NiCAN Limited

Condensed Interim Financial Statements

(Unaudited - expressed in Canadian dollars)

March 31, 2022

STATEMENTS OF FINANCIAL POSITION

(Unaudited - expressed in Canadian dollars)

	Note	March 31, 2022	December 31, 2021
		$	$
ASSETS			
Current			
Cash		1,309,718	2,201,254
Prepaid expenses		64,144	55,372
Receivables		158,927	76,211
Subscription funds held in trust	3	5,927,438	–
Deferred financing charges		277,770	–
Total Current Assets		7,737,997	2,332,837
TOTAL ASSETS		**7,737,997**	**2,332,837**
LIABILITIES			
Current			
Accounts payable and accrued liabilities	4, 7	826,606	149,505
Flow-through share premium liability	5	85,133	726,207
Subscriptions received	3	6,108,676	–
Total Current Liabilities		7,020,415	875,712
TOTAL LIABILITIES		**7,020,415**	**875,712**
SHAREHOLDERS' EQUITY			
Share capital	6	2,532,563	2,532,563
Share-based payments reserve	6	296,296	199,764
Deficit		(2,111,277)	(1,275,202)
TOTAL SHAREHOLDERS' EQUITY		**717,582**	**1,457,125**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**7,737,997**	**2,332,837**

Nature and continuance of operations – Note 1

Approved on behalf of the Board on June 7, 2022:

/s/ Mike Hoffman	/s/ Brad Humphrey
Chairman	Director

STATEMENT OF LOSS AND COMPREHENSIVE LOSS

(Unaudited - expressed in Canadian dollars)

	Note	Three Months Ended March 31, 2022
		$
OPERATING EXPENSES		
Exploration expenditures	**8**	1,284,828
Professional fees		45,000
Management fees	**7**	55,900
Director fees	**7**	18,000
General and administrative		62,631
Marketing and investor relations		12,000
TOTAL OPERATING EXPENSES		**1,478,359**
OTHER INCOME		
Flow-through premium recovery	**5**	641,074
Interest income		1,210
TOTAL OTHER INCOME		**642,284**
LOSS AND COMPREHENSIVE LOSS		**(836,075)**
LOSS PER SHARE		
Basic and diluted		(0.02)
WEIGHTED AVERAGE NUMBER OF SHARES		
Basic and diluted		51,758,000

STATEMENT OF CASH FLOWS

(Unaudited - expressed in Canadian dollars)

	Three Months Ended March 31, 2022 $
CASH (USED IN) PROVIDED BY:	
OPERATING ACTIVITIES	
Loss and comprehensive loss for the period	(836,075)
Flow-through premium recovery	(614,074)
Changes in non-cash working capital items	
Prepaid expenses	(8,772)
Receivables	(82,716)
Accounts payable and accrued liabilities	677,101
Total cash flows used in operating activities	(891,536)
DECREASE IN CASH	(891,536)
CASH - BEGINNING OF PERIOD	2,201,254
CASH - END OF PERIOD	**1,309,718**

SUPPLEMENTAL CASH FLOW INFORMATION:	
Agents warrants issued for payment of financing fees	96,532
Share subscriptions received in advance	6,108,676

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited - expressed in Canadian dollars)

	Note	Number of common shares	Share capital	Share-based payments reserve	Deficit	Total
			$	$	$	$
BALANCE, APRIL 6, 2021		–	–	–	–	–
Shares issued on incorporation	6	5,050,000	5,050	–	–	5,050
Shares issued by direct subscription	6	4,950,000	4,950	–	–	4,950
Shares issued by private placement	6	33,400,000	1,670,000	–	–	1,670,000
Shares issued for the acquisition of properties	6	2,000,000	100,000	–	–	100,000
Shares issued by private placement	6	6,358,000	1,589,500	–	–	1,589,500
Share issue costs	6	–	(36,735)	–	–	(36,735)
Share issue costs – agents' warrants	6	–	(5,452)	5,452	–	–
Flow-through share premium	5	–	(794,750)	–	–	(794,750)
Shares-based compensation	6	–	–	194,312	–	194,312
Loss for the period		–	–	–	(1,275,202)	(1,275,202)
BALANCE, DECEMBER 31, 2021		**51,758,000**	**2,532,563**	**199,764**	**(1,275,202)**	**1,457,125**
Agent warrants		–	–	96,532	–	96,532
Loss for the period		–	–	–	(836,075)	(836,075)
BALANCE, MARCH 31, 2022		**51,758,000**	**2,532,563**	**296,296**	**(2,111,277)**	**717,582**

1. NATURE AND CONTINUANCE OF OPERATIONS

NiCAN Limited (the "Company" or "NiCAN") was incorporated under the laws of the Province of Ontario, Canada on April 6, 2021, and its principal business activity is the exploration and evaluation of mineral properties. The Company's corporate office is located at 390 Bay Street, Suite 700A, Toronto, Ontario.

These condensed interim financial statements are prepared on a going concern basis that 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 Company has incurred losses since inception and has no source of recurring revenue. The success of the Company is dependent upon the ability of the Company to obtain necessary financing to continue their exploration and development activities, the confirmation of economically recoverable reserves, and upon establishing future profitable production, or realization of proceeds on disposal. The Company will require additional funding to maintain its activities and operations for the upcoming fiscal year. All of the preceding indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. These condensed interim financial statements do not give effect to the adjustments that would be necessary to the carrying value and classification of assets and liabilities should the Company be unable to continue as a going concern.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting using the same accounting policies and methods of application as the audited annual financial statements for the period ended December 31, 2021, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Accordingly, certain information and footnote disclosure normally included in annual financial statements have been omitted or condensed.

These condensed interim financial statements should be read in conjunction with the audited financial statements of the Company as at and for the period ended December 31, 2021.

On June 7, 2022, the Board of Directors of the Company approved these condensed interim financial statements for the three months ended March 31, 2022.

3. REVERSE TAKEOVER ACQUISITION

On March 3, 2022, the Company entered into an amalgamation agreement with 1287390 B.C. Ltd. ("390"), pursuant to which 390 and NiCAN will amalgamate and continue as one corporation (the "Amalgamation"), being the Resulting Issuer, on the terms and subject to the conditions set forth in the Amalgamation Agreement. Each common share of the Company will be exchanged for one common share of the Resulting Issuer. Immediately prior to completing the Amalgamation, 390 will complete a 1:0.728 reverse split (the "Ratio") of their existing shares. The shareholders of 390 will receive a number of common shares equal to $1,310,000 of common shares of the Resulting Issuer, including the exercise of 100,000 options at $0.10 per share in 390.

The Amalgamation is subject to the approval of the TSX Venture Exchange ("TSX-V") and is intended to constitute a reverse takeover of 390 by the Company as defined in TSX-V Policy 5.2 – Change of Business and Reverse Takeovers.

(Expressed in Canadian dollars)

Concurrent Offering

In connection with the Amalgamation, NiCAN completed a non-brokered private placement of 14,483,446 subscription receipts, in a combination of: (i) non-flow-through subscription receipts at a price of $0.40 each, and (ii) flow-through subscription receipts at a price of $0.45 each, for aggregate gross proceeds of $6,108,676 (collectively, the "Offering"). The Company incurred $362,743 in cash finders' fees in connection with the Offering and issued 843,823 finder's warrants with a fair value of $96,532. Each finder's warrant exercisable to acquire one NiCAN share at a price of $0.40 for a period of 12 months following the closing of the offering. The common shares underlying the subscription receipts will be exchanged on a one-for-one basis for Resulting Issuer common shares upon completion of the Amalgamation and public listing of the Resulting Issuers' shares on the TSX-V. As at March 31, 2022, the subscriptions received are recognized as a liability on the statements of financial position as they are subject to the approval by the TSX-V of the listing of the Resulting Issuer shares.

On the NiCAN Offering Closing Date, $5,927,438, the gross proceeds of the Offering, less $181,238, being 50% of the cash finders fees payable to the Agents in connection with the Offering, were deposited into escrow pending the satisfaction of certain escrow release conditions, including the satisfaction of all conditions precedent to the Transaction and completion of the Amalgamation in accordance with the Amalgamation Agreement.

On June 2, 2022, 390 completed a non-brokered private placement ("390 Offering") 86,250 shares of 390 at a price of $0.307 per share for total proceeds of $26,479. Shares issued pursuant to the 390 Offering will be subdivided based on the Ratio.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITES

	March 31, 2022	December 31, 2021
Accounts payable	$ 341,408	$ 109,505
Accrued liabilities	485,198	40,000
TOTAL	**$ 826,606**	**$ 149,505**

5. FLOW-THROUGH SHARE PREMIUM LIABILITY

Flow-through share premium liabilities consist of the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the issued flow-through shares:

	Amount
BALANCE AT APRIL 6, 2021	$ –
Liability incurred on flow-through shares issued during the period	794,750
Settlement of flow-through share liability on incurred expenditures	(68,543)
BALANCE AT DECEMBER 31, 2021	**726,207**
Settlement of flow-through share liability on incurred expenditures	(641,074)
BALANCE AT MARCH 31, 2022	**$ 85,133**

On October 28, 2021, the Company issued 6,358,000 flow-through shares at a price of $0.25 per share for gross proceeds of 1,589,500. A flow-through premium liability of $0.125 per share was recorded for the flow-through shares. During the three months ended March 31, 2022, the Company incurred $1,282,149 of eligible flow-through expenditures, representing 81% of the spending commitment for the flow-through shares issued in October 2021. A total flow-through share premium liability of $641,074 was amortized to flow-through premium recovery on the condensed interim statement of loss and comprehensive loss.

6. SHARE CAPITAL

a) **Share capital**

Authorized: an unlimited number of common shares with no par value.

Issued: 51,758,000 common shares.

The Company issued 5,050,000 shares to founders of the Company on April 6, 2021 for total proceeds of $5,050. An additional 4,950,000 shares were issued on April 20, 2021 to subscribers for proceeds of $4,950.

On May 10, 2021, the Company closed a non-brokered private placement of 33,400,000 common shares at a subscription price of $0.05 per common share, for total proceeds of $1,670,000.

On July 23, 2021, the Company issued 1,000,000 shares as consideration for each of the Pipy and Wine properties (2,000,000 shares combined) with a total value of $100,000 (Note 8).

On October 28, 2021, the Company closed a non-brokered private placement of 6,358,000 flow-through shares at a subscription price of $0.25 per flow-through share, for total proceeds of $1,589,500. The Company paid finders fees of $36,735 and issued 331,200 agents' warrants with a fair value of $5,452. Each agents' warrant entitles the holder to acquire one common share of the Company for $0.25 per share on or before October 28, 2022.

There were no share issuances during the period ended March 31, 2022.

b) **Stock Options**

The Company has a stock option plan (the "Plan") that authorizes the Board of Directors to grant options to directors, officers, consultants and key employees. The maximum number common shares issuable pursuant to the exercise of the options granted under the plan is 10% of the total issued and outstanding common shares of the Company at time of grant. The maximum number of stock options granted to any one individual in a 12-month period may not exceed 5% of the outstanding common shares of the Company. The maximum number of stock options granted to any one consultant or an individual providing investor relations services in a 12-month period may not exceed 2% of the outstanding common shares of the Company. Options granted to consultants or individuals providing investor relations services will vest over at least 12 months with no more than one-quarter of the options vesting in any three-month period. The exercise price of the options is fixed by the Board of Directors of the Company at the time of the grant at the market price of the common shares. These options are non-transferrable and are valid for a maximum of 10 years from the date of issue, and except for where previously noted, are subject to vesting provisions as determined by the Board of Directors.

On December 13, 2021, the Company granted 2,500,000 incentive stock options to directors, management and consultants of the Company, exercisable at $0.25 per share for a period of 5 years, vesting immediately.

There were no stock option grants and the Company did not record any share-based compensation expense during the three months ended March 31, 2022.

(Expressed in Canadian dollars)

The following table summarizes information about the share options as at March 31, 2022:

Grant Date	Number of options outstanding	Exercise price per share of options outstanding	Weighted average remaining life	Grant date fair value	Number of options exercisable	Expiry date
December 13, 2021	2,500,000	$0.25	4.95	$0.08	2,500,000	December 13, 2026

Stock option transactions are summarized as follows:

	Number	Weighted Average Exercise Price
BALANCE, APRIL 6, 2021	**–**	**$ –**
Granted	2,500,000	0.25
BALANCE, DECEMBER 31, 2021	**2,500,000**	**$ 0.25**
BALANCE, MARCH 31, 2022	**2,500,000**	**$ 0.25**

The fair value of the stock options issued were estimated using the Black-Scholes option pricing model with the following assumptions:

Issue date	Expected Option life (years)	Risk free interest rate	Dividend yield	Expected volatility[1]	Weighted average fair value
December 31, 2021	5.00	1.26%	nil	96%	$0.08

(1) Expected volatility has been determined using the historical share price of the comparable companies for the period equivalent to the expected life of the options.

c) **Warrants**

Warrant transactions are summarized as follows:

	Number	Weighted Average Exercise Price
BALANCE, APRIL 6, 2021	**–**	**$ –**
Issued	331,200	0.25
BALANCE, DECEMBER 31, 2021	**331,200**	**$ 0.25**
Issued	843,823	0.40
BALANCE, MARCH 31, 2022	**1,175,023**	**$ 0.36**

The fair value of the agents warrants issued were estimated using the Black-Scholes option pricing model with the following assumptions:

Issue date	Expected Warrant life (years)	Risk free interest rate	Dividend yield	Expected volatility[1]	Weighted average fair value
October 28, 2021	0.58	1.07%	nil	84%	$0.02
March 31, 2022	1.00	2.37%	Nil	71%	$0.11

(Expressed in Canadian dollars)

[(1)] Expected volatility has been determined using the historical share price of the comparable companies for the period equivalent to the expected life of the options.

7. RELATED PARTY BALANCES AND TRANSACTIONS

Key Management Compensation

The key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Their remuneration includes the following:

	March 31, 2022
Management fees	$ 55,900
Director fees	18,000
TOTAL	**$ 73,900**

As at March 31, 2022, accounts payable and accrued liabilities include $15,000 (December 31, 2021 - $12,061) payable to directors and officers of the Company.

8. EXPLORATION PROPERTIES

	Wine	Pipy	Total
MARCH 31, 2022			
Camp supplies and field expenses	$ 24,325	$ –	$ 24,325
Consulting	61,500	18,000	79,500
Drilling	709,650	–	709,650
Field transportation	456,733	–	456,733
General and administrative	2,205	1,340	3,545
Government grants	(50,000)	–	(50,000)
Ground Geophysics	56,075	–	56,075
Line cutting	5,000	–	5,000
TOTAL, MARCH 31, 2022	**1,265,488**	**19,340**	**1,284,828**
DECEMBER 31, 2021	573,484	258,342	831,826
CUMULATIVE, MARCH 31, 2022	**$ 1,838,972**	**$ 277,682**	**$ 2,116,654**

a) Wine Property

The Wine property, comprised of 24 mineral claims, is located in northwestern Manitoba. The Company staked 22 of these claims in 2021 and acquired the other 2 from W.S. Ferreira Limited through a Mineral Property Acquisition Agreement for the following consideration:

- Initial cash payment of $50,000 (paid) and the issuance of 1,000,000 shares at a value of $0.05 per share (issued)
- Second cash payment of $100,000 (paid subsequent to March 31, 2022) due the earlier of a) May 7, 2022, or b) three days following the closing of an equity financing of no less than $2,000,000
- A 2% net smelter royalty, with an option to repurchase 50% (1%) of the royalty for $1,000,000 at any time and an option to repurchase an additional 50% (0.5%) of the remaining royalty for $1,000,000 at any time.

The claims have an annual expenditure requirement of $12.50 per hectare ($51,913 total) for the first ten years and then $25 per hectare thereafter ($103,825 total).

On November 30, 2021, the Company received a $50,000 grant from the Manitoba Mineral Development Fund ("MMDF") pursuant to a Grant Agreement signed on November 8, 2021 in support of current exploration at the Wine property. An additional $50,000 was received from the MMDF on March 17, 2022, based upon substantially completing the winter exploration program.

b) Pipy Property

The Pipy property, comprised of 8 mineral claims, is located in northeastern Manitoba. The Company staked 5 of these claims in 2021 and acquired the other 3 from W.S. Ferreira Limited through a Mineral Property Acquisition Agreement for the following consideration:

- Initial cash payment of $50,000 (paid) and the issuance of 1,000,000 shares at a value of $0.05 per share
- (issued)
- Second cash payment of $100,000 (paid subsequent to March 31, 2022) due the earlier of a) May 7, 2022, or b) three days following the closing of an equity financing of no less than $2,000,000
- A 2% net smelter royalty, with an option to repurchase 50% (1%) of the royalty for $1,000,000 at any time and an option to repurchase an additional 50% (0.5%) of the remaining royalty for $1,000,000 at any time.

The claims have an annual expenditure requirement of $12.50 per hectare ($15,900 total) for the first ten years and then $25 per hectare thereafter ($31,800 total).

9. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. The Company monitors its adjusted capital, which comprises all components of shareholders' equity. The Company manages and adjusts its capital structure based on current economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements. No changes were made to the Company's capital management practices during the three months ended March 31, 2022.

10. FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of risks related to financial instruments. The Board approves and monitors the risk management processes. The principal types of risk exposure and the way in which they are managed are as follows:

a) Credit Risk

The Company's credit risk is primarily attributable to cash and receivables. The Company has no significant concentration of credit risk arising from its operations. Cash consists of bank balances for which the Company considers credit risk to be immaterial as cash is mainly held through large Canadian financial institutions. Receivables consists of sales taxes due from the Federal Government of Canada.

b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. On March 31, 2022, the Company had working capital of $717,582 (December 31, 2021 - $1,457,125). The

Company is exposed to liquidity risk.

c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. There is no interest rate risk related to the Company's financing liabilities. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with a Canadian chartered bank. The Company considers this risk to be immaterial.

d) Commodity price risk

The Company is exposed to price risk with respect to commodity prices. Precious metal prices fluctuate daily and are affected by numerous factors outside of the Company's control, including, but not limited to, the perception of market participants about the price and future price prospects for nickel, changes in manufacturing and construction activity as well as other industrial demands, levels of worldwide production, and forward sales by producers and speculators.

e) Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

The fair value of the Company's receivables and accounts payable and accrued liabilities approximates their carrying value because of the short-term nature of the financial instruments. The Company's cash is measured at fair value using Level 1 inputs.