ARIANNE PHOSPHATE INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022

(IN CANADIAN DOLLARS)

THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022 HAVEN'T BEEN REVIEWED BY THE AUDITORS.

ARIANNE PHOSPHATE INC.

CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(IN CANADIAN DOLLARS)

	AS AT MARCH 31, 2023 (UNAUDITED)	AS AT DECEMBER 31, 2022 (AUDITED)
	$	$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	5,150,564	3,254,878
Receivables and other current assets	172,244	197,261
Sales taxes receivable	30,838	32,596
Tax credits related to resources and mining tax credits receivable	66,496	66,496
	5,420,142	3,551,231
NON-CURRENT ASSETS		
Tax credits related to resources and mining tax credits receivable	128,033	128,033
Investment property – Outfitters	206,119	211,001
Right-of-use assets	39,868	52,401
Property and equipment (Note 4)	62,816,453	62,683,460
TOTAL ASSETS	**68,610,615**	**66,626,126**
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	278,829	303,501
Lease liabilities	53,021	57,368
Loans	56,502	55,402
Credit line and embedded derivatives (Note 5)	2,840,749	1,656,134
	3,229,101	2,072,405
NON-CURRENT LIABILITIES		
Credit line and embedded derivatives (Note 5)	23,182,819	24,111,016
Lease liabilities	-	5,503
Deferred income taxes	3,905,714	3,905,714
TOTAL LIABILITIES	**30,317,634**	**30,094,638**
EQUITY		
Capital stock	88,200,913	88,143,286
Shares to be issued (Note 5)	1,793,735	-
Warrants (Note 7)	9,607,971	9,555,564
Contributed surplus	16,755,181	16,681,648
Deficit	(78,064,819)	(77,849,010)
TOTAL EQUITY	**38,292,981**	**36,531,488**
TOTAL LIABILITIES AND EQUITY	**68,610,615**	**66,626,126**

APPROVED ON BEHALF OF THE BOARD:

(s) *Siva J. Pillay*, Director   (s) *Marco Gagnon*, Director

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

ARIANNE PHOSPHATE INC.

CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022

(UNAUDITED)

(IN CANADIAN DOLLARS, EXCEPT NUMBER OF SHARES)

	THREE-MONTH PERIOD ENDED MARCH 31, 2023	THREE-MONTH PERIOD ENDED MARCH 31, 2022
	$	$
EXPENSES		
Salaries and benefits	134,348	124,550
Share-based compensation (Note 7)	87,344	87,760
Professional and consultant fees	53,100	54,010
Management fees	10,375	25,000
Registration and listing fees	30,605	23,866
Communications and investors relation	59,595	50,788
Promotion, representation, and travel	19,910	12,863
Insurance	17,273	15,592
Rent and office expenses	21,301	17,081
Depreciation of property and equipment and right-of-use assets	22,041	18,719
Bank charges	1,089	1,254
Government grant	(550)	(965)
OPERATING LOSS	**456,431**	**430,518**
OTHER EXPENSES (INCOME)		
Finance costs (Note 6)	2,020,383	1,837,420
Foreign exchange loss	1,059	1,544
Other gain (Note 5)	(2,350,000)	-
Net loss of investment property – Outfitters	20,821	12,262
	(307,737)	1,851,226
LOSS BEFORE INCOME TAXES	**148,694**	**2,281,744**
Deferred income taxes expense	-	23,622
NET AND COMPREHENSIVE LOSS FOR THE PERIOD	**148,694**	**2,305,366**
BASIC AND DILUTED LOSS PER SHARE	(0.00)	(0.01)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	190,230,533	185,464,974

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

ARIANNE PHOSPHATE INC.

CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022
(UNAUDITED)

(IN CANADIAN DOLLARS, EXCEPT NUMBER OF SHARES)

	CAPITAL STOCK	CAPITAL STOCK	SHARES TO BE ISSUED	WARRANTS	CONTRIBUTED SURPLUS	DEFICIT	TOTAL EQUITY
	common shares	$	$	$	$	$	$
BALANCE AS AT JANUARY 1, 2022	185,464,469	85,739,960	-	9,804,077	16,075,794	(68,741,431)	42,878,400
Net and Comprehensive loss	-	-	-	-	-	(2,305,366)	(9,101,258)
Share-based compensation (Note 7)	-	-	-	-	87,760	-	87,760
Broker options exercised (Note 7)	10,841	6,936	-	-	(1,515)	-	5,421
Share issuance expenses	-	-	-	-	-	9,359	9,359
BALANCE AS AT MARCH 31, 2022	185,475,310	85,746,896	-	9,804,077	16,162,039	(71,037,438)	40,675,574
BALANCE AS AT JANUARY 1, 2023	190,187,348	88,143,286	-	9,555,564	16,681,648	(77,849,010)	36,531,488
Net and Comprehensive loss	-	-	-	-	-	(148,694)	(148,694)
Share-based compensation (Note 7)	-	-	-	-	87,344	-	87,344
Warrants extended (Note 7)	-	-	-	56,157	-	(56,157)	-
Warrants exercised (Note 7)	83,333	20,417	-	(3,750)	-	-	16,667
Options exercised (Note 7)	106,667	37,210	-	-	(13,811)	-	23,399
Debt conversion (Note 5)	3,899,424	-	1,793,735	-	-	-	1,793,735
Share issuance expenses	-	-	-	-	-	(10,958)	(10,958)
BALANCE AS AT MARCH 31, 2023	**194,276,772**	**88,200,913**	**1,793,735**	**9,607,971**	**16,755,181**	**(78,064,819)**	**38,292,981**

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

ARIANNE PHOSPHATE INC.

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022
(UNAUDITED)
(IN CANADIAN DOLLARS)

	THREE-MONTH PERIOD ENDED MARCH 31, 2023	THREE-MONTH PERIOD ENDED MARCH 31, 2022
	$	$
OPERATING ACTIVITIES		
Net loss for the period	(148,694)	(2,305,366)
Adjustments for:		
Share-based payments	87,344	87,760
Depreciation – Investment property - Outfitters	4,882	3,602
Depreciation – Property and equipment and right-of-use assets	22,041	19,134
Finance costs	2,058,997	1,842,972
Other gain	(2,350,000)	-
Non-cash grants	(1,100)	-
Deferred income taxes expense	-	23,622
Changes in non-cash working capital items		
Receivables and other current assets	25,017	24,661
Sales taxes receivable	1,758	(14,707)
Accounts payable and accrued liabilities	48,294	49,112
CASH FLOWS USED IN OPERATING ACTIVITIES	**(251,461)**	**(269,210)**
INVESTING ACTIVITIES		
Proceeds from the sale of a lithium royalty	2,350,000	-
Acquisition of property and equipment	(214,367)	(150,195)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	**2,135,633**	**(150,195)**
FINANCING ACTIVITIES		
Share issuance expenses	(10,958)	-
Repayment of lease liabilities and loans	(17,594)	(16,629)
Exercise of options	23,399	-
Exercise of broker options	-	5,421
Exercise of warrants	16,667	-
CASH FLOWS USED IN FINANCING ACTIVITIES	**11,514**	**(11,208)**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**1,895,686**	**(430,613)**
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	3,254,878	5,027,247
CASH AND CASH EQUIVALENTS, END OF PERIOD	**5,150,564**	**4,596,634**
SUPPLEMENTARY CASH FLOW INFORMATION		
Interest received	22,321	161
Interest paid	20,496	6,833
Acquisition of property and equipment not yet paid	49,551	8,096

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

1. STATUTE OF INCORPORATION, NATURE OF ACTIVITIES AND LIQUIDITY RISK

Arianne Phosphate Inc. ("the Company") was incorporated under Part IA of the *Companies Act* (Quebec) and was continued under the *Business Corporations Act* (Quebec) (QBCA). The Company is engaged in the development of its Lac à Paul phosphate property located in Quebec, Canada. The Company has a National Instrument 43-101 compliant technical report for its mineral reserve and resource estimate and for a feasibility study on the Lac à Paul property. In October 2018, management determined that the technical feasibility and commercial viability of the Lac à Paul property had been established and accordingly, the development phase for the Lac à Paul property has commenced.

The Company's shares are listed on the TSX Venture Exchange (symbol DAN), on the Frankfurt exchange (symbol JE9N) and on the OTCQX Market (OTCQX) (symbol DRRSF). The registered office of the Company is located at 393 Racine Street, Suite 200, Chicoutimi, Quebec, Canada G7H 1T2.

Although management has taken steps to verify titles of mining properties in which the Company has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliant with regulatory requirements.

As at March 31, 2023, the Company had a working capital of $2,191,041, which included cash of $5,150,564. Management of the Company believes that it has sufficient funds to maintain the status of its current obligations and keep its properties in good standing, to pay its ongoing general and administrative expenses and to meet its liabilities, obligations, and existing commitments beyond the ensuing 12 months as they fall due. In assessing whether the going concern assumption is appropriate, management considers all available information about the future. To continue the Company's future operations and fund its development expenditures, the Company will periodically need to raise additional funds, which may be completed in several ways, including, but not limited to, the issuance of new equity, debt financing or securing capital from potential partners. While management has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future or that these sources of funding or initiatives will be available to the Company or that they will be available on terms which are acceptable to the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. These condensed consolidated interim financial statements should be read in conjunction with the Company annual consolidated financial statements for the year ended December 31, 2022, which have been prepared in accordance with IFRS.

The accounting policies followed in these condensed consolidated interim financial statements are consistent with those applied in the Company's annual consolidated financial statements for the year ended December 31, 2022.

The Board of Directors approved these condensed consolidated interim financial statements on May 23, 2023.

3. ACCOUNTING STANDARDS ADOPTED AND ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

NEW ACCOUNTING STANDARDS ADOPTED

AMENDMENTS TO IAS 1 *PRESENTATION OF FINANCIAL STATEMENTS* - CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT

In January 2020, the IASB amended IAS 1 *Presentation of Financial Statements*, which is effective for financial years beginning on or after January 1, 2024 (originally January 1, 2023). The standard amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period which only impacts the presentation of liabilities in the statement of financial position. The classification is unaffected by expectations about whether the Company will exercise its right to defer settlement of a liability. The Company adopted the amendments on January 1, 2023, and the adoption of these amendments did not have any impact on the Company's consolidated financial statements.

AMENDMENTS TO IAS 1 – NON-CURRENT LIABILITIES WITH COVENANTS

In October 2022, the IASB made further amendments to IAS 1 in response to concerns raised about these changes to the classification of liabilities as current or non-current.

The new amendments clarify that covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current, even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability,
- information about the covenants, and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments must be applied retrospectively in accordance with the normal requirements in IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. The Company adopted these amendments on January 1, 2023, and it did not have any impact on the Company's consolidated financial statements.

AMENDMENTS TO IAS 1 AND IFRS PRACTICE STATEMENT 2

In February 2021, the IASB amended IAS 1 *Presentation of Financial Statements* and IFRS *Practice Statement2* to require the Company to disclose its material accounting policy information rather than its significant accounting policies, effective for financial years beginning on or after January 1, 2023. The adoption of these amendments did not have any impact on the Company's consolidated financial statements.

AMENDMENTS TO IAS 8

In February 2021, the IASB amended IAS 8 *Accounting Policies, Changes in Accounting estimates and Errors* to introduce a definition of accounting estimates and to help entities distinguish changes in accounting policies from changes in accounting estimates. This distinction is important because changes in accounting policies must be applied retrospectively while changes in accounting estimates are accounted for prospectively. These amendments are effective for financial years beginning on or after January 1, 2023, and the adoption did not have any impact on the Company's consolidated financial statements.

AMENDMENTS TO IAS 12

In May 2021, the IASB amended IAS 12 *Income Taxes* to narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The standard amendments have been issued and are effective as of January 1, 2023. The adoption of these amendments did not have any impact on the Company's consolidated financial statements.

NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET IN EFFECT

AMENDMENTS TO IFRS 16 - LEASE LIABILITY IN SALE AND LEASEBACK

In September 2022, the IASB finalised narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 *Leases* which explain how an entity accounts for a sale and leaseback after the date of the transaction. The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate. Management estimates that it will have no impact.

(in Canadian dollars)

4. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements	Tools and equipment	Computer equipment	Rolling equipment	Land	Mineral property under development	Total
	$	$	$	$	$	$	$
Cost							
As at December 31, 2022	294,032	15,381	11,980	37,635	1,096,415	61,520,501	62,975,944
Acquisition	-	-	-	-	-	142,501	142,501
As at March 31, 2023	**294,032**	**15,381**	**11,980**	**37,635**	**1,096,415**	**61,663,002**	**63,118,445**
Accumulated depreciation							
As at December 31, 2022	256,059	13,109	10,153	13,163	-	-	292,484
Depreciation	7,351	232	749	1,176	-	-	9,508
As at March 31, 2023	**263,410**	**13,341**	**10,902**	**14,339**	**-**	**-**	**301,992**
Net book value							
As at December 31, 2022	37,973	2,272	1,827	24,472	1,096,415	61,520,501	62,683,460
As at March 31, 2023	**30,622**	**2,040**	**1,078**	**23,296**	**1,096,415**	**61,663,002**	**62,816,453**

5. CREDIT LINE

The Company has non-revolving credit lines with Mercury Financing Corp. ("the Lender") which were obtained to finance the development of the Lac a Paul project. As of May 12, 2016, the lines were fully drawn. The Lender holds a first ranking security over the Company's Lac a Paul property claims, up to an aggregate amount of $27 million. The wholly owned subsidiary, 9252-5880 Québec Inc., has guaranteed jointly and severally the credit lines. Furthermore, the Company is subject to restrictions related to the disposal of assets and equity issuance through financing. The combined credit lines have been extended in 2017, 2018, 2020 and 2021.

On March 17, 2021, the Company amended and extended its credit line until March 31, 2026. Since the amendment, the credit line bears interest at an annual rate equal to 8%, with all interests capitalized to the principal amount, to be paid annually in cash or in common shares of the Company using the volume weighted average price ("VWAP") of the Company's shares for a period of 1 year prior to the interest payment date. It was determined that the option of conversion of the interests using the VWAP is an embedded derivatives to be separated from the host contract.

On March 31, 2021, the Lender also exercised 26,780,000 warrants into the Company's common shares, thereby reducing the credit facility of $6,603,948. In conjunction with the amended credit line, the Lender received 32 million non-transferable share purchase warrants, exercisable at a price of $0.33 per warrant for a period of 5 years. These warrants are subject to a "warrant blocker" provision meaning the Lender's holdings can only go above 19.9% of the issued and outstanding common shares of the Company in certain limited circumstances. An amount of $8,412,413 was allocated to the fair value of the warrants, using the Black-Scholes pricing model. In connection with this extension, the Company also paid $47,522 of transaction fees.

Since the terms of the extended credit facility were substantially different, the modification was considered as an extinguishment of the original credit line. The difference between the carrying value of the credit line extinguished and the new credit line was recognized in the consolidated statement of loss and comprehensive loss, through a gain of $175,827. The Company used an effective interest rate of 33.7%.

The Company has undertaken to raise additional funds in the amount of $3 million within the 1-year anniversary of the closing of the transaction, and every anniversary thereafter for the three subsequent years, for total cumulative gross proceeds of $12M. Should the Company not raise additional funds on a yearly and cumulative basis, the Company shall issue the Lender an additional 5M non-transferable share purchase warrants per year where a funding milestone has not been met (maximum of 20M non-transferable warrants). Each warrant will be exercisable at a price per share equal to the market price on the date such warrants must be issued by the Company and will expire on the date the amended credit facility expires. This requirement included in the debt agreement was determined to be an embedded derivative to be separated from the host contract and classified as a liability because it failed the fixed for fixed criteria per IAS 32.11.

In connection with the credit line, in August 2012, the Company granted the Lender of the credit line a royalty of $1 per ton of phosphate concentrate sales from the Lac à Paul project. This royalty may be redeemed at any time through a lump-sum payment of $9 million. In July 2013, the Company also granted the Lender of the credit line a royalty of $0.25 per ton of phosphate concentrate sales from the Lac à Paul project that can be also redeemed any time through a lump-sum payment of $2.25 million. These royalties will have to be redeemed by the Company for the same amount in the event of a change of control where at least 90% of the issued and outstanding shares of the Company are acquired, purchased, or held by a third party, either through a tender offer or other transaction with the same result. It was determined that this clause does not constitute an embedded derivative because of the non-financial variable specific to the Company and therefore the cash flows from the buy back of the production fees had to be included in the amortized cost of the host contract.

(in Canadian dollars)

For the first 4 years of the amended credit facility, in the event the Company has not repaid the Loan in full and the Lender remains the creditor of the Company in relation to such credit line, the Company shall grant the Lender an additional annual production fee of $0.25/tonne, which may be bought back by the Company for $2.25M, for a maximum annual additional production fee of $1/tonne (which may be bought back by the Company for a total amount of $9M). In the event of total repayment of the Loan, no additional production fee shall be payable. It was determined that this clause does not constitute an embedded derivative because of the non-financial variable specific to the Company and therefore the cash flows from the buy back of the production fees had to be included in the amortized cost of the host contract. After the first anniversary, since the Company had not settled the Mercury debt, the Company had granted an additional Production Fee of $0.25 per tonne. This additional production fee can be bought back for $2,250,000.

The Company has the option to reimburse the credit line before its maturity without any penalty. This was considered an embedded derivative to be separated from the host contract and it was determined that the fair value of that option was nil.

On March 31, 2023, the Company opted to issue 3,899,424 common shares at a price of $0.507 per share, in lieu of cash, as its annual interest payment to the Lender due on March 31, 2023. The carrying value of the interests payable and of the corresponding embedded derivative – interest conversion option were then transferred to shares to be issued, as the share issuance was subject to TSX-V approval, obtained in April 2023.

On March 16, 2023, the Company sold its James Bay area 1.5% NSR royalty to Lithium Royalty Corp for $2,350,000, having a cost of nil. In connection with this transaction, the Company agreed to reduce its outstanding debt through a one-time cash payment of $1,000,000. That amount was paid in April 2023 and presented as current as at March 31, 2023. Also, the Company waived the reduction of the additional production fees of that capital payment.

As at March 31, 2023	**Host**	**Embedded derivatives**		**Total**
		Interest conversion option	**Supplemental warrants**	
	$	**$**	**$**	**$**
Balance – Beginning of period	26,073,994	(497,278)	190,434	25,767,150
Interests paid in shares	(1,991,436)	197,701	-	(1,793,735)
Change in fair value of derivative	-	(83,803)	(63,986)	(147,789)
Capitalized interests and accretion	2,197,942	-	-	2,197,942
Balance – End of period	**26,280,500**	**(383,380)**	**126,448**	**26,023,568**
Current portion	2,964,720	(123,971)	-	2,840,749
Non-current portion	23,315,780	(259,409)	126,448	23,182,819

(in Canadian dollars)

As at December 31, 2022	Host	Embedded derivatives		Total
		Interest conversion option	Supplemental warrants	
	$	$	$	$
Balance – Beginning of year	20,830,432	(348,402)	307,478	20,789,508
Interests paid in shares	(2,133,041)	-	-	(2,133,041)
Change in fair value of derivative	-	(148,876)	(117,044)	(265,920)
Capitalized interests and accretion	7,376,603	-	-	7,376,603
Balance – End of year	**26,073,994**	**(497,278)**	**190,434**	**25,767,150**
Current portion	1,991,436	(335,302)	-	1,656,134
Non-current portion	24,082,558	(161,976)	190,434	24,111,016

6. FINANCE COSTS

	Three-month period ended March 31, 2023	Three-month period ended March 31, 2022
	$	$
Accretion and interest on loans	550	-
Accretion and interest on credit line	2,197,942	1,755,926
Change in fair value of embedded derivatives	(147,789)	80,213
Interest expense on lease liabilities	7,744	6,833
Interest income	(38,064)	(5,552)
	2,020,383	**1,837,420**

7. STOCK OPTIONS, WARRANTS AND OPTIONS GRANTED TO BROKERS

Stock options

The stock options granted to directors and employees vest on a basis of 33% every year on a three-year period from the date of grant and options to consultants vest on a basis of 25% every three months, starting three months after the grant date.

On January 23, 2023, 360,000 stock options were granted to Directors pursuant to the Plan, at an exercise price of $0.34.

(in Canadian dollars)

The following table summarizes the information relating to the stock options outstanding under the plan as at March 31, 2023 and December 31, 2022:

Exercise price range	Weighted average exercise price	Weighted average remaining contractual life	Options outstanding as at March 31, 2023	Options outstanding as at December 31, 2022
$	$	Years		
0.18 – 0.27	0.20	7.48	853,000	946,333
0.28 – 0.44	0.38	7.90	2,051,667	1,691,667
0.45 – 0.62	0.54	6.26	2,330,000	2,530,000
0.67 – 0.86	0.81	2.96	975,000	1,075,000
0.87 – 1.32	1.18	0.72	1,191,000	1,191,000
			7,350,667	7,434,000
		Options exercisable	**5,272,333**	**5,401,334**

Warrants

The following table summarizes the information relating to the warrants outstanding under the plan as at March 31, 2023 and December 31, 2022:

Exercise Price		Expiry date	Weighted average remaining contractual life	As at March 31, 2023	As at December 31, 2022
$			Years		
0,40	(1)	2024-02-13	0,96	850,050	850,050
0,71		2023-06-04	0,18	5,750,000	5,750,000
0,20		2023-06-10	0,19	2,532.499	2,615,832
0,75		2024-08-21	1,39	628,228	628,228
0,33		2026-03-31	3,00	32,000,000	32,000,000
				41,760,776	41,844,110

(1) In January 2023, the Company amended the terms and conditions of the 850,050 warrants granted on February 13, 2020, to extend their expiration date from February 13, 2023, to February 13, 2024. All other terms and conditions remained similar.

Options granted to brokers

The following table summarizes the information relating to the brokers options outstanding as at March 31, 2023 and December 31, 2022:

Exercise price	Expiry date	As at March 31, 2023	As at December 31, 2022
$			
0.50	2023-06-04	250,717	250,717

8. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company defines the fair value hierarchy under which its financial instruments are valued as follows:

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

There was no transfer of hierarchy level during the three-month periods ended March 31, 2023, and 2022.

Current financial assets and financial liabilities are valued at their carrying amounts, which are reasonable estimates of their fair value due to their near-term maturities. This includes cash and cash equivalents, receivables and other assets and accounts payable and accrued liabilities and loans.

The fair value of the credit line is based on discounted cash flows and is not materially different from its carrying value because there was no material change in the assumptions used for fair value determination at inception. Therefore, its principal amounts approximate their fair value.

The embedded derivative – interest conversion option is classified as a level 3 instrument. An increase/decrease of the expected share price and expected VWAP used of 10% would lead to a variation in the fair value as at March 31, 2023 of $117,000 ($311,000 as at December 31, 2022).

The embedded derivative – supplemental warrants is classified as a level 3 instrument. An increase/decrease of 10% in the volatility, share price, strike price and the probability determined for each year, the main non-observable inputs used in the model, would lead to a variation in the fair value as at March 31, 2023 of $40,000 and ($59,000 as at December 31, 2022).