and warrants which are not quoted on a recognized securities exchange. The key assumptions used in the valuation of these instruments include, but are not limited to, the value at which a recent financing was done by the investee, company-specific information, trends in general market conditions and the share performance of comparable publicly traded companies.

The following table presents the valuation techniques and the nature of significant inputs used to determine the fair values of the Level 3 investments as of December 31, 2020:

Investments	Total Fair Value	Description of Method	Unobservable Inputs	Range of inputs and impact
	\$			
Debentures	1,786,555	Internal model based on discounted value of expected cash flows, expected yield and credit ratings	Discount rate and credit rating	+/- 5% change in discount rate would result in an increase of \$81,402 and a decrease of \$79,787
Warrants	55,698	Internal model based on discounted value of expected cash flows and expected yield	Discount rate	+/- 5% change in discount rate would result in an increase of \$4,505 and a decrease of \$4,016
Common shares	-	Recent transaction price	Market price	\$nil
Total	1,842,253			

Within Level 3 of the fair value hierarchy, for those investments valued based on recent transactions, management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as of December 31, 2020.

The sensitivity analysis is intended to reflect the uncertainty inherent in the valuation of these investments under current market conditions, and its results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the fair value of these investments. Furthermore, the analysis does not indicate a probability of such changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of these investments.

Debenture Interest Income

During the year ended December 31, 2020, the Company recognized debenture interest income of \$177,079 (2019: \$25,463) and as of December 31, 2020 had a debenture interest receivable balance of \$48,731 (2019: 25,463).

5. Goodwill and Intangible Assets

On October 2, 2019, the Company recognized goodwill upon acquisition of Capitalight Research, which was determined using a value-in-use valuation model and is primarily related to personnel and future growth. None of the goodwill arising from the acquisition is deductible for tax purposes. Goodwill is tested for impairment immediately on the acquisition date and an impairment of goodwill of \$421,347 was recorded in the consolidated statement of operations and comprehensive (loss) income for the year ended December 31, 2019.

	Goodwill Balance
Balance - December 31, 2018	\$ -
Recognition	610,347
Impairment	(421,347)
Balance - December 31, 2019	189,000
Impairment	-
Balance - December 31, 2020	\$ 189,000

The key assumptions used in the value-in-use valuation model are those related to discount rates and revenue growth rates. The values of these assumptions reflect past experience. The after tax weighted average cost of capital was determined to be 17% (pre-tax of 23%) and is based on a risk-free rate, an equity premium adjusted for betas of comparable publicly traded companies, an unsystematic risk premium, an after-tax cost of debt based on the capital structure of publicly traded companies. The value-in-use valuation model used revenue growth rates of 5% to 20%, with a long-term growth rate of 1.9%.

On October 2, 2019, the Company recognized an intangible asset upon the acquisition of Capitalight Research and for the brand value of *Murenbeeld*, which is associated with Capitalight Research's flagship research publication. The brand value was determined using a 6% relief from royalty valuation mode and will be amortized over a period of five years.

	Brand Value Balance
Balance - December 31, 2018	\$ -
Recognition	63,000
Amortization	-
Balance - December 31, 2019	63,000
Amortization	(12,600)
Balance - December 31, 2020	\$ 50,400

6. Exploration and Evaluation Assets

	Blue Lake (Retty Lake)	Schefferville Ashuanipi	Total
Balance, December 31, 2019	\$ 1	\$ 1	\$ 2
Balance, December 31, 2020	\$ 1	\$ 1	\$ 2

Blue Lake Property (Cu-Ni-Pt-Pd)

On June 30, 2008, the Company entered into an option agreement to earn a 100% interest in the Blue Lake (formerly known as the Retty Lake Property) copper-nickel-PGM exploration property, which is located northeast of Schefferville, Quebec.

On February 12, 2013, the Company completed the earn-in by issuing 1,800,000 common shares and by incurring exploration expenditures on the property totaling \$1,855,000. This included a 2,377-line km VTEM and a 1,767-line km ProspecTEM airborne survey, which showed anomalous EM responses in the region of the historic Blue Lake mineral deposit (this historic deposit is hosted on claims not held by the Company). In 2014, the Company staked the Blue Lake South property, which is southeast of the historic Blue Lake mineral deposit. The Blue Lake South claims were staked after obtaining VTEM airborne and Pt-Pd sampling data from Anglo American Exploration (Canada).

The Blue Lake Property claims are subject to a 3% net smelter return royalty (“NSR”) from the sale of mineral products from the Blue Lake Property following the commencement of commercial production less allowable deductions. The NSR is subject to a buy-back right of the Company to repurchase the NSR for \$3,000,000 and in the event the holder intends to sell all or part of the NSR, the Company has the right to require the holder to sell all or part of the NSR to the Company (the “NSR ROFR”) on the terms and conditions set out in a notice which will be open for acceptance by the Company for a period of 30 days from receipt of the notice.

During the year ended December 31, 2017, the Company elected to write-down the carried value of the property to \$1 and most of the Blue Lake South claims were allowed to lapse.

On July 21, 2020, the Company announced it staked 194 high priority claims in the Blue Lake South area and renamed all of the claims as the Blue Lake Property.

As of December 31, 2020, the Blue Lake Property consisted of 263 claims covering 12,724 hectares. The Company now controls a 35km long by 3 to 5km wide group of contiguous claims on one of the most under explored and prospective Pt-Pd-Cu-Ni belts in Canada. Based on a review of all of the survey data, the Company has identified more 30 anomalous EM targets for follow-up. The Company will announce its plans for the property once they are finalized.

Schefferville Ashuanipi Gold Property (Au)

On June 15, 2011, the Company acquired a 55% interest in the Schefferville Ashuanipi Gold Property, which is located southwest of Schefferville, Quebec, by completing \$800,000 in exploration work, making cash payments totaling \$60,000 and issuing 300,000 common shares to Western Troy Capital Resources Inc (“Western Troy”) to complete the earn-in. Upon completing the earn-in, the Company and Western Troy Capital Resources Inc formed a joint venture. As of December 31, 2016, the Company had increased its interest in the joint venture to 64% by incurring an additional \$375,973 in exploration expenditures. During the year ended December 31, 2017, the Company elected to write-down the carried value of the property to \$1 and certain claims were allowed to lapse.

On November 3, 2020, the Company announced it had acquired an undivided 100% interest in the Schefferville Ashuanipi Gold Property mineral claims by acquiring the remaining 36% of the joint venture. To complete the acquisition, the Company paid Western Troy a consideration of \$25,000 plus 666,666 common shares and 333,333 common share purchase warrants exercisable at \$0.075 per warrant for a period of two years. The common shares were valued at \$26,667 based on a market price of \$0.04 on November 2, 2020 and the warrants were valued using the Black-Scholes valuation model at \$11,963 based on a risk-free rate of 1.66% and a volatility of 250%. The total acquisition cost of \$63,630 was expensed as part of exploration and evaluation expenses.

The Schefferville Ashuanipi property currently consists of 48 claims covering 2,359 hectares. The Company will announce its plans for the property once they are finalized.

Exploration and evaluation expenditures

During the year ended December 31, 2020, the Company incurred property acquisition expenses of \$63,630 (2019: \$Nil), mineral claim management fees of \$38,683 (2019: \$16,741) and mineral exploration consulting fees of \$3,372 (2019: \$18,738).

7. Deferred Revenue

The balance of deferred revenue as of December 31, 2020 is expected to be recognized into income over the next fiscal year.

	Deferred Revenue Balance
Balance as of December 31, 2018	\$ -
Acquired Capitalight Research deferred revenues	96,992
Deferred revenue recognized into revenue where performance obligations have been completed	(29,381)
Additions to deferred revenue where performance obligations have not been completed	30,637
Balance as of December 31, 2019	\$ 98,248
Deferred revenue recognized into revenue where performance obligations have been completed	(98,248)
Additions to deferred revenue where performance obligations have not been completed	134,692
Balance as of December 31, 2020	\$ 134,692

8. Deferred Obligations

On March 30, 2020, pursuant to a debenture purchase agreement with an arm's length third-party, the Company completed the acquisition for investment purposes of 750 debenture units issued by Stone Investment Group Limited, which was recognized on the consolidated statements of financial position as an investment at the fair market value of the consideration. The consideration includes a deferred payment to the vendor of \$330,000 due upon maturity of the debentures on December 28, 2021, which was recognized as a deferred obligation.

The deferred obligation is measured at amortized cost and the initial fair value was calculated as the present value of the obligation based on a discount rate of 10%.

	Deferred Obligation Balance
Balance as of December 31, 2019	\$ -
Recognition of deferred obligation	279,303
Accretion of deferred obligation	20,697
Balance as of December 31, 2020	\$ 300,000

9. Share Capital

The Company's common shares have no par value and the authorized share capital is composed of an unlimited number of common shares. As of December 31, 2020, the Company had 86,247,436 common shares issued and outstanding (December 31, 2019: 84,688,063). As of December 31, 2020, there were 19,624,001 common shares held in escrow (2019: 29,436,001) pursuant to the change of business transaction describe below.

Shares issued during the year ended December 31, 2020

On January 28, 2020, the Company announced the completion of a shares for debt settlement whereby the Company settled total indebtedness of \$44,636 by issuing 892,707 common shares resulting in no gains or loss on the settlement. This was completed pursuant to certain employment agreements that contain provisions for the issuance of shares as part of the annual compensation of the employees.

On November 3, 2020, the Company announced it had acquired undivided 100% interest in the Schefferville Ashuanipi Gold Property mineral claims by acquiring the remaining 36% of the joint venture. To complete the acquisition, the Company paid Western Troy a consideration of \$25,000 plus 666,666 common shares and 333,333 common share purchase warrants exercisable at \$0.075 per warrant for a period of two years. The common shares were valued at \$26,667 based on a market price of \$0.04 on November 2, 2020.

Shares issued during the year ended December 31, 2019

On October 2, 2019, the Company completed the change of business transaction ("COB"), which was approved at the annual general meeting of shareholders, whereby the company changed its name from International Corona Capital Corp. to IC Capitalight Corp., acquired all the issued and outstanding shares of Murenbeeld and certain fixed income debentures of Stone Debentures.

On October 2, 2019, the Company completed a 2:1 share consolidation resulting in the consolidation of all the 68,504,460 (pre-consolidation) common shares outstanding into 34,252,230 (post-consolidation) common shares. All references to the number of common shares have been adjusted retrospectively to reflect the 2:1 share consolidation for all periods disclosed in these consolidated financial statements.

On October 2, 2019, the Company closed a non-brokered private placement offering of 12,133,333 common shares at a price of \$0.06 and 1,075,000 flow-through common shares at a price of \$0.08 per share for aggregate gross proceeds of \$814,000. There were no finder's fees in relation to the private placement. The flow through premium associated with this financing was \$21,500.

Pursuant to a debenture purchase agreement with Bluespring, a company owned and controlled by Brian Bosse, a director and officer of the Company, the Company acquired the sole issued and outstanding common share in the capital of Capitalight Research by issuing 6,666,667 common shares at a price of \$0.06 per Share less discount for escrow period for a fair value of \$272,149.

Pursuant to the purchase agreement, the Company entered into an employment agreement with a key employee of Murenbeeld. As part of the agreement, the Company settled amounts owed to that employee by issuing 1,416,667 common shares at \$0.06 per share with a fair value of \$85,000. The Company also settled amounts owed to Bluespring for consulting services by issuing 916,666 common shares at \$0.06 per share with a fair value of \$55,000. No gain or loss was recognized on the settlement of debt as the fair value of common shares issued was equal to the carrying value of the liabilities.

Pursuant to a debenture purchase agreement with Bluespring, a company owned and controlled by Brian Bosse, a director and officer of the Company, the Company completed the acquisition of 1,347 debentures units with a face value of \$1,347,000 by issuing 19,790,000 common shares with a fair value of \$807,874. The Company entered into a debenture purchase agreement with an arm's length third-party to acquire 750 debenture units with a face value of \$750,000, the Company issued 8,437,500 common shares at \$0.06 per share which has closed subsequent to December 31, 2019.

As a result of the COB events, the Company had 84,688,063 common shares outstanding as of December 31, 2019.

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10. Warrants

The Black-Scholes option valuation model is used by the Company to determine the fair value of common share purchase warrants based on the market price, the exercise price, compound risk free interest rate, annualized volatility and number of periods until expiration. Each warrant entitles the holder to purchase one common share of the Company at the respective exercise price prior to or on the respective expiration date.

As of December 31, 2020, the Company had 333,333 common share purchase warrants issued and outstanding (December 31, 2019: nil) with a weighted average expiration of 1.84 years (December 31, 2019: nil years) which are exercisable into 333,333 common shares (December 31, 2019: nil common shares) at a weighted average exercise price of \$0.075 (December 31, 2019: \$0.00).

Continuity Schedule

The following is a schedule of the outstanding common share purchase warrants for the year ended December 31, 2020:

Issued Date	Expiration Date	Exercise Price	Balance on December 31, 2019	Issued (Expired)	Exercised	Balance on December 31, 2020
November 3, 2020	November 3, 2022	\$ 0.075	-	333,333	-	333,333
Totals			-	333,333	-	333,333

The following is a continuity schedule of the Company's outstanding common stock purchase options:

	Weighted-Average Exercise Price	Number of Warrants
Outstanding as of December 31, 2019	\$ -	-
Issued	0.075	333,333
Exercised	-	-
Expired	-	-
Outstanding as of December 31, 2020	\$ 0.075	333,333

Warrants issued during the year ended December 31, 2020

On November 3, 2020, the Company announced it had acquired undivided 100% interest in the Schefferville Ashuanipi Gold Property mineral claims by acquiring the remaining 36% of the joint venture. To complete the acquisition, Capitalight paid Western Troy a consideration of \$25,000 plus 666,666 common shares and 333,333 common share purchase warrants exercisable at \$0.075 per warrant for a period of two years. The warrants were valued at \$11,963 using the Black-Scholes valuation model based on a risk-free rate of 1.66%, expected term of 2 years and a volatility of 250%.

11. Stock Options

The Company's stock option plan is restricted to a maximum of 10% of the issued and outstanding common shares. Under the stock option plan, the Company may grant stock options to directors, officers, employees and consultants. The Board of Directors administers the plan and determines the vesting and terms of each grant.

The Black-Scholes option valuation model is used by the Company to determine the fair value of stock option grants based on the market price, the exercise price, compound risk free interest rate, annualized volatility and number of periods until expiration. Each stock option entitles the holder to purchase one common share of the Company at the respective exercise price prior to or on the respective expiration date.

As of December 31, 2020, the Company had 2,700,000 stock options issued and outstanding (December 31, 2019: Nil) with a weighted average expiration of 4.07 years (December 31, 2019: Nil years) which are exercisable into 2,700,000 common shares (December 31, 2019: Nil common shares) at a weighted average exercise price of \$0.05 (December 31, 2019: \$0.00). All stock options that are currently outstanding vested on their grant date.

Continuity Schedule

The following is a schedule of the outstanding stock options for the year ended December 31, 2020:

Grant Date	Expiration Date	Exercise Price	Balance on December 31, 2019	Granted (Expired) (Cancelled)	Exercised	Balance on December 31, 2020
January 24, 2020	January 24, 2025	\$ 0.05	-	2,700,000	-	2,700,000
Totals			-	2,700,000	-	2,700,000

The following is a continuity schedule of the Company's outstanding common stock purchase options:

	Weighted-Average Exercise Price	Number of Stock Options
Outstanding as of December 31, 2018	\$ 0.060	300,000
Granted	-	-
Exercised	-	-
Expired/cancelled	(0.060)	(300,000)
Outstanding as of December 31, 2019	\$ -	-
Granted	0.050	2,700,000
Exercised	-	-
Expired/cancelled	-	-
Outstanding as of December 31, 2020	\$ 0.050	2,700,000

Options granted during the year ended December 31, 2020

On January 24, 2020, the Company announced that 2,700,000 incentive stock options have been granted to directors, officers and employees pursuant to the Company's stock option plan. The options have an exercise price of \$0.05 per share and are exercisable for a period of five years unless terminated pursuant to the terms of the stock option plan. The options were valued at \$121,714 using the Black-Scholes valuation model based on a risk-free rate of 1.66%, expected term of 5 years and a volatility of 146%.

12. Professional Fees

	The year ended on December 31, 2020	The year ended on December 31, 2019
Audit Fees	\$ 35,125	\$ 58,600
Tax advisory fees	4,500	-
Legal fees	24,918	162,884
Accounting fees	23,099	10,039
Total professional fees	\$ 87,642	\$ 231,523

13. Commitments

Flow-Through Expenditure Commitments

The Company completed a flow-through (“F/T”) share financing that involved a commitment to incur Canadian exploration expenditures (“CEEs”) prior to the end of specific calendar years and to renounce the CEE tax deductions to the subscribers. Flow-through shares and exploration expenditures qualifying as CEEs are defined in the Income Tax Act of Canada.

To help alleviate issues relating to COVID-19, the Department of Finance Canada announced a proposal in July 2020 that it would extend the timelines for incurring eligible expenses applicable to Issuers of flow-through shares renounced using the look-back rule in 2019 and 2020 by twelve months. The Company did not incur any flow-through eligible expenditures in 2020 and 2019.

The following tables sets out the flow-through expenditure commitments as of December 31, 2020:

Series	2019 F/T Series
Financing date	October 2, 2019
Renunciation date under look-back rule	December 31, 2019
Commitment deadline	December 31, 2021
Commitment amount	\$ 86,000
Less: F/T eligible expenditures incurred in 2019	-
Less: F/T eligible expenditures incurred in 2020	-
Estimated F/T expenditures remaining	\$ 86,000

14. Long-Term Debt

The Company's subsidiary Capitalight Research Inc. has a Canada Emergency Business Account (CEBA), which is not subject to an interest rate until after December 31, 2022 and has loan forgiveness provisions whereby 25% of the loan principal will be forgiven if 75% of the loan principal is repaid prior to December 31, 2022.

15. Related Party Transactions and Balances

Parties are related if one party has the direct or indirect ability to control or exercise significant influence over the other party in making operating and financial decisions. Parties are also related if they are subject to common control or common significant influence. A transaction is considered to be a related party transaction when there is a transfer of economic resources or financial obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the fair value.

Balances and transactions between the Company and its wholly owned subsidiary, which is a related party of the Company, have been eliminated and are not disclosed in this note.

Other related parties include companies controlled by key management personnel. Key management personnel are composed of the Board of Directors, Chief Executive Officer and Chief Financial Officer of the Company.

The following key management personnel related party transactions occurred during the year ended December 31, 2020 and 2019:

	The year ended on December 31, 2020	The year ended on December 31, 2019
Management consulting fees	258,441	80,000
Professional and legal fees	23,099	10,000
Share-based compensation	99,174	-
Total	\$ 380,714	\$ 90,000

The following key management related party balances existed as of December 31, 2020 and December 31, 2019:

	As of December 31, 2020	As of December 31, 2019
Accounts payable due to companies controlled by key management	\$ 147,069	\$ 47,270
Accrued liabilities due to companies controlled by key management	\$ 47,419	\$ -
Amounts receivable from companies controlled by key management	\$ 14,500	\$ -

16. Financial Instruments and Risks

The following disclosures are to enable users of the consolidated financial statements to evaluate the nature and extent of risks arising from financial instruments at the end of the reporting period:

Credit risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of accounts receivables. The Company mitigates its credit risk on receivables through a review of the counterparties in which they do business.

The Company has credit risk arising from the potential from counterparty default on cash and cash equivalents, debentures, accounts receivable and amounts receivable, excluding HST. The Company manages this risk by ensuring that deposits are only held with large Canadian banks and financial institutions. The Company manages this risk by reviewing the credit worthiness of material new customers, monitors customer payment performance and, where appropriate, reviews the financial condition of existing customers.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. Liquidity risk arises from the Company's financial obligations and in the management of its assets, liabilities and capital structure. The Company manages this risk by regularly evaluating its liquid financial resources to fund current and long-term obligations and to meet its capital commitments in a cost-effective manner.

The main factors that affect liquidity include working capital requirements, capital-expenditure requirements and equity capital market conditions. The Company's liquidity requirements are met through a variety of sources, including cash and cash equivalents and equity capital markets.

As of December 31, 2020, the Company had a cash and cash equivalents balance of \$76,176 (December 31, 2019: \$645,775) to settle current liabilities of \$909,373 (December 31, 2019: \$568,567). Based on management's assessment of its past ability to obtain required funding, the Company believes that it will be able to satisfy its current and long-term obligations as they come due.

Market risks

Market risk is the potential for financial loss from adverse changes in underlying market factors, including foreign exchange rates, commodity prices and interest rates.

- Interest rate risk is the sensitivity of the fair value or of the future cash flows of a financial instrument to changes in interest rates. The Company does not have any financial assets or liabilities that are subject to variable interest rates.
- Commodity price risk is the sensitivity of the fair value of, or of the future cash flows, from mineral assets. The Company manages this risk by monitoring mineral prices and commodity price trends to determine the appropriate timing for funding the exploration or development of its mineral assets, or for the acquisition or disposition of mineral assets. The Company does not have any mineral assets at the development or production stage carried at historical cost. The Company has expensed the acquisition and exploration costs of its exploration stage mineral assets.
- Currency risk is the sensitivity of amounts denominated in foreign currencies. The Company enters into certain transactions with customers and suppliers denominated in U.S. dollars for which the related revenues, expenses, cash, accounts receivable and accounts payable balances are subject to exchange rate fluctuations. As of December 31, 2020, and December 31, 2019, the following items are denominated in U.S. dollars (expressed in CAD in the table below):

	December 31, 2020	December 31, 2019
Cash and cash equivalents	\$ 15,107	\$ 19,572
Accounts receivable	40	2,318
Accounts payable and accrued liabilities	(13,057)	(10,394)
Net foreign exchange exposure	\$ 2,090	\$ 11,496
Impact of 10% change in foreign exchange rates	\$ 209	\$ 1,150

17. Capital Management

There were no changes in the Company's approach to capital management during the year ended December 31, 2020.

In managing liquidity, the Company's primary objective is to ensure the entity can continue as a going concern while raising additional funding to meet its obligations as they come due. The Company's operations to date have been funded by issuing equity. The Company expects to improve the working capital position by securing additional financing.

The Company's investment policy is to provide shareholders with long-term capital growth by investing in a portfolio of undervalued companies, assets, or equity investment vehicles in the subscription research, recurring revenue, mineral exploration and asset management sectors of the North American market, but may also include investments in certain other sectors, including technology, transportation, and restructuring. Financial instruments are exposed to certain financial risks, which may include currency risk, credit risk, liquidity risk and interest rate risk.

The Company's investments are not currently profitable, as such the Company remains dependent on external financing to fund its operations and administrative costs. Management mitigates the risk and uncertainty associated with raising additional capital in current economic conditions through cost control measures that minimizes discretionary disbursements and reduces exploration expenditures that are deemed of limited strategic value.

The Company manages the capital structure (consisting of shareholders' equity) on an ongoing basis and adjusts in response to changes in economic conditions and risks characteristics of its underlying assets. Adjustments to the Company's capital structure may involve the issuance of new shares, assumption of new debt, acquisition or disposition of assets, or adjustments to the amounts held in cash, cash equivalents and short-term investments.

The Company is not subject to any externally imposed capital requirements other than the flow-through spending commitment (note 13).

Working capital balance

As of December 31, 2020, the Company had a working capital deficiency of \$705,922 (December 31, 2019: surplus of \$176,253).

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18. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	December 31, 2020	December 31, 2019
Net Loss (Income)	\$ (611,625)	\$ (849,146)
Canadian statutory income tax rate	27%	27%
Income tax payable (recovery) at statutory rate	(165,140)	(229,269)
Tax rate changes and other adjustments	1,080	4,350
Non-deductible expenses	48,730	113,940
Acquisition of Stone Debentures	-	(51,240)
Acquisition of Murenbeeld	-	(43,250)
Change in tax benefits not recognized	115,330	205,469
Income tax provision	\$ -	\$ -
	December 31, 2020	December 31, 2019
<i>Deferred tax asset</i>		
Operating tax losses carried forward	\$ 13,360	\$ 16,700
<i>Deferred tax liability</i>		
Brand value	(13,360)	(16,700)
Net deferred tax liability	\$ -	\$ -

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

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18. Income Taxes (continued)

Unrecognized deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the difference between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	December 31, 2020	December 31, 2019
<i>Deferred tax assets</i>		
Operating tax losses carried forward	\$2,764,350	\$2,334,600
Marketable Securities	355,870	379,526
Resource pools - Mineral Properties	1,229,620	1,105,190
Property and equipment	1,500	1,810
CEBA Loan	10,000	-
Net deferred tax liability	\$ 4,361,340	\$ 3,821,126

The operating tax losses carried forward expire as noted in the table below. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

The Company has operating tax losses carried forward that expire as follows:

	Total
2030	\$ 22,630
2031	450,410
2032	407,960
2033	-
2034	297,260
2035	190,510
2036	186,030
2037	287,860
2038	94,070
2039	500,920
2040	326,700
Total	\$ 2,764,350

19. Subsequent Events

On February 15, 2021, the Company announced:

- The completion of a shares for debt settlement whereby the Company settled total indebtedness of \$299,661 by issuing 3,402,479 common shares and 1,207,692 restricted share units (“RSUs”). This was completed pursuant to certain employment agreements that contain provisions for the issuance of shares as part of the annual compensation of the employees. The RSUs will automatically vest on February 28, 2021. Vested RSUs will be convertible into common shares for no additional consideration and will expire on December 31, 2023.
- The Company granted of 600,000 RSUs pursuant to the hiring of a new sales consultant for Capitalight Research. The RSUs will vest on December 31, 2021 provided that certain gross sales milestones relating to the subscription research division have been achieved between January 1, 2021 to December 31, 2021. Vested RSUs will be convertible into common shares for no additional consideration and will expire on December 31, 2023.
- The Company granted 1,500,000 stock options to officers, directors and employees. All the Options vested immediately and have an exercise price of \$0.065 per Share and are exercisable for a period of five years.

On February 16, 2021, the Company announced the sale of its Schefferville Ashuanipi Gold Project and related exploration data to Ethos Gold Corp. The Company received \$50,000 upon signing and received 2,000,000 shares of Ethos. Upon closing the Company will receive another \$50,000 in cash and a 2.0% net smelter royalty (“NSR”), which can be reduced to 1.0% for a further payment of \$1.0 million in cash. The fair value of the Ethos shares based on the closing market price of \$0.18 immediately prior to announcing the transaction was \$360,000. Ethos has also committed to spending \$500,000 over three years on the claims with any shortfall resulting in an additional cash payment to the Company of \$100,000 prorated based on any shortfall in the spending commitment. If the commitment is fully satisfied, then no additional payment will be owed. The final closing is expected to occur in May 2021 upon obtaining confirmation of the transfer of the mineral claims from the Quebec government.