Q3 2024
INTERIM FINANCIAL STATEMENTS

TENTH AVENUE PETROLEUM CORP.
TSXV:TPC

www.tenthavenuepetroleum.com

TENTH AVENUE PETROLEUM CORP.
STATEMENTS OF FINANCIAL POSITION
[UNAUDITED]

	Note	September 30, 2024	December 31, 2023
ASSETS			
Current			
Cash		$ 56,514	$ 219,124
Trade and other receivables	4	437,207	382,590
Prepaid expenses and deposits		206,670	169,957
Derivative financial instruments	4	21,023	68,603
		721,414	840,274
Long term			
Restricted cash held in trust		60,827	58,535
Property and equipment	5	5,038,782	5,018,102
		$ 5,821,023	**$ 5,916,911**
LIABILITIES			
Current			
Accounts payable and accrued liabilities		$ 1,320,385	$ 740,303
		1,320,385	740,303
Long term			
Decommissioning obligations	6	3,458,684	3,509,969
Total liabilities		4,779,069	4,250,272
SHAREHOLDERS' EQUITY			
Share capital	7	17,682,581	17,682,581
Contributed surplus		10,741,155	10,671,839
Deficit		(27,381,782)	(26,687,781)
		1,041,954	1,666,639
		$ 5,821,023	**$ 5,916,911**

The accompanying notes are integral part of these Financial Statements.

Approved on behalf of the Board of Directors:

[signed] "Cameron MacDonald"
Cameron MacDonald, Director

[signed] "Ron Hozjan"
Ron Hozjan, Director

TENTH AVENUE PETROLEUM CORP.
STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND NINE MONTHS ENDED
[UNAUDITED]

	Note		Three months ended				Nine months ended		
			September 30, 2024		September 30, 2023		September 30, 2024		September 30, 2023
REVENUE									
Oil & natural gas sales	8	$	652,735	$	1,030,617	$	2,189,203	$	2,947,400
Royalties		$	(98,329)	$	(118,164)		(232,159)		(390,821)
Gas gathering, processing and other income		$	34,362	$	28,065		87,071		76,535
		$	588,768		940,518		2,044,115		2,633,114
Realized gain on derivatives	4	$	9,758	$	-		39,995		-
Unrealized (loss) gain on derivatives	4	$	(26,370)	$	24,469		(47,580)		24,469
			572,156		964,987		2,036,530		2,657,583
EXPENSES									
Production and transportation		$	500,575	$	688,865		1,706,123		2,128,757
General and administrative		$	184,069	$	190,922		504,606		513,058
Bad debts	4	$	-	$	-		-		-
Accretion	6	$	27,532	$	32,447		83,768		82,477
Stock based compensation	7	$	(1,030)	$	40,387		69,316		250,267
Impairment (recovery) of property and equipment	5	$	-	$	-		(7,554)		-
Depletion and depreciation	5	$	105,917	$	198,606		374,272		603,970
			817,063		1,151,227		2,730,531		3,578,529
OPERATING LOSS FROM OPERATIONS			(244,907)		(186,240)		(694,001)		(920,946)
NET LOSS AND COMPREHENSIVE LOSS		$	(244,907)	$	(186,240)	$	(694,001)	$	(920,946)
LOSS PER SHARE									
Basic	7	$	(0.01)	$	(0.01)	$	(0.02)	$	(0.02)
Diluted	7	$	(0.01)	$	(0.01)	$	(0.02)	$	(0.02)

The accompanying notes are integral part of these Financial Statements.

TENTH AVENUE PETROLEUM CORP.
STATEMENT OF SHAREHOLDERS' EQUITY FOR THE NINE MONTHS ENDED
[UNAUDITED]

	Note		September 30, 2024	September 30, 2023
SHAREHOLDERS' EQUITY				
Share capital	7			
Balance, beginning of year		$	17,682,581	$ 17,652,581
Warrants exercised			-	30,000
Balance, end of period		$	17,682,581	$ 17,682,581
Contributed surplus				
Balance, beginning of year		$	10,671,839	$ 10,511,621
Stock based compensation	7		69,316	250,267
Balance, end of period		$	10,741,155	$ 10,761,888
Deficit				
Balance, beginning of year		$	(26,687,781)	$ (25,276,916)
Net loss			(694,001)	(920,946)
Balance, end of period		$	(27,381,782)	$ (26,197,862)
TOTAL SHAREHOLDERS' EQUITY		**$**	1,041,954	$ 2,246,607

The accompanying notes are integral part of these Financial Statements.

TENTH AVENUE PETROLEUM CORP.
STATEMENT OF CASH FLOWS FOR THE THREE AND NINE MONTHS ENDED
[UNAUDITED]

		Three months ended		Nine months ended	
		September 30,	September 30,	September 30,	September 30,
	Note	2024	2023	2024	2023
OPERATING ACTIVITIES					
Net income (loss)		$ (244,907)	$ (186,240)	$ (694,001)	$ (920,946)
Items not affecting cash:					
Depletion and depreciation	5	105,917	198,606	374,272	603,970
Stock based compensation	7	(1,030)	40,387	69,316	250,267
Accretion	6	27,532	32,447	83,768	82,477
Unrealized (gain) loss on derivatives	4	26,370	(24,469)	47,580	(24,469)
Impairment (recovery) of property and equipment	5	-	-	(7,554)	-
Changes in restricted cash		(746)	(738)	(2,292)	(2,044)
Changes in non-cash working capital	9	132,850	(57,798)	488,752	38,483
CASH USED BY OPERATING ACTIVITIES		45,986	2,195	359,841	27,738
FINANCING ACTIVITIES					
Proceeds from exercise of warrants	7	-	-	-	30,000
CASH PROVIDED BY FINANCING ACTIVITIES		-	-	-	30,000
INVESTING ACTIVITIES					
Purchase of property and equipment	5	(229,955)	(70,668)	(522,451)	(466,927)
CASH USED IN INVESTING ACTIVITIES		(229,955)	(70,668)	(522,451)	(466,927)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(183,969)	(68,473)	(162,610)	(409,189)
CASH AND CASH EQUIVALENTS, beginning of period		240,483	363,502	219,124	704,218
CASH AND CASH EQUIVALENTS, end of period		$ 56,514	$ 295,029	$ 56,514	$ 295,029
Interest paid		$ -	$ -	$ -	$ -

The accompanying notes are integral part of these Financial Statements.

1. GENERAL INFORMATION

Tenth Avenue Petroleum Corp. ("Tenth" or the "Company") was incorporated under the *Business Corporations Act* (Alberta). The Company is engaged in exploration, development and production of crude oil and natural gas properties in western Canada. Tenth's common shares are listed on the TSX Venture Exchange ("TSXV") and trade under the symbol "TPC". The Company's head office and registered address is located at 2003, 188 15th Avenue S.W., Calgary, Alberta T2R 1S4.

These financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business.

As at September 30, 2024, the Company has a working capital deficit of $598,971 (December 31, 2023 - $99,971 surplus), incurred a loss of $694,001 (2023 - $920,946) and had cash provided from operations of $359,841 (2023 – $27,738) for the nine months ended September 30, 2024. Management has applied significant judgement in preparing forecasts supporting the going concern assumption. Specifically, management has made assumptions regarding projected commodity sales volumes and pricing and the timing and extent of capital and operating expenditures. The Company will be required to raise equity or debt financing to fund on-going operations and fund future development costs required to recover the carrying values of its property and equipment. Although the Company has been successful in completing financings in the past, there is no guarantee that the Company will be able to continue to do so in the future. As such, there is a material uncertainty related to these events and conditions that may cast doubt on the Company's ability to continue as a going concern.

If the going concern assumption made by management is not appropriate and the Company is unable to meet its obligations as they become due, the going concern basis may not be appropriate and adjustments to the carrying amounts of the Company's assets, liabilities, revenues and expenses may be necessary. Such adjustments could be material.

2. BASIS OF PREPARATION

a) Statement of compliance

These condensed interim financial statements as at September 30, 2024 (the "Financial Statements") are unaudited and have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), applicable to the preparation of interim financial statements, including IAS 34 Interim Financial Reporting. Certain disclosures included in the notes to the annual financial statements have been condensed in the following interim note disclosures or have been disclosed on an annual basis only. Accordingly, these Financial Statements should be read in conjunction with the audited annual financial statements for the year ended December 31, 2023 (the "2023 Annual Financial Statements").

The Company's Board of Directors approved these Financial Statements on November 25, 2024.

b) Basis of measurement

Unless otherwise indicated, all references to dollar amounts in these Financial Statements and related notes are in Canadian dollars ("CA$"), which is the functional and presentation currency of the Company. The Financial Statements have been prepared on a historical cost basis, except for certain financial instruments which are recorded at fair value as detailed in the accounting policies disclosed in note 4 of the Financial Statements.

c) Significant estimates and judgements

The timely preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ materially from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are reviewed and for any future years affected. Significant judgements, estimates and assumptions made by management in these Financial Statements are consistent with those outlined in note 2 of the 2023 Annual Financial Statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Company are described in note 3 of the 2023 Annual Financial Statements. The Financial Statements at September 30, 2024 have been prepared following the same accounting policies and methods of computation as the most recent annual financial statements as at and for the year ended December 31, 2023.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at September 30, 2023, financial instruments of the Company include cash and cash equivalents, trade and other receivables, accounts payable and accrued liabilities, and derivative financial instruments. The fair values of these financial assets and liabilities approximate their carrying value due to the short term to maturity of those instruments. The methodology used to determine the fair value for the Company's derivative financial instruments is described further in this note. Financial liabilities are measured at amortized cost.

The Company is exposed to financial risks arising from its financial assets and liabilities that include credit and liquidity risk, in addition to the market risks associated with commodity prices, and interest and foreign exchange rates. Net income and cash flows may fluctuate due to movement in market prices or as a result of the Company's exposure to credit and liquidity risks.

Risk Management Overview

Tenth Avenue's risk management objective is to manage and control market risk exposures within acceptable limits, while maximizing long-term returns.

a) Credit Risk

The carrying amount of cash and cash equivalents and trade and other receivables represent the Company's maximum credit exposure. Cash and cash equivalents are held on deposit with Canadian chartered banks. The Company's credit risk exposure arises primarily from receivables from oil and gas marketers and joint venture partners.

The composition of the Company's accounts receivable is set out in the following table:

Options traded		**September 30, 2024**		December 31, 2023
Oil and gas marketers	**$**	**174,554**	$	227,272
Joint venture partners		**51,243**		27,102
Other		**203,385**		128,216
GST		**8,025**		-
	$	**437,207**	$	382,590

The oil and gas industry has a pre-arranged monthly clearing day for payment of revenues from all buyers of oil and natural gas; this occurs on the 25th day following the month of sale. As a result, the Company's production revenues are current. All other accounts receivable are generally contractually due within 30 days, however the collection period is typically between 60 to 90 days. Amounts outstanding for more than 90 days are generally considered "past due" and relate primarily to receivables from the Company's joint venture partners. When determining whether amounts that are past due are collectible, management assesses the creditworthiness and past payment history of the counterparty, as well as the nature of the past due amount. Management has reviewed past due accounts receivable balances as at September 30, 2024 and has recorded no (2023 - $nil) provision for expected credit during the period.

b) Liquidity Risks

Liquidity risk is the risk that a company will not be able to meet its financial obligations as they become due. The Company's financial liabilities as at September 30, 2024 include accounts payable.

The Company prepares and regularly updates its capital and operating budget to forecast future cash flows to ensure, to the extent possible, that it will have sufficient liquidity to meet its obligations.

The Company has sufficient liquidity to meet its financial obligations for the next 12 months. The following table outlines a contractual maturity analysis for the Company's financial liabilities as at September 30, 2024:

	1 year	2-3 years	4 to 5 years	>5 years	**Total**
Accounts payable and accrued liabilities	$ 1,320,385	$ -	$ -	$ -	**$ 1,320,385**

c) Market Risks

Market risk is the risk that changes in market conditions, such as commodity prices, interest rates and foreign exchange rates, will affect the Company's cash flows, net income, or fair value of financial instruments. Tenth Avenue's risk management objective is to manage and control market risk exposures within acceptable limits, while maximizing long-term returns.

The Company utilizes both physical delivery sales contracts and derivative financial instruments to manage market risks. All such transactions are conducted in accordance with the Company's risk management policies.

Commodity price risk

Inherent to the business of producing oil and gas, the Company's revenue and cash provided by operating activities is subject to commodity price risk. Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices are impacted by world economic events that dictate the levels of supply and demand as well as the currency exchange rate relationship between the Canadian and U.S. dollar.

As at September 30, 2024, the Company has two commodity price risk management contracts in place to protect cash flows and project economics. This instrument is not used for trading or speculative purposes. The Company has not designated its financial derivative contract as effective accounting hedges, even though the Company considers all commodity contracts to be effective economic hedges. As a result, all such financial commodity contracts are initially recorded on the statements of financial position at fair value, with subsequent changes in the fair value being recognized as an unrealized gain or loss through profit or loss.

The Company had the following outstanding financial derivative commodity contracts as at September 30, 2024:

Financial WTI Crude Oil Contracts	**Term**	**Volume (bbl/d)**	**CAD$/US bbl (2)**
WTI Fixed Price Swap(1)	April 1, 2024 – December 31, 2024	50	$ 104.00
WTI Fixed Price Swap(1)	May 1, 2024 – December 31, 2024	25	$ 108.25

(1) Swaps are settled no later than the 25th of the month following the calendar month in which delivery is made.
(2) Price is adjusted by Wadf, quality and transportation

The fair value of forward commodity contracts is determined by discounting the difference between the contracted prices and published forward price curves as at the statement of financial position date, using the remaining contracted oil volumes and a risk-free interest rate (based on published government rates). The fair value of the Company's outstanding commodity contract resulted in a derivative financial instrument asset of $21,023 at September 30, 2024 (December 31, 2023 – $68,603).

The fair values of derivative financial instruments are designated as Level 2 in the fair value hierarchy and are highly sensitive to changes in underlying commodity prices and thereby impact profit or loss. For financial derivative commodity contracts in place at September 30, 2024, management used a weighted average commodity price of $105 CAD/US bbl (December 31, 2023 - $101 CAD/US bbl). It is estimated that a $1.00 CAD per US bbl change in the forward crude oil prices used to calculate the fair value of crude oil derivatives would result in a $6,866 change in profit or loss for the period.

5. PROPERTY, PLANT AND EQUIPMENT

The Company's property and equipment includes development and production assets ("D&P") and corporate assets. D&P assets include the Company's interests in developed crude oil and natural gas properties, as well as interests in facilities and pipelines. The following tables reconcile the movements in the cost and accumulated depletion, depreciation and impairment ("DD&I") during the years:

Property and equipment, at cost	**D&P assets**	**Corporate**	**Total PP&E**
Balance at December 31, 2022	$ 8,193,053	$ -	$ 8,193,053
Additions	482,554	-	482,554
Change in decommissioning estimates (note 6)	144,008	-	144,008
Balance at December 31, 2023	**8,819,615**	**-**	**8,819,615**
Additions	**522,451**	**-**	**522,451**
Change in decommissioning estimates (note 6)	**(135,053)**	**-**	**(135,053)**
Balance at September 30, 2024	**$ 9,207,013**	**$ -**	**$ 9,207,013**

Accumulative DD&I	D&P assets	Corporate	Total PP&E
Balance at December 31, 2022	$ 2,550,030	$ -	$ 2,550,030
Impairment	471,885	-	471,885
Depletion and depreciation	779,598	-	779,598
Balance at December 31, 2023	**3,801,513**	**-**	**3,801,513**
Impairment reversal	**(7,554)**	**-**	**(7,554)**
Depletion and depreciation	**374,272**	**-**	**374,272**
Balance at September 30, 2024	**$ 4,168,231**	**$ -**	**$ 4,168,231**

Net carrying value	**D&P assets**	Corporate	Total PP&E
Balance at December 31, 2023	$ 5,018,102	$ -	$ 5,018,102
Balance at September 30, 2024	**$ 5,038,782**	**$ -**	**$ 5,038,782**

Tenth Avenue assessed each of its cash generating units for indicators of potential impairment or reversals of prior period adjustments as at September 30, 2024. As at September 30, 2024, it was determined there was a reversal of impairment for the Swan Hills CGU from year end in the first quarter, however the Company realized an additional impairment in Q2/24 attributed to ARO changes in estimates. The Swan Hills asset remains fully impaired as at September 30, 2024.

As at September 30, 2024, it was determined that there were indicators of impairment at the Murray Lake – Hays CGU due to costs associated with the clean up of a fluid spill at Murray Lake and oil spill at Hayes. However, in analysing the impact associated, management does not believe an impairment is required.

6. DECOMMISSIONING OBLIGATIONS

Decommissioning liabilities arise as a result of the Company's net ownership interests in crude oil and natural gas assets including well sites, processing facilities and infrastructure. The following table provides a reconciliation of the carrying amount of the obligation associated with the retirement of oil and gas properties:

		September 30, 2024		December 31, 2023
Balance, beginning of year	**$**	**3,509,969**	**$**	**3,259,406**
Changes in estimates		**(135,053)**		**144,008**
Accretion		**83,768**		**106,555**
Balance, end of period	**$**	**3,458,684**	**$**	**3,509,969**

The underlying cost estimates are derived from a combination of published industry benchmarks as well as site specific information. As at September 30, 2024, based on an inflation rate of 2.0% (December 31, 2023 – 2.0%) the total undiscounted amount of the estimated cash flows required to settle the obligation is $4,965,290 (December 31, 2023 - $5,042,334). As at September 30, 2024, the carrying amount of the decommissioning obligations is based on a risk-free rate of 3.12% (December 31, 2023 – 3.02%). The Company expects the expenditures to be incurred between 2028 and 2043.

7. SHARE CAPITAL

a) Authorized

The Company is authorized to issue an unlimited number of common shares, an unlimited number of preferred shares, each without par value. The preferred shares may be issued in series, with the directors determining the terms of the preferred shares on a series-by-series basis.

b) Issued and outstanding

The following table summarizes the change in common shares issued and outstanding

	Number of common shares		Amount
Balance at December 31, 2022	**39,844,100**	$	17,652,581
Equity offerings:			
Issued for cash on exercise of warrants	**100,000**		30,000
Balance at December 31, 2023 and September 30, 2024	**39,944,100**		17,682,581

c) Warrants

The following table summarizes the change in common share purchase warrants issued and outstanding:

	Number of warrants	Average exercised price ($/share)
Balance at December 31, 2022	**6,232,500**	0.30
Warrants expired	**(6,132,500)**	(0.30)
Warrants exercised	**(100,000)**	(0.30)
Balance at December 31, 2023 and September 30, 2024	**-**	-

d) Stock options

The Company has a stock option plan under which options to purchase common shares may be granted to officers, directors, employees and consultants. The Board of Directors has approved a policy of reserving up to 10% of the outstanding common shares for issuance to eligible participants of the stock option and share award plans. All stock options have a maximum term of five years and the vesting period for each grant is determined at the discretion of the Board of Directors. The following table summarizes the change in stock options outstanding:

	Number of options	Average exercised price ($/share)
Balance at December 31, 2022	**2,940,000**	0.20
Granted(1)	**1,367,500**	0.20
Forfeited	**(1,152,500)**	(0.20)
Balance at December 31, 2023	**3,155,000**	0.20
Forfeited	**(97,50)**	(0.20)
Balance at September 30, 2024	**3,057,500**	0.20
Exercisable at September 30, 2024	**2,646,670**	0.20

(1) One third of the stock options granted vest upon issuance, one third vest on the first anniversary of the grant date and the remaining third vest on the second anniversary of the grant date.

On May 15, 2023 the Company approved a stock option grant of up to 1,367,500 common shares which were granted to certain directors, officers, and consultants of the Company.

There were no stock options granted in the nine-month period ending September 30, 2024.

The total stock based compensation calculated for the three and nine month period ended September 30, 2024 was a credit of $1,030, due to forfeited options, and $69,316 (2023 - $40,387 and $250,267), respectively. The weighted average remaining contractual life of the Company's stock options is 2.23 years.

During the nine-month period ended September 30, 2024, the volume weighted average trading price of the Company's common shares on the TSXV was $0.11.

e) Per share amounts

Basic income per share has been calculated using the weighted average number of common shares outstanding during the period, whereas the calculation of diluted earnings per share has been calculated using the weighted average number of common after adjusting for all dilutive potential shares. For the three and nine month periods ending September 30, 2024 basic common shares were 39,944,100 (2023 – 39,917,581) and diluted basic common shares were 39,944,100 (2023 – 39,917,581), respectively. No options were considered dilutive, and no warrants were outstanding as at September 30, 2024.

8. OIL AND GAS SALES

The following table summarizes the composition of Tenth Avenue's oil and gas sales revenue by product type:

	Nine months ended	
	September 30, 2024	September 30, 2023
Oil and gas sales		
Crude oil	**$ 2,129,277**	$ 2,728,602
Natural gas liquids	**10,519**	36,589
Natural gas	**49,407**	182,209
Total	**$ 2,189,203**	2,947,400

9. SUPPLEMENTAL CASH FLOW INFORMATION

	Nine months ended	
	September 30, 2024	September 30, 2023
Accounts receivable	**$ (54,617)**	$ (47,222)
Prepaid expenses and deposits	**(36,713)**	9,642
Accounts payable and accrued liabilities	**580,082**	76,063
Change in non-cash working capital	**488,752**	$ 38,483
Net change related to operating activities	**488,752**	38,483
Net change related to investing activities	**-**	-
Total	**488,752**	38,483
Non-cash transactions:		
Revisions to decommissioning obligations	**$ (135,053)**	$ (178,628)

10. CAPITAL MANAGEMENT

Tenth's capital management objectives are to maintain a flexible capital structure in order to respond to changes in economic conditions, execute on strategic opportunities throughout the business cycle, meet its financial obligations, and fund current and future settlements of decommissioning obligations. The Company seeks to create long-term shareholder value by prioritizing profitability over production growth, as well as investing in projects that are expected to strengthen its overall asset portfolio and suite of internally generated prospects. As at September 30, 2024, the Company's capital structure is comprised of working capital, long-term debt and shareholders' equity. The significant components of the Company's capital structure are summarized below:

	September 30, 2024	December 31, 2023
Adjusted working capital surplus (1)(2)	**$ (598,971)**	$ 99,971
Net (debt) surplus	**$ (598,971)**	$ 99,971
Total shareholders' equity	**$ 1,041,954**	$ 1,666,639

1. "Adjusted working capital" is calculated as current assets less current liabilities. As at September 30, 2024 and December 31, 2023, Adjusted Working Capital includes cash and cash equivalents, accounts receivable, prepaid expenses and deposits, derivative financial instruments, and accounts payable and accrued liabilities.
2. Adjusted working capital and Net Debt are not standardized measures and therefore may not be comparable with the calculation of similar measures by other entities. Tenth Avenue uses adjusted working capital and Net Debt as capital management measures of the Company's financial position and liquidity.

The capital-intensive nature of Tenth's operations may create a working capital deficiency during periods with high levels of capital investment. During the period ended September 30, 2024, Tenth's exploration and development capital expenditures were $522,451 (2023 - $466,927).

As at September 30, 2024, Tenth had net working capital deficit of $598,971 (December 31, 2023 - $99,971 surplus). The Company's existing capital resources are sufficient to satisfy its current financial obligations at the reporting period date

As at September 30, 2024, the Company is not subject to any externally imposed capital requirements.

11. RELATED PARTY DISCLOSURES

During the nine months ending September 30, 2024 the Company has incurred consulting fees of $165,000 (2023 - $129,394) to officers of the Company. As at September 30, 2024, there was no amount (2023 - $19,250) outstanding in accounts payable and accrued liabilities. During the same period, the Company also incurred $25,273 (2023 - $41,538) in legal fees and no (2023 - $Nil) in share capital costs to a firm where a Company director is a partner.

12. SUBSEQUENT EVENT

On November 1, 2024, the Company closed a non-brokered private placement, issuing 4,170,000 Units at a price of $0.10 per unit ("Unit") for gross proceeds of $417,000 ("Offering") with proceeds to be used to accelerate the Company's infrastructure development plans at its Murray Lake assets and for general working capital purposes. Each Unit consists of one common share of the Company and one-half of one common share purchase warrant ("Warrant"). Each whole Warrant issued under the Offering entitles the holder to acquire one additional Common Share at a price of $0.15 for a period of 12 months from the date of issuance. The Warrants include an acceleration provision whereby if at any time the daily volume weighted average closing price of the Common Shares on the TSXV is greater than $0.20 per Common Share for a period of ten consecutive trading days.