INFINITUM COPPER MINING CORP.
(FORMERLY INFINITUM COPPER CORP.)

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

and

For the period from incorporation on April 21, 2020 to December 31, 2020

(Expressed in Canadian dollars, unless otherwise stated)

Management's Responsibility for Financial Reporting

The financial statements are the responsibility of the Board of Directors and management. The financial statements have been prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and include certain estimates that reflect management's best judgments on information currently available. In the opinion of management, the accounting practices utilized are appropriate in the circumstances and the financial statements fairly reflect the financial position, changes in equity, results of operations, and cash flow of the Company within reasonable limits of materiality.

The Audit Committee of the Board of Directors is composed of three Directors and meets with management and the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting matters prior to submitting the financial statements to the Board of Directors for approval.

The financial statements have been audited by DeVisser Gray LLP, Chartered Professional Accountants, who were appointed by the shareholders. The auditors' report outlines the scope of their examination and their opinion on the financial statements.

Stephen Robertson
President and CEO

Michael Wood
Chief Financial Officer

Vancouver, Canada
April 28, 2022

INFINITUM COPPER MINING CORP.
(FORMERLY INFINITUM COPPER CORP.)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Infinitum Copper Mining Corp. (formerly Infinitum Copper Corp.)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Infinitum Copper Mining Corp. (formerly Infinitum Copper Corp.) (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020 and the consolidated statements of net loss and comprehensive loss, changes in shareholders' equity and cash flows for the year ended December 31, 2021 and for the period from incorporation on April 21, 2020 to December 31, 2020, 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 financial position of the Company as at December 31, 2021 and 2020 and its financial performance and its cash flows for the periods then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit 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 audit of the consolidated financial statements in Canada, and we have fulfilled our 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 in the consolidated financial statements, which indicates that the Company has no current source of revenue and is considered to be in the exploration stage. As stated in Note 1, the Company's ability to continue as a going concern is dependent upon its ability to raise adequate financing to develop its exploration and evaluation assets. These matters, 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.

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 IFRS, 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.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is G. Cameron Dong.

De Visser Gray LLP

Chartered Professional Accountants
Vancouver, BC, Canada
April 28, 2022

INFINITUM COPPER MINING CORP. (FORMERLY INFINITUM COPPER CORP.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars, unless otherwise stated)

	Note	December 31, 2021	December 31, 2020
ASSETS		$	$
Current assets			
Cash		2,812,783	1
GST receivable		7,098	-
Prepaid expenses		40,883	-
Due from Bayshore Petroleum Corp.	8	89,435	-
		2,950,199	1
Non-current assets			
Exploration and evaluation assets	6	198,334	-
VAT receivable		46,423	-
		244,757	-
TOTAL ASSETS		3,194,956	1
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	141,300	-
SHAREHOLDERS' EQUITY			
Share capital	7	4,244,906	1
Reserves	7	56,952	-
Deficit		(1,248,202)	-
		3,053,656	1
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,194,956	1

Nature of operations and continuance of operations (Note 1)

Contingency (Note 6)

Subsequent events (Notes 6 and 12)

Approved by the Board of Directors:

(Signed) *Mahendra Naik* Director

(Signed) *Garrick Mendham* Director

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

INFINITUM COPPER MINING CORP. (FORMERLY INFINITUM COPPER CORP.)
CONSOLIDATED STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars, unless otherwise stated)

	Note	Year ended December 31, 2021	From date of incorporation on April 21, 2020 to December 31, 2020
		$	$
Exploration expenses	6	437,638	-
Administrative expenses			
Accounting and audit		56,919	-
Consulting	9	176,597	-
Foreign exchange loss		11,231	-
Legal		4,050	-
Listing, filing and regulatory		20,000	-
Management fees	9	367,258	-
Marketing		99,666	-
Office and generial expense		48,925	-
Property investigation cost		25,918	
		810,564	-
Net loss for the period		(1,248,202)	-
Other comprehensive income			
Exchange differences on translation to reporting currency		7,276	-
Total comprehensive loss for the period		(1,240,926)	-
Loss per share, basic and diluted		(0.08)	-
Weighted average number of common shares outstanding			
- basic and diluted		15,621,311	1

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

INFINITUM COPPER MINING CORP. (FORMERLY INFINITUM COPPER CORP.)
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(*Expressed in Canadian dollars, unless otherwise stated*)

		Common Shares		Reserves				
	Note	**Number of shares**	**Amount**	**Finder's warrants**	**Foreign exchange reserve**	**Total**	**Deficit**	**Total shareholders' equity**
		#	**$**	**$**	**$**	**$**	**$**	**$**
Balance as at April 21, 2020		-	-	-	-	-	-	-
Shares issued:								
Seed share		1	1	-	-	-	-	1
Net loss and comprehensive loss		-	-	-	-	-	-	-
Balance as at December 31, 2020		1	1	-	-	-	-	1
Cancellation of seed share		(1)	(1)	-	-	-	-	(1)
Shares issued:								
Asset Purchase Agreement	7(b)	10,000,000	170,277	-	-	-	-	170,277
Option agreement	7(b)	533,334	80,000	-	-	-	-	80,000
Executive management compensation	7(b)	500,000	75,000	-	-	-	-	75,000
Private placements	7(b)	17,305,847	4,089,006	-	-	-	-	4,089,006
Share issue costs	7(b)	-	(169,377)	49,676	-	49,676	-	(119,701)
Net loss for the year		-	-	-	-	-	(1,248,202)	(1,248,202)
Other comprehensive income		-	-	-	7,276	7,276	-	7,276
Balance as at December 31, 2021		**28,339,181**	**4,244,906**	**49,676**	**7,276**	**56,952**	**(1,248,202)**	**3,053,656**

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

INFINITUM COPPER MINING CORP. (FORMERLY INFINITUM COPPER CORP.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(*Expressed in Canadian dollars, unless otherwise stated*)

	Year ended December 31, 2021	From date of incorporation on April 21, 2020 to December 31, 2020
	$	$
Operating activities		
Net loss for the period	(1,248,202)	-
Items not affecting cash:		
Management fee paid in common shares	75,000	-
Changes in items of working capital:		
GST receivable	(7,098)	-
Prepaid expenses	(40,883)	-
Due from Bayshore Petroleum Corp.	(89,435)	-
Accounts payable and accrued liabilities	141,300	-
Net cash used in operating activities	(1,169,318)	-
Investing activities		
Cash received from Asset Purchase Agreement	170,276	-
Expenditures on exploration and evaluation assets	(118,333)	-
VAT receivable	(46,423)	-
Net cash generated from investing activities	5,520	-
Financing activities		
Repayment of seed share	(1)	-
Net proceeds from issuance of common shares	3,969,305	-
Common shares subscribed	-	1
Net cash generated from financing activities	3,969,304	1
Effect of foreign exchange on cash	7,276	
Net increase in cash	2,812,782	1
Cash - beginning of year	1	-
Cash - end of year	2,812,783	1

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

(Expressed in Canadian dollars, unless otherwise stated)

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Infinitum Copper Mining Corp. (formerly Infinitum Copper Corp.) (the "Company" or "Infinitum Copper") was incorporated on April 21, 2020 under the name of Arabian Shield Resources Inc. and changed its name to Infinitum Copper Corp. on March 18, 2021. The Company is domiciled in Canada under the Business Corporations Act (British Columbia). Its registered office is 2900-595 Burrard Street, Vancouver, BC, V7X 1J5. Between the date of incorporation and December 31, 2020, the Company was inactive and had no operation.

On June 25, 2021 (and amended on August 27, 2021, October 25, 2021 and subsequently on February 2, 2022), the Company and Bayshore Petroleum Corp. ("BSH") entered into an amalgamation agreement (the "Transaction"). Pursuant to the terms and conditions of the Transaction, BSH consolidated its common shares on a basis of 20:1, so as to have 5,918,536 common shares outstanding immediately prior to closing of the Transaction; after which, BSH acquired all of the issued and outstanding common shares of the Company on a 1:1 basis. As a result of the Transaction, the Company became a wholly-owned subsidiary of BSH upon the completion of the Transaction on February 25, 2022.

For accounting purposes, the Transaction constitutes a reverse takeover ("RTO"), as the shareholders of the Company acquired control of the consolidated entity upon the completion of the Transaction. The Company is considered the acquiror and continuing entity, and BSH is the acquired entity. 2,204,166 common shares issued to certain BSH shareholders are in the process of being cancelled, and thus effectively, upon the cancellation of these shares, the Company will have issued 3,714,370 common shares to acquire BSH.

In connection with the completion of the RTO, BSH changed its name to Infinitum Copper Corp. ("ICC") and the Company changed its name to Infinitum Copper Mining Corp. BSH also continued its jurisdiction of incorporation from Alberta to British Columbia.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to raise adequate financing to develop its exploration and evaluation assets, and to commence profitable operations in the future. To date, the Company has not generated any significant revenues and is considered to be in the exploration stage. There are material uncertainties that cast significant doubt about the appropriateness of the going concern assumption.

Since February 2020, the coronavirus ("COVID-19") has caused a slowdown in the global economy and volatility in the global financial markets. Continuing rapid spread of COVID-19 may have an adverse effect on the Company's financial position, results of operations and cash flows in future periods.

Management's plan includes continuing to pursue additional sources of financing through equity offerings, seeking joint venture partners to fund exploration, monitoring exploration activity and reducing overhead costs. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the financial statements of financial position. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that may be necessary should the Company be unable to continue in existence.

	December 31, 2021	December 31, 2020
	$	$
Deficit	(1,248,202)	-
Working capital	2,808,899	1

2. BASIS OF PREPARATION

(a) Statement of compliance

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

(b) Basis of preparation

These consolidated financial statements have been prepared on a historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These consolidated financial statements were approved by the board of directors for issue on April 28, 2022.

(c) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the December 31, 2021 reporting period. The Company has not early adopted the following new and revised standards, amendments and interpretations that have been issued but are not yet effective:

- Presentation of financial statements

  An amendment to IAS 1 was issued in January 2020 and applies to annual reporting periods beginning on or after January 1, 2023. The amendment clarifies the criterion for classifying a liability as non-current relating to the right to defer settlement of a liability for at least 12 months after the reporting period.

The Company anticipates that the application of the above new and revised standards, amendments and interpretations will have no material impact on its results and financial position.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

Subsidiary
The consolidated financial statements include the financial statements of the Company and the entity controlled by the Company (its "subsidiary"). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The Company's subsidiary is:

	% of ownership	Jurisdiction	Principal activity
Exploraciones Margarita, S.A.P.I. de C.V.	100%	Mexico	Exploration company

The subsidiary is fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continues to be consolidated until the date that such control ceases.

Inter-company balances and transactions
Inter-company balances and transactions, including unrealised income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Foreign currencies

The functional and presentation currency of the Company is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rate of the exchange prevailing on dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at each reporting date. Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The Company has determined that the functional currency of its subsidiary in Mexico is the Mexican peso. Exchange differences arising from the translation of the subsidiary's functional currency into the Company's presentation currency are taken directly into the foreign exchange reserve.

Subsidiary

The results and financial position of the Company's subsidiary that have a functional currency different from the Company's presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the reporting date;
- Income and expenses are translated at average exchange rates for the period;
- Equity is translated using historical rates; and
- All resulting exchange differences are recognized in other comprehensive income as cumulative translation adjustments.

On consolidation, exchange differences arising from the translation of the net investment in the foreign entity are taken to the foreign exchange reserve included in Reserves. When a foreign operation is sold, such exchange differences are recognized in the statement of loss as part of the gain or loss on sale.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

Share-based payment transactions

Warrants with the right to acquire common shares in the Company are typically issued through the Company's equity financing activities. Where finders' warrants are issued on a stand-alone basis, their fair values are measured on their issuance date using the Black-Scholes option pricing model and are recorded as both an increase to reserves and as a share issue cost.

When warrants are exercised, the cash proceeds along with the amount previously recorded in reserves are recorded as share capital.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Earnings (loss) per share

Basic earnings (loss) per share are computed using the weighted average number of common shares outstanding during the year. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The effect of potential issuances of shares from the exercise of outstanding options and warrants would be anti-dilutive for the years presented and accordingly, basic and diluted losses per share are the same.

Exploration and evaluation assets

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are expensed as incurred except for expenditures associated with the acquisition of exploration and evaluation assets through a business combination or asset acquisition which are recognized as assets. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the consolidated statement of comprehensive loss.

Capitalized costs, including general and administrative costs, are only allocated to the extent that these costs can be related directly to operational activities in the relevant area of interest where they are considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Impairment of non-financial assets

The carrying amount of the Company's long-lived assets (which include exploration and evaluation assets) is reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately as a charge in the statement of comprehensive loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized as a recovery in the statement of comprehensive loss for the period.

Significant estimates and assumptions

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout these 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, if the revision affects only that period, or in the period of the revision and further periods if the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the consolidated statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- The analysis of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent, management considered both the funds from financing activities and the currency in which goods and services are paid. The functional currency of its subsidiary in Mexico is the Mexican peso. The Company chooses to report in Canadian dollar as the presentation currency;
- The assessment of indications of impairment of each mineral property and related determination of the net realized value and write-down of those properties where applicable; and
- The determination that the Company will continue as a going concern for the next year.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Income taxes

Current income tax:
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:
Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Financial instruments

Financial Assets - Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through Other Comprehensive Income (“OCI”), or through profit or loss (“FVTPL”), and
- Those to be measured at amortized cost.

The classification depends on the Company’s business model for managing the financial assets and contractual terms of the cash flows. For assets measured at fair value, gains or losses are recorded in profit or loss or OCI.

The Company has classified cash and due from Bayshore Petroleum Corp. as subsequently measured at amortized cost.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial Assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, the transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. These are the measurement categories under which the Company classifies its financial assets:

- Subsequently measured at amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- Fair value through OCI (“FVOCI”): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.

- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the Statement of Loss and Comprehensive Loss in the period which it arises.

Impairment of Financial Assets at Amortized Cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk of a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial Liabilities

The Company classifies its financial liabilities into the following categories: financial liabilities at FVTPL and amortized cost.

A financial liability is classified as FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows: the amount of change in fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and the remaining amount of the change in the fair value is presented in profit or loss. The Company does not designate any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest rate method. The Company classifies its accounts payables and accrued liabilities as financial liabilities held at amortized cost.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk and liquidity risk.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank accounts. The Company's bank accounts are held with major banks in Canada and Mexico; accordingly, the Company believes it is not exposed to significant credit risk.

b) Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company is not exposed to significant interest rate risk.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations. As at December 31, 2021, the Company had a cash balance of $2,812,783 to settle current liabilities of $141,300.

d) Currency risk

The Company's property interest in Mexico makes it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian dollar and the Mexican pesos. The Company does not invest in foreign currency contracts to mitigate the risks. The Company has net monetary assets of approximately 598,000 Mexican pesos at year-end. A 1% change in the absolute rate of exchange in Mexican pesos would affect its net loss by approximately $400.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(Continued)*

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

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company does not have any financial assets measured at fair value.

5. CAPITAL MANAGEMENT

The Company's capital consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing and incurring debt. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, highly liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

6. EXPLORATION AND EVALUATION ASSETS

MEXICO

(a) La Adelita Property

On February 22, 2021, the Company signed an option agreement (the "Option Agreement") with Minaurum Gold Inc. ("MGG") where the Company can option into 80% interest of the La Adelita Property.

Pursuant to the Option Agreement, the Company is required to:

(a) issue 200,000 common shares to the original owner of the La Adelita Property (issued; see Note 7(b));
(b) issue to MGG common shares totaling 16% of its post-initial public offering shares outstanding while raising a minimum of $4,000,000. (Subsequent to December 31, 2021, 6,105,438 common shares were issued to MGG (see Note 12));
(c) make the following cash payments:
  i. $50,000 upon signing the Option Agreement (paid);
  ii. $43,333 reimbursement for the mining taxes (paid);
  iii. $25,000 by August 22, 2021 (paid); and
(d) incur $3 million in work expenditures over five years.

Pursuant to the Option Agreement, subsequent to December 31, 2021, the Company made a cash payment of $100,000 to MGG as the Company extended the timeframe of completing its RTO by six months.

MGG's 20% retained interest will be carried until the Company carries out a total of $4.75 million in work expenditures, along with completing both a mineral resource calculation, in accordance with National Instrument 43-101, Standards of Disclosure for Mineral Projects, and a preliminary economic assessment.

The original owner retains a 2% net smelter royalty on the La Adelita Property.

(Expressed in Canadian dollars, unless otherwise stated)

6. EXPLORATION AND EVALUATION ASSETS *(Continued)*

SAUDI ARABIA

(b) Saudi Arabia Mining Investment License

On March 19, 2021, the Company signed an asset purchase agreement (the "Asset Purchase Agreement") with Arabian Shield Resources Limited ("ASRL") whereby the Company issued 10,000,000 common shares to the shareholders of ASRL in exchange for $170,276 (US$135,000) and Saudi Arabia Mining Investment License valued at $1.

	La Adelita (Mexico)	Saudi Arabia License	Total
Exploration and evaluation assets	$	$	$
Acquisition costs			
As of January 1, 2021	-	-	-
Addition during the period	198,333	1	198,334
As of December 31, 2021	198,333	1	198,334

	La Adelita (Mexico)	Saudi Arabia License	Total
Mineral exploration expenses for the year ended December 31, 2021	$	$	$
Consulting and reporting	23,894	-	23,894
Mineral taxes	55,017	-	55,017
Surface access	38,900	-	38,900
Geology and exploration	306,580	-	306,580
Other property related expenses	13,247	-	13,247
	437,638	-	437,638
Cumulative mineral exploration expenses up to December 31, 2021			
Consulting and reporting	23,894	-	23,894
Mineral taxes	55,017	-	55,017
Surface access	38,900	-	38,900
Geology and exploration	306,580	-	306,580
Other property related expenses	13,247	-	13,247
	437,638	-	437,638

7. SHARE CAPITAL

(a) Authorized:

At December 31, 2021, the authorized share capital was comprised of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

(b) Share issuances:

On March 19, 2021, the Company issued 10,000,000 common shares at a value of $170,277 pursuant to the Asset Purchase Agreement (Note 6(b)).

On April 6, 2021, the Company issued 200,000 common shares at a value of $30,000 pursuant to the Option Agreement (Note 6(a)).

7. SHARE CAPITAL *(Continued)*

(b) Share issuances: *(Continued)*

On April 6, 2021, the Company issued 333,334 common shares at a value of $50,000 as a finder's fee to a director for his effort in locating the La Adelita property.

On May 13, 2021, the Company issued 500,000 common shares to its Chief Executive Officer at a value of $75,000 pursuant to the Executive Management Agreement dated May 13, 2021.

On July 5, 2021, the Company completed a non-brokered private placement by issuing 7,600,070 common shares at a price of $0.15 per common share for gross proceeds of $1,140,011.

On July 15, 2021, the Company completed another non-brokered private placement by issuing 3,733,263 common shares at a price of $0.15 per common share for gross proceeds of $559,989.

On September 20, 2021, the Company completed the first tranche of a non-brokered private placement by issuing 1,087,500 units ("Units") at a price of $0.40 per Unit for gross proceeds of $435,000. Each Unit consists of one common share and one-half of one warrant. Each whole warrant is exercisable into a common share at $0.60 for two years until September 20, 2023. In connection of this first tranche of the private placement, the Company paid $6,650 cash finder's fees and issued 16,625 finder's warrants, whereby each finder's warrant is exercisable into a common share at $0.60 until September 20, 2023.

On September 24, 2021, the Company completed the second tranche of the private placement by issuing 2,487,500 Units at a price of $0.40 per Unit for gross proceeds of $995,000. The warrants associated with this tranche expire on September 24, 2023. In connection of this second tranche, the Company paid $69,650 cash finder's fees and issued 174,125 finder's warrants, whereby each finder's warrant is exercisable into a common share at $0.60 until September 24, 2023.

On October 7, 2021, the Company completed the third tranche of the private placement by issuing 2,072,500 Units at a price of $0.40 per Unit for gross proceeds of $829,000. The warrants associated with this tranche expire on October 7, 2023. In connection of this third tranche, the Company paid $37,590 cash finder's fees and issued 93,975 finder's warrants, whereby each finder's warrant is exercisable into a common share at $0.60 until October 7, 2023.

On October 25, 2021, the Company completed the fourth tranche of the private placement by issuing 325,014 Units at a price of $0.40 per Unit for gross proceeds of $130,006. The warrants associated with this tranche expire on October 25, 2023. In connection of this fourth tranche, the Company paid $5,810 cash finder's fees and issued 14,525 finder's warrants, whereby each finder's warrant is exercisable into a common share at $0.60 until October 25, 2023.

As such, the total issued and outstanding number of the Company's common shares was 28,339,181 as at December 31, 2021.

(Expressed in Canadian dollars, unless otherwise stated)

7. SHARE CAPITAL *(Continued)*

(c) Warrants:

The continuity of warrants for the year ended December 31, 2021 is as follows:

Expiry date	Exercise price	December 31, 2020	Issued	Exercised	Expired	December 31, 2021
	$	#	#	#	#	#
September 20, 2023	0.60	-	543,750	-	-	543,750
September 24, 2023	0.60	-	1,243,750	-	-	1,243,750
October 7, 2023	0.60	-	1,036,250	-	-	1,036,250
October 25, 2023	0.60	-	162,506	-	-	162,506
Warrants outstanding		-	2,986,256	-	-	2,986,256
Weighted average exercise price		$ -	$ 0.60	$ -	$ -	$ 0.60

As at December 31, 2021, the weighted average contractual remaining life of warrants is 1.73 years (December 31, 2020 – Nil).

(d) Finder's warrants:

The continuity of finder's warrants for the year ended December 31, 2021 is as follows:

Expiry date	Exercise price	December 31, 2020	Issued	Exercised	Expired	December 31, 2021
	$	#	#	#	#	#
September 20, 2023	0.60	-	16,625	-	-	16,625
September 24, 2023	0.60	-	174,125	-	-	174,125
October 7, 2023	0.60	-	93,975	-	-	93,975
October 25, 2023	0.60	-	14,525	-	-	14,525
Finder's warrants outstanding		-	299,250	-	-	299,250
Weighted average exercise price		$ -	$ 0.60	$ -	$ -	$ 0.60

As at December 31, 2021, the weighted average contractual remaining life of finder's warrants is 1.73 years (December 31, 2020 – Nil).

The weighted average assumptions used to estimate the fair value of finder's warrants for the year ended December 31, 2021 were as follows:

	2021
Expected dividend yield	0.00%
Expected stock price volatility	98.08%
Risk-free interest rate	0.43%-0.49%
Forfeiture rate	0.00%
Expected life of warrants	2 years

(Expressed in Canadian dollars, unless otherwise stated)

8. DUE FROM BAYSHORE PETROLEUM CORP.

Pursuant to the Amalgamation Agreement with BSH (see Note 1), the Company was to advance up to $100,000 to pay towards the expenses of BSH in connection with the closing of the RTO. As at December 31, 2021, the Company had advanced $89,435 to BSH.

9. RELATED PARTY TRANSACTIONS

Key management includes the Company's directors and senior management. During the year ended December 31, 2021 and 2020, the following compensation and benefit were paid to or accrued for the key management personnel and entities over which they have control or significant influence were as follows:

	Year ended December 31, 2021	From date of incorporation on April 21, 2020 to December 31, 2020
	$	$
Senior management remuneration (1)	292,258	-
Directors' consulting fees (2)	164,000	-
Share-based compensation (3)	125,000	-
	581,258	-

(1) Of which $202,258 was paid to a private company controlled by the Company's chief executive officer (the "CEO") and $90,000 was paid to a private company controlled by the Company's chief financial officer

(2) Of which $56,000 was paid to a director for financial consulting services and $108,000 was paid to a private company controlled by certain directors for consulting and rent.

(3) of which 500,000 common shares valued at $0.15 per share were issued to a private company controlled by the Company's CEO pursuant to the Executive Management Agreement (Note 7(b)) and 333,334 common shares valued at $0.15 per share were issued to a director as a finder fee related to the La Adelita property acquisition.

All related party transactions are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

10. SEGMENTED FINANCIAL INFORMATION

The Company operates in one industry segment, being the acquisition and exploration of mineral properties. Geographic information is as follows:

Balance as at	**December 31, 2021**	**December 31, 2020**
	$	**$**
Non-current assets		
Mexico	244,756	-
Saudi Arabia	1	-
	244,757	-

(Expressed in Canadian dollars, unless otherwise stated)

10. SEGMENTED FINANCIAL INFORMATION *(Continued)*

	Year ended December 31, 2021	From date of incorporation on April 21, 2020 to December 31, 2020
	$	$
Mineral exploration expenses		
Mexico	437,638	-
	437,638	-

11. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	Year ended December 31, 2021	From date of incorporation on April 21, 2020 to December 31, 2020
	$	$
Net loss for the period	(1,248,202)	-
Statutory tax rate	27.96%	27.00%
Expected income tax recovery	(348,978)	-
Effect of deductible and non-deductible amounts	(31,922)	-
Change in valuation allowance	380,900	-
Income tax recovery	-	-

The components of the Company’s deferred income tax assets and liabilities are estimated as follows:

Balance as at	December 31, 2021	December 31, 2020
	$	$
Loss carry-forwards	355,045	-
Share issuance costs	25,855	-
	380,900	-
Valuation allowance	(380,900)	-
Net deferred income tax assets	-	-

The Company’s Canadian non-capital loss carry-forwards of $871,886 expire in 2041. The Company also has loss carry-forwards in Mexico of $398,787.

12. SUBSEQUENT EVENTS

(a) Common shares issued to MGG

On February 25, 2022, pursuant to the Option Agreement (Note 6(a)), ICC issued 6,105,438 shares to MGG (equating to 16% of the outstanding shares of ICC on closing of the RTO). Such shares are subject to resale restrictions expiring as to 20% on closing and an additional 20% every three months thereafter over 12 months.

(b) Escrow shares

Following the closing of the RTO on February 25, 2022, ICC had a total of 40,863,155 common shares and 3,285,506 warrants outstanding. The number of common shares will be reduced to 38,158,989 upon the cancelation of 2,204,166 common shares held by former BSH shareholders (see Note 1).

Of the common shares outstanding, a total of 8,792,602 were issued to “principals” and are subject to surplus escrow, to be released as to 5% on closing, 5% after six months, an additional 10% after 12 and 18 months, an additional 15% after 24 and 30 months, and the remaining 40% after 36 months; a total of 7,150,000 common shares held by non-principals are subject to value escrow, to be released as to 10% on closing and an additional 15% every six months thereafter over 36 months. Also, 39 non-principal shareholders holding an aggregate of 8,533,331 shares are subject to resale restrictions expiring as to 20% on closing and an additional 20% every month thereafter over four months.

(c) New Equity Incentive Plan

On March 14, 2022, the Board of Directors of ICC approved the adoption of a new Equity Incentive Plan (the "New Plan") based on the new share-based compensation policy adopted by the TSX Venture Exchange (the "TSXV. The New Plan is a 10% rolling plan for purposes of TSXV rules and contemplates the award of additional share-based compensation beyond stock options, including Deferred Share Units, Restricted Share Units, Performance Share Units, Share Appreciation Rights and Stock Purchase Rights. The New Plan is subject to the approval of the TSXV and the Company’s shareholders. ICC plans to submit the New Plan for approval by its shareholders at its next annual general meeting.

(d) Grant of stock options, deferred share units and restricted share units

The Board of Directors of ICC approved the grant of an aggregate of 1,975,000 stock options to purchase common shares in the capital of the Company to certain directors, officers, employees, consultants, and advisors of the Company in accordance with the Company's Stock Option Plan. The stock options are exercisable at a price of $0.40 per common share for a term of five years, until March 15, 2027, vesting over 36 months as to 1/3 on March 16, 2023, 1/3 on March 16, 2024 and remaining on March 16, 2025.

The Board of Directors of ICC also approved the grant of an aggregate of 975,000 Deferred Share Units (“DSUs”) to ICC directors and 500,000 Restricted Share Units (“RSUs”) to certain officers and advisors of ICC in accordance with the New Plan. The DSUs vest 24 months and RSUs vest 36 months from the grant date. Upon vesting, the DSUs and RSUs will be payable in common shares, or the cash equivalent, or any combination of common shares and cash, as determined by the Company.

All such grants are considered to be conditionally granted subject to applicable approvals.

12. SUBSEQUENT EVENTS *(Continued)*

(e) Assignment and Amending Agreement

On April 19, 2022, ICC entered into an Assignment and Amending Agreement whereby they assumed the rights and obligations of an option agreement to acquire a 100% interest in the HotBx Project in exchange for a cash payment of $203,135.

To exercise the option agreement, and acquire a 100% interest in the HotBx Project, ICC is required to make cash payments in the aggregate of $668,000, issue common shares in the aggregate of 3,125,000, and incur exploration expenditures in the aggregate of $5,500,000, in staged amounts, over the period of 60 months.