
79NORTH LTD.
CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
THREE AND SIX MONTHS ENDED
MAY 31, 2020
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of 79North Ltd. (the "Company") have been prepared by and are the responsibility of management.

79North Ltd.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

Unaudited

	As at May 31, 2020	As at November 30, 2019
ASSETS		
Current assets		
Cash	\$ 11,402	\$ 56,835
Receivables and other assets (note 4)	38,431	39,119
	49,833	95,954
Equipment (note 5)	42,857	47,619
Total assets	\$ 92,690	\$ 143,573
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (notes 6 and 12)	\$ 541,810	\$ 182,891
Promissory note payable (note 7)	258,000	258,000
Advance from related party (note 12)	25,000	25,000
Total liabilities	824,810	465,891
Equity		
Share capital	3,418,184	3,418,184
Reserve	594,410	594,410
Accumulated other comprehensive income	61,485	61,485
Deficit	(5,360,390)	(4,950,588)
Equity attributable to the shareholders of the Company	(1,286,311)	(876,509)
Non-controlling interest	554,191	554,191
Total equity	(732,120)	(322,318)
Total equity and liabilities	\$ 92,690	\$ 143,573

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

Nature of operations and going concern (note 1)

Events after the reporting date (note 15)

79North Ltd.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****Unaudited**

	Three Months Ended May 31, 2020	Three Months Ended May 31, 2019	Six Months Ended May 31, 2020	Six Months Ended May 31, 2019
Operating expenses				
Exploration and evaluation expenditures (note 11)	\$ 21,926	\$ 99,171	\$ 52,324	\$ 229,735
Professional fees	213,167	77,693	233,662	112,430
Management and consultants compensation	37,500	39,641	75,000	78,953
Travel	-	45	1,701	200
Office and general	18,297	35,702	41,131	68,755
Foreign exchange loss	5,337	(4,105)	5,984	922
Total comprehensive loss for the period	\$ (296,227)	\$ (248,147)	\$ (409,802)	\$ (490,995)
Basic and diluted net loss per share (note 10)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding	43,133,953	43,133,953	43,133,953	43,133,953

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

79North Ltd.**Condensed Interim Consolidated Statements of Cash Flows****(Expressed in Canadian Dollars)****Unaudited**

	Six Months Ended May 31, 2020	Six Months Ended May 31, 2019
Operating activities		
Net loss for the period	\$ (409,802)	\$ (490,995)
Adjustments for:		
Amortization	4,762	5,952
Changes in non-cash working capital items:		
Receivables and other assets	688	4,953
Accounts payable and accrued liabilities	358,919	(80,174)
Net cash used in operating activities	(45,433)	(560,264)
Investing activities		
Purchase of equipment	-	(16,668)
Net cash used in investing activities	-	(16,668)
Financing activities		
Promissory note advanced	-	150,000
Net cash provided by financing activities	-	150,000
Net change in cash	(45,433)	(426,932)
Cash, beginning of period	56,835	769,806
Cash, end of period	\$ 11,402	\$ 342,874

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

79North Ltd.

Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

Unaudited

	Share capital	Reserve	Accumulated other comprehensive income	Deficit	Total attributable to shareholders of Company	Non- controlling interest	Total
Balance, November 30, 2018	\$ 3,418,184	\$ 594,410	\$ 61,485	\$ (4,258,808)	\$ (184,729)	\$ 812,814	\$ 628,085
Net loss for the period	-	-	-	(490,995)	(490,995)	-	(490,995)
Balance, May 31, 2019	\$ 3,418,184	\$ 594,410	\$ 61,485	\$ (4,749,803)	\$ (675,724)	\$ 812,814	\$ 137,090
Balance, November 30, 2019	\$ 3,418,184	\$ 594,410	\$ 61,485	\$ (4,950,588)	\$ (876,509)	\$ 554,191	\$ (322,318)
Net loss for the period	-	-	-	(409,802)	(409,802)	-	(409,802)
Balance, May 31, 2020	\$ 3,418,184	\$ 594,410	\$ 61,485	\$ (5,360,390)	\$ (1,286,311)	\$ 554,191	\$ (732,120)

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

79North Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2020

(Expressed in Canadian Dollars)

Unaudited

1. Nature of operations and going concern

79North Ltd. (the "Company" or "79North") was incorporated under the laws of the Ontario Business Corporations Act by Articles of Incorporation dated August 15, 2016. The Company is domiciled in Canada and its registered office is located at 82 Richmond Street East, Suite 306, Toronto, Ontario, M5C 1P1. The Company is focused on the acquisition, exploration and development of properties which are prospective for gold and other metals. At the date of these consolidated financial statements, the Company has not yet discovered any deposits, nor has it earned any income.

79North is at an early stage of operating, developing, exploring and acquiring gold properties and as is common with many small companies, it raises financing for its exploration and acquisition activities in discrete tranches. As at May 31, 2020, the Company has a working capital deficit of \$774,977 (November 30, 2019 - working capital deficit of \$369,937). For the six months ended May 31, 2020, the Company had a net loss and comprehensive loss of \$409,802 (six months ended May 31, 2019 - loss of \$490,995) and had cash outflows from operations of \$45,433 (six months ended May 31, 2019 - cash outflows of \$560,264). These circumstances cast significant doubt about the Company's ability to continue as a going concern and, accordingly, the ultimate use of accounting principles applicable to a going concern.

The Company's ability to continue as a going concern is dependent upon obtaining additional financing and eventually achieving profitable production in the future. The Company is currently evaluating various options in order to address its financing needs. There can be no assurance that the Company's financing activities will continue to be successful or sufficient.

Longer term, the Company may pursue opportunities to raise additional capital through equity markets; however, there can be no assurance it will be able to raise funds in the future. The ultimate ability of the Company to remain a going concern and complete exploration and development of properties, if properties are proven successful, is dependent upon successfully raising additional capital.

These unaudited condensed interim consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets, liabilities and reported expenses should the Company be unable to continue as a going concern. These adjustments could be material.

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

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Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2020

(Expressed in Canadian Dollars)

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2. Significant accounting policies

Statement of compliance

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

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of July 29, 2020, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended November 30, 2019. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending November 30, 2020 could result in restatement of these unaudited condensed interim consolidated financial statements.

Changes in accounting policy

Effective December 1, 2019, the Company adopted IFRS 16 - Leases ("IFRS 16"). IFRS 16 was issued in January 2016 and replaces IAS 17 - Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. The adoption of IFRS 16 had no impact to the Company's consolidated financial statements.

3. Significant accounting judgments and estimates

The preparation of these unaudited condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These unaudited condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2020

(Expressed in Canadian Dollars)

Unaudited

3. Significant accounting judgments and estimates (continued)

Critical accounting estimates:

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

- the recoverability of amounts receivable and value-added taxes receivable which are included in the consolidated statements of financial position;
- Income taxes – measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only become final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements; and
- the inputs used in accounting for share-based payment transactions.

Critical accounting judgments:

- management assessment of going concern and uncertainties of the Company's ability to raise additional capital and/or obtain financing to advance the lithium properties;
- management applied judgment in determining the functional currency of 79North and its subsidiaries as the Canadian Dollar, based on the facts and circumstances that existed during the period; and
- management determination of no material restoration, rehabilitation and environmental exposure, based on the facts and circumstances that existed during the period.

4. Receivables and other assets

	May 31, 2020	November 30, 2019
Amounts receivable	\$ 2,108	\$ 2,026
Prepays	36,323	37,093
	\$ 38,431	\$ 39,119

79North Ltd.**Notes to Condensed Interim Consolidated Financial Statements****Three and Six Months Ended May 31, 2020****(Expressed in Canadian Dollars)****Unaudited**

5. Equipment

Cost	Equipment
Balance, November 30, 2018	\$ 52,336
Additions	16,668
Balance, November 30, 2019 and May 31, 2020	\$ 69,004

Accumulated Depreciation	Equipment
Balance, November 30, 2018	\$ 9,481
Depreciation for the year	11,904
Balance, November 30, 2019	\$ 21,385
Depreciation for the period	4,762
Balance, May 31, 2020	\$ 26,147

Carrying Value	Equipment
Balance, November 30, 2019	\$ 47,619
Balance, May 31, 2020	\$ 42,857

6. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities of the Company are principally comprised of amounts outstanding for purchases relating to general operating activities.

	May 31, 2020	November 30, 2019
Accounts payable	\$ 388,995	\$ 111,400
Accrued liabilities	152,815	71,491
	\$ 541,810	\$ 182,891

7. Promissory note payable

On June 27, 2019, the Company issued a promissory note in the amount of \$258,000 to an unrelated party. The note is unsecured, bears no interest and is due on demand.

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Notes to Condensed Interim Consolidated Financial Statements Three and Six Months Ended May 31, 2020 (Expressed in Canadian Dollars) Unaudited

8. Share capital

(a) Authorized share capital

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

(b) Common shares issued

	Number of common shares	Amount
Balance, November 30, 2018, May 31, 2019, November 30, 2019 and May 31, 2020	43,133,953	\$ 3,418,184

9. Warrants

	Number of warrants	Weighted average exercise price
Balance, November 30, 2018, May 31, 2019, November 30, 2019 and May 31, 2020	12,759,183	\$ 0.19

On September 1, 2018, 11,032,400 Warrants with an exercise price of \$0.20 and expiry date of December 21, 2020 were issued. In addition, 1,726,783 broker warrants, each of which will be exercisable to acquire one Unit at a price of \$0.15 and expire on December 21, 2020. On May 9, 2019, the Company extended the expiry date of the share purchase warrants and the broker warrants originally scheduled to expire on December 21, 2020 to the earlier of (i) May 9, 2024, and (ii) 3 years after the date of the Company completing a Going Public Transaction, provided that, if at any time following November 30, 2020, the common shares of the Company trade on a recognized Canadian stock exchange at a volume weighted average price of \$0.50 or more for ten consecutive trading days, the Company may, by notice to warrant holders, reduce the expiry date to not less than 20 business days from the date of such notice.

10. Net loss per share

The calculation of basic and diluted loss per share for the period ended May 31, 2020 was based on the loss attributable to common shareholders of \$296,227 and \$409,802, respectively (three and six months ended May 31, 2019 - \$248,147 and \$490,995, respectively) and the weighted average number of common shares outstanding of 43,133,953 and 43,133,953, respectively (three and six months ended May 31, 2019 - 43,133,953 and 43,133,953, respectively). Diluted loss per share did not include the effect of warrants as they are anti-dilutive.

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Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2020

(Expressed in Canadian Dollars)

Unaudited

11. Exploration and evaluation expenditures

Six months ended May 31, 2020	Nassau Gold Project ⁽¹⁾	Sela Creek Project ⁽²⁾	Project Generation	Total
Administrative	\$ 13,419	\$ -	\$ -	\$ 13,419
Amortization	4,762	-	-	4,762
Camp costs	3,447	-	-	3,447
Consulting	4,260	4,260	2,200	10,720
Labour costs	19,976	-	-	19,976
Total exploration and evaluation expenditures	\$ 45,864	\$ 4,260	\$ 2,200	\$ 52,324

Six months ended May 31, 2019	Nassau Gold Project ⁽¹⁾	Sela Creek Project ⁽²⁾	Project Generation	Total
Administrative	\$ 49,363	\$ 4,734	\$ -	\$ 54,097
Amortization	5,952	-	-	5,952
Camp costs	14,448	-	-	14,448
Consulting	360	14,098	840	15,298
Labour costs	111,811	16,793	-	128,604
Professional fees	7,775	-	-	7,775
Travel	-	2,522	-	2,522
Vehicle costs	1,039	-	-	1,039
Total exploration and evaluation expenditures	\$ 190,748	\$ 38,147	\$ 840	\$ 229,735

⁽¹⁾ At the time of the Merger, Sumin owned 80% of Nassau Gold Limited ("NGL"), a Guernsey entity, and the remaining 20% interest in NGL was held by Mariana Resources Limited ("Mariana"). Effective July 10, 2019, Sumin acquired the remaining 20% interest in NGL from Mariana in exchange for a 1% NSR on the Nassau Gold Project calculated based upon the proportionate interest held by the Company therein (subject to a minimum payment equal to a 0.5% NSR on the entire Nassau Gold Project), pursuant to (i) a share transfer and termination agreement between Sumin, Mariana and NGL dated July 10, 2019; and (ii) a royalty agreement between the Company, Sumin Delfstoffen N.V. ("SD") and Sandstorm Gold Ltd. (an affiliate of Mariana) dated July 10, 2019 (the "Sandstorm Transaction").

As of July 10, 2019, there is no estimated timeline as to when the royalty from the 1% NSR will be paid, or if 79North is to pay any royalty distributions at all. Due to the uncertainties, management has considered the 1% NSR to have nominal value. As a result, the Company has recorded a gain of sale of minority interest of \$258,623. As a result, the non-controlling interest was reduced to 30% from 44%.

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Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2020

(Expressed in Canadian Dollars)

Unaudited

11. Exploration and evaluation expenditures (continued)

⁽¹⁾ (continued) Following the completion of the Sandstorm Transaction, NGL transferred its 100% interest in SD to Sumin. Sumin presently holds a 100% interest in SD, a Suriname entity. Pursuant to an earn-in agreement dated November 28, 2013 (the "IAM Agreement") between Integral Agriculture and Mining Industries N.V., a Suriname entity ("IAM"), the shareholders of IAM, Sumin and SD, Sumin had the right, through SD, to earn up to an 80% interest in IAM, which in turn holds a 100% interest in the Nassau Gold Project. Prior to the closing of the Merger, Sumin, through SD, had earned a 48% interest in IAM and Sumin's ability to earn any further interest in IAM had lapsed. On December 22, 2018, prior to the Merger, IAM, the shareholders of IAM, Sumin, SD and the Company entered into an amending agreement to the IAM Agreement providing for Sumin, through SD, to regain the right to earn up to an 80% interest in IAM. As of the date hereof, SD holds a 70% interest in IAM.

Should Sumin earn its 80% interest in IAM through SD, IAM will become a joint venture for the exploration, evaluation and development and exploitation of the Nassau Gold Project. The shareholders of IAM will hold a 20% carried interest in IAM and until the delivery of a pre-feasibility study in connection with the Nassau Gold Project, at which time the shareholders of IAM may elect to pay their 20% proportionate share of the joint venture costs, or convert their 20% shareholding into Sumin Shares equal to 10% of the net present value of the Nassau Gold Project divided by the then current price of Sumin Shares or a 3% NSR which may be reduced to a 2% NSR for a payment of US\$1,000,000 to the shareholders of IAM.

The original exploration permit in connection with the Nassau Gold Project was granted to IAM on February 26, 2015, and was subsequently renewed on August 25, 2017 for a period of two years.

The exploration permit with respect to the area comprising the Nassau Gold Project held by IAM expired on August 25, 2019. IAM applied for two exploitation permits to cover substantially the same area of the original exploration permit on May 9, 2019, with the first exploitation concession made effective on February 6, 2020 and the second concession made effective on March 22, 2020.

⁽²⁾ On April 26, 2017, 79North acquired a Uruguay Company, Kudray S.A. ("Kudray") from Hunter Bay Minerals PLC, who was in liquidation. Kudray has an indirect beneficial 70% interest in the Sela Creek Suriname mining project which was comprised of mining concession GMD No. 998/17. Kudray had a right to earn an additional 10% interest in the project but did not exercise the right prior to its expiry on December 21, 2019. The exploration concession within the option for the Sela Creek Project expired on November 14, 2019 but is in the process of being renewed. The Company is working with its local partner to renegotiate an agreement with respect to its interest in the Sela Creek Project.

⁽³⁾ Sumin holds 100% interest in Sumin Mines N.V. ("Sumin Mines"), a Suriname entity, which in turn holds 26.66% of Sandpiper Goldmines N.V. ("SG"), a Suriname entity, acquired pursuant to the terms of an investment agreement between Sumin Mines and SG entered into on October 8, 2015. Pursuant to the terms of a cooperation agreement between SG and Sarafina N.V. ("Sarafina"), a Suriname entity and 100% owner of the Sandpiper Project in Suriname, Sarafina leased to SG exploration and exploitation rights to gold on the Sandpiper Project concession.

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Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2020

(Expressed in Canadian Dollars)

Unaudited

12. Related party transactions

(a) Management fees paid, or otherwise accrued, to key management personnel (defined as the Chief Executive Officer ("CEO")) totaled \$37,500 and \$75,000, respectively for the three and six months ended May 31, 2020 (three and six months ended May 31, 2019 - \$37,500 and \$75,000, respectively). As at May 31, 2020, key management personnel was owed \$75,000 (November 30, 2019 - \$25,178) and these amounts were included in accounts payable and other liabilities. The Chief Financial Officer ("CFO") is also part of key management. Fees paid to the CFO were paid to Marrelli Support Services Inc. ("Marrelli Support") as disclosed below.

(b) During the three and six months ended May 31, 2020, the Company expensed professional fees and disbursements of \$4,000 and \$14,230, respectively, to Marrelli Support, an organization of which Carmelo Marrelli is managing director (three and six months ended May 31, 2019 - \$12,000 and \$18,105, respectively). Carmelo Marrelli is the CFO of the Company. These services were incurred in the normal course of operations for general accounting and financial reporting matters and these amounts are included in professional fees. As at May 31, 2020, Marrelli Support was owed \$22,004 (November 30, 2019 - \$10,556) and these amounts were included in amounts payable and accrued liabilities.

(c) During the three and six months ended May 31, 2020, the Company paid \$5,700 and \$11,400, respectively, for office rent to the Canadian Venture Building, Limited (three and six months ended May 31, 2019 - \$5,700 and \$11,400, respectively). The Company also had a \$1,900 deposit with the Canadian Venture Building, Limited as a deposit for last months rent. The Canadian Venture Building, Limited is beneficially controlled by Carmelo Marrelli, the CFO of the Company. As at May 31, 2020, Canadian Venture Building, Limited was owed \$10,735 (November 30, 2019 - \$nil) and these amounts were included in amounts payable and accrued liabilities.

(d) During the year ended November 30, 2019, the CEO advanced \$25,000 to the Company. The advance is non-interest bearing and repayable on demand. The amount was fully repaid subsequent to May 31, 2020.

13. Segmented information

The Company primarily operates in one reportable operating segment, being the exploration and evaluation of gold properties in Suriname. The Company has administrative offices in Toronto, Canada. Geographical information is as follows:

May 31, 2020

	Canada	Suriname	Total
Current assets	\$ 44,463	\$ 5,370	\$ 49,833
Non-current assets	-	42,857	42,857
	\$ 44,463	\$ 48,227	\$ 92,690

November 30, 2019

	Canada	Suriname	Total
Current assets	\$ 73,649	\$ 22,305	\$ 95,954
Non-current assets	-	47,619	47,619
	\$ 73,649	\$ 69,924	\$ 143,573

79North Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2020

(Expressed in Canadian Dollars)

Unaudited

14. Proposed transaction

On April 29, 2020, the Company signed a binding letter agreement (the "Letter Agreement") with 12 Exploration Inc. ("12Ex") which outlines the general terms and conditions pursuant to which 12Ex shall acquire all of the issued and outstanding shares of 79North (the "Transaction"). On May 19, 2020, 12Ex and 79North signed a definitive agreement (the "Definitive Agreement"). The Transaction was completed on June 12, 2020.

The Transaction was completed by way of a three-cornered amalgamation (the "Amalgamation") pursuant to which 79North amalgamated with a wholly-owned subsidiary of 12Ex, and 12Ex acquired all of the issued and outstanding common shares of 79North (the "79North Shares") in exchange for common shares of 12Ex (the "12Ex Shares") on the basis of one 12Ex Share for each 79North Share issued and outstanding, as a result of which 79North became a wholly-owned subsidiary of 12Ex. The Amalgamation also provides that all outstanding warrants and broker warrants to purchase 79North Shares shall remain outstanding and thereafter entitle the holders thereof to acquire equivalent securities of 12Ex in lieu of 79North on the same terms and conditions.

Prior to the completion of the Transaction, the parties completed a non brokered private placement of subscription receipts of each of 79North (the "79North Subscription Receipts") and 12Ex (the "12Ex Subscription Receipts", together with the 79North Subscription Receipts, the "Subscription Receipts") at a price of \$0.15 (the "Offering"). See note 15.

15. Events after the reporting period

On June 11, 2020, 12Ex and 79North completed the Offering, resulting in the sale of an aggregate of 30,481,655 Subscription Receipts for aggregate gross proceeds of \$4,572,250.

Upon satisfaction of the conditions (the "Escrow Release Conditions") set forth in the certificates representing the Subscription Receipts, the gross proceeds from the sale of the Subscription Receipts were released from escrow, which was immediately prior to the completion of the Transaction. Each Subscription Receipt was converted into one unit, consisting of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to acquire an additional common share at a price of \$0.25 per warrant until the date that is 36 months following the closing of the Transaction, subject to customary anti-dilution provisions.

In connection with the Offering, 12Ex and 79North paid cash finder fees and issued an aggregate of 2,133,714 finder warrants. Each finder warrant is exercisable to acquire one common share and one share purchase warrant of the issuing company at a price of \$0.15 per finder warrant. The underlying warrants have the same terms as the warrants issued upon conversion of the applicable Subscription Receipts.

Concurrent with the Offering, 79North completed a private placement of 2,253,333 units at \$0.15 per unit for gross proceeds of \$338,000. Each unit consists of one 79North Share and one common share purchase warrant. Each warrant entitles the holder to acquire one 79North Share at a price of \$0.25 per share until June 12, 2023.

The Canadian Securities Exchange (the "CSE") approved the listing of the 12Ex Shares in connection with the Transaction. The common shares of the Company commenced trading on the CSE under the symbol "TWLV" on June 16, 2020.

On June 16, 2020, the Company granted an aggregate of 3,500,000 stock options exercisable at \$0.15 per share with until June 16, 2025.