NexLiving communities inc.

Unaudited Interim Condensed Consolidated Financial Statements

March 31, 2023 and 2022

(expressed in Canadian dollars)

May 25, 2023

Management's Report

The accompanying unaudited interim condensed consolidated financial statements of NexLiving Communities Inc. are the responsibility of management and have been approved by the Board of Directors. The unaudited condensed consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards (IFRS). The unaudited condensed consolidated financial statements include certain amounts and assumptions that are based on management's best estimates and have been derived with careful judgment.

In fulfilling its responsibilities, management has developed and maintains a system of internal accounting controls. These controls are designed to provide reasonable assurance that the financial records are reliable for preparation of the unaudited condensed consolidated financial statements. The Audit Committee of the Board of Directors reviewed and approved the Company's unaudited condensed consolidated financial statements and recommended their approval by the Board of Directors.

These financial statements have not been reviewed by the external auditors of the Company.

(signed) *"Stavro Stathonikos"*
Chief Executive Officer
Toronto, Ontario

(signed) *"Glenn Holmes"*
Chief Financial Officer
Halifax, Nova Scotia

NexLiving Communities Inc.

Unaudited Interim Condensed Consolidated Statements of Financial Position

As at March 31, 2023 and December 31, 2022

(expressed in Canadian dollars)

	March 31, 2023 $	December 31, 2022 $
Assets		
Current assets		
Cash	445,539	813,765
Accounts receivable	656,828	587,065
Deposits and prepaids (note 4)	896,117	1,243,253
	1,998,484	2,644,083
Investment properties (note 5)	245,636,406	203,071,000
	247,634,890	205,715,083
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	1,747,339	1,279,884
Current portion of mortgage payable (note 7)	35,011,751	34,030,964
	36,759,090	35,310,848
Mortgages payable (note 7)	130,221,110	99,907,410
Deferred income taxes	750,000	600,000
	167,730,200	135,818,258
Equity (note 8)	79,904,690	69,896,825
	247,634,890	205,715,083

Subsequent events (note 13)

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

NexLiving Communities Inc.

Unaudited Interim Condensed Consolidated Statements of Income

For the three month periods ended March 31, 2023 and 2022

(expressed in Canadian dollars)

	2023 $	2022 $
Revenue		
Rental income	4,205,209	2,553,345
Property operating expenses		
Operating expenses	(1,876,045)	(1,275,256)
Net property operating income	2,329,164	1,278,089
Administrative expenses		
Management wages and consulting fees	(266,095)	(261,600)
Filing and other fees	(8,075)	(10,094)
Insurance	(11,939)	(7,125)
Office and other	(23,427)	(18,700)
Professional fees	(59,809)	(74,933)
Stock-based compensation (note 8)	(61,400)	(62,500)
	(430,745)	(435,852)
Finance costs		
Interest expense	(1,237,515)	(484,935)
Deferred financing costs amortization expense (note 7)	(105,832)	(104,009)
Accretion expense	-	(86,446)
	(1,343,347)	(675,390)
Other income		
Fair value adjustment to investment properties (note 5)	2,239,168	994,913
Interest income	541	17,222
	2,239,709	1,012,135
Income before income taxes	2,794,781	1,178,982
Deferred income tax expense	(150,000)	-
Net income and comprehensive income for the periods	2,644,781	1,178,982
Net income per share – basic (note 10)	0.009	0.004
Net income per share – diluted (note 10)	0.009	0.004

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

NexLiving Communities Inc.

Unaudited Interim Condensed Consolidated Statements of Changes in Equity

For the three month periods ended March 31, 2023 and 2022

(expressed in Canadian dollars)

	Number of shares	Share capital $	Warrants $	Convertible debentures $	Contributed surplus $	Retained earnings $	Total $
Balance – December 31, 2022	293,282,648	56,391,078	913,537	-	3,738,742	8,853,468	69,896,825
Net income and comprehensive income for the period	-	-	-	-	-	2,644,781	2,644,781
Shares issued pursuant to acquisition, net of issue costs (note 8)	37,500,000	7,467,075	-	-	-	-	7,467,075
Expiration of warrants (note 8)	-	-	(641,555)	-	641,555	-	-
Dividends paid	-	-	-	-	-	(165,391)	(165,391)
Stock-based compensation (note 8)	-	-	-	-	61,400	-	61,400
Balance – March 31, 2023	330,782,648	63,858,153	271,982	-	4,441,697	11,332,858	79,904,690

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

NexLiving Communities Inc.

Unaudited Interim Condensed Consolidated Statements of Changes in Equity (continued)

For the three month periods ended March 31, 2023 and 2022

(expressed in Canadian dollars)

	Number of shares	Share capital $	Warrants $	Convertible debentures $	Contributed surplus $	Retained earnings (deficit) $	Total $
Balance – December 31, 2021	281,549,482	53,900,266	1,951,592	1,042,729	1,985,900	(1,921,398)	60,801,885
Net income and comprehensive income for the period	-	-	-	-	-	1,178,982	1,178,982
Shares issued for cash, net of issue costs (note 8)	6,000,000	1,160,583	-	-	-	-	1,160,583
Shares issued pursuant to exercised of warrants (note 8)	4,012,500	999,729	(297,542)	-	-	-	702,187
Expiration of warrants (note 8)	-	-	(184,458)	-	184,458	-	-
Dividends paid	-	-	-	-	-	(143,775)	(143,775)
Stock-based compensation (note 8)	-	-	-	-	62,500	-	62,500
Balance – March 31, 2022	291,561,982	56,060,578	1,469,592	1,042,729	2,232,858	2,956,605	63,762,362

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

NexLiving Communities Inc.

Unaudited Interim Condensed Consolidated Statements of Cash Flows

For the three month periods ended March 31, 2023 and 2022

(expressed in Canadian dollars)

	2023 $	2022 $
Cash provided by (used in)		
Operating activities		
Net income and comprehensive income for the periods	2,644,781	1,178,982
Charges to income not affecting cash		
Interest on convertible debentures and mortgage payable	391,186	181,015
Stock-based compensation expense	61,400	62,500
Change in fair value of investment properties (note 5)	(2,239,168)	(994,913)
Deferred income tax expense	150,000	-
Amortization expense	105,832	104,009
Accretion expense	-	86,446
	1,114,031	618,039
Net changes in non-cash working capital balances related to operations		
Accounts receivable	(69,763)	(10,559)
Deposits and prepaid expenses	347,136	(303,490)
Accounts payable and accrued liabilities, net of amount settled through share issuances	75,125	240,607
	1,466,529	544,597
Financing activities		
Proceeds from issuance of common shares and warrants, net of issue costs	-	1,862,770
Repayments of convertible debentures	-	(225,000)
Proceeds from mortgage financing	31,354,825	-
Proceeds from capital expenditure facility	429,311	-
Repayments of mortgage principal	(627,263)	(536,723)
Payment of dividends	(165,391)	(143,775)
	30,991,482	957,272
Investing activities		
Acquisition of investment properties (note 5)	(32,508,176)	-
Additions to investment properties (note 5)	(318,061)	(4,432)
	(32,826,237)	(4,432)
Change in cash during the period	(368,226)	1,497,437
Cash – Beginning of period	813,765	17,695,837
Cash – End of period	445,539	19,193,274

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

(expressed in Canadian dollars)

1 Nature of operations

NexLiving Communities Inc. (the Company) was incorporated under the Canada Business Corporations Act on August 9, 2011. Its registered office is located at 45 Alderney Drive, Dartmouth, Nova Scotia, B2Y 2N6, Canada. The Company's business is the ownership and management of multi-unit residential real estate with a focus on low and mid-rise properties in bedroom communities in Eastern Canada. The common shares of the Company are listed on the TSX Venture Exchange (TSXV or the Exchange) under the symbol NXLV.

2 Basis of presentation

Statement of compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Accordingly, certain information normally included in annual financial statements prepared in accordance with IFRS, as issued by the IASB, has been omitted or condensed. These interim condensed consolidated financial statements should be read in conjunction with the Company's annual audited financial statements for the year ended December 31, 2022.

These unaudited interim condensed consolidated financial statements include all adjustments, composed of normal recurring adjustments, considered necessary by management to fairly state the Company's results of operations, financial position and cash flows. The operating results for interim periods are not necessarily indicative of results that may be expected for any other interim period or for the full year.

The Board of Directors approved the consolidated financial statements for issue on May 25, 2023.

3 Significant accounting policies

Basis of consolidation

These financial statements have been prepared using the same accounting policies and methods of computation as the annual financial statements of the Company for the year ended December 31, 2022. Refer to note 3 Significant Accounting Policies, of the Company's annual consolidated financial statements for the year ended December 31, 2022 for information on accounting policies, as well as, new accounting standards not yet effective.

4 Deposits and prepaids

Deposits and prepaid expenses as at March 31, 2023 included an amount of $255,900 (December 31, 2022 – $785,919) relating to investment properties under agreement, of which $250,000 (December 31, 2022 –$450,000) is refundable deposits.

(expressed in Canadian dollars)

5 Investment properties

Each of the investment properties acquired by the Company was not considered a business for accounting purposes and, therefore, the acquisitions were asset purchases. No personnel or processes were acquired, and processes in support of the acquired properties are being created rather than integrated. Furthermore, the acquired investment properties do not have any processes to support the revenue being generated as there is a contract in place with external parties to provide property management services.

The following table summarizes the changes in investment properties for the periods ended March 31, 2023 and December 31, 2022:

	March 31, 2023 $	**December 31, 2022 $**
Balance – Beginning of period	203,071,000	125,162,000
Acquisitions during the period	40,008,177	70,615,529
Additions during the period	318,061	729,814
Fair value adjustments	2,239,168	6,563,657
Balance – End of period	245,636,406	203,071,000

On February 28, 2023, the Company completed the acquisition of a 100% interest in Northpoint Management Inc. (Northpoint) from Sheaco Holdings Inc. for $40,008,177 including closing costs. Northpoint's assets consist of two multi-family buildings comprising 75 units each located at 2251 Mountain Road and 2261 Mountain Road, Moncton, New Brunswick. The purchase price for the acquisition was settled by the issuance of 37,500,000 common shares at a price of $0.20 per share, $31,700,000 in mortgage debt and with the remainder using cash on hand.

On December 16, 2022, the Company completed the acquisition of a 67-unit building located at 5 Woodhollow Park and an 82-unit building located at 50 Via Calabria Street with an adjacent parcel of vacant land in Saint John, New Brunswick, for $35,350,481, including closing costs.

On August 9, 2022, the Company completed the acquisition of a 40-unit building in Strathroy, Ontario located at 294 Saulsbury Street for $9,683,090 including closing costs.

On April 14, 2022, the Company completed the acquisition of a 58-suite building in Lindsay, Ontario located at 35 Angeline Street for $13,746,804 including closing costs.

On April 5, 2022, the Company completed the acquisition of a 64-unit building in Riverview, New Brunswick located at 1009 Cleveland Avenue for $11,835,154 including closing costs.

The fair value of investment properties is a Level 3 fair value measurement. The fair value represents the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All investment properties acquired to date were arm's length transactions and the purchase prices were supported by independent appraisals. Fair value is estimated using the capitalized net operating income method with the 12-month forward net operating income stabilized for any non-recurring expenses divided by a market capitalization

(expressed in Canadian dollars)

rate. Key assumptions include the capitalization rate, forecasted rental income and vacancies and forecasted operating expenses for each specific property. For properties acquired close to a period-end, the purchase price, which is supported by an independent appraisal, is determined to approximate fair value.

The March 31, 2023 capitalization rates used to value the Company's investment properties ranged from 4.00% to 5.00%, and the weighted average capitalization rate was 4.67% (December 31, 2022 – ranged from 4.00% to 5.00% with a weighted average capitalization rate of 4.69%).

The March 31, 2023 net operating income (NOI) used to value the Company's investment properties ranged from $234,000 to $1,962,000, and the weighted average NOI was $904,000 (December 31, 2022 – ranged from $234,000 to $1,187,000 with a weighted average NOI of $550,000).

The following table summarizes the impact of changes in capitalization rates and stabilized net operating income on the fair value of the Company's investment properties.

		Change in stabilized NOI				
		(2.00)% **$**	**(1.00)%** **$**	**-%** **$**	**1.00%** **$**	**2.00%** **$**
Change in capitalization rate	(0.50)%	23,921,000	26,671,000	29,421,000	32,172,000	34,922,000
	(0.25)%	8,690,000	11,285,000	13,879,000	16,474,000	19,069,000
	-%	(4,912,000)	(2,456,000)	-	2,456,000	4,912,000
	0.25%	(17,132,000)	(14,801,000)	(12,470,000)	(10,139,000)	(7,808,000)
	0.50%	(28,172,000)	(25,953,000)	(23,735,000)	(21,516,000)	(19,298,000)

6 Accounts payable and accrued liabilities

	March 31, 2023 **$**	**December 31, 2022** **$**
Accounts payable	723,561	917,293
Accrued liabilities	1,023,778	362,591
	1,747,339	1,279,884

7 Mortgages payable

	March 31, 2023 **$**	**December 31, 2022** **$**
Mortgages payable	167,137,421	135,267,371
Less: Unamortized deferred financing costs	(1,904,560)	(1,328,997)
	165,232,861	133,938,374
Less: Current portion	(35,011,751)	(34,030,964)
	130,221,110	99,907,410

(expressed in Canadian dollars)

As at March 31, 2023, all of the Company's investment properties had been pledged as security against the mortgages payable. The Company's mortgages all have fixed interest rates and bear interest at a weighted average effective rate of 3.60% (December 31, 2022 – 2.99%) with a remaining weighted average term to maturity of 4.0 years (December 31, 2022 – 2.8 years).

The Company has access to two variable rate non-revolving demand construction loans for the purpose of funding capital improvements with a maximum balance available for drawing of $2,175,000. As at March 31, 2023, $429,311 was drawn on the construction facilities (December 31, 2022 – $nil). Payments are to be made monthly on an interest-only basis. On completion of the Company's repositioning program, the construction loans are expected to be replaced with permanent mortgage financing.

The following table summarizes the changes in the aggregate mortgage values for the three months ended March 31, 2023 and the year ended December 31, 2022:

	March 31, 2023 $	**December 31, 2022 $**
Balance – Beginning of period	133,938,374	78,941,598
Mortgages assumed (note 5)	-	33,454,371
Mortgage proceeds	31,347,032	23,093,878
Repayments	(627,263)	(2,186,071)
Finance costs, net of amortization	574,718	634,598
Balance – End of period	165,232,861	133,938,374

The annual principal payments in relation to the mortgages payable over the 12-month periods ending March 31 are as follows:

	Principal Payment	**Weighted Average Interest Rate**
2024	35,011,751	4.23%
2025	40,727,961	3.94%
2026	9,191,716	1.90%
2027	8,261,558	2.46%
2028	35,624,773	3.36%
Thereafter	38,319,662	3.64%

(expressed in Canadian dollars)

8 Share capital

a) Authorized capital stock

Unlimited number of common shares, without nominal or par value
Unlimited number of preferred shares, without nominal or par value, issuable in one or more series

Common shares issued and fully paid

	Number of shares	Amount $
Balance – December 31, 2021	281,549,482	53,900,266
Shares issued for cash, net of issue costs	6,000,000	1,160,583
Shares issued pursuant to the exercise of warrants	4,012,500	999,729
Shares issued pursuant to settlement of DSUs	1,720,666	330,500
Balance – December 31, 2022	293,282,648	56,391,078
Shares issued pursuant to acquisitions	37,500,000	7,467,075
Balance – March 31, 2023	330,782,648	63,858,153

b) Equity financings

On February 28, 2023, the Company issued 37,5000,000 common shares at a price of $0.20 per share for proceeds of $7,467,075 (net of costs) as part of the acquisition of a 100% interest in Northpoint (note 5).

On January 7, 2022, the Company completed a $1,200,000 private placement and issued 6,000,000 common shares at a price of $0.20 per share.

c) Options

The Company has a common share purchase option plan (the Plan) for directors, officers, employees and consultants. The total number of options issued and outstanding at any time cannot exceed 10% of the issued and outstanding common shares of the Company unless shareholder and regulatory approvals are obtained. The exercise price of the stock options is determined by the Board of Directors when the options are granted, but it cannot be less than the closing price of the Company's shares on the TSXV on the business day immediately preceding the day on which the option is granted. The maximum exercise period of the stock options is ten years.

In determining the stock-based compensation expense, the fair value of options issued is estimated at the grant date using the Black-Scholes option pricing model. Option pricing models require the input of highly subjective assumptions, including the expected volatility.

No options were issued during the three month periods ended March 31, 2023 and 2022. Options granted and outstanding at March 31, 2023, and 2022, totalled 1,050,000 of which 300,000 have an exercise price of $0.24 and expire May 15, 2030 and 750,000 have an exercise price of $0.19 and expire April 20, 2031.

(expressed in Canadian dollars)

As at March 31, 2023, 32,028,265 options were available for future grants under the Plan. Options vested and exercisable as at March 31, 2023, totalled 1,050,000 with a weighted average exercise price of $0.20 per share.

d) Warrants

The following table summarizes the changes in the Company's warrants for the three month periods ended March 31, 2023 and 2022:

	Expiry date	Exercise price $	Number #	Ascribed value $
Balance – December 31, 2021			22,074,377	1,951,592
Warrants expired	March 16, 2022	0.175	(2,487,500)	(184,458)
Warrants exercised	March 16, 2022	0.175	(4,012,500)	(297,542)
Balance – March 31, 2022			15,574,377	1,469,592
Balance – December 31, 2022			9,500,000	913,537
Warrants expired	March 16, 2023	0.27	(7,000,000)	(641,555)
Balance – March 31, 2023			2,500,000	271,982

e) Deferred share units

The Company has a deferred share unit plan (the DSU Plan) whereby participants may elect to receive all or a portion of their annual compensation or bonus compensation, if any, in DSUs. The election, if it is made, must be for a minimum of 10%, or a multiple thereof, of such compensation in DSUs. The number of DSUs received is equal to the amount of compensation elected to be received in DSUs, divided by the volume-weighted average trading price of the common shares on the TSXV for the five trading days immediately prior to the payment date. DSUs awarded under the DSU Plan in lieu of annual or bonus compensation will vest immediately.

In addition, the Board of Directors has the authority to make discretionary awards of DSUs to participants under the DSU Plan. DSUs granted pursuant to discretionary awards will vest in accordance with the vesting schedule determined by the Board of Directors. Generally, DSUs will vest equally over three years, with one-third of the awarded DSUs vesting on each of the first, second and third anniversaries of the date of the award. As at March 31, 2023, a total of 5,150,000 DSUs were outstanding.

All unvested DSUs will vest immediately in the case of a change of control of the Company. In addition, in the event of the death or termination without cause of a participant who received DSUs, the participant's DSUs will vest immediately. The Board of Directors may at any time shorten the vesting period of any or all DSUs.

The maximum number of common shares issuable under the DSU Plan is 10,000,000. Each DSU held by a participant must be redeemed by the Company within ten years of grant for DSU Plan shares issued from treasury. Each vested DSU held by a participant who ceases to be an eligible employee, director or officer shall be redeemed by the Company effective as at the separation date for DSU Plan shares issued from treasury.

(expressed in Canadian dollars)

On May 16, 2022, the Board of Directors approved the issuance of 2,260,000 DSUs to directors, management and consultants of the Company. The DSUs vest over three years in accordance with the provisions of the Company's DSU Plan. The fair value per DSU granted was $0.145.

The Company charged $61,400 in non-cash share-based compensation to operations for the three months ended March 31, 2023 (March 31, 2022 – $62,500), of which $59,300 (March 31, 2022 – $61,100) related to DSUs issued to officers and directors of the Company.

The following table summarizes the changes in the Company's DSUs for the three month periods ended March 31, 2023 and 2022.

	Number of DSUs
Balance – December 31, 2021 and March 31, 2022	4,840,000
Balance – December 31, 2022 and March 31, 2023	5,150,000

f) Contributed surplus

	$
Balance – December 31, 2021	1,985,900
Expiration of warrants	184,458
Stock-based compensation	62,500
Balance – March 31, 2022	2,232,858
Balance – December 31, 2022	3,738,742
Expiration of warrants	641,555
Stock-based compensation	61,400
Balance – March 31, 2023	4,441,697

(expressed in Canadian dollars)

9 Related party transactions

Management compensation

Key management includes the Company's President & Chief Executive Officer, Chief Financial Officer, Executive Vice Chair and Corporate Secretary.

	March 31, 2023 $	March 31, 2022 $
Cash and accrued compensation	180,783	169,924
Stock-based compensation (note 8(e))	59,300	61,100
	240,083	231,024

10 Earnings per share

	March 31, 2023			March 31, 2022		
	Income $	Weighted average shares #	Per share amount $	Income $	Weighted average shares #	Per share amount $
Income per share – basic	2,644,781	308,415,982	0.009	1,178,982	292,368,649	0.004
Dilutive impact of stock options, warrants and DSUs	-	1,644,805		-	-	
Dilutive impact of convertible debentures	-	-		42,736	13,977,313	
Income per share – diluted	2,644,781	310,060,787	0.009	1,221,718	306,345,962	0.004

The Company's potentially dilutive instruments include the convertible debentures, stock options, warrants and DSUs. For the three month period ended March 31, 2023, the stock options and warrants were anti-dilutive and the DSUs were dilutive. For the three month period ended December 31, 2022, the DSUs, stock options and warrants were anti-dilutive and the convertible debentures were dilutive.

11 Capital management

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company. The Company considers capital to be shareholders' equity, which at March 31, 2023 totalled $79,904,690 (December 31, 2022 – $69,896,825). The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is not subject to externally imposed capital requirements.

(expressed in Canadian dollars)

12 Financial instruments and other

Interest rate risk

The Company is exposed to interest rate risks on its borrowings and could be adversely affected if it were unable to obtain cost-effective financing. This risk is mitigated as all interest bearing financial liabilities have fixed rates of interest. Assuming a 100 basis point increase in interest rates, financing costs would increase by $1,659,300.

Credit risk

Credit risk arises from the possibility that tenants may experience financial difficulty and will be unable to fulfill their lease commitments. The Company attempts to mitigate its credit risk by ensuring its tenant mix is heavily weighted to creditworthy tenants. The Company further manages credit risk by holding its cash with high quality financial institutions in Canada, where management believes the risk of loss to be low.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations. The Company has financed acquisitions of investment properties with mortgages, which are periodically required to be refinanced based on the prevailing market conditions at the end of the mortgage term. Within the next 12 months mortgages totalling $33,130,834 will mature. Management is in discussion with its lenders and expects to close the refinancing of these mortgages during the second quarter. Although there can be no assurance, management anticipates a net cash inflow of approximately $9.0 million on close of the refinancing of these mortgages. Management believes it has access, through its working capital, operating cash flows and expected mortgages renewals, to sufficient capital to meet the Company's obligations for the next 12 months.

13 Subsequent events

On May 25, 2023, the Company refinanced its maturing mortgage on the Findlay Estates property and entered into a new $18.2 million CMHC insured mortgage for the property at a five year fixed interest rate of 3.78%. The new mortgage replaced the maturing $15.2 million mortgage.

On May 25, 2023, the board of directors approved a Normal Course Issuer Bid ("NCIB"), subject to final acceptance from the TSX Venture Exchange ("TSXV"). Under the NCIB, the Company may purchase up to 26,000,000 common shares ("Shares"), which represents approximately 9.8% of its public float. All Share purchases under the NCIB will be made on the open market through the facilities of the TSXV, other designated exchanges and/or alternative Canadian trading systems, and will be purchased for cancellation using funds from the Company's working capital. The Shares may be purchased within a 12-month period starting May 30, 2023 at prevailing market prices, with timing and quantity determined by the Company's management.

On May 25, 2023, the Company declared a dividend of $0.0005 per common share for the quarter ending June 30, 2023, representing $0.002 per share on an annualized basis. The dividend is payable on June 30, 2023, to shareholders of record on June 6, 2023.

(expressed in Canadian dollars)

On May 25, 2023, the board of directors, in accordance with the terms of the company's DSU plan, approved the issuance of 2,779,000 DSUs to directors, management and consultants of the company. The DSUs vest over three years in accordance with the provisions of the company's DSU plan.