

KORE MINING LTD.

Condensed Interim Consolidated Financial Statements

June 30, 2023

(Unaudited – Prepared by Management)



**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

KORE MINING LTD.**Condensed Interim Consolidated Statement of Financial Position***(Unaudited – Prepared by Management)**(Expressed in Canadian dollars)*

As at	Note	June 30, 2023 \$	December 31, 2022 \$
Current assets			
Cash and cash equivalents		159,084	743,336
Accounts receivable	7	73,798	227,848
Prepaid expenses		43,644	92,433
Total current assets		276,526	1,063,617
Non-current assets			
Deposits		236,452	239,334
Equipment		54,781	139,820
Mineral properties	5	1,836,833	1,878,284
Total non-current assets		2,128,066	2,257,438
Total assets		2,404,592	3,321,055
Current liabilities			
Accounts payable	7	463,479	672,853
Lease liability		8,187	78,341
Total liabilities		471,666	751,194
Shareholders' equity			
Share capital	6	19,416,853	19,416,853
Warrants		1,477,505	1,477,505
Reserves		3,107,658	3,082,196
Accumulated deficit		(22,062,561)	(21,442,045)
Accumulated other comprehensive (loss) income		(6,529)	35,352
Total shareholders' equity		1,932,926	2,569,861
Total shareholders' equity and liabilities		2,404,592	3,321,055

Going concern 2
Subsequent events 10

Approved by the Board of Directors:

“James Hynes”
Director

“RJ MacDonald”
Director

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

KORE MINING LTD.**Condensed Interim Consolidated Statement of Loss and Comprehensive Loss***(Unaudited – Prepared by Management)**(Expressed in Canadian dollars unless otherwise stated)*

	Note	For the three months ended June 30, 2023 \$	For the three months ended June 30, 2022 \$	For the six months ended June 30, 2023 \$	For the six months ended June 30, 2022 \$
Expenses					
Depreciation		46,553	48,269	80,816	95,700
Exploration and evaluation expenses	5	40,461	549,871	76,681	782,826
General and administration		49,533	188,036	108,140	268,972
Management fees and wages	7	51,229	389,625	102,441	766,442
Marketing and professional fees		111,629	378,155	209,362	539,029
Share-based payments net of forfeitures	6	(16,955)	207,558	25,462	488,880
		(282,450)	(1,761,514)	(602,902)	(2,941,850)
Other income (expense)					
Foreign exchange (loss) gain		(887)	7,198	(1,462)	3,071
Loss on fixed assets disposal		(2,774)	-	(2,774)	-
Interest and finance income		1,240	1,469	3,365	3,169
Interest expense		(14,290)	(6,520)	(16,743)	(14,200)
Net loss for the period		(299,161)	(1,759,367)	(620,516)	(2,949,810)
Item that may be subsequently reclassified to net loss					
Cumulative translation adjustment		(40,308)	80,523	(41,881)	63,369
Net comprehensive loss for the period		(339,469)	(1,678,844)	(662,397)	(2,886,441)
Basic and diluted loss per common share		(0.00)	(0.02)	(0.00)	(0.03)
Weighted average number of common shares outstanding - basic and diluted		201,826,357	115,329,347	201,826,357	115,140,458

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

KORE MINING LTD.**Condensed Interim Consolidated Statement of Cash Flows***(Unaudited – Prepared by Management)**(Expressed in Canadian dollars unless otherwise stated)*

	Note	For the six months ended June 30, 2023	For the six months ended June 30, 2022
		\$	\$
CASH USED IN OPERATING ACTIVITIES			
Loss for the period		(620,516)	(2,949,810)
Items not involving cash:			
Unrealised foreign exchange gain		(7,614)	-
Depreciation		80,816	95,700
Interest expense		4,848	14,200
Share-based payments net of forfeitures	6	25,462	488,880
Loss on fixed assets disposal		2,774	-
Changes in non-cash working capital items:			
Accounts receivable		154,050	(12,806)
Prepaid expenses and advances		49,652	14,784
Accounts payable		(209,036)	169,542
		(519,564)	(2,179,510)
FINANCING ACTIVITIES			
Payment of lease liabilities		(73,266)	(81,702)
Proceeds from the exercise of options		-	70,000
		(73,266)	(11,702)
Impact of changes in foreign exchange on cash and cash equivalents		8,578	25,970
Change in cash and cash equivalents		(584,252)	(2,165,242)
Cash and cash equivalents at beginning of the period		743,336	3,592,702
Cash and cash equivalents at end of the period		159,084	1,427,460

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KORE MINING LTD.**Condensed Interim Consolidated Statement of Changes in Equity***(Unaudited – Prepared by Management)**(Expressed in Canadian dollars unless otherwise stated)*

	<u>Common Shares</u>					Accumulated deficit	Accumulated other comprehensive loss	Total Equity
	Note	Number	Amount \$	Warrants \$	Reserves \$	\$	\$	\$
December 31, 2021		114,829,347	18,721,695	1,353,652	2,531,798	(17,225,442)	(128,304)	5,253,399
Exercise of options		500,000	108,617	-	(38,617)	-	-	70,000
Share-based payments	6	-	-	-	488,880	-	-	488,880
Net loss for the period		-	-	-	-	(2,949,810)	-	(2,949,810)
Other comprehensive income		-	-	-	-	-	63,369	63,369
June 30, 2022		115,329,347	18,830,312	1,353,652	2,982,061	(20,175,252)	(64,935)	2,925,838
December 31, 2022		201,826,357	19,416,853	1,477,505	3,082,196	(21,442,045)	35,352	2,569,861
Share-based payments net of forfeitures	6	-	-	-	25,462	-	-	25,462
Net loss for the period		-	-	-	-	(620,516)	-	(620,516)
Other comprehensive loss		-	-	-	-	-	(41,881)	(41,881)
June 30, 2023		201,826,357	19,416,853	1,477,505	3,107,658	(22,062,561)	(6,529)	1,932,926

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

KORE MINING LTD.

Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2023

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars unless otherwise stated)

1. NATURE OF OPERATIONS

KORE Mining Ltd. (“KORE” or the “Company”) is an exploration and development stage company that trades on the TSX Venture Exchange (“TSXV”) under the symbol ‘KORE’. The Company is focused on the exploration and development of its California gold projects, Imperial and Long Valley. In January 2021, the Company transferred its Canadian exploration projects to Karus Gold Corp (“Karus”) in exchange for shares of Karus Gold which were then distributed to shareholders of the Company. The Company’s registered office is located at 25th floor, 700 W Georgia Street, Vancouver, BC, V7Y 1B3.

The Company is in the process of exploring and evaluating its mineral resource properties and has not yet determined whether these properties contain economically recoverable mineral reserves. The recoverability of the amounts capitalized to mineral properties is ultimately dependent upon the existence of economically recoverable ore reserves and resources, securing and maintaining title and/or beneficial interest in the properties, obtaining necessary financing to continue to explore, evaluate and develop the properties, and upon future profitable production or proceeds from disposition of such properties. The amounts shown as mineral properties represent costs incurred in acquiring the properties, and do not necessarily represent current or future fair values.

2. GOING CONCERN

These condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

As at June 30, 2023, the Company had a working capital deficit of \$195,140 (current assets less current liabilities) and has incurred net losses since inception of \$22,062,561. For the six months ended June 30, 2023, the Company used cash flows in operations of \$519,564 (2022 - \$2,179,510).

The Company’s ability to continue to carry out its planned exploration and development activities for at least the next twelve months is uncertain and dependent upon the continued financial support of its shareholders and on securing additional financing. During July, the Company collected \$62,267 owing from Karus (Note 7). Subject to the approval from disinterested shareholders of the Company, KORE plans to settle accounts payable of \$140,000 for services through issuance of common shares (Note 7). Although the Company continues to work on such solutions and towards financing its operations, there is no assurance that any such initiatives will be sufficient and, as a result, this material uncertainty may give rise to significant doubt regarding the going concern assumption and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern. These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations for the foreseeable future. These adjustments could be material.

3. BASIS OF PRESENTATION

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”) applicable to interim financial reports, including International Accounting Standard 34, “Interim Financial

KORE MINING LTD.**Notes to the Condensed Interim Consolidated Financial Statements****June 30, 2023***(Unaudited – Prepared by Management)**(Expressed in Canadian dollars unless otherwise stated)*

Reporting”. These condensed interim consolidated financial statements should be read in conjunction with the annual audited financial statements for the year ended December 31, 2022, which have been prepared in accordance with IFRS. The accounting policies adopted are consistent with those of the previous financial year.

These condensed interim consolidated financial statements have been authorized for issue by the Board of Directors of the Company on August 24, 2023.

Basis of Measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis. The statements are presented in Canadian dollars unless otherwise noted.

Reclassification of Prior Period Presentation

Certain prior period amounts have been reclassified for consistency with the current period presentation. These reclassifications had no net impact on the reported results of operations and only consisted of transfers of transactions of approximately \$56,000 from General and administration to Management fees and wages, and Marketing and professional fees captions within the statement of condensed interim consolidated loss and comprehensive loss.

Significant Judgments, Estimates and Assumptions

The preparation of the Company’s condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the condensed interim consolidated financial statements and the reported amounts of income and expenses during the reporting period. Estimates and assumptions are regularly evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The significant estimates and critical judgments made by management in applying the Company’s accounting policies and key sources of estimation uncertainty were consistent with those applied to the annual audited consolidated financial statements for the year ended December 31, 2022.

5. MINERAL PROPERTIES

The balance and summary of the changes to mineral properties was as follows:

	Long Valley USA \$	Imperial USA \$	Total \$
Balance, December 31, 2021	491,039	1,264,050	1,755,089
Foreign exchange adjustment	32,845	90,350	123,195
Balance, December 31, 2022	523,884	1,354,400	1,878,284
Foreign exchange adjustment	(11,051)	(30,400)	(41,451)
Balance, June 30, 2023	512,833	1,324,000	1,836,833

KORE MINING LTD.**Notes to the Condensed Interim Consolidated Financial Statements****June 30, 2023***(Unaudited – Prepared by Management)**(Expressed in Canadian dollars unless otherwise stated)*

Imperial Project

In March 2017, the Company purchased Imperial USA Corp. which owns the Imperial project located in California. In settlement of the purchase price, the Company paid US\$150,000. The Company issued a 1% net smelter return royalty (“NSR”) on the property in connection with this acquisition. The remaining payments under the agreement comprised US\$1,000,000 payable upon the announcement of a revised Preliminary Economic Assessment (“PEA”) or similar report (milestone achieved and payment made during the year ended December 31, 2020) and US\$1,000,000 payable 30 days after the date that gold is poured from ore mined from the related properties. The vendor has the option to receive shares in the Company in settlement of this remaining payment of US\$1,000,000 up to achieving a maximum 4.9% ownership interest in the Company, above which level further share consideration is at the option of the Company.

In May 2019, the Company received an investment from Macquarie Bank Ltd and its affiliates (collectively, “Macquarie”) of \$4,000,000. As part of the investment by Macquarie, Macquarie subscribed for 6,000,000 common shares and acquired a 1% NSR royalty on the Imperial Project for a total cost of \$4,000,000 (the “Macquarie Royalty”). The agreement provides for certain rights for Macquarie to provide project development financing, rights of refusal and offer on additional royalty issuances and sales and prescribes the proceeds to be used primarily to advance permitting of the Imperial Project.

Long Valley Project

In March 2017, the Company purchased certain mining claims in the Long Valley area of California with an upfront payment of US\$350,000 to the vendor. The remaining payments under the agreement comprise US\$500,000 due 30 days after commencement of commercial production and US\$500,000 payable on the 12-month anniversary of the commencement of commercial production. A US\$25,000 deposit was paid to the vendor prior to execution of the purchase agreement, which will be applied to the final payment, unless forfeited in the event the agreement is terminated. The vendor has the option to receive shares in the Company in settlement of the remaining payments.

The vendor retained a net smelter return royalty on the claims (“the Seller NSR”). The Seller NSR provides for a royalty of 0.5% when the price of gold is under US\$1,400/oz, 1.0% when the price of gold is between US\$1,401 to US\$1,600/oz and 2.0% when the price of gold is above US\$1,600/oz. The Company has the option to purchase back 1% of the royalty when the price of gold is above US\$1,600/oz for US\$2 million if purchased prior to the announcement of a feasibility study or for US\$4 million if repurchased prior to commencement of commercial production. In addition, there is a further 1% NSR payable to another third party.

KORE MINING LTD.**Notes to the Condensed Interim Consolidated Financial Statements****June 30, 2023***(Unaudited – Prepared by Management)**(Expressed in Canadian dollars unless otherwise stated)***Exploration and Evaluation Expenses**

Details of the exploration and evaluation expenses incurred were as follows:

	For the three months ended June 30, 2023	For the three months ended June 30, 2022	For the six months ended June 30, 2023	For the six months ended June 30, 2022
	\$	\$	\$	\$
Claim holding and taxes	13,230	11,806	15,436	11,806
Contractors, professional fees and wages	26,810	100,022	60,404	178,746
Engineering and development	-	34,799	-	83,257
Geophysics and ground prospecting	-	24,044	-	53,259
Permitting and environment	-	33,729	-	38,766
Project administration and support	421	38,494	841	47,254
Technical reports and studies	-	338,954	-	390,583
Travel, logistics & camp costs	-	14,786	-	25,918
Drill program	-	1,549	-	1,549
Recoveries	-	(48,312)	-	(48,312)
	40,461	549,871	76,681	782,826

6. SHARE CAPITAL**Authorized**

Unlimited number of common shares with no par value.

Issued and outstanding

As at June 30, 2023, there were 201,826,357 (December 31, 2022 – 201,826,357) common shares outstanding.

Stock Options

Pursuant to a rolling stock option plan (the “Plan”) for directors, officers, employees and consultants, the Company may reserve a maximum of 10% of the issued and outstanding listed common shares, with the exercise price to be determined on the date of issuance of the options. The term of options granted under the plan may not exceed five years and such options vest at terms to be determined by the board of directors at the time of the grant, but the exercise price shall not be less than the price determined by the policies of the stock exchange on which the Company’s common shares are then listed.

A summary of stock options activity for the six months ended June 30, 2023 was as follows:

	Number of options	Weighted average exercise price
		\$
Balance, December 31, 2022	8,825,000	0.40
Forfeited	(1,625,000)	0.57
Balance, June 30, 2023	7,200,000	0.36

KORE MINING LTD.**Notes to the Condensed Interim Consolidated Financial Statements****June 30, 2023***(Unaudited – Prepared by Management)**(Expressed in Canadian dollars unless otherwise stated)*

As at June 30, 2023, the following stock options were outstanding:

Expiry date	Number of options outstanding	Number of options exercisable	Exercise price \$
November 1, 2023	750,000	750,000	0.50
January 12, 2024	1,500,000	1,500,000	0.14
May 8, 2024	150,000	150,000	0.25
July 2, 2024	2,600,000	2,600,000	0.27
July 29, 2024	100,000	100,000	0.62
April 27, 2025	300,000	300,000	0.44
September 3, 2025	100,000	100,000	1.50
July 29, 2026	1,200,000	1,200,000	0.62
January 20, 2027	500,000	366,667	0.37
	7,200,000	7,066,667	0.36

Warrants

A summary of warrants activity for the six months ended June 30, 2023 was as follows:

	Number of warrants	Weighted average exercise price \$
Balance, December 31, 2022	16,177,663	0.48
Expired	(5,019,726)	1.31
Balance, December 31, 2022	11,157,937	0.11

As at June 30, 2023, the following warrants were outstanding:

Expiry date	Number of warrants	Exercise price \$
November 16, 2027	11,157,937	0.11
	11,157,937	0.11

Restricted Share Units (“RSUs”)

In October 2020, the Company’s shareholders approved the Omnibus Plan (“Omnibus Plan”), which is a fixed plan that reserves for issuance a maximum of 10,605,828 common shares as equity-based compensation awards. Together with the 10% rolling stock option plan, only a maximum of 10% of instruments under the Omnibus Plan and Option Plan may be granted to insiders. Awards under the plan may be granted in a form as designated by the Board, including restricted share units, deferred share units and other performance-based instruments.

A summary of RSUs activity for the six months ended June 30, 2023 was as follows:

	Number of RSUs
Balance, December 31, 2022	1,091,693
Forfeited	(138,828)
Balance, June 30, 2023	952,865

KORE MINING LTD.**Notes to the Condensed Interim Consolidated Financial Statements****June 30, 2023***(Unaudited – Prepared by Management)**(Expressed in Canadian dollars unless otherwise stated)*

As at June 30, 2023, the following RSUs were outstanding:

Expiry date	Number of RSUs outstanding	Number of RSUs exercisable
December 30, 2023	188,000	188,000
January 20, 2025	764,865	631,532
	952,865	819,532

Share-Based Compensation

During the three and six months ended June 30, 2023, the Company did not grant any stock options or RSUs, however recognized \$(16,955) and \$25,462 (2022 - \$207,558 and \$488,880) respectively as share-based payments expense net of forfeitures in relation to the vesting of the previously granted stock options and RSUs, due to the graded vesting of these instruments.

7. RELATED PARTY TRANSACTIONS AND BALANCES**Related Party Transactions**

The Company shared office space and the related cost with Karus until May 31, 2023, when the office lease was terminated. During the three and six months ended June 30, 2023, such administrative transactions with Karus amounted to \$10,738 and \$26,312 (2022 - \$5,386 and \$29,327) respectively.

As at June 30, 2023, the total amount receivable from Karus was \$62,267 (2022 - \$200,955). Karus settled the entire amount owing to KORE in July 2023.

During the year ended December 2022, the Company entered into a consulting agreement with the Chief Financial Officer ("CFO") of the Company for a monthly fee of \$8,500 through Avisar Everyday Solutions Ltd. ("Avisar"), a company where the CFO is a director and an officer, to provide accounting related services to KORE. During the three and six months ended June 30, 2023, the Company incurred \$25,500 and \$51,000 (2022 - \$17,000) respectively in professional fees to Avisar.

As at June 30, 2023, the total amount payable to Avisar was \$17,340 (2022 - \$18,480). This amount is unsecured, non-interest bearing and due on demand.

Key Management Compensation

Key management are those personnel having the authority and responsibility for planning, directing, and controlling the Company and include the Executive Chairman & Chief Executive Officer, Chief Financial Officer and Directors.

The key management compensation was as follows:

	For the three months ended June 30, 2023	For the three months ended June 30, 2022	For the six months ended June 30, 2023	For the six months ended June 30, 2022
	\$	\$	\$	\$
Management fees and salaries	50,000	147,788	100,000	354,477
Share-based compensation	21,960	152,074	59,492	315,995
	71,960	299,862	159,492	670,472

KORE MINING LTD.**Notes to the Condensed Interim Consolidated Financial Statements****June 30, 2023***(Unaudited – Prepared by Management)**(Expressed in Canadian dollars unless otherwise stated)*

As at June 30, 2023, a total of \$148,750 (2022 - \$42,083) was payable to key management personnel. The amount owing recorded in accounts payable and accrued liabilities is unsecured, non-interest bearing and due on demand. As at the date of these condensed interim consolidated financial statements, the Company is in the process of settling \$140,000 of this outstanding balance in common shares.

8. RISK MANAGEMENT**Financial Risk Management**

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

a. Credit Risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents.

The Company has assessed its exposure to credit risk on its cash and cash equivalents and has determined that such a risk is minimal. Most of the Company's cash is held with reputable financial institutions in Canada.

b. Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at June 30, 2023, the Company had a working capital deficit of \$195,140 but does not have any long-term monetary liabilities. The Company will seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. The Company's approach to managing liquidity risk is to endeavor to ensure that it will have sufficient liquidity to meet liabilities when they fall due. The Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

c. Interest Rate Risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company holds its cash and cash equivalents on which it earns variable rates of interest and may therefore be subject to a certain amount of risk, though this risk is immaterial.

The fair value of KORE's reclamation bond is subject to interest rate fluctuations. The management does not believe the fluctuations in the fair value of the reclamation bond would have a significant impact on the Company's condensed interim consolidated financial statements given the overall low value of the reclamation bond.

d. Foreign Currency Risk

Foreign currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company maintains its cash reserves in Canadian and United States dollars. The portion of the Company's funds held in US dollars are subject to fluctuations in foreign exchange rates.

KORE MINING LTD.**Notes to the Condensed Interim Consolidated Financial Statements****June 30, 2023***(Unaudited – Prepared by Management)**(Expressed in Canadian dollars unless otherwise stated)*

As at June 30, 2023, the Company has certain monetary items denominated in United States dollars. Based on these net exposures, a 10% appreciation or depreciation of the Canadian dollar against the United States dollar would result in a decrease or increase of \$11,739 in the Company's net loss.

Fair Values

The carrying values of cash, deposits and other receivables and trade and other accounts payable approximate fair values due to their short-term to maturity nature.

9. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration, and development of exploration and evaluation properties in the United States. The following table shows the geographic breakdown of the Company's non-current assets:

	June 30, 2023		
	Canada	USA	Total
	\$	\$	\$
Mineral properties	-	1,836,833	1,836,833
Deposits	114,099	122,352	236,452
Equipment	-	54,781	54,781
Total	114,099	2,013,966	2,128,066

	December 31, 2022		
	Canada	USA	Total
	\$	\$	\$
Mineral properties	-	1,878,284	1,878,284
Deposits	114,173	125,161	239,334
Equipment	69,773	70,047	139,820
Total	183,946	2,073,492	2,257,438

10. SUBSEQUENT EVENTS

In July 2023, KORE granted an aggregate of 400,000 stock options to a consultant pursuant to investor relations services and 7,000,000 deferred share units ("DSUs") to its directors. The stock options granted to consultant are exercisable at \$0.05 per share for a five-year term and vested immediately on the date of grant. The DSUs are redeemable into common shares of the Company at a deemed price of \$0.05 per share and vest in equal one-third parts: (i) on the date of grant, (ii) on the first anniversary of the date of grant, and (iii) on the second anniversary of the date of grant.