



IC CAPITALLIGHT CORP.

Unaudited Condensed Interim Consolidated Financial Statements

For the three-months ended March 31, 2021, and 2020

Expressed in Canadian Dollars

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

	March 31, 2021	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 83,829	\$ 76,176
Accounts receivable (note 3)	3,344	13,389
Amounts receivable (note 15)	99,580	42,525
Debenture interest receivable (note 4)	48,064	48,731
Prepaid expenses	20,530	22,630
Total current assets	255,347	203,451
Prepaid investment deposit (note 4)	-	-
Investments (note 4)	2,381,192	1,842,253
Intangible asset (note 5)	47,250	50,400
Goodwill (note 5)	189,000	189,000
Exploration and evaluation assets (note 6)	1	2
Total Assets	\$ 2,872,790	\$ 2,285,106
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities (note 15)	165,727	453,181
Deferred flow-through premium (note 14)	21,500	21,500
Deferred revenue (note 7)	113,602	134,692
Deferred obligation (note 8)	307,234	300,000
Total current liabilities	608,063	909,373
Long-term debt (note 9)	40,000	40,000
Total Liabilities	648,063	949,373
Shareholders' Equity		
Share capital (note 10)	8,521,390	8,216,854
Contributed surplus	842,455	746,885
Accumulated deficit	(7,139,118)	(7,628,006)
Total Shareholders' Equity	2,224,727	1,335,733
Total Liabilities and Shareholders' Equity	\$ 2,872,790	\$ 2,285,106

The accompanying notes are integral to these condensed interim consolidated financial statements.

Nature of Operations of Going Concern (note 1)

Commitments (note 14)

Subsequent events (note 18)

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

	The three months ended on March 31, 2021	The three months ended on March 31, 2020
Revenues	\$ 107,533	\$ 85,397
Operating expenses		
Management fees (note 15)	59,100	53,860
Research payroll and benefits	65,285	66,974
Research consultants and services	25,117	34,493
Exploration and evaluation expenses (note 6)	561	3,182
Professional and legal fees (notes 13 and 15)	14,850	3,567
Public filing fees	6,298	6,359
Telecommunications	3,015	1,694
Travel expenses	107	9,415
Rent	5,100	4,800
Bad debts (note 3)	10,607	2,011
IT systems	422	-
General and administrative expenses	2,229	7,884
Insurance expenses	2,100	2,100
Bank fees	671	507
Amortization of brand value (note 5)	3,150	3,150
Impairment (note 5)	-	-
Interest (income) expense	40	46
Share-based compensation (options) (notes 12 and 15)	95,570	-
Share-based compensation (RSUs) (notes 12)	4,875	-
Accretion of deferred obligation (note 8)	7,234	-
Foreign exchange (gain) loss	(417)	1,635
Total operating expenses	305,914	201,677
Loss before other (loss) income	(198,381)	(116,280)
Coupon income from debentures (note 4)	48,330	39,641
Realized gain on sale of mineral property (note 6)	459,999	-
Unrealized gain on investments (note 4)	178,940	-
Net gain (loss) and comprehensive gain (loss) for the period	\$ 488,888	\$ (76,639)
Weighted-average common shares (basic and diluted)	88,099,897	85,312,958
Net loss per common shares (basic and diluted)	\$ 0.01	\$ (0.00)

The accompanying notes are integral to these condensed interim consolidated financial statements.

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

	The three months ended on March 31, 2021	The three months ended on March 31, 2020
Cash flows from operating activities		
Net (loss) income for the period	\$ 488,888	\$ (76,639)
Add (deduct) items not affecting cash:		
Change in value of deferred obligation	7,234	-
Amortization of brand value	3,150	3,150
Share-based compensation (options)	95,570	-
Share-based compensation (RSUs)	83,375	-
Share-based payments received for disposition	(360,000)	-
Share-based payments completed for acquisition	-	-
Unrealized gain on investment	(178,940)	-
Change in non-cash working capital balances:		
(Increase) decrease in accounts and amounts receivable	(46,343)	(3,367)
(Increase) decrease in prepaid expenses	2,100	2,003
Increase (decrease) in accounts payable and accrued liabilities	(287,453)	(219,072)
Increase (decrease) in deferred revenue	(21,090)	(39,756)
Net cash from operating activities	(213,509)	(333,681)
Cash flows from investing activities		
Acquisition of debenture units	-	-
Disposition of mineral property	1	-
Net cash from investing activities	1	-
Cash flows from financing activities		
Proceeds from short term debt	-	-
Proceeds from issuance of common shares	221,161	44,636
Net cash from financing activities	221,161	44,636
(Decrease) increase in cash and cash equivalents	7,653	(289,045)
Cash and cash equivalents - beginning of period	76,176	645,775
Cash and cash equivalents - end of period	\$ 83,829	\$ 356,730

The accompanying notes are integral to these condensed interim consolidated financial statements.

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

	Shares Outstanding	Share Capital	Contributed Surplus	Accumulated Deficit	Total Equity
Balance as of December 31, 2019	84,688,063	8,145,552	613,208	(7,016,381)	1,742,379
Shares issued for settlement of debt (note 8)	892,707	44,636	-	-	44,636
Net gain (loss) for the period	-	-	-	(76,639)	(76,639)
Balance as of March 31, 2020	85,580,770	\$ 8,190,188	\$ 613,208	\$ (7,093,020)	\$ 1,710,376
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 gain (loss) for the period	-	-	-	(534,986)	(534,986)
Balance as of December 31, 2020	86,247,436	8,216,854	746,885	(7,628,006)	1,335,733
Shares issued for settlement of debt (note 9)	3,402,479	221,161	-	-	221,161
Share based compensation (stock options)	-	-	95,570	-	95,570
Share based compensation (RSUs)	-	-	83,375	-	83,375
Net gain (loss) for the period	-	-	-	488,888	488,888
Balance as of March 31, 2021	89,649,915	\$ 8,438,015	\$ 925,830	\$ (7,139,118)	\$ 2,224,727

The accompanying notes are integral to these condensed interim 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 100% of Capitalight Research Inc. (“Capitalight Research”) and a portfolio of fixed income debentures of Stone Investment Group Limited (“Stone Debentures”). Prior to the change of business transaction, 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 property near Schefferville, Quebec.

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 May 28, 2021.

Corporate Structure

The Company owns 100% of Capitalight Research Inc., which was acquired on October 2, 2019. Capitalight Research was incorporated on January 31, 2017, pursuant to the laws of the Province of Ontario under the name Murenbeeld & Co. Inc. and was renamed as Capitalight Research Inc. on December 28, 2020.

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 March 31, 2021, the Company had an accumulated deficit of \$7,139,118 (December 31, 2020: deficit of \$7,628,006) and although the Company incurred a net gain and comprehensive gain of \$488,888 during the three-months ended March 31, 2021 (2020: net loss and comprehensive loss of \$76,639) a significant factor was the one-time gain on the disposition of a mineral property. 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

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. As of March 31, 2021, the outbreak of the novel strain of coronavirus and its new variants have continued to spread and is expected to continue to negatively impact global public health systems, workforces, economies, and financial markets, all of which could potentially lead to further global economic downturns. As a result, governments worldwide have been enacting emergency measures to combat the spread of the virus including intermittent lockdowns.

The impact of COVID-19 on the Company has been limited since the Company does not have any active exploration programs and our management team was already setup to operate and communicate remotely through the internet, although certain of our directors, officers, employees’ consultants, and contractors have been indirectly impacted by intermittent lockdowns in Canada.

It is not possible for the Company to predict the duration or magnitude of adverse impacts from further outbreaks and predict the effects on the Company’s business or results of operations.

2. Significant Accounting Policies

Statement of compliance with IFRS

These condensed interim consolidated financial statements have been prepared in accordance and comply with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”) using accounting principles consistent with International Financial Reporting Standards (“IFRS”) 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 and the corresponding interim reporting period. Furthermore, the information on accounting standards effective in future periods and not yet adopted remains unchanged from that disclosed in the annual financial statements.

These condensed interim consolidated financial statements should be read in conjunction with the Company’s 2020 annual audited consolidated financial statements, including the accounting policies and notes thereto, which were prepared in accordance with IFRS.

These condensed consolidated interim financial statements follow the same accounting policies and methods of their application as the December 31, 2020 annual audited consolidated financial statements.

Basis of measurement

These condensed interim 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 condensed interim 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 condensed interim 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.

The areas involving significant judgments, estimates and assumptions have been detailed in Note 2 to the Company’s audited consolidated financial statements for the year ended December 31, 2020.

IC Capitalight Corp.
Notes to the Condensed Interim Consolidated Financial Statements
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3. Accounts Receivable

	March 31, 2021	December 31, 2020
Current	\$ 3,964	\$ 6,395
1 - 30 days past due	-	4,833
30 – 60 days past due	-	-
60 – 90 days past due	-	2,782
> 90 days past due	-	-
	3,964	14,009
Lifetime expected credit losses	(620)	(620)
Ending balance	\$ 3,344	\$ 13,389

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 as of December 31, 2019	\$ 566
Loss allowance remeasurement	54
Balance as of December 31, 2020	\$ 620
Loss allowance remeasurement	-
Balance as of March 31, 2021	\$ 620

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4. Investments

As of March 31, 2021, the investment portfolio consisted of:

- 2,599 debentures units, each debenture consists of a debenture with a \$1,000 face value and 600 common share purchase warrants issued by Stone Investment Group Limited (“Stone”)
- 112,810 common shares of Stone
- 2,000,000 common shares of Ethos Gold Corp. (“Ethos”)

Stone is a private wealth management 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. 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 and 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 33.35% or more of the holders vote against further proposed amendments, the debenture maturity cannot be extended and will mature on December 28, 2021. As of March 31, 2021, the Company held 21.7% of the total outstanding Stone debentures and intends to make further purchases.

As of March 31, 2021, the 2,599 debentures had a total face value of \$2,599,000 and a carrying value of \$1,965,494 for a yield to maturity of 24.4% excluding additional interest. As of March 31, 2021, 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 March 31, 2021, the 112,810 common shares had a carrying value of \$nil. As of March 31, 2021, the 2,000,000 common shares of Ethos had a fair market value of \$360,000 and a carrying value of \$360,000.

The Company’s investments portfolio consisted of the following securities as of March 31, 2021:

Investments	Cost	Level 1	Level 2	Level 3	Total Fair Value
	\$	\$	\$	\$	\$
Debentures	1,818,592	-	-	1,965,494	1,965,494
Warrants	-	-	-	55,698	55,698
Common shares	360,000	360,000	-	-	360,000
Total investments	2,178,592	360,000	-	2,021,192	2,381,192

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	1,818,592	-	-	1,786,555	1,786,555
Warrants	-	-	-	55,698	55,698
Common shares	-	-	-	-	-
Total investments	1,818,592	-	-	1,842,253	1,842,253

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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, 2020	807,874	1,010,718	-	-	-	23,661	1,842,253
March 31, 2021	1,842,253	-	-	-	-	178,939	2,021,192

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 March 31, 2021:

Investments	Total Fair Value	Description of Method	Unobservable Inputs	Range of inputs and impact
	\$			
Debentures	1,965,494	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 \$66,595 and a decrease of \$61,611
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 \$1,903 and a decrease of \$1,760
Common shares	-	Recent transaction price	Market price	\$nil
Total	2,021,192			

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 March 31, 2021.

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 three-months ended March 31, 2021, the Company recognized debenture interest income of \$48,330 (2020: \$39,641) and as of March 31, 2021, had a debenture interest receivable balance of \$48,064 (December 31, 2020: \$48,731).

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 subsequently at the end of each reporting period.

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%.

	Goodwill Balance
Balance as of December 31, 2019	\$ 189,000
Impairment	-
Balance as of December 31, 2020	\$ 189,000
Impairment	-
Balance as of March 31, 2021	\$ 189,000

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 as of December 31, 2019	\$ 63,000
Amortization	(12,600)
Balance as of December 31, 2020	\$ 50,400
Amortization	(3,150)
Balance as of March 31, 2021	\$ 47,250

6. Exploration and Evaluation Assets

	Blue Lake (Retty Lake)	Schefferville Ashuanipi	Total
Balance, December 31, 2019	\$ 1	\$ 1	\$ 2
Disposition of mineral property	-	(1)	(1)
Balance as of March 31, 2021	\$ 1	\$ -	\$ 1

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 March 31, 2021, the Blue Lake Property consisted of 263 claims covering 12,724 hectares. The Company 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 than 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.

On February 16, 2021, the Company announced the sale of its Schefferville Ashuanipi Gold Project and related exploration data to Ethos Gold Corp (“Ethos”). The Company received a total consideration of \$460,000 consisting of \$100,000 in cash, 2,000,000 shares of Ethos with a fair market value of \$360,000, 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. No carrying value has been recognized for the NSR. 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 to be prorated

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based on any shortfall in the spending commitment. If the commitment is fully satisfied, then no additional payment will be owed. The Company determined that performance conditions for the sale transaction were satisfied as of March 31, 2021, upon effecting the transfer of the mineral claims in the Quebec mineral claims database and the receipt of \$50,000 in cash and the 2,000,000 Ethos share certificates.

Exploration and evaluation expenditures

During the three-months ended March 31, 2021, the Company incurred mineral claim management and renewal fees of \$561 (2020: \$3,182).

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7. Deferred Revenue

Deferred revenues arise from the sale of annual subscriptions to the Company's research products. The balance of deferred revenue as of March 31, 2021, is expected to be recognized into income over the next twelve months.

	Deferred Revenue Balance
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
Deferred revenue recognized into revenue where performance obligations have been completed	(58,380)
Additions to deferred revenue where performance obligations have not been completed	37,290
Balance as of March 31, 2021	\$ 113,602

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 on March 30, 2020	279,303
Accretion of deferred obligation	20,697
Balance as of December 31, 2020	\$ 300,000
Accretion of deferred obligation	7,234
Balance as of March 31, 2021	\$ 307,234

9. 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. As of March 31, 2021, the Company had previously withdrawn CAD \$40,000 and intends to repay the loan principal prior to December 31, 2021.

10. 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 March 31, 2021, the Company had 89,649,915 common shares issued and outstanding (December 31, 2020: 86,247,436).

Shares issued during the three-months ended March 31, 2021

On February 15, 2021, the Company announced the completion of a shares for debt settlement whereby the Company settled total indebtedness of \$221,161 by issuing 3,402,479 common shares). 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.

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11. 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 March 31, 2021, the Company had 333,333 common share purchase warrants issued and outstanding (December 31, 2020: 333,333) with a weighted average expiration of 1.59 years (December 31, 2020: 1.84) which are exercisable into 333,333 common shares (December 31, 2020: 333,333) at a weighted average exercise price of \$0.075 (December 31, 2020: \$0.075).

Issued Date	Expiration Date	Exercise Price	Balance on December 31, 2020	Issued (Expired)	Exercised	Balance on March 31, 2021
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
Issued	-	-
Exercised	-	-
Expired	-	-
Outstanding as of March 31, 2021	\$ 0.075	333,333

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12. Long-term Incentive Plan

The Company's long term incentive plan (the "LTIP plan") is restricted to a maximum of 10% of the issued and outstanding common shares. Under the LTIP plan, the Company may grant securities-based incentives including stock options and restricted share units ("RSUs") to directors, officers, employees, and consultants. The Board of Directors administers the plan and determines the vesting and terms of each grant.

Stock Options

The Company determined the fair value of stock options using the Black-Scholes option valuation model, which has several inputs including the market price, the exercise price, compound risk free interest rate, annualized volatility and the number of periods until expiration. The fair value is expensed over the vesting period. Each stock option entitles the holder to purchase common shares of the Company at the respective exercise price prior to, or on, its expiration date.

As of March 31, 2021, the Company had 4,200,000 stock options issued and outstanding (December 31, 2020: 2,700,000) with a weighted average expiration of 4.2 years (December 31, 2020: 4.07 years) which are exercisable into 4,200,000 common shares (December 31, 2020: 2,700,000) at a weighted average exercise price of \$0.055 (December 31, 2020: \$0.05). All stock options that are outstanding vested on their grant date.

Grant Date	Vesting Date	Expiration Date	Exercise Price	Balance on December 31, 2020	Granted (Expired) (Cancelled)	Exercised	Balance on March 31, 2021
January 24, 2020	January 24, 2020	January 24, 2025	\$ 0.050	2,700,000	-	-	2,700,000
February 12, 2021	February 12, 2021	February 12, 2026	\$ 0.065	-	1,500,000	-	1,500,000
Totals				2,700,000	1,500,000	-	4,200,000

The following changes to the outstanding stock options occurred during the three-months ended March 31, 2021:

- a) On February 15, 2021, the Company granted 1,500,000 stock options exercisable at a price of \$0.065 for a period of five years. The options were valued at \$95,570 using the Black-Scholes pricing model based on a risk-free rate of 0.5%, a term of 5 years, volatility of 208% and a market price of \$0.065. These stock options vested on the grant date.

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

	Weighted-Average Exercise Price	Number of Stock Options
Outstanding as of December 31, 2019	\$ -	-
Granted	0.050	2,700,000
Exercised	-	-
Expired/cancelled	-	-
Outstanding as of December 31, 2020	\$ 0.05	2,700,000
Granted	0.065	1,500,000
Exercised	-	-
Expired/cancelled	-	-
Outstanding as of March 31, 2021	\$ 0.065	4,200,000

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Restricted share units (RSUs)

The fair value of RSUs is based on the grant-day intrinsic value of the shares that are expected to vest by the vesting date. Each RSU entitles the holder to receive common share of the company prior to, or on, its expiration date subject to achieving the performance criterion (“milestone”) prior to, or on, its vesting date. The fair value is expensed over the vesting period and is subject to remeasurement at the end of each reporting period based on the probability of achieving the milestone and adjustments for potential forfeitures.

As of March 31, 2021, the Company had 1,807,692 RSUs issued and outstanding (December 31, 2021: Nil) with a weighted average expiration of 2.75 years (December 31, 2020: nil) which entitle the holders to receive 1,807,692 common shares (December 31, 2020: nil) for no additional consideration subject to satisfying the vesting conditions.

Grant Date	Actual (Estimated) Vesting Date	Vesting Condition	Expiration Date	Balance on December 31, 2020	Granted (Expired) (Cancelled)	Converted	Balance on March 31, 2021
February 12, 2021	February 28, 2021	Employment	December 31, 2023	-	1,207,692	-	1,207,692
February 12, 2021	December 31, 2021	Gross sales targets	December 31, 2023	-	600,000	-	600,000
Totals				-	1,807,692	-	1,807,692

The following changes to the issued and outstanding RSUs occurred during the three months ended March 31, 2021:

- a) On February 15, 2021, the Company announced the completion of a shares for debt settlement whereby the Company settled total indebtedness of \$78,500 by granting 1,207,692 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 vested on February 28, 2021, are convertible into common shares for no additional consideration and will expire on December 31, 2023.
- b) On February 15, 2021, the Company granted 600,000 RSUs pursuant to the employment agreement 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 following is a continuity schedule of the Company's outstanding RSUs:

	Weighted-Average Exercise Price	Number of RSUs
Outstanding as of December 31, 2019	\$ -	-
Granted	-	-
Converted	-	-
Expired/cancelled	-	-
Outstanding as of December 31, 2020	\$ -	-
Granted	-	1,807,692
Converted	-	-
Expired/cancelled	-	-
Outstanding as of March 31, 2021	\$ -	1,807,692

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13. Professional Fees

	The three months ended on March 31, 2021	The three months ended on March 31, 2020
Audit Fees	\$ 9,450	\$ 7,950
Tax advisory fees	-	-
Legal fees	-	(11,178)
Accounting fees	5,400	6,795
Total professional fees	\$ 14,850	\$ 3,567

14. 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 March 31, 2021:

Series	2019 F/T Series
Financing date	October 2, 2019
Renunciation date under look-back rule	December 31, 2019
CEE commitment deadline	December 31, 2021
Original CEE expenditure commitment	\$ 86,000
Less: CEE eligible expenditures incurred in 2019	-
Less: CEE eligible expenditures incurred in 2020	-
CEE expenditure commitment remaining as of March 31, 2021	\$ 86,000
Original Deferred flow-through premium liability	\$ 21,500
Deferred flow-through premium liability as of March 31, 2021	\$ 21,500

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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. 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.

A transaction is considered 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.

The following key management related party transactions occurred during the following reporting periods:

	The three months ended on March 31, 2021	The three months ended on March 31, 2020
Management consulting fees	59,100	53,860
Professional and legal fees	5,400	6,795
Share-based compensation	57,342	-
Total	\$ 121,842	\$ 60,655

The following key management related party balances existed as of March 31, 2021, and December 31, 2020:

	As of March 31, 2021	As of December 31, 2020
Accounts payable due to companies controlled by key management	\$ 12,430	\$ 147,069
Accrued liabilities due to companies controlled by key management	\$ 37,500	\$ 47,419
Amounts receivable from companies controlled by key management	\$ 19,375	\$ 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 March 31, 2021, the Company had a cash and cash equivalents balance of \$83,829 (December 31, 2020: \$76,176) to settle current liabilities of \$608,063 (December 31, 2020: \$909,373). 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. The following items are denominated in U.S. dollars (expressed in CAD in the table below) as of March 31, 2021, and December 31, 2020:

	March 31, 2021	December 31, 2020
Cash and cash equivalents	\$ 1,461	\$ 15,107
Accounts receivable	-	40
Accounts payable and accrued liabilities	(9,920)	(13,057)
Net foreign exchange exposure	\$ (8,459)	\$ 2,090
Impact of 10% change in foreign exchange rates	\$ (846)	\$ 209

17. Capital Management

There were no changes in the Company's approach to capital management during the three-months ended March 31, 2021.

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 14).

Working capital balance

As of March 31, 2021, the Company had a working capital deficiency of \$352,716 (December 31, 2020: deficiency of \$705,922).

