



**Canadian Securities Exchange  
Form 2A**

**ANNUAL LISTING STATEMENT**

For the year ended December 31, 2021

**Dated April 28, 2022**

## Table of Contents

2.	Corporate Structure .....	4
3.	General Development of the Business .....	6
4.	Narrative Description of the Business .....	9
5.	Selected Consolidated Financial Information .....	12
6.	Management's Discussion and Analysis .....	13
7.	Market for Securities .....	13
8.	Consolidated Capitalization .....	13
9.	Option to Purchase Securities.....	14
10.	Description of the Securities.....	14
11.	Escrowed Securities .....	15
12.	Principal Shareholders .....	16
13.	Directors and Officers .....	16
14.	Capitalization .....	20
15.	Executive Compensation .....	23
16.	Indebtedness of Directors and Executive Officers.....	23
17.	Risk Factors .....	23
18.	Promoters .....	32
19.	Legal Proceedings .....	32
20.	Interest of Management and Others in Material Transactions .....	32
21.	Auditors, Transfer Agents and Registrars .....	32
22.	Material Contracts .....	33
23.	Interest of Experts .....	33
24.	Other Material Facts .....	33
25.	Financial Statements.....	33

SCHEDULE "A" CONSOLIDATED FINANCIAL STATEMENTS AND MD&A OF THE COMPANY FOR THE YEAR ENDING DECEMBER 31, 2021

SCHEDULE "B" STATEMENT OF EXECUTIVE COMPENSATION FOR THE YEAR ENDING DECEMBER 31, 2021

## Introduction

This annual Listing Statement (the "**Listing Statement**") is furnished in connection with the fiscal year ended December 31, 2021 by and on behalf of the management of Bolt Metals Corp. (the "**Company**" or "**Bolt**").

## Forward-Looking Statements

Certain statements in this Listing Statement may constitute "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this Listing Statement, such statements use such words as "will", "may", "could", "intends", "potential", "plans", "believes", "expects", "projects", "estimates", "anticipates", "continue", "potential", "predicts" or "should" and other similar terminology. These statements reflect current expectations regarding future events and operating performance and speak only as of the date of this Listing Statement. Forward-looking statements include, among others, statements with respect to:

- the Company's expected future losses and accumulated deficit levels;
- the requirement for, and the Company's ability to obtain future funding on favourable terms or at all;
- the Company's dependence on management;
- the Company's plans in respect of development and operations;
- the Company's risks associated with economic conditions; and
- the Company's conflicts of interest.

Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under the heading "*Risk Factors*". Although the forward-looking statements contained in this Listing Statement are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements and such statements should not be unduly relied upon by investors. These forward-looking statements are made as of the date of this Listing Statement. A number of factors could cause actual events, performance or results, including those in respect of the foregoing items, to differ materially from the events, performance and results discussed in the forward-looking statements. Factors that could cause actual events, performance or results to differ materially from those set forth in the forward-looking statements include, but are not limited to:

- the extent of future losses;
- the ability to obtain the capital required to fund development and operations;
- the ability to capitalize on changes to the marketplace;
- the ability to comply with applicable governmental regulations and standards;
- the ability to attract and retain skilled and experienced personnel;
- the impact of changes in the business strategies and development priorities of strategic partners;
- stock market volatility; and
- other risks detailed from time-to-time in the Company's ongoing quarterly and annual filings with applicable securities regulators, and those which are discussed under the heading "*Risk Factors*".

Readers should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. Readers are cautioned that the foregoing lists of factors are not exhaustive. Each of the forward-looking statements contained in this Listing Statement are expressly qualified by this cautionary statement. The Company expressly disclaims any obligation or responsibility to update the forward-looking statements in this Listing Statement except as otherwise required by applicable law.

## Market and Industry Data

This Listing Statement includes market and industry data that has been obtained from third party sources. The Company believes that its industry data are accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data are believed to be reliable, the Company has not independently verified any of the data from third party sources referred to in this Listing Statement or ascertained the underlying economic assumptions relied upon by such sources.

## Currency Information

In this Listing Statement, unless otherwise indicated, all references to "\$" or "CDN\$" are to Canadian dollars.

## 2. Corporate Structure

### 2.1 – Corporate Name and Head Office and Registered Office

This Form 2A is filed in respect of Bolt, in connection with its annual filing requirements pertaining to its listing on the Canadian Securities Exchange ("CSE"). The head office and registered address of the Company is located at Suite 300 - Bellevue Centre, 235 - 15th Street, West Vancouver, British Columbia, V7T 2X1. The records office of the Company is located at 1000 – 840 Howe Street, Vancouver, British Columbia, Canada, V6Z 2M1.

### 2.2 – Jurisdiction of Incorporation

The Company was incorporated under the name "Bice Ventures Corp." on May 13, 1996 pursuant to the predecessor to the *Business Corporations Act* (British Columbia) ("BCBCA"). On August 17, 1999, the Company consolidated its common shares on the basis of three (3) old shares for one (1) new share and increased its authorized capital to 100,000,000 common shares without par value. On September 24, 1999, the Company's name was changed to "Pol-Invest Holdings Ltd." On March 13, 2003, the Company changed its name to "Net Soft Systems Inc." On June 2, 2004, the Company transitioned to the BCBCA. On February 9, 2011, the Company adopted a special resolution to remove the 'pre-existing company provisions', amend its authorized capital to an unlimited number of common shares without par value and to replace the Company's articles. On March 3, 2011, the Company changed its name to "Rhys Resources Ltd.". On October 10, 2017, the Company changed its name to "Pacific Rim Cobalt Corp.". On October 23, 2017 the Company consolidated its share capital on a four (4) old share for one (1) new share basis and on November 6, 2017 the Company split its share capital on a one (1) old share for one and a half (1.5) new share basis. On February 24, 2020 the Company changed its name to "Bolt Metals Corp." and on September 24, 2020 consolidated its share capital on a six and a half (6.5) old share for one (1) new share basis.

### 2.3 – Intercorporate Relationships

On October 23, 2017, the Company acquired all of the issued and outstanding common shares of the privately held 1121844 B.C. Ltd. ("CPA"), a company incorporated on June 6, 2017 under the laws of the BCBCA, by way of a share exchange agreement dated September 7, 2017 (the "**Share Exchange Agreement**") among the Company, CPA, the CPA shareholders, Cobalt Power (Asia) Limited, a Hong Kong corporation incorporated on April 3, 2017 ("CPA HK"), a wholly owner subsidiary of CPA, and the CPA HK shareholders. Pursuant to the Share Exchange Agreement, the Company issued 11,000,000 common shares, in exchange for all of the issued and outstanding securities of CPA (the "**CPA Shares**"), being all of the issued and outstanding share capital of CPA (the "**CPA Exchange**"). Upon completion of the terms contemplated by the Share Exchange Agreement, CPA became a wholly-owned subsidiary of the Company. CPA's wholly owned subsidiary, CPA HK, is party to an option agreement dated June 15, 2017 (the "**Option Agreement**") with PT. Tablasufa Nickel Mining ("**TNM**") to acquire all of the issued and outstanding securities of TNM (the "**TNM Shares**"). TNM is a private Indonesia company holding an IUP Operation Production Mining Permit

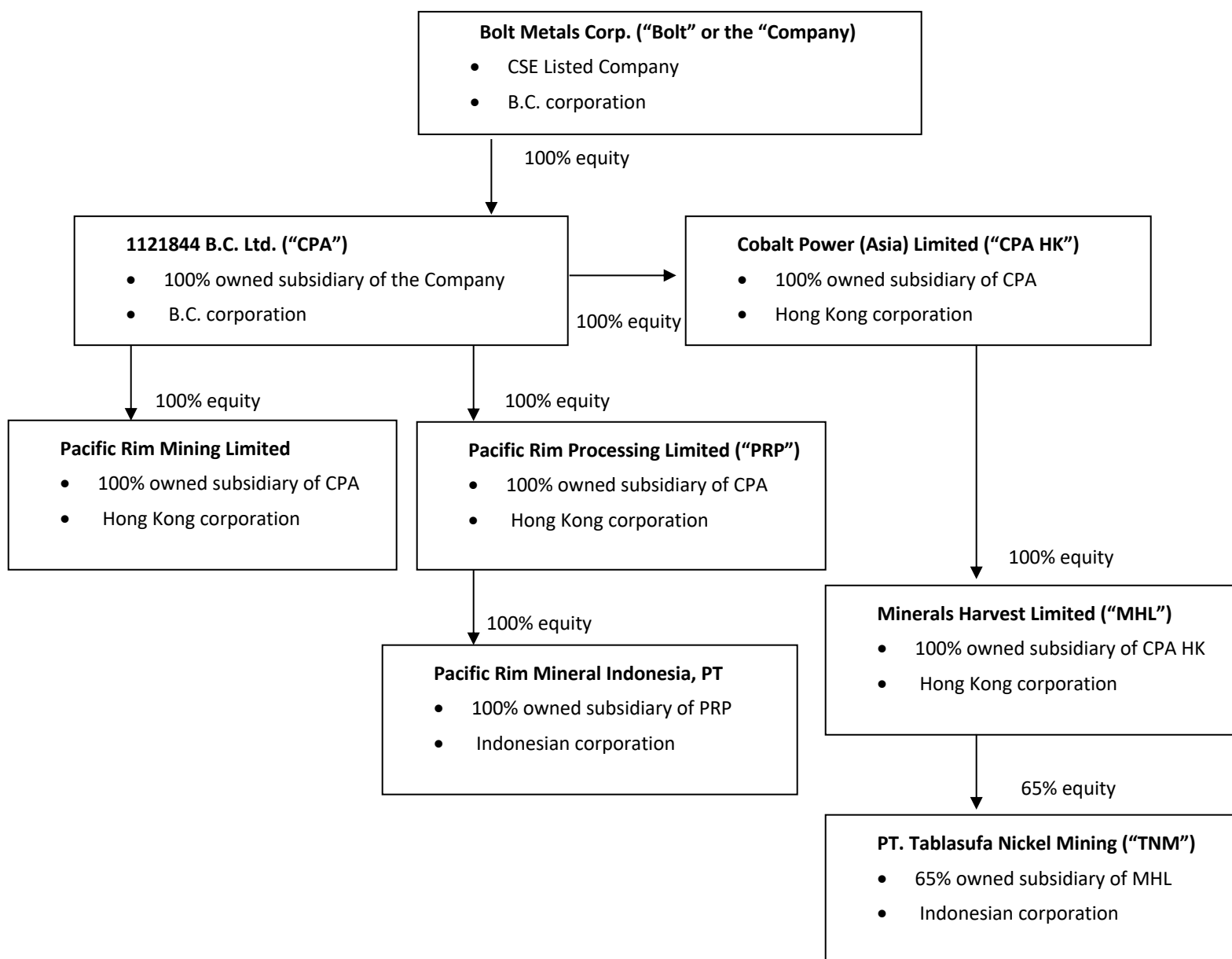
for the TNM Cobalt Project (the “**Cyclops Project**”), named for its close proximity to the Cyclops mountain range, situated on the north cost of Papua Province, Indonesia.

A copy of the Share Exchange Agreement is available on SEDAR under the Company’s profile, which can be accessed through the internet at [www.sedar.com](http://www.sedar.com).

Pacific Rim Mining Limited, a Hong Kong corporation incorporated on April 13, 2018 and Pacific Rim Processing Limited (“**PRP**”), a Hong Kong corporation incorporated on December 4, 2017, are also wholly owned subsidiaries of CPA. PRP holds a 100% interest (with 22% held in trust; 17% held by Andre Talaska and 5% held by Dina Zaenab) in Pacific Rim Minerals Indonesia, PT, an Indonesian corporation incorporated on April 20, 2018.

On July 16, 2018, CPA HK acquired Minerals Harvest Limited (“**MHL**”), a Hong Kong corporation incorporated on April 13, 2011, which holds a 65% interest in TNM.

The diagram below describes the inter-corporate relationship between the Company and its subsidiaries:



## **2.4 – Fundamental Change**

The Company is not requalifying following a fundamental change or proposing an acquisition, amalgamation, merger, reorganization or arrangement.

## **2.5 – Non-corporate Issuers and Issuers incorporated outside of Canada**

The Company holds its property interests through its wholly owned subsidiary, CPA, which holds its interest through a wholly owned subsidiary, CPA HK, which holds its interest through a wholly owned subsidiary, MHL.

## **3. General Development of the Business**

### **3.1 – General Development of the Business**

The Company is classified as a metals and minerals mining issuer engaged in the acquisition, exploration and development of mineral properties. The Company's common shares (each a "common share" or a "Common Share") are currently listed on the Canadian Securities Exchange (the "CSE") under the symbol of "BOLT" and on the Over the Counter Market Place QB Exchange (the "OTCQB") in the United States under the symbol "PCRCF".

#### ***History***

Prior to the date of entering into the Share Exchange Agreement, the Company was focused on the acquisition and development of conventional oil and gas projects with low risk drilling opportunities in western Canada. The Company held (i) 128 hectares of land in the Provost area of Alberta known as the Dina Pool property, acquired in June 2016; and (ii) 128 hectares of land in the Grand Prairie area of Alberta known as the Doe Creek property, acquired in September 2016, both of which properties were acquired through Province of Alberta land sales for nominal cash consideration. On September 5, 2017, the Company entered into an option agreement with Drifter Way Holding Co. Ltd. ("Drifter"), which was subsequently amended on December 11, 2019, for Drifter to acquire a 100% interest in the Doe Creek and Dina Pool properties; on December 20, 2019, Drifter provided exercise notice for the option and the 100% interest in the Doe Creek and Dina Pool properties was transferred from Bolt to Drifter.

On September 7, 2017, Bolt entered into the Share Exchange Agreement and trading in the Company's Common Shares on the TSX Venture Exchange was halted pending completion of the terms contemplated by the Share Exchange Agreement. On October 24, 2017, Bolt completed the Share Exchange and became listed on the CSE.

On October 23, 2017, concurrently with the closing of the Share Exchange, the Company completed a private placement of 12,780,804 units. The units were sold at a price of CDN\$0.35 per unit, for aggregate gross proceeds of CDN\$4,473,281. Each unit consisted of one Common Share and one-half of one Common Share purchase warrant, each whole warrant exercisable into one Common Share at a price of \$0.50 until October 24, 2019, subject to accelerated expiry provisions. In the event the closing price of the Company's Common Shares exceeds \$0.70 per Common Share for a period of 20 consecutive trading days at any time, then at the Company's election, the 24 month period within which the warrants are exercisable will be reduced and the holders of the Warrants will be entitled to exercise their warrants for a period of 30 days commencing on the day the Company provides the acceleration notice via press release or written notice to all warrant holders. The Company paid a total of \$262,624 in fees, issued 367,621 brokers warrants and 380,500 units to eligible finders who introduced subscribers to the financing.

On January 17, 2018, Bolt became listed on the OTCQB.

On June 17, 2019, the Company entered into an option amended agreement (the "Option Agreement Amendment") with CPA HK, TNM, MHL and PT Best Resources, for the acquisition of the remaining 35% of TNM. Under the terms of the Option Agreement Amendment, Bolt is required pay US\$1,220,000 as follows:

- i. US\$120,000 on or before June 15, 2020 (paid);
- ii. US\$120,000 on or before June 15, 2021 (paid); and

iii. US\$980,000 on or before June 15, 2022.

The Company has the right to defer the final payment date for a period of one year by delivering written notice and paying an additional USD\$120,000 on or before June 15, 2022. Pursuant to the Option Agreement Amendment, to acquire the remaining 35% minority interest, the amount of debt due and owing from TNM to PT Best Resources was reduced. Upon obtaining control, the Company will grant a 2% net smelter returns royalty (“**NSR**”) on future production.

On January 10 and 24, 2020, the Company completed debt settlements with six creditors, resulting in an aggregate of \$285,000 of indebtedness being retired in consideration for the issuance of 1,900,000 common shares at a price of \$0.15 per common share. The indebtedness was held by five arm’s length parties and one non-arms length party, a director, Sean Bromley.

On February 24, 2020, the Company changed its name to Bolt Metals Corp., retaining the symbol “BOLT”, and commenced trading under the new name at market open on February 26, 2020.

On March 20, 2020, the Company completed a debt settlement with three creditors, which resulted in an aggregate of \$300,000 of indebtedness being retired in consideration for the issuance of 999,999 common shares at a price of \$0.30 per common share. The indebtedness was held by three arm’s length parties.

In May of 2020, the Cyclops Project license became registered in the database of the Directorate General of Minerals and Coal, Ministry of Energy and Mineral Resources and Mineral Resources of the Republic of Indonesia.

In September of 2020, the Company signed a letter of intent (the “**LOI**”) for the acquisition of 1261799 BC Ltd. (the “**Target**”) which was to provide the Company with an option to earn a 100% interest in the Cherry Creek Property, Nevada, USA, which consisted of 24 contiguous patented mineral claims; on October 13, 2020, the Company announced that it had terminated the LOI for acquisition of the Target and interest in the Cherry Creek Property.

On September 24, 2020, the Company consolidated its issued share capital on a ratio of one (1) common share for every six and one-half (6.5) old common shares (the “**Consolidation**”). The Company had 79,467,726 issued and outstanding common shares prior to the Consolidation being completed and subsequently had 12,225,804 common shares issued and outstanding.

On January 29, 2021, the Company extended the term of common share purchase warrants that were issued under the private placement of units completed on February 6, 2020, that were set to expire on February 6, 2021, which was subsequently extended to February 6, 2023 (the “**Warrant Extension**”). The warrants had an exercise price of \$0.16 per common share and there were 6,184,704 issued and outstanding prior to the Consolidation. Following completion of the Consolidation, 951,493 warrants were issued and outstanding with an exercise price of \$1.04 per Warrant. Insiders of Bolt hold 0.81% of the Warrants.

On April 1, 2021, the Company reduced the exercise price of the common share purchase warrants that were subject to the Warrant Extension, from \$1.04 per common share to \$0.365 per common share (the “**Price Adjustment**”). The Price Adjustment required the incorporation of an accelerated expiry provision for the warrants, such that if, for any 10 consecutive trading days during the unexpired term of the warrants, the closing price of the common shares of Bolt exceeds \$0.46, the exercise date will be accelerated to 30 days (the “**Acceleration Clause**”). The activation of the Acceleration Clause will be announced by press release and the 30-day period will commence 7 days from the end of the 10-day period of which the closing price of the common shares, exceeds \$0.46. In accordance with CSE policies, the Company obtained the written consent of all holders of the warrants for the Price Adjustment and the Acceleration Clause.

On April 30, 2021, the Company announced that 793,272 incentive stock options to acquire common shares, with exercise prices ranging from \$0.87 to \$2.93, had been voluntarily surrendered or cancelled.

On December 21, 2021 the Company entered into a conditional share sale and purchase agreement (the “**Agreement**”), pursuant to which Nickel Mines Limited (ASX:NIC) (“**Nickel Mines**”) agreed to acquire the Company’s interest in the Cyclops Project (the “**Transaction**”).

Pursuant to the Agreement and subject to approval of the Transaction by the shareholders of the Company, the Company and its subsidiaries would receive cash payments in the aggregate amount of US\$6,020,000 in exchange for the Company’s 65% interest in the Cyclops property. If the shareholders of the Company do not approve the Transaction, Nickel Mines will have the right to acquire a 10% of the Company’s interest in the Cyclops property for total consideration to the Company and its subsidiaries of US\$750,000 and additional consideration to underlying Cyclops property owners of US\$980,000.

Completion of the Transaction is subject to customary due diligence, regulatory and shareholder approval and the successful extension of the Production Operation IUP mining permit for the Cyclops property. A finder’s fee is payable in connection with the Transaction.

#### Key Transaction Details

Pursuant to the Agreement and subject to the Company’s shareholder approval of the Transaction, Nickel Mines would acquire a 100% interest in the Cyclops property in consideration for the payment of an aggregate of US\$8,500,000 in cash, payable as follows:

- US\$500,000 payable to the Company within seven (7) business days of entering into the Agreement (received) and US\$6,020,000 (inclusive of the initial US\$500,000 deposit) payable on closing of the Transaction to CPA HK, to acquire all the issued and outstanding shares of MHL.
- US\$980,000 payable to PT Best Resources (“**PT Best**”) to acquire the remaining 35% interest in the Cyclops property.
- US\$1,500,000 payable to an existing royalty-holder to buy out a 2% NSR royalty granted by CPA on the Cyclops property.

In the event the Company does not obtain shareholder approval for the Transaction, Nickel Mines has the right to acquire a 45% interest in the Cyclops property by paying US\$250,000 to the Company for a 10% interest in MHL, paying US\$250,000 to CPA HP in exchange for CPA HP cancelling its option to acquire an additional 35% interest in the Cyclops property and paying US\$980,000 to PT Best to acquire their 35% interest in the Cyclops property, following which Nickel Mines and the Company will proceed as partners in developing the Cyclops property with Nickel Mines holding a 45% interest and the Company holding the remaining 55% interest in the project. Nickel Mines may also elect to terminate the Agreement and receive a cash payment of US\$250,000 if Bolt does not obtain shareholder approval for the Transaction.

Nickel Mines Limited (ASX: NIC) is a globally significant, low-cost producer of nickel pig iron, a key ingredient in the production of stainless steel, with principal operations in Central Sulawesi, Indonesia. Nickel Mines holds an 80% interest in the Hengjaya Nickel and Ranger Nickel rotary kiln electric furnace projects, located within the Indonesia Morowali Industrial Park (“**IMIP**”), and the Hengjaya mine, a large tonnage high grade nickel laterite deposit located close to the IMIP.

On February 22, 2022, the Company announced that it had received notification from the Head of BKPM (Investment Coordinating Board)/Minister of Investment for Indonesia that the mining permit (IUP) for the Cyclops Project had been revoked. The Company, through TNM, has for the last 4-years been working with government agencies to register its license into the Directorate General Mineral and Coal, Ministry of Energy and Mineral Resources database, a requirement for the extension of the Cyclops Project IUP. The license was successfully registered in July 2020. The Company’s application for IUP extension commenced in 2021 with all the demanded requirements from the Directorate General Mineral and Coal having been fulfilled, including submission of certificates of bank deposit of a joint TNM/Directorate General Mineral and Coal Account for Reclamation and Post Mining bonds. The



Company's Indonesian advisors have suggested several strategies to have the IUP extended and intends to pursue one or more courses of action. When available, the Company will provide updates regarding a possible reinstatement of the mining permit for Cyclops as well as any impact to the conditional sale of the Cyclops Project pursuant to the Transaction.

#### *Recent Financings*

On February 6, 2020, Bolt closed a non-brokered private placement issuing an aggregate of 6,184,704 units at a price of \$0.12 per unit for gross proceeds of \$742,165. Each unit was comprised of one (1) common share one (1) transferrable common share purchase warrant. Each warrant entitled the holder to purchase one common share at a price of \$0.16 per common share until February 6, 2021, prior to the Warrant Extension and Price Adjustment being completed. In connection with the private placement, Bolt paid a total of \$17,543 in cash to eligible finders.

On April 30, 2021, Bolt closed a non-brokered private placement for aggregate gross proceeds of \$722,400. The Company issued 2,580,000 units at a price of \$0.28 per unit. Each unit was comprised of one (1) common share one (1) transferable common share purchase warrant. Each warrant entitled the holder to purchase one (1) common share at a price of \$0.35 per warrant until April 30, 2023. In connection with the private placement, Bolt paid a 7% finder's fee, with a total of \$14,700 in cash and 52,500 in finder's warrants, being issued to qualified non-related parties, in accordance with the policies of the CSE. Each finder's warrant entitled the holder to purchase one common share for \$0.35 until April 30, 2023.

### **3.2 – Significant Acquisitions and Dispositions**

Other than as described in sections 3.1 and 4.1 in this Listing Statement, no significant acquisitions or significant dispositions have been completed by the Company during the last three financial years or are contemplated.

### **3.3 – Trends, Commitments, Events or Uncertainties**

Other than as described in this section 3.3, there are no trends, commitments, events or uncertainties known to management which could reasonably be expected to have a material effect on the Company's business, the Company's financial condition or results of operations. However, there are significant risks associated with the Company's business, as described in "Part 17 – Risk Factors".

## **4. Narrative Description of the Business**

### **4.1 General**

#### ***Business of the Company***

The Company is a publicly owned junior mining exploration business with a focus on properties based in Indonesia. Bolt will use its available capital to finance exploration and development on its Cyclops Project and for general working capital purposes.

#### ***Stated Business Objectives***

Bolt's immediate short-term objective is to fund ongoing care and maintenance costs on the Cyclops Project following the COVID-19 lockdown in Indonesia.

Bolt's long-term objectives will be to:

- (a) Identify a strategic partner to fund ongoing development of the Cyclops Project or a Company which would enter into a transaction to acquire the Cyclops Project.

Bolt's Board of Directors may, in its discretion, approve asset or corporate acquisitions or investments (including acquisitions outside the mining industry) that do not conform to these guidelines based upon the Board of Directors' discretion, in accordance with prescribed legal requirements.

To reach the foregoing objectives, Bolt will target the following milestones. Certain timeframes to reach the different business objectives and milestones may be adjusted depending on the availability of funds.

The following table summarizes each significant event that must occur for the business objectives described above to be accomplished, the time period in which each event is expected to occur and the costs related to each event:

Objective	Target Date	Projected Cost
Ongoing care and maintenance costs on the Cyclops Project	Over the next 12 months	\$200,000

***Principal Products or Services***

This is not applicable to the Company.

***Production and Sales***

This is not applicable to the Company.

***Lease Arrangements***

This is not applicable to the Company.

***Brand Recognition***

This is not applicable to the Company.

***Seasonality***

This is not applicable to the Company.

***Material Negotiations***

The Company is not currently in any material negotiations. For a list of contracts potentially having a material impact on the Company' business over the next 12 months (please see Section 22 - Materials Contracts below).

***Employees***

Bolt has no direct employees. CPA HK, Bolt's Hong Kong subsidiary, hires individuals in country for work on the Cyclops Project in Indonesia.

***Revenues***

This is not applicable to the Company.

***Funds Available and Use of Funds***

The Company's recurring cash requirements include executive compensation, exploration and development costs, property payments, administrative and public company costs. There may be circumstances, where for business reasons, a reallocation of funds may be necessary in order for Bolt to achieve its stated business objectives.

As at the date of this Listing Statement, the Company had a working capital deficiency amounting to approximately \$531,000 (with \$474,000 cash on hand). The table does not include any proceeds that may be available to the Company through future financings, warrants or incentive stock options ("**Options**").

The following table sets out the principal purposes, using approximate amounts, for which the Company intends to use the estimated funds available to the Company for the 12 months following the date of this Listing Statement.

<b>Use of Available Funds</b>	<b>Amount</b>
Expenditures on Business <sup>(1)</sup>	\$308,000
CSE Monthly Fees	\$9,000
General and Administrative Expenses <sup>(2)</sup>	\$157,000

Notes:

- (1) This amount includes but is not limited to, exploration and development programs and option commitments.
- (2) Includes consulting fees, insurance, interests, occupancy costs, professional fees, public company costs and expenses.

### **Competitive Conditions**

The mineral exploration and mining industry is very competitive and Bolt will be required to compete for the acquisition of mineral permits, claims, leases and other mineral interests for exploration and development projects. The cobalt market is quite limited in size as well. As a result of this competition, the majority of which is with companies with greater financial resources than Bolt, the Company may not be able to acquire or retain attractive properties in the future on terms it considers acceptable. The ability of Bolt to acquire and retain mineral properties in the future will depend on its ability to operate and develop its existing properties and also on its ability to obtain additional financing to fund further exploration activities. Bolt will compete with other mining companies for investment capital with which to fund such projects and for the recruitment and retention of qualified employees.

### **Proprietary Protection**

This is not applicable to the Company.

### **Lending and Investment Policies and Restrictions**

This is not applicable to the Company.

### **Bankruptcy and Receivership**

The Company has not been the subject of any bankruptcy or any receivership or similar proceedings against the Company or any of its subsidiaries or any voluntary bankruptcy, receivership or similar proceedings by the Company or its subsidiary, since its incorporation.

### **Material Restructuring**

The Company has not completed any reorganizations in its last three financial years.

### **Social or Environmental Policies**

Bolt has implemented a code of business conduct and ethics policy that covers a range of business practices and procedures which sets out key guiding principles of conduct and ethics that Bolt expects of its employees, directors and officers.

## **4.2 – Asset Backed Securities**

The Company does not have any asset backed securities.

## **4.3 –Mineral Properties**

### **Cyclops Project**

CPA, through CPA HK, holds an option to acquire a 100% interest in the Cyclops Project, formerly referred to as the TNM Cobalt Project (the "**Cyclops Option**") subject to an NSR.

Under the terms of the Cyclops Option, to earn a 100% interest in the TNM, and thereby indirectly the Cyclops Project, the Company must adhere to the terms of the Option Amending Agreement.

CPA HK has been appointed as the operator of the Cyclops Project and has the exclusive and sole responsibility of administering and carrying out the exploration programs on and for maintaining the Cyclops Project.

### ***Technical Report on the Cyclops Project***

A Technical Report dated July 11, 2017 on the Cyclops Project prepared for Bolt by Glenn S. Griesbach, B.Sc., P. Geo, in accordance with National Instrument 43-101, is available for review on [www.sedar.com](http://www.sedar.com). Readers are encouraged to review the entire Technical Report.

## **4.4 –Oil and Gas Operations**

The Company does not have oil and gas operations.

## **5. Selected Consolidated Financial Information**

### **5.1 – Annual Information**

The information below should be read in conjunction with the management's discussion and analysis ("**MD&A**"), the audited consolidated financial statements and related notes and other financial information, all of which are available at [www.sedar.com](http://www.sedar.com). This selected financial information has been prepared using accounting policies in compliance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

		Financial Year ended December 31, 2021 (\$)		Financial Year ended December 31, 2020 (\$)	Financial Period ended December 31, 2019 (\$)	
Total Revenues		nil		nil	nil	
Income (Loss) from continuing operations		(1,426,423)		(2,476,430)	(2,978,043)	
- per share		(0.10)		(0.20)	(0.31)	
Net Income (Loss)		(1,426,423)		(2,476,430)	(2,978,043)	
- per share		(0.10)		(0.20)	(0.31)	
Total Assets		871,372		1,252,559	1,089,978	
Total Long Term Liabilities		nil		nil	nil	

The Company has not declared any cash dividends as of the date hereof and does not currently have a dividend policy.

To date, the Company has incurred losses and further losses are anticipated as the Company further develops its business.

## **5.2 – Quarterly Information**

The following table sets forth summary financial information for the Company for the eight most recently completed interim periods ending at the end of the most recently completed financial year end (December 31, 2020). This summary financial information should only be read in conjunction with the Company's consolidated financial statements, including the notes thereto.

	2021				2020			
	Q4 (\$)	Q3 (\$)	Q2 (\$)	Q1 (\$)	Q4 (\$)	Q3 (\$)	Q2 (\$)	Q1 (\$)
Total Revenues	nil	nil	nil	nil	nil	nil	nil	nil
Income (Loss) from continuing operations	(816,535)	(222,601)	(216,469)	(170,818)	(291,274)	(268,045)	(316,775)	(1,600,336)
- per share	(0.06)	(0.01)	(0.01)	(0.01)	(0.02)	(0.02)	(0.03)	(0.14)
Net Income (Loss)	(816,535)	(222,601)	(216,469)	(170,818)	(291,274)	(268,045)	(316,775)	(1,600,336)
- per share	(0.06)	(0.01)	(0.01)	(0.01)	(0.02)	(0.02)	(0.03)	(0.14)

## **5.3 – Dividends**

Dividends can be declared by the Company's Board of Directors when deemed appropriate from time to time. As of the date of this Listing Statement, the Company has not declared any dividends on the Common Shares and it is unlikely that earnings will be available for the payment of dividends in the foreseeable future.

## **5.4 – Foreign GAAP**

Not applicable.

## **6. Management's Discussion and Analysis**

The Company's MD&A for the year ended December 31, 2021 should be read in conjunction with the consolidated financial statements of the Company for the year ended December 31, 2021, attached to this Listing Statement as Schedule "A". The Company's other public disclosure documents are available for viewing under the Company's profile at [www.sedar.com](http://www.sedar.com).

## **7. Market for Securities**

The Company's Common Shares currently trade on the CSE under the symbol "BOLT" and on the OTCQB under the symbol "PCRCF".

## **8. Consolidated Capitalization**

The following table sets forth the consolidated capitalization of the Company as at December 31, 2021 and as of the date of this Listing Statement:

Authorized	Outstanding as at December 31, 2021	Outstanding as of this Listing Statement
Warrants	3,408,352	3,556,971
Stock Options	Nil	Nil
Common Shares	14,981,415	14,981,415

## **9. Option to Purchase Securities**

As of the date of this Listing Statement, no Options are outstanding. The maximum aggregate number of Common Shares reserved for issuance and which may be purchased upon exercise of Options granted is equal to 10% of the issued Common Shares at the time the Option is granted.

The Company's stock option plan (the "**Option Plan**") is a 10% "rolling" stock option plan. Pursuant to the terms of the Option Plan, the Board of Directors may designate directors, officers, employees and consultants (and any subsidiaries thereof) (the "Optionees") of the Company eligible to receive Options. The number of Common Shares subject to each Option, in addition to the exercise price, vesting period and term of each Option is to be determined by the Board of Directors.

The maximum aggregate number of Common Shares reserved for issuance and which may be purchased upon exercise of Options granted is equal to 10% of the issued shares of the Company at the time the Option is granted.

In accordance with its terms, in no case will the grant of Options under the Option Plan result in: (i) the number of Common Shares reserved for issuance pursuant to Options granted to any one individual, within any twelve-month period, exceeding in the aggregate 5% of the issued and outstanding Common Shares; (ii) the number of Common Shares reserved for issuance pursuant to Options granted all persons engaged by the Company to provide investor relations activities, within any twelve month period, exceeding in the aggregate 2% of the issued and outstanding Common Shares; or (iii) the number of Common Shares reserved for issuance pursuant to Options granted to any one consultant, in any twelve month period, exceeding in the aggregate 2% of the issued and outstanding Common Shares.

The price at which Common Shares may be purchased under any Option granted pursuant to the Option Plan (the "**Exercise Price**") shall not be less than the minimum exercise price determined under the applicable rules and regulations of all regulatory authorities and stock exchanges to which the Company is or may be subject, including the CSE. Subject to certain exceptions, any Options granted pursuant to the Option Plan will terminate within 90 days of the Optionee ceasing to be a director, officer, employee or consultant of the Company. Options held by any Optionee who ceases to be a director, officer, employee or consultant of the Company for "cause" as defined in the Option Plan, shall terminate immediately. If the Optionee dies during the term of the Option, the Options will expire one year after the date of the Optionee's death and may be exercised by the Optionee's legal personal representative until that time, or until the expiry date of the Option, whichever is earlier.

## **10. Description of the Securities**

### **10.1 – Description of the Company's Securities**

The Company is authorized to issue an unlimited number of Common Shares without par value. As of the date hereof, there are 14,981,415 Common Shares issued and outstanding.

The holders of Common Shares are entitled to receive notice of and to attend all meetings of the Shareholders and shall have one vote for each Common Share held at all meetings of the Shareholders. The holders of Common Shares are entitled to: (a) receive any dividends as and when declared by the Board of Directors, out of the assets of the Company properly applicable to the payment of dividends, in such amount and in such form as the Board of Directors may from time to time determine; and (b) receive the remaining property of the Company (after payment of all outstanding debts) in the event of any liquidation, dissolution or winding-up of the Company. The holders of the Common Shares have no pre-emptive, redemption or conversion rights, sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities or provisions requiring a securityholder to contribute additional capital.

### **10.2 – 10.6 – Miscellaneous Securities Provisions**

None of the matters set out in sections 10.2 to 10.6 of CSE Form 2A are applicable.

### **10.7 – Prior Sales of Common Shares**

The following table summarizes the issuances of Common Shares or securities convertible into Common Shares for the 12 month period prior to the date of the Listing Statement.

Date Issued	Class of Security	Number of Common	Price/Deemed
		Shares Issued/Issuable	Price/Exercise Price of Security
April 30, 2021	Common Shares <sup>(1)</sup>	2,580,000	\$0.28
April 30, 2021	Warrants <sup>(2)</sup>	2,580,000	\$0.35
April 30, 2021	Warrants <sup>(3)</sup>	52,500	\$0.35
August 16, 2021	Common Shares <sup>(4)</sup>	175,641	\$0.365

**Notes:**

- (1) The common shares were issued in connection with units of a non-brokered private placement that closed April 30, 2021.
- (2) The warrants were issued in connection with units of a non-brokered private placement that closed April 30, 2021, the warrants are exercisable until April 30, 2023.
- (3) The warrants were issued in connection with a finder's fee paid in connection with a non-brokered private placement that closed April 30, 2021, the warrants are exercisable until April 30, 2023.
- (4) The common shares were issued in connection with the exercise of warrants.

### **10.8 – Stock Exchange Price**

The Common Shares are listed and posted for trading on the CSE under the trading symbol "BOLT". The following table sets forth the reported trading prices and monthly trading volumes of the Common Shares for the Company's financial year ended December 31, 2021.

	Price Range Per Common Share		Volume
	High	Low	
December, 2021	\$0.29	\$0.165	25,746
November, 2021	\$0.305	\$0.22	7,538
October, 2021	\$0.325	\$0.265	7,754
September, 2021	\$0.31	\$0.23	15,328
August, 2021	\$0.38	\$0.28	17,438
July, 2021	\$0.3890	\$0.3857	4,130
June, 2021	\$0.388	\$0.383	3,961
May, 2021	\$0.389	\$0.381	10,184
April, 2021	\$0.390	\$0.378	12,842
March, 2021	\$0.419	\$0.404	8,496
February, 2021	\$0.504	\$0.480	24,663
January, 2021	\$0.523	\$0.465	31,569

### **11. Escrowed Securities**

As of the date of this Listing Statement, there are no Common Shares of the Company held in escrow.

## **12. Principal Shareholders**

To the knowledge of Company, there are no beneficial owners or persons exercising control or direction over Common Shares carrying more than 10% of the outstanding voting rights as of the date of this Listing Statement.

### **12.1. – Voting Trusts**

To the knowledge of the Company, no voting trust exists within the Company such that more than 10 percent of any class of voting securities of the Company are held, or are to be held, subject to any voting trust or similar agreement.

### **12.2. – Associates and Affiliates**

This section is not applicable.

## **13. Directors and Officers**

### **13.1 – 13.3 – Directors and Officers**

The following table sets forth the names and location of residence of the officers and directors of the Company, their positions and their principal occupations:

<b>Name and Municipality of Residence</b>	<b>Position with the Company<sup>(5)</sup></b>	<b>Number of Common Shares</b>	<b>Principal Occupation for the Past 5 Years</b>
Ranjeet Sundher <i>West Vancouver, B.C., Canada</i>	Director, President and CEO	114,769 0.77% <sup>(4)</sup>	President and CEO of the Company October 2017 to present; President and CEO of Brigadier Gold Limited June 2019 to present; Director of Corporate Development of DeepMarkit Corp. June 2014 to present
Steve Vanry <i>West Vancouver, B.C., Canada</i>	Director, CFO and Corporate Secretary	82,578 0.55% <sup>(4)</sup>	Chief Financial Officer of the Company April 2017 to present; Corporate Secretary of the Company April 2019 to present; Chief Financial Officer of Legend Power Systems Inc. February 2016 to January 2022; Chief Financial Officer of InZinc Mining Ltd. January 2009 to January 2022
Sean Bromley <sup>(1)(2)</sup> <i>West Vancouver, B.C., Canada</i>	Director	83,782 0.56% <sup>(4)</sup>	Chief Financial Officer of the Parmar Group June 2015 to present; Investment advisor at Jordan Capital Markets Inc. January 2014 to June 2015
J. Garry Clark <sup>(1)(2)</sup> <i>Denver, Colorado, USA</i>	Director	1,442 0.01% <sup>(4)</sup>	Principal of Clark Exploration Consulting Inc. January 2000 to present
Geoffrey Fielding <sup>(1)</sup> <i>Pasig City, Manila, Philippines</i>	Director	Nil	President and CEO of All State Asset Management in Asia; Chairman of Wealth Technology Limited.

**Notes:**



- (1) Independent Director.
- (2) Member of the Audit Committee.
- (3) Each director's term of office will expire at the next annual meeting of the shareholders unless re-elected at such meeting.
- (4) Based on 14,981,415 Common Shares issued and outstanding as of the date of this Listing Statement.

### **13.4 – Board Committees of the Company**

The Company currently has the following committee:

#### **Audit Committee**

The purpose of the Audit Committee is to assist the Board of Directors in discharging its responsibilities with respect to: the integrity of the financial statements and the financial reporting process; external and internal audits; compliance with legal and regulatory requirements; internal controls; financial risk management; and disclosure.

### **13.5 – Principal Occupation of Directors and Officers**

See table 13.1 – 13.3 above.

### **13.6 – Corporate Cease Trade Orders or Bankruptcies**

Other than as set forth below, no director, officer or a shareholder of the Company holding a sufficient number of securities of the Company to affect materially the control of the Company other than disclosed herein:

(a) is, as at the date of this Listing Statement, or has been, within ten years before the date of this Listing Statement, a director or officer of any company, including the Company, that:

(i) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under Ontario securities law, that was in effect for a period of more than 30 consecutive days while that person was acting in the capacity as director or officer; or

(ii) was subject to a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the person ceased to be a director or officer of the company and which resulted from an event that occurred while that person was acting in the capacity as director or officer; or

(b) is as at the date of this Listing Statement or has been within the 10 years before the date of this Listing Statement, a director or officer of any company, including the Company, that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) has, within the 10 years before the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Mr. Ranjeet Sundher and Mr. Steve Vanry:

On May 2, 2019, at the Company's request, it was granted a temporary Management Cease Trade Order ("MCTO") from the British Columbia Securities Commission ("BCSC") in connection with the Company's filing of its audited annual financial statements and management's discussion and analysis for the financial year ended December 31, 2018 (the "Annual Report") and its unaudited interim financial statements and management's discussion and

analysis for the financial year ended March 31, 2019 (the “Q1 Report”). On June 27, 2019 the Company announced that the Annual Report and the Q1 report had been filed, the MCTO was subsequently lifted on July 2, 2019.

### **13.7 - 13.8 - Penalties Sanctions and Settlements**

No director, officer, or promoter of the Company, or any shareholder anticipated to hold a sufficient amount of securities of the Company to materially affect control of the Company, has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

### **13.9 – Personal Bankruptcies**

No director, officer or promoter of the Company, or a shareholder anticipated to hold a sufficient amount of securities of the Company to affect materially the control of the Company, or a personal holding company of any such persons, has, within the 10 years preceding the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the individual.

### **13.10 – Conflicts of Interest**

Conflicts of interest may arise as a result of the directors, officers and promoters of the Company also holding positions as directors or officers of other companies. Some of the individuals who are directors and officers of the Company have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Company will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies provided under the BCBCA.

### **13.11 – Directors and Officers**

Other than as set forth below, no director or officer has entered into a non-competition, nondisclosure, or confidentiality agreement with the Company.

#### ***Ranjeet Sundher – President, Chief Executive Officer and Director (Age 56)***

Mr. Sundher has been the President and director of the Company since October 23, 2017. Mr. Sundher has over 20 years of capital markets experience and has founded, developed and funded several successful public companies. Mr. Sundher is the former CEO and President of Red Hill Mining Inc. (currently Prophecy Development Corp.), a company listed on the TSX Venture Exchange with late stage development properties in Mongolia.

Mr. Sundher is an independent contractor of the Company and will spend the time necessary in order to complete his duties and responsibilities as an officer and director of the Company. The Company has not entered into a non-competition, or confidentiality agreement with Mr. Sundher.

#### ***Steve Vanry – CFO, Director and Corporate Secretary (Age 56)***

Mr. Vanry was appointed as a director and Chief Financial Officer of the Company on April 24, 2017 and as Corporate Secretary on April 26, 2019. Mr. Vanry has 25-years professional experience in senior management positions with public and private companies, providing expertise in capital markets, strategic planning, corporate finance, mergers and acquisitions, regulatory compliance, accounting and financial reporting. Mr. Vanry is a principal in Vanry Capital Partners, a firm specializing in orchestrating and facilitating the "go-public" process for private natural resource companies. He currently serves as a director and officer of several public companies in the mining sector. He holds

the right to use the Chartered Finance Analyst (CFA) and Canadian Investment Manager (CIM) designations and is a member of the CFA Institute and the Vancouver Society of Financial Analysts.

The Company has not entered into a non-competition, or confidentiality agreement with Mr. Vanry. Mr. Vanry is an independent contractor of the Company and will spend the time necessary in order to complete his duties and responsibilities as an officer and director of the Company.

**Sean Bromley – Director and Member of the Audit Committee (Age 32)**

Mr. Bromley joined the Board on October 23, 2017. Mr. Bromley received his Bachelor of Commerce in Finance at the University of Calgary with an exchange at the Hong Kong University of Science and Technology. After university, he became an Investment Advisor at Jordan Capital Markets specializing in technology and special situations. Mr. Bromley is a member of the Company of Young Professionals at the Vancouver Board of Trade, as well as being involved in numerous technology events such as the Technology Leadership Forum. Sean is also a director of several TSX.V listed companies.

Mr. Bromley has not entered into a non-competition, or confidentiality agreement with the Company. It is expected that Mr. Bromley will devote the time necessary in order to complete his duties and responsibilities as a director of the Company.

**J. Garry Clark – Director and Member of the Audit Committee (Age 62)**

Mr. Clark joined the board of directors of the Company on October 23, 2017. Mr. Clark is a Professional Geologist registered with the Association of Professional Geoscientists of Ontario. He has held various exploration geological positions with both major and junior explorers. In the late 1980's Mr. Clark began his consulting career with a lengthy list of projects across Ontario and globally. Mr. Clark is the Executive Director of the Ontario Prospectors Association (OPA) since the restructuring in 2000 and has been a Director, Vice President or President of the OPA since its formation in the early 1990's. Mr. Clark serves on various provincial government committees and boards that support mineral explorers, including the Minister of Mines Mining Act Advisory Committee and Ontario Geological Survey Advisory Board.

Mr. Clark has not entered into a non-competition, or confidentiality agreement with the Company. It is expected that Mr. Clark will devote the time necessary in order to complete his duties and responsibilities as a director of the Company.

**Geoffrey Fielding – Director (Age 79)**

Mr. Fielding joined the Board on July 5, 2018. Mr. Fielding was educated at the Sorbonne in Paris and has an LLB from the Faculty of Law at the London School of Economics. He was an equity partner at Grenfell & Colegrave, one of the oldest city of London Stockholding firms before the company was acquired by CIBC, Canada's largest retail bank. As a London Director of CIBC's Investment Division, Geoffrey founded up the overseas investment division in the Caribbean where he built up and managed funds of over US\$ 1 billion in 3 years. In 2007, Geoffrey moved to South-east Asia where he is now based. He is currently President and CEO of All State Asset Management in Asia, a Chinese asset investment management company. And is Chairman of Wealth Technology Limited, A Malaysian wealth fund. Mr. Fielding advises both these companies on investment opportunities as well as several other Hong Kong and International clients.

Mr. Fielding has not entered into a non-competition, or confidentiality agreement with the Company. It is expected that Mr. Fielding will devote the time necessary in order to complete his duties and responsibilities as a director of the Company.

## **14. Capitalization**

### **14.1 – Capitalization**

#### **Issued Capital: Common Shares**

	<b>Number of Securities (non-diluted)</b>	<b>Number of Securities (fully-diluted)</b>	<b>% of Issued (non-diluted)</b>	<b>% of Issued (fully diluted)</b>
<u>Public Float</u>				
Total outstanding (A)	14,981,415	18,538,386	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	282,571	390,263	1.89%	2.11%
Total Public Float (A-B)	14,698,844	18,148,123	98.11%	97.89%
<u>Freely-Tradeable Float</u>				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	0	0	17.43%	28.34%
Total Tradeable Float (A-C)	14,981,415	18,538,386	100%	100%

**Public Securityholders (Registered)****Class of Security****Common Shares****Size of Holding****Number of holders****Total number of securities**

1 – 99 securities	11	286
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	26	14,981,129
<b>Total</b>	<b>37</b>	<b>14,981,415</b>

**Public Securityholders (Beneficial)****Class of Security****Common Shares****Size of Holding****Number of holders****Total number of securities**

1 – 99 securities	263	9,940
100 – 499 securities	216	54,532
500 – 999 securities	96	68,591
1,000 – 1,999 securities	86	124,292
2,000 – 2,999 securities	24	55,118
3,000 – 3,999 securities	21	66,965
	15	65,235
4,000 – 4,999 securities	126	12,518,848
5,000 or more securities		
Unable to confirm	0	0

**Non-Public Securityholders (Registered)**

<b>Class of Security</b>	<b>Common Shares</b>	
<b><u>Size of Holding</u></b>	<b><u>Number of holders</u></b>	<b><u>Total number of securities</u></b>
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	1	1,442
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	3	281,129
<b>Total</b>	<b>4</b>	<b>282,571</b>

**14.2 – Convertible/Exchangeable Securities**

The following table sets out information regarding securities convertible or exchangeable into Common Shares as of the date of this Listing Statement:

<b>Description of Security (include conversion/exercise/terms, including conversion/exercise price)</b>	<b>Number of convertible/exchangeable securities outstanding</b>	<b>Number of listed securities issuable upon conversion/exercise</b>
Warrants	2,580,000	2,580,000
Warrants	52,500	52,500
Warrants	924,471	924,471

**Notes:**

- (1) The warrants were issued in connection with units of a non-brokered private placement that closed April 30, 2021, the warrants are exercisable at \$0.35 until April 30, 2023.
- (2) The warrants were issued in connection with a finder's fee paid in connection with a non-brokered private placement that closed April 30, 2021, the warrants are exercisable at \$0.35 until April 30, 2023.
- (3) The warrants were issued in connection with units of a non-brokered private placement that closed February 6, 2020, after the Warrant Extension and Price Adjustment, the warrants are exercisable at \$0.365 until February 6, 2023, subject to the Acceleration Clause.

### **14.3 – Other Listed Securities**

The Company has no other listed securities reserved for issuance.

## **15. Executive Compensation**

### **15.1 – Compensation of Executive Officers and Directors**

The Company's Statement of Executive Compensation for the most recent financial year, December 31, 2021, is attached in Schedule "B".

## **16. Indebtedness of Directors and Executive Officers**

No director or officer of the Company or person who acted in such capacity in the last financial year, or any other individual who at any time during the most recently completed financial year of the Company was a director of the Company or any associate of the Company, is indebted to the Company, nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

## **17. Risk Factors**

### **17.1 – Description of Risk Factors**

An investor should carefully consider the following risk factors in addition to the other information contained in this Listing Statement. The risks and uncertainties below are not the only ones related to the Company. There are additional risks and uncertainties that the Company does not presently know of or that the Company currently considers immaterial which may also impair the Company's business operations. If any of the following risks occur, the Company's business may be harmed, and its financial condition and results of operations may suffer significantly. An investment in the Company's shares is speculative and will be subject to certain material risks. Investors should not invest in securities of the Company unless they can afford to lose their entire investment.

#### **General**

An investment in the shares is speculative and involves a high degree of risk due to the nature of the Company's business and the present stage of the Company's operations. The following risk factors, as well as risks not currently known to the Company, could materially adversely affect the Company's future business, operations and financial condition and could cause them to differ materially from the estimates described in forward-looking statements contained herein. Prospective investors should carefully consider the following risk factors along with the other matters set out herein.

An investment in the Company will be subject to certain material risks and investors should not invest in securities of the Company unless they can afford to lose their entire investment. A purchase of any of the securities of the Company involves a high degree of risk and should be undertaken only by purchasers whose financial resources are enough to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Company should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective purchasers should evaluate carefully the following risk factors associated with an investment in the Company's securities prior to purchasing any of the securities.

#### **Limited Operating History**

The Company is a relatively new company with limited operating history and no history of business or mining operations, revenue generation or production history. The Company has yet to generate a profit from its activities. The Company is subject to all the business risks and uncertainties associated with any new business enterprise,

including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

### **Exploration, Development and Operating Risks**

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. Notwithstanding that the Company owns the Bethania Project which can be considered a small-scale operating mine, the Company is in the process of and may apply for interest in other early-stage exploration properties and few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of the minerals and proximity to infrastructure; mineral prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted but could have a material adverse effect upon the Company's operations. Mining operations generally involve a high degree of risk. The operations of the Company are subject to all the hazards and risks normally encountered in the exploration, development and production of precious metals and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability. There is no certainty that the expenditures made by the Company toward the search and evaluation of precious metals and other minerals will result in discoveries of mineral resources, mineral reserves or any other mineral occurrences.

### **Substantial Capital Requirements and Liquidity**

Substantial additional funds will be required and there can be no assurances given that the Company will be able to raise the necessary funds. To meet such funding requirements, the Company may undertake additional equity financing which would be dilutive to shareholders. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may reduce or discontinue operations.

### **Political and Social Risk in Indonesia**

The Company will be conducting its exploration and development activities in Indonesia. The Company believes that the Government of Indonesia strongly supports the development of its natural resources by foreign operators. However, there is no assurance that future political and economic conditions in Indonesia will not result in the government adopting different policies respecting foreign development and ownership of mineral resources. Any such changes in policy may result in changes in laws affecting ownership of assets, taxation, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, which may affect both the ability of the Resulting Issuer to undertake exploration and development activities in respect of future properties in the manner currently contemplated, as well as its ability to continue to explore and develop those properties in respect of which it has obtained exploration and development rights to date. The possibility that a future government of Indonesia may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

Instabilities can exist in relation to both the national government and local government. Certain political events can affect the enforceability of regional head's decrees or writs, especially in the mining and exploration industries which have strong connections with local autonomy and local authorities.



Taxation regulations are also flexible and subject to change, which may cause the Resulting Issuer to incur additional taxation costs.

The economy of Indonesia differs significantly from the economies of Canada, the United States and Western Europe in such respects as structure, level of development, gross national product, growth rate, capital reinvestment, resource allocation, self-sufficiency, rate of inflation and balance of payments position, among others. Growth rates, inflation rates and interest rates of developing nations are expected to be more volatile than those of western industrial countries. The Resulting Issuer's operations will be located in Indonesia and so are subject to risks associated with operating in a foreign jurisdiction, including political, infrastructure, legal and other unique risks.

The COVID-19 pandemic has also created a risk that the town, communities and cities in Indonesia may impose restrictions or limits on allowing Company's personnel to enter and leave the town or community.

### **Competition**

There is competition within the mining industry for properties considered to have commercial potential. The Company will compete with other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of minerals claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

### **Reliance on Management and Dependence on Key Personnel**

The success of the Company will be largely dependent upon on the performance of its directors and officers and the ability to attract and retain its key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

### **Fluctuating Mineral Prices and Marketability of Minerals**

The market price of any mineral is volatile and is affected by many factors beyond the Company's control, including but not limited to: international supply and demand, consumer product demand levels, international economic trends, commodity prices, operations costs, variations in mineral grade, fluctuations in the market price of minerals, currency exchange rate fluctuations, the level of interest rates, the rate of inflation, global or regional political events and international events as well as a range of other market forces. Depending on the price of certain minerals, the Company may determine that it is impractical to continue its mineral exploration operations. Sustained downward movements in mineral market prices could render less economic, or uneconomic, some or all of the mineral exploration activities to be undertaken by the Company. The marketability of minerals is affected by factors such as government regulation of mineral prices, royalties, allowable production and the importation and exportation of minerals, the effect of which cannot be accurately predicted.

### **No Mineral Reserves or Mineral Resources**

The Cyclops Project is in the early exploration stage only and does not contain a known body of commercial minerals.

### **Environmental Risks**

All phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and prevailing governing laws and regulations. Environmental legislation regulates various substances produced or used in association with mining operations. The legislation also requires that operations sites be maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is

evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability, all of which will increase capital expenditures and operating costs.

### **Governmental Regulations and Processing Licenses and Permits**

The activities of the Company are subject to government approvals, various laws governing prospecting, development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Although the Company believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Company. Further, the mining licenses and permits issued in respect of its projects may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of the Company's investments in such projects may decline.

### **Management Inexperience in Developing Mines**

The proposed management of the Company will have some experience in exploring for minerals but may lack some of the necessary technical training and experience to successfully develop and operate a mine. Without adequate training or experience in these areas, management may not be fully aware of many of the specific requirements related to working within the mining industry and their decisions and choices may not consider all available and necessary engineering or managerial approaches that experienced mine operating companies commonly use to successfully develop a mine. Consequently, the Company's operations, earnings and ultimate financial success could be materially adversely affected.

### **Markets for Securities**

There can be no assurance that an active trading market in the Company's Common Shares will be established and sustained. The market price for the Company's Common Shares could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of the Company's peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of the Company. The stock market has from time to time experienced extreme price and volume fluctuations, particularly in the mining sector.

### **Uninsurable Risks**

Exploration operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or for other reasons. Should there be the occurrence of such an event, it could have an adverse impact on the Company. The Company does not intend to maintain insurance against environmental risks.

### **Foreign Exchange**

The Company may be adversely affected by future fluctuations in foreign exchange rates. For example, to the extent the actual Canadian to U.S. dollar exchange rate is less than or more than the exchange rate used in this Listing Statement, the costs to complete the exploration program on Cerro Hermoso Property as set out in the Technical Report will increase and thereby decrease funds available for general and administrative expenses and the Company's available unallocated capital.

## **Internal Controls**

Ensuring that the Company has adequate internal financial and accounting controls and procedures in place so that the Company can produce accurate financial statements on a timely basis is a costly and time-consuming effort. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. If the Company or its independent audit firm identify deficiencies in the Company's internal control over financial reporting that are deemed to be material weaknesses, the market's confidence in the Company's financial statements could decline and the market price of the Company's securities could be adversely impacted.

## **Stage of Development**

The Company may be subject to growth-related risks, capacity constraints and pressure on the Company's internal systems and controls, particularly given the early stage of the Company's development. The ability of the Company to manage growth effectively will require the Company to continue to expand its operations and to train and manage the Company's employee base. The inability of the Company to deal with this growth could have a material adverse impact on the Company's business, operations and prospects.

## **Legal Risks**

The Company is subject to legal risks related to operations, contracts, relationships and otherwise, pursuant to which Bolt may be served with legal claims. Whether or not the claims are legally valid, such claims may result in legal fees, damages, settlement costs and other costs as well as significant time and distraction of management and employees.

## **Conflicts of Interest**

Conflicts of interest for the directors and officers of the Company, if any, will be subject to and governed by the procedures prescribed by the BCBCA which require a director or officer of a corporation who is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or proposed material contract with the Company to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the BCBCA.

## **Absence of Cash Dividends**

Bolt has not paid any cash dividends to date on its Common Shares and there are no plans for the Company to pay such dividend payments in the foreseeable future.

## **Unfavourable global economic conditions**

Recent global financial conditions have been characterized by increased volatility. Access to public financing may be negatively impacted. These factors may impact the ability of the Company to obtain equity or debt financing in the future on terms favourable to it, if at all. The Company's results of operations could be adversely affected by general conditions in the global economy and in the global financial markets. A severe or prolonged economic downturn could result in a variety of risks to the Company's business, including the Company's ability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy could strain the Company's suppliers, possibly resulting in supply disruption, or cause delays in payments for the Company's services by third-party payors. Any of the foregoing could harm the Company's business and the Company cannot anticipate all of the ways in which the current or future economic climate and financial market conditions could adversely impact the Company's business. For example, in December 2019, a novel strain of COVID-19 was reported in many countries around the globe. The extent to which COVID-19 impacts the Company's results will depend on future developments that are highly uncertain and cannot be accurately predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the COVID-19 or remedy its impact, among others.

## **Pandemic Virus Outbreak**

A pandemic virus outbreak, such as COVID-19, could lead to disruptions in many aspects of the Company's business operations resulting from government policies restricting mobility, assembly, or contact to, employees and suppliers across the global supply chain. Such policies may include the closures of mines and processing facilities, warehouses and logistics supply chains. A pandemic virus outbreak could also lead to disruptions in business operations resulting from travel restrictions and impacts uncertainty regarding the duration, and the financial and social extent of the virus and policy responses to the virus.

## **Cybersecurity Risks**

Cybersecurity refers to the combination of technologies, processes, and procedures established to protect information technology systems and data from unauthorized access, attack, or damage. The Company is subject to cybersecurity risks. Information cybersecurity risks have significantly increased in recent years and, while the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, it could suffer such losses in the future. The Company's computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could have a cybersecurity impact. If one or more of such events occur, it could potentially jeopardize confidential and other information, including nonpublic personal information and sensitive business data, processed and stored in, and transmitted through, the Company's computer systems and networks, or otherwise cause interruptions or malfunctions in the Company's operations or the operations of the Company's customers or counterparties. This could result in significant losses, reputational damage, litigation, regulatory fines or penalties, or otherwise adversely affect the Company's business, financial condition or results of operations. Additionally, if the Company is unable to repair affected technologies or acquire or implement new technologies, it may suffer a competitive disadvantage, which could also have an adverse effect on the Company's results of operations, financial condition and liquidity.

## **Changes in Climate Conditions**

A number of governments have introduced or are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Regulation relating to emission levels (such as carbon taxes) and energy efficiency are becoming more stringent. If the current regulatory trend to reduce greenhouse gas emission levels continues, this may result in increased costs at some of the Company's operations since diesel fuel may be utilized to power generators and other equipment at the Company's property locations. In addition, the Company's operations could be exposed to a number of physical risks from climate change, such as changes in rainfall rates, rising sea levels, reduced water availability, higher temperatures, increased snow pack, hurricanes and extreme weather events. Events or conditions such as flooding or inadequate water supplies could disrupt mining and transport operations, mineral processing and rehabilitation efforts, could create resource shortages and could damage the Company's property or equipment and increase health and safety risks on site. Such events or conditions could have other adverse effects on the Company's workforce and on the communities around the Company's properties, such as an increased risk of food insecurity, water scarcity and prevalence of disease. The Company's facilities depend on regular supplies of consumables to operate efficiently. In the event that the effects of climate change or extreme weather events cause prolonged disruption to the delivery of essential commodities, activities at the Company's operations may be reduced. There can be no assurance that efforts to mitigate the risks of climate changes will be effective and that the physical risks of climate change will not have an adverse effect on the Company's operations and profitability.

## **Foreign Corrupt Practices and Anti-Bribery Legislation**

The Company's business is subject to the Canadian *Corruption of Foreign Public Officials Act* and similar worldwide anti-bribery laws, a breach or violation of which could lead to civil and criminal fines and penalties, loss of licenses or permits and reputational harm.

The Company operates in certain jurisdictions that have experienced governmental and private sector corruption to some degree, and, in certain circumstances, strict compliance with anti-bribery laws may conflict with certain local

customs and practices. For example, the Canadian *Corruption of Foreign Public Officials Act* and anti-corruption and antibribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments for the purpose of obtaining or retaining business or other commercial advantage. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny of and punishment to companies convicted of violating anti-corruption and anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its contractors and third party agents.

The Company's corporate policies mandate compliance with these anti-corruption and antibribery laws and the Company has implemented internal monitoring and controls to ensure compliance with such laws. However, there can be no assurance that the Company's internal control policies and procedures will always protect us from recklessness, fraudulent behaviour, dishonesty or other inappropriate acts committed by the Company's affiliates, employees, contractors or agents. Violations of these laws, or allegations of such violations, could lead to civil and criminal fines and penalties, litigation, loss of operating licenses or permits or withdrawal of mining tenements, and may damage the Company's reputation, which could have a material adverse effect on the Company's business, financial position and results of operations or cause the market value of the Company's shares to decline. The Company may face disruption in the Company's permitting, exploration or other activities resulting from the Company's refusal to make "facilitation payments" in certain jurisdictions where such payments are otherwise prevalent.

The Canadian Extractive Sector Transparency Measures Act ("**ESTMA**"), which became effective June 1, 2015, requires public disclosure of payments to governments by mining and oil and gas companies engaged in the commercial development of oil, gas and minerals which are either publicly listed in Canada or with business or assets in Canada. Mandatory annual reporting is required for extractive companies with respect to payments made to foreign and domestic governments at all levels, including entities established by two or more governments, including Indigenous groups. Reporting on payments to Canadian First Nations commenced in 2018 for payments made in 2017. ESTMA requires reporting on the payments of any taxes, royalties, fees, production entitlements, bonuses, dividends, infrastructure improvement payments, and any other prescribed payment over C\$100,000. Failure to report, false reporting or structuring payments to avoid reporting may result in fines of up to C\$250,000 (which may be concurrent). The Company commenced ESTMA reporting following completion of its 2016 fiscal year end. If the Company becomes subject to an enforcement action or in violation of ESTMA, this may result in significant penalties, fines and/or sanctions imposed on us resulting in a material adverse effect on the Company's reputation.

#### **Title to the Company's Mining Claims and Leases**

The acquisition and maintenance of title to mineral properties is a very detailed and time-consuming process. While the Company has carried out reviews of title to its mining claims and leases, this should not be construed as a guarantee that title to such interests will not be challenged or impugned. Title insurance is generally not available for mineral properties and the Company's ability to ensure that it has obtained secure mine tenure may be severely constrained. Third parties may have valid claims underlying portions of the Company's interests, including prior unregistered liens, agreements, royalty transfers or claims, including native land claims, other encumbrances and title may be affected by, among other things, undetected defects. If these challenges are successful, this could have an adverse effect on the development of the Company's properties as well as its results of operations, cash flows and financial position. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

#### **Uncertainty Relating to Mineral Resources**

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty which may be attached to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to measured or indicated mineral resources or ultimately mineral reserves as a result of continued exploration.

## **Health and Safety**

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities due to accidents that could result in serious injury or death and/or material damage to the environment and Company assets. The impact of such accidents could affect the profitability of the operations, cause an interruption to operations, lead to a loss of licenses, affect the reputation of the Company and its ability to obtain further licenses, damage community relations and reduce the perceived appeal of the Company as an employer. Personnel involved in the Company's operations are subject to many inherent risks, including but not limited to, rock bursts, cave-ins, flooding, fall of ground, electricity, slips and falls and moving equipment that could result in occupational illness, health issues and personal injuries. The Company strives to manage all such risks in compliance with local and international standards. The Company has implemented various health and safety measures designed to mitigate such risks, including the implementation of improved risk identification and reporting systems across the Company, effective management systems to identify and minimize health and safety risks, health and safety training and the promotion of enhanced employee commitment and accountability. Such precautions, however, may not be sufficient to eliminate health and safety risks and employees, contractors and others may not adhere to the occupational health and safety programs that are in place. Any such occupational health and personal safety issues may adversely affect the business of the Company and its future operations.

## **Environment and Safety Regulations**

All phases of the Company's operations are also subject to environmental and safety regulations in the jurisdictions in which it operates. These regulations mandate, among other things, water and air quality standards, noise, surface disturbance, the impact on flora and fauna and land reclamation, and regulate the generation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that the Company has been or will at all times be in full compliance with all environmental laws and regulations or hold, and be in full compliance with, all required environmental, health and safety permits. In addition, no assurances can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could have an adverse effect on the Company's financial position and operations. The potential costs and delays associated with compliance with such laws, regulations and permits could prevent the Company from proceeding with the development of a project or the operation or further development of a project, and any non-compliance therewith may adversely affect the Company's business, financial condition and results of operations. Environmental hazards may also exist on properties on which the Company holds interests that are unknown to the Company at present and that have been caused by previous or existing owners or operators of the properties.

## **Emerging Market Issuer Risks**

The Company is subject to certain risks as an emerging market issuer. The Company is also aware that emerging-market investment generally poses a greater degree of risk than investment in more mature market economies because the economies in the emerging markets are more susceptible to destabilization resulting from domestic and international developments. Economic instability in Peru and in other Latin American and emerging market countries has been caused by many different factors, including but not limited to, the following: (i) high interest rates; (ii) changes in currency values; (iii) high levels of inflation; (iv) exchange controls; (v) wage and price controls; (vi) changes in economic or tax policies; (vii) the imposition of trade barriers; (viii) internal security issues; (ix) renegotiation, cancellation or forced modification of existing contracts; (x) political factors, including political instability and sudden or arbitrary changes to laws; (xi) legal and regulatory framework in the foreign jurisdiction which may increase the likelihood that laws will not be enforced and judgements will not be upheld; (xii) legislation may be subject to conflicting interpretations; (xiii) application of and amendments to legislation could adversely affect the Company's mining rights or make it more difficult or expensive to develop the Company's projects and continue mining; (xiv) corruption, bribery, civil unrest and economic uncertainty, which may negatively impact and disrupt business operations; (xv) lack of certainty with respect to foreign legal systems, corruption and other factors that are inconsistent with the rule of law; (xvi) unusual or infrequent weather phenomena, sabotage, government

or other interference in the maintenance or provision of such infrastructure, could adversely affect the Company's business; and (xvii) restrictions on the ability of local operating companies to hold U.S. dollars or other foreign currencies in offshore bank accounts. Certain facts and statistics contained in this AIF have come from official government sources or other industry publications, the reliability of which cannot be assumed or assured.

**Shareholders may have difficulty in enforcing their legal rights as against the Company, the subsidiaries of the Company and some directors and officers, as they are located outside of Canada**

Certain of the Company's subsidiaries are organized under the laws of foreign jurisdictions and certain of the Company's directors, management personnel and advisors are located in foreign jurisdictions. Given that the Company's material assets and certain of its directors, management personnel and experts are located outside of Canada, investors may have difficulty in effecting service of process within Canada and collecting from or enforcing against the Company's directors, officers and advisors, any judgments obtained by the Canadian courts or Canadian securities regulatory authorities and predicated on the civil liability provisions of Canadian securities legislation or otherwise. Similarly, in the event a dispute arises from the Company's foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of courts in Canada.

**Mine Closure Risks**

In the future the Company may be required to close the mine the Company operates. The key risks for mine closure possibly include, without limitation, the (i) long-term management of permanent engineered structures and acid rock drainage; (ii) achievement of environmental closure standards; (iii) orderly retrenchment of employees and contractors; and (iv) relinquishment of the site with associated permanent structures and community development infrastructure and programs to new owners. The successful completion of these items is dependent on the ability to successfully implement negotiated agreements with the relevant government, community and employees. The consequences of a difficult closure range from increased closure costs and handover delays to ongoing environmental impacts and damage to corporate reputation if desired outcomes cannot be achieved, which could materially and adversely affect the Company's business and results of operations.

**Joint Venture Risk**

In the event that the Company proceeds with any proposed joint ventures to acquire or develop mineral assets or properties, there are certain risks that are inherent in joint venture arrangements. There is the possibility that the joint venture partners may without limitation: (a) have economic or business interests or targets that are inconsistent with those of the Company; (b) take action contrary to the Company's policies or objectives with respect to their investments, for instance by veto of proposals in respect of joint venture operations; (c) be unable or unwilling to fulfill their obligations under the joint venture or other agreements; or (d) experience financial or other difficulties. Any of the foregoing may have a material adverse effect on the results of operations or financial condition of the Company. In addition, the termination of certain of these joint venture agreements, if not replaced on similar terms, could have a material adverse effect on the results of operations or financial condition of the Company.

**Additional Risks**

Please refer to the Company's consolidated financial statements and management's discussion and analysis for the year ended December 31, 2020 included in Schedule "A" and incorporated by reference into this Listing Statement for additional risk factors.

**17.2 – Additional Securityholder Risk**

There is no risk that securityholders of the Company may become liable to make an additional contribution beyond the price of the security.

### **17.3 – Other Risks**

Subject to the risk factors set out under section 17.1 above, there are no other material risk factors that a reasonable investor would consider relevant to an investment in the Company's shares.

### **18. Promoters**

#### **18.1 – 18.3 – Promoter Consideration**

Other than Ranjeet Sundher, the current President and Chief Executive Officer of the Company, and Steve Vanry, the current Chief Financial Officer and Corporate Secretary of the Company, there has been no person or Company that may be considered a promoter of the Company within two years immediately preceding this AIF. Ranjeet Sundher, directly holds 114,769 common shares (approximately 0.77%) of the total issued and outstanding common shares of the Company on a non-diluted basis. Steve Vanry, directly and indirectly holds 82,578 Common Shares (approximately 0.55%) of the total issued and outstanding common shares of the Company on a non-diluted basis. Other than an annual salary of USD\$150,000 for Mr. Sundher, \$87,000 for Mr. Vanry and incentive stock options that may be issued to Mr. Sundher and Mr. Vanry by the Board, Mr. Sundher and Mr. Vanry have not received any other compensation or payments from the Company.

### **19. Legal Proceedings**

#### **19.1 - Legal Proceedings**

There are no legal proceedings material to the Company to which the Company is a party or of which any of its property is the subject matter, and there are no such proceedings known to the Company to be contemplated.

#### **19.2 – Regulatory Actions**

The Company has not been subject to any penalties or sanctions imposed by any court or regulatory authority relating to provincial or territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date of this Listing Statement, nor has the Company entered into a settlement agreement with a securities regulatory authority within the three years immediately preceding the date of this Listing Statement or been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that are necessary to provide full, true and plain disclosure of all material facts relating to the Company's securities or would be likely to be considered important to a reasonable investor making an investment decision.

### **20. Interest of Management and Others in Material Transactions**

Except as described herein, no director, executive officer, proposed management nominee for director or person who, to the knowledge of the directors or officers of the Company, beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of any class or series of outstanding voting securities of the Company, informed person or any associate or affiliate of the foregoing has any material interest, direct or indirect, in any transaction within the three years before the date of this Listing Statement or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or a subsidiary of the Company.

### **21. Auditors, Transfer Agents and Registrars**

#### **21.1 – Auditors**

The firm of Davidson & Company LLP, Chartered Professional Accountants ("D&Co") is the independent external auditor of the Company with a Vancouver office address of 1200 – 609 Granville Street, Vancouver, B.C., V7Y 1G6. D&Co was first appointed as auditor of the Company in June of 2010.



## **21.2 – Transfer Agent and Registrar**

The registrar and transfer agent of the Company's shares is Computershare Trust Company of Canada, at its Vancouver office located at suite 510 Burrard Street – 2<sup>nd</sup> Floor, Vancouver B.C., V6C 3B9.

## **22. Material Contracts**

### **22.1 – Material Contracts**

Other than as outlined below, the Company has not entered into any other material contracts within the two years before the date of this Listing Statement, other than contracts entered into in the ordinary course of business. The Company has entered into the following material contracts:

1. the Option Agreement;
2. the Option Agreement Amendment.

### **22.2 – Special Agreements**

The Company is not a party to any co-tenancy, unitholders' or limited partnership agreements.

## **23. Interest of Experts**

No person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Listing Statement or as having prepared or certified a report or valuation described or included in this Listing Statement holds any beneficial interest, direct or indirect, in any securities or property of the Company or of an Associate (as defined in the policies of the CSE) or Affiliate (as defined in the policies of the CSE) of the Company and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Company or of an Associate or Affiliate of the Company and no such person is a promoter of the Company or an Associate or Affiliate of the Company. D&Co is independent of the Company in accordance with the rules of professional conduct of the Chartered Professional Accountants of British Columbia.

## **24. Other Material Facts**

Other than as set out elsewhere in this Listing Statement, there are no other material facts about the Company and its securities which are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Company and its securities.

## **25. Financial Statements**

Schedule "A" contains the audited consolidated financial statements of the Company for the year ended December 31, 2021 and the MD&A of the Company for the year ended December 31, 2021.

## CERTIFICATE OF THE COMPANY

The foregoing contains full, true and plain disclosure of all material information relating to Bolt Metals Corp. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia this 28<sup>th</sup> day of April, 2022.

/s/ "Ranjeet Sundher"

Ranjeet Sundher, President and Chief Executive Officer

/s/ "Steve Vanry"

Steve Vanry, Chief Financial Officer

/s/ "J. Garry Clark"

J. Garry Clark, Director

/s/ "Sean Bromley"

Sean Bromley, Director

**SCHEDULE "A"**

**FINANCIAL STATEMENTS AND MD&A OF THE COMPANY**

**The audited consolidated financial statements of the Company for the year ended December 31, 2021,  
&  
The MD&A of the Company for the year ended December 31, 2021.**

**[See Attached]**



**BOLT METALS CORP.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

**(Expressed in Canadian Dollars)**

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
Bolt Metals Corp.

### *Opinion*

We have audited the accompanying consolidated financial statements of Bolt Metals Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of loss and comprehensive loss, cash flows, and changes in equity (deficiency) for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

### *Material Uncertainty Related to Going Concern*

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company has incurred losses since its inception and the ability of the Company to continue as a going concern depends upon its ability to raise adequate financing and to develop profitable operations. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### *Other Information*

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### ***Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Michael MacLaren.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

April 28, 2022

**BOLT METALS CORP.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars)  
AS AT DECEMBER 31,

	2021	2020
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 600,380	\$ 395,941
Receivables	36,652	35,314
Prepaid expenses	55,666	48,822
Advances	<u>1,177</u>	<u>-</u>
	693,875	480,077
<b>Equipment</b> (Note 4)	8,082	27,590
<b>Right-of-use assets</b> (Note 5)	-	2,944
<b>Reclamation deposit</b> (Note 6)	169,415	-
<b>Exploration and evaluation assets</b> (Note 6)	<u>-</u>	<u>741,948</u>
	\$ 871,372	\$ 1,252,559
<b>LIABILITIES AND EQUITY (DEFICIENCY)</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Notes 7 and 11)	\$ 617,478	\$ 511,479
Deposit (Note 6)	320,596	-
Taxes payable (Note 12)	<u>71,200</u>	<u>71,200</u>
	1,009,274	582,679
<b>Equity (deficiency)</b>		
Share capital (Note 8)	15,337,463	14,581,920
Reserves (Note 8)	16,266	851,119
Deficit	<u>(15,302,438)</u>	<u>(14,841,041)</u>
Equity attributable to the Company's shareholders	51,291	591,998
Non-controlling interest (Note 10)	<u>(189,193)</u>	<u>77,882</u>
	(137,902)	669,880
	\$ 871,372	\$ 1,252,559

**NATURE OF OPERATIONS AND GOING CONCERN** (Note 1)  
**SUBSEQUENT EVENT** (Note 17)

Approved and authorized on behalf of the Board:

"Ranjeet Sundher"  
Director

"Steve Vanry"  
Director

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



**BOLT METALS CORP.****CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

FOR THE YEAR ENDED DECEMBER 31

	2021	2020
<b>EXPENSES</b>		
Consulting fees (Note 11)	\$ 18,000	\$ 435,206
Corporate development (Note 11)	-	91,500
Exploration expenditures (Note 6)	306,084	290,660
Foreign exchange	15,375	(45,122)
Interest and bank charges	2,119	2,461
Investor relations	-	149
Office and miscellaneous	64,533	86,804
Management fees (Note 11)	213,058	303,691
Marketing	55,000	317,309
Professional fees (Note 11)	258,405	231,031
Property investigation costs (Notes 9 and 11)	18,000	30,686
Rent	750	9,000
Share-based payments (Notes 8 and 11)	-	721,213
Shareholder liaison and filing fees	47,128	48,066
Transfer agent	6,619	25,949
Travel	-	34,827
	<u>(1,005,071)</u>	<u>(2,583,430)</u>
Gain on settlement of accounts payable (Note 8)	-	107,000
Impairment on exploration and evaluation assets (Note 6)	(741,948)	-
TNM agreement (Note 6)	<u>320,596</u>	<u>-</u>
	<u>(421,352)</u>	<u>107,000</u>
<b>Loss and comprehensive loss for the year</b>	<b>\$ (1,426,423)</b>	<b>\$ (2,476,430)</b>
Loss and comprehensive loss attributable to:		
Equity holders of the Company	\$ (1,159,348)	\$ (2,453,209)
Non-controlling interest (Note 10)	<u>(267,075)</u>	<u>(23,221)</u>
	<u>\$ (1,426,423)</u>	<u>\$ (2,476,430)</u>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.10)</b>	<b>\$ (0.20)</b>
<b>Weighted average number of common shares outstanding</b>	<b>14,031,030</b>	<b>12,433,345</b>

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

**BOLT METALS CORP.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian Dollars)  
**FOR THE YEAR ENDED DECEMBER 31,**

	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the year	\$ (1,426,423)	\$ (2,476,430)
Items not affecting cash:		
Depreciation	22,452	31,286
Share-based payments	-	721,213
Gain on settlement of accounts payable	-	(107,000)
Impairment on exploration and evaluation assets	741,948	-
Interest on lease liability	-	212
Changes in non-cash working capital items:		
Receivables	(1,338)	(23,057)
Prepaid expenses	(6,844)	18,065
Advances	(1,177)	4,336
Accounts payable and accrued liabilities	105,999	359,092
Net cash used in operating activities	<u>(565,383)</u>	<u>(1,472,283)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Advance non-controlling interest payment	(153,168)	(165,260)
Deposit received on TNM agreement	320,596	-
Reclamation deposit	(169,415)	-
Net cash used in investing activities	<u>(1,987)</u>	<u>(165,260)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of common shares	722,400	742,164
Proceeds from exercise of warrants	64,109	1,121,066
Share issue costs	(14,700)	(19,576)
Lease payments	-	(12,900)
Net cash provided by financing activities	<u>771,809</u>	<u>1,830,754</u>
<b>Change in cash for the year</b>	<b>204,439</b>	<b>193,211</b>
<b>Cash, beginning of year</b>	<u><b>395,941</b></u>	<u><b>202,730</b></u>
<b>Cash, end of year</b>	<u><b>\$ 600,380</b></u>	<u><b>\$ 395,941</b></u>

**Supplemental disclosure with respect to cash flows (Note 13)**

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

**BOLT METALS CORP.****CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)**

(Expressed in Canadian Dollars)

	<b>Share capital</b>				<b>Non- controlling interest</b>	
	<b>Number</b>	<b>Amount</b>	<b>Reserves</b>	<b>Deficit</b>		<b>Total</b>
<b>Balance at December 31, 2019</b>	9,965,772	12,260,266	371,932	(12,464,598)	101,103	268,703
Shares issued for cash	951,493	742,164	-	-	-	742,164
Shares issued for exercise of warrants	862,356	1,121,066	-	-	-	1,121,066
Share issue costs	-	(19,576)	-	-	-	(19,576)
Shares issued for settlement of accounts payable	446,153	478,000	-	-	-	478,000
Share-based payments	-	-	721,213	-	-	721,213
Allocation of expired options	-	-	(242,026)	242,026	-	-
Advance non-controlling interest payment (Note 6)	-	-	-	(165,260)	-	(165,260)
Loss for the year	-	-	-	(2,453,209)	(23,221)	(2,476,430)
<b>Balance at December 31, 2020</b>	12,225,774	\$ 14,581,920	\$ 851,119	\$ (14,841,041)	\$ 77,882	\$ 669,880
Shares issued for cash	2,580,000	722,400	-	-	-	722,400
Shares issued for exercise of warrants	175,641	64,109	-	-	-	64,109
Share issue costs	-	(30,966)	16,266	-	-	(14,700)
Allocation of cancelled options	-	-	(851,119)	851,119	-	-
Advance non-controlling interest payment (Note 6)	-	-	-	(153,168)	-	(153,168)
Loss for the year	-	-	-	(1,159,348)	(267,075)	(1,426,423)
<b>Balance at December 31, 2021</b>	14,981,415	\$ 15,337,463	\$ 16,266	\$ (15,302,438)	\$ (189,193)	\$ (137,902)

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

## **1. NATURE OF OPERATIONS AND GOING CONCERN**

Bolt Metals Corp. ("the Company") operates in the mineral resource industry and trades on the Canadian Securities Exchange ("CSE") under the symbol BOLT, on the OTCQB under the symbol PCRCF, and on the Frankfurt Exchange under the symbol NXFE. The Company's head office is located at Suite 300 - Bellevue Centre, 235 - 15th Street, West Vancouver, BC, V7T 2X1 and its registered records office is located at Pacific Centre, 400 - 725 Granville Street, Vancouver, BC, V7Y 1G5.

The Company's principal business activities include the acquisition and exploration of mineral exploration and evaluation assets in Indonesia. In fiscal 2021, the Company recorded an impairment on its exploration and evaluation asset due to the revocation of its mining permit (Note 6). To date, the Company has not earned any revenues.

These consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and to develop profitable operations. These consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The Company's continuation as a going concern is dependent upon the successful results from its business activities, its ability to obtain profitable operations and generate funds, and/or complete financings sufficient to meet current and future obligations, which in turn is dependent upon the existence of economically recoverable reserves and market prices for the underlying minerals. The Company will be required to raise funding to continue operations in the upcoming year. These material uncertainties may cast significant doubt as to the ability of the Company to continue as a going concern. Management closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favourable or adverse market conditions occur.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments have adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The worldwide spread of COVID-19 and the impact of the Canadian and Indonesia governments' efforts to minimize the impact resulted in planned development activities in Indonesia to be put on hold. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its ongoing effects on the Company's business or results of operations or its ability to raise funds.

## **2. BASIS OF PREPARATION**

### **Statement of compliance**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee.

### **Approval of the financial statements**

These consolidated financial statements were authorized by the Board of Directors of the Company on April 28, 2022.

**BOLT METALS CORP.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars)  
FOR THE YEAR ENDED DECEMBER 31, 2021

---

**2. BASIS OF PREPARATION (cont'd...)**

**Basis of presentation**

These consolidated financial statements have been prepared on a historical cost basis, using the accrual basis of accounting, except for cash flow information and certain financial assets that are measured at fair value, as explained in the significant accounting policies set out in Note 3.

**Functional and presentation currency**

These consolidated financial statements are presented in Canadian dollars, unless otherwise noted, which is the functional currency of the Company and its subsidiaries.

**Principles of consolidation**

These consolidated financial statements include the accounts of the Company and its direct wholly-owned subsidiaries. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

For partially owned subsidiaries, non-controlling interest represents the portion of a subsidiary's earnings and losses and net assets that is not held by the Company. Adjustments to non-controlling interest are accounted for as transactions with owners and adjustments that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

---

Name of Subsidiary	Country of Incorporation	Percentage of Ownership	Principal Activity
1121844 BC Ltd.	Canada	100%	Holding company
Cobalt Power (Asia) Limited ("CPA HK")	Hong Kong	100%	Holding company
Pacific Rim Mining Limited	Hong Kong	100%	Inactive
Pacific Rim Processing Limited	Hong Kong	100%	Holding company
Minerals Harvest Limited	Hong Kong	100%	Holding company
PT. Tablasufa Nickel Mining ("TNM")	Indonesia	65%	Exploration in Indonesia
PT. Pacific Rim Mineral Indonesia	Indonesia	100%	Exploration in Indonesia

---

**Significant estimates**

The preparation of these consolidated financial statements requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

## **2. BASIS OF PREPARATION (cont'd...)**

### **Significant estimates (cont'd...)**

#### Economic recoverability and probability of future economic benefits of exploration and evaluation assets

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

#### Valuation of share-based payments

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

#### Determination of income taxes

Deferred tax assets and liabilities are determined based on differences between the financial statement carrying values of assets and liabilities and their respective income tax bases ("temporary differences"), and losses carried forward.

The determination of the ability of the Company to utilize tax loss carry-forwards to offset deferred tax liabilities requires management to exercise judgment and make certain assumptions about the future performance of the Company. Management is required to assess whether it is probable that the Company will benefit from these prior losses and other deferred tax assets. Changes in economic conditions, metal prices and other factors could result in revisions to the estimates of the benefits to be realized or the timing of utilizing the losses.

### **Significant judgments**

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in these consolidated financial statements are, but are not limited to, the following:

#### Acquisition of non-controlling interest "NCI" over time

The Company has entered into an agreement to acquire a remaining 35% interest in a company holding a mineral project over a three year period. The acquisition payments are capital transactions and are recorded through deficit. Upon completion of the acquisition of the 35% interest, the Company will reduce NCI to \$nil and adjust deficit accordingly.

#### Determination of functional currency

The functional currency of the Company and its subsidiaries is the currency of the primary economic environment in which each entity operates. The Company has determined the functional currency of each entity to be the Canadian dollar. Determination of the functional currency may involve certain judgments to determine the primary economic environment. The functional currency may change if there is a change in events and conditions which determines the primary economic environment.

#### Going concern

The Company has exercised judgment in determining whether its available funds are sufficient to continue operations for 12 months from the end of the reporting period.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

#### **Financial instruments**

##### Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: amortized cost; fair value through other comprehensive income ("FVOCI"); or fair value through profit or loss ("FVTPL"). The classification of financial assets depends on the purpose for which the financial assets were acquired and is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Financial assets are measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. The classification determines the method by which the financial assets are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. Financial assets are classified as current assets or non-current assets based on their maturity date.

The Company's financial assets which consist of cash, receivables, and reclamation deposit are classified as amortized cost.

##### Impairment of financial assets

An expected credit loss ("ECL") model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The ECL model requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period. In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. The Company's financial assets measured at amortized cost are subject to the ECL model.

### **3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

#### **Financial instruments (cont'd...)**

##### Financial liabilities

Financial liabilities are designated as either: FVTPL or loss; or amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded.

The Company's financial liabilities which consist of accounts payable and accrued liabilities and deposit are classified as amortized cost.

#### **Equipment**

Equipment is stated at cost less accumulated depreciation and any impairment losses. Depreciation is provided for using the straight-line method as follows:

Equipment	4 years
-----------	---------

#### **Exploration and evaluation assets**

The Company is in the process of exploring its exploration and evaluation assets and has not yet determined whether these properties contain ore reserves that are economically recoverable.

Exploration costs are recognized in profit or loss. Costs incurred before the Company has obtained the legal rights to explore an area of interest are recognized in profit or loss. All costs related to the acquisition of exploration and evaluation assets are capitalized on an individual prospect basis. Amounts received for the sale of exploration and evaluation assets, for option payments and for exploration advances are treated as reductions of the cost of the property, with payments in excess of capitalized costs recognized in profit or loss. Costs for a producing property will be amortized on a unit-of-production method based on the estimated life of the ore reserves. The recoverability of the amounts capitalized for the undeveloped exploration and evaluation assets is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof.

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that property options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as exploration and evaluation asset costs or recoveries when the payments are made or received. When the option payments received exceed the carrying value of the related exploration and evaluation asset then the excess is recognized in profit or loss in the period the option receipt is recognized. Option receipts in the form of marketable securities are recorded at the quoted market price on the day the securities are received.

#### **Rehabilitation provisions**

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the rehabilitation of exploration and evaluation assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for rehabilitation obligation is recognized at its fair value in the period in which it is incurred if a reasonable estimate of cost can be made. The Company records the present value of estimated future cash flows associated with rehabilitation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. Subsequently, these capitalized rehabilitation costs are amortized over the life of the related assets. At the end of each period, the liability is increased to reflect the passage of time (accretion expense) and changes in the estimated future cash flows underlying any initial estimates (additional rehabilitation costs).



### **3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

#### **Rehabilitation provisions (cont'd...)**

The Company recognizes its environmental liability on a site-by-site basis when it can be reliably estimated. Environmental expenditures related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible are charged to profit or loss. The Company had no measurable rehabilitation obligations for the years presented.

#### **Impairment**

At the end of each reporting period, the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs.

Where an impairment subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate and its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

#### **Leases**

##### Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct cost incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are depreciated on a straight-line basis over its lease term. Right-of-use assets are subject to evaluation of potential impairment.

##### Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments). The lease payments also include the exercise price of purchase options, if any, reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term or a change in the in-substance fixed lease payments.

### **3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

#### **Leases (cont'd...)**

##### Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of properties (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below \$5,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

#### **Share capital**

Common shares are classified as shareholders' equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Costs related to issuances not completed will be recorded as deferred financing costs if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Common shares issued for consideration other than cash are valued based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in the private placements to be the more easily measurable component. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

#### **Share-based payments**

The Company accounts for all grants of options to employees, non-employees and directors in accordance with the fair value method for accounting for share-based payments. Share-based payment awards are calculated using the Black-Scholes option pricing model.

Compensation expense is recognized immediately for past services and pro-rata for future services over the option vesting period. A corresponding increase in reserves is recorded when stock options are expensed. When stock options are exercised, share capital is credited by the sum of the consideration paid and the related portion of share-based payment previously recorded in reserves.

Share-based payment to non-employees, who are not providing similar services to employees, are measured at the grant date by using the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services received cannot be reliably measured, and are recorded at the date the goods or services are received.

When options expire unexercised or are forfeited, deficit is credited by the related portion of share-based payments previously recorded in reserves.

Warrants that are issued as payment for agency fee or other transactions costs are accounted for as share-based payments.

When warrants expire unexercised, the value previously recorded in reserves is transferred to share capital.

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Income (loss) per share**

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similarly to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. For the periods presented, this calculation proved to be anti-dilutive.

**Income taxes**

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the country where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Uncertainty over income tax treatments

An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. This applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

**BOLT METALS CORP.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars)  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

---

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Foreign currency translation**

Transactions in foreign currencies are translated at the exchange rate in effect at the date of the transaction. Foreign denominated monetary assets and liabilities are translated to their Canadian dollar equivalents using foreign exchange rates prevailing at the statement of financial position date. Non-monetary items are translated into Canadian dollars at the exchange rate in effect on the respective transaction dates. Revenues and expenses are translated at average rates for the period, except for amortization, which is translated on the same basis as the related asset. Exchange gains or losses arising on foreign currency translation are reflected in profit or loss for the year.

**Related party transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

**4. EQUIPMENT**

	<b>Equipment</b>		<b>Total</b>
<b>Cost</b>			
December 31, 2019, 2020, and 2021	\$	78,033	\$ 78,033
<b>Accumulated depreciation</b>			
December 31, 2019	\$	30,935	\$ 30,935
Depreciation		19,508	19,508
December 31, 2020		50,443	50,443
Depreciation		19,508	19,508
December 31, 2021	\$	69,951	\$ 69,951
<b>Net Book Value</b>			
December 31, 2020	\$	27,590	\$ 27,590
December 31, 2021	\$	8,082	\$ 8,082

Depreciation is included in equipment in exploration and evaluation expenditures.

**BOLT METALS CORP.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

**FOR THE YEAR ENDED DECEMBER 31, 2021****5. RIGHT-OF-USE ASSETS AND LEASE LIABILITY**

Set out below are the carrying amounts of the Company's right-of-use assets and lease liabilities and the movements.

	<b>Right-of-use assets</b>	<b>Lease liabilities</b>
December 31, 2019	\$ 14,722	\$ 12,688
Depreciation expense	(11,778)	-
Interest expense	-	212
Payments	-	(12,900)
December 31, 2020	2,944	-
Depreciation expense	(2,944)	-
December 31, 2021	\$ -	\$ -

Depreciation of right-of-use assets is in supplies and miscellaneous in exploration and evaluation expenditures. Interest expense related to lease liabilities is included in interest and bank charges.

**6. EXPLORATION AND EVALUATION ASSETS**

<b>Property</b>	<b>Cyclops Property</b>	<b>Total</b>
December 31, 2019 and 2020	\$ 741,948	\$ 741,948
Impairment	(741,948)	(741,948)
December 31, 2021	\$ -	\$ -

**Cyclops Property**

CPA HK is party to an option agreement to acquire all of the issued and outstanding securities of TNM, which holds a mining permit for the Cyclops property located in the located in Depapre District, Jayapura Regency, Papua Province, Republic of Indonesia. TNM is a private Indonesia company holding an Izin Usaha Pertambangan Operation Production Mining Permit for the TNM Cobalt Project. On July 16, 2018, the Company acquired 65% of the issued and outstanding shares of TNM.

On June 17, 2019, the Company entered into an amended agreement with the vendor for the acquisition of the remaining 35% of TNM. Under the terms of the agreement, the Company is required pay US\$1,220,000 as follows:

- i. US\$120,000 on or before June 15, 2020 (paid);
- ii. US\$120,000 on or before June 15, 2021 (paid); and
- iii. US\$980,000 on or before June 15, 2022.

The Company has the right to defer the final payment date for a period of one year by delivering written notice and paying an additional US\$120,000 on or before June 15, 2022.

**BOLT METALS CORP.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars)  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

---

**6. EXPLORATION AND EVALUATION ASSETS (cont'd...)**

Cyclops Property (cont'd...)

Payments made prior to signing the agreement and toward the acquisition of the 35% interest will be recorded to deficit as an advance non-controlling interest payment. As at December 31, 2021, the Company had paid a total of \$565,448 (2020 - \$412,280) in advance non-controlling interest payments.

Upon obtaining control, the Company will grant a 2% net smelter returns royalty ("NSR") on future production. During the year ended December 31, 2021, the Company entered into an agreement to give the Company the option buy back the 2% NSR for US\$1,500,000 before March 28, 2022 (subsequently expired).

On December 21, 2021 the Company entered into a conditional share sale and purchase agreement (the "TNM Agreement"), pursuant to which Nickel Mines Limited ("Nickel Mines") has agreed to acquire the Company's interest in the Cyclops nickel-cobalt property (the "Transaction").

Pursuant to the TNM Agreement and subject to approval of the Transaction by the shareholders of the Company, the Company will receive cash payments in the aggregate amount of US\$6,020,000 in exchange for the Company's 65% interest in the Cyclops property. If the shareholders of the Company do not approve the Transaction, Nickel Mines will have the right to acquire 10% of the Company's interest in the Cyclops property for total consideration to the Company of US\$750,000.

Completion of the Transaction is subject to due diligence, regulatory and shareholder approval and the successful extension of the mining permit for the Cyclops property. A finder's fee is payable in connection with the Transaction.

During the year ended December 31, 2021, the Company received \$320,596 (US\$250,000) (2020 - \$nil) as a non-refundable advance on the TNM Agreement, which was recorded as income in the year. The Company also received \$320,596 (US\$250,000) (2020 - \$nil) as a refundable deposit on the TNM Agreement, which was recorded as a deposit as the funds will be returned, under certain conditions, should the Transaction not close.

In February 2022, the government of Indonesia revoked the mining permit for the Cyclops property; accordingly, as at December 31, 2021, the Company recorded an impairment charge of \$741,948 (2020 - \$nil) on the Cyclops property.

Reclamation deposit

As at December 31, 2021, the Company has a reclamation deposit of \$169,415 (2020 - \$nil) to cover potential work requirements on the Cyclops property.

Exploration and evaluation expenditures

Exploration and evaluation expenditures for the year ended December 31, 2021 are as follows:

<b>Property</b>	<b>Cyclops Property</b>	<b>Total</b>
Equipment	\$ 19,287	\$ 19,287
Permitting	30,626	30,626
Professional	2,220	2,220
Supplies and miscellaneous	30,240	30,240
Wages and benefits	223,711	223,711
	<b>\$ 306,084</b>	<b>\$ 306,084</b>

**BOLT METALS CORP.**  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars)  
FOR THE YEAR ENDED DECEMBER 31, 2021

**6. EXPLORATION AND EVALUATION ASSETS (cont'd...)**

Exploration and evaluation expenditures (cont'd...)

Exploration and evaluation expenditures for the year ended December 31, 2020 are as follows:

<b>Property</b>	<b>Cyclops Property</b>	<b>Total</b>
Equipment	\$ 19,943	\$ 19,943
Permitting	33,214	33,213
Supplies and miscellaneous	34,213	34,213
Travel	3,942	3,942
Wages and benefits	199,348	199,348
	<b>\$ 290,660</b>	<b>\$ 290,660</b>

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Accounts payable	\$ 494,143	\$ 393,404
Accrued liabilities	123,335	118,075
	<b>\$ 617,478</b>	<b>\$ 511,479</b>

**8. SHARE CAPITAL AND RESERVES**

**Authorized share capital**

Unlimited number of common shares without par value.

**Issued share capital**

During the year ended December 31, 2021, the Company:

- i. issued 2,580,000 units at a price of \$0.28 per unit by way of a non-brokered private placement for proceeds of \$722,400. Each unit was comprised of one common share and one share purchase warrant, which will entitle the holder of each whole warrant to acquire an additional common share of the Company at a price of \$0.35 per common share, for a period of 24 months from the date of issue. The Company paid a total of \$14,700 in cash for share issue costs and issued 52,500 finders' warrants. Each finder's warrant entitles the holder to purchase one common share at a price of \$0.35 per common share, for a period of 24 months from the date of issue. The finders' warrants were valued at \$16,266, calculated using the Black-Scholes option pricing model assuming a life expectancy of two years, a risk free interest rate of 0.30%, a dividend rate of nil%, a forfeiture rate of nil% and volatility of 184%; and
- ii. issued 175,641 common shares, for proceeds of \$64,109, pursuant to the exercise of warrants.

**BOLT METALS CORP.**  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars)  
FOR THE YEAR ENDED DECEMBER 31, 2021

---

**8. SHARE CAPITAL AND RESERVES (cont'd...)**

**Issued share capital (cont'd...)**

During the year ended December 31, 2020, the Company:

- i. issued 951,493 units at a price of \$0.78 per unit by way of a private placement for proceeds of \$742,164. Each unit was comprised of one common share and one share purchase warrant, which will entitle the holder of each whole warrant to acquire an additional common share of the Company at a price of \$1.04 per common share, for a period of 12 months from the date of issue. The Company paid a total of \$19,576 in cash for finder's and legal fees;
- ii. issued 862,356 common shares, for proceeds of \$1,121,066, pursuant to the exercise of warrants; and
- iii. issued 446,153 common shares, valued at \$478,000, to settle accounts payable of \$585,000, which resulted in a gain on settlement of accounts payable of \$107,000.

**Stock options**

The Company has a stock option plan that provides for the issuance of options to directors, officers, employees and consultants of the Company to purchase common shares. The maximum aggregate number of plan shares that may be reserved for issuance under the plan at any point in time is 10% of the outstanding shares at the time. Vesting is determined at the discretion of the Board of Directors.

During the year ended December 31, 2021, the Company granted nil (2020 - 738,461) incentive stock options to consultants. The options have various vesting provisions. During the year ended December 31, 2021, the Company expensed \$nil (2020 - \$721,213), which was recorded in share-based payments.

The weighted average fair value of stock options granted during the year ended December 31, 2021 was \$nil (2020 - \$0.98) per option.

The fair value of stock options granted was estimated using the Black-Scholes option pricing model with weighted average assumptions as follows:

---

	For the year ended December 31, 2021	For the year ended December 31, 2020
Risk-free interest rate	-	1.48%
Expected option life in years	-	2.6
Expected stock price volatility	-	111%
Expected forfeiture rate	-	-

---

During the year ended December 31, 2021, the Company cancelled 793,269 (2020 - nil) stock options; accordingly, the \$851,119 (2020 - \$nil) of share-based payments expense associated with the cancelled stock options that had vested was reclassified from reserves to deficit.



**BOLT METALS CORP.**  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars)  
FOR THE YEAR ENDED DECEMBER 31, 2021

**8. SHARE CAPITAL AND RESERVES (cont'd...)**

**Stock options (cont'd...)**

Stock option activities are summarized as follows:

	Number of options	Weighted average exercise price
Outstanding at December 31, 2019	131,731	\$ 3.70
Granted	738,461	1.61
Expired	(76,923)	4.49
Outstanding at December 31, 2020	793,269	1.68
Cancelled	(793,269)	(1.68)
Outstanding at December 31, 2021	-	\$ -
Exercisable at December 31, 2021	-	\$ -

Warrant activities are summarized as follows:

	Number of warrants	Weighted average exercise price
Outstanding at December 31, 2019	1,507,177	\$ 1.48
Issued	951,493	1.04
Exercised	(862,356)	1.30
Expired	(644,821)	1.72
Outstanding at December 31, 2020	951,493	1.04
Issued	2,632,500	0.35
Exercised	(175,641)	0.37
Outstanding at December 31, 2021	3,408,352	\$ 0.35

The Company has outstanding warrants entitling the holder to purchase an aggregate of common shares at December 31, 2021 as follows:

Number of warrants	Exercise price	Expiry date	Contractual life remaining (years)
775,852	\$ 0.365 <sup>(1)</sup>	February 6, 2023	1.10
2,632,500	\$ 0.35	April 30, 2023	1.33
3,408,352			

<sup>(1)</sup> During the year ended December 31, 2021, the Company reduced the exercise price from \$1.04 to \$0.365 and extended the expiry date from February 6, 2021 to February 6, 2023. The warrants are subject to an acceleration clause.

**BOLT METALS CORP.**  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars)  
FOR THE YEAR ENDED DECEMBER 31, 2021

**9. PROPERTY INVESTIGATION COSTS**

Property investigation costs for the year ended December 31, 2021 are as follows:

Property		Other	Total
Geological	\$	18,000	\$ 18,000
	\$	18,000	\$ 18,000

Property investigation costs for the year ended December 31, 2020 are as follows:

Property		Other	Total
Geological	\$	30,686	\$ 30,686
	\$	30,686	\$ 30,686

**10. NON-CONTROLLING INTEREST**

As at December 31, 2021, the equity attributable to the 35% non-controlling interest in TNM is \$(189,193) (2020 - \$77,882).

The following table presents the changes in equity attributable to the 35% non-controlling interest in TNM:

	Total
Balance, December 31, 2019	\$ 101,103
Share of loss for the year	(23,221)
Balance, December 31, 2020	77,882
Share of loss for the year	(267,075)
Balance, December 31, 2021	\$ (189,193)

As at December 31, 2020 and 2021 and for the years ended December 31, 2020 and 2021, summarized financial information about TNM is as follows:

	December 31, 2021	December 31, 2020
Current assets	\$ 1,826	\$ 1,867
Non-current assets	-	741,948
Current liabilities	(210,930)	(214,070)
Non-current liabilities	(331,446)	(307,225)
Loss for the year ended December 31, 2021 and 2020	(763,071)	(66,345)

The loss allocated to non-controlling interest based on an interest of 35% (2020 - 35%) for the year ended December 31, 2021 was \$267,075 (2020 - \$23,221).

**BOLT METALS CORP.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

**FOR THE YEAR ENDED DECEMBER 31, 2021****11. RELATED PARTY TRANSACTIONS**

The Company defines its directors and officers as its key management personnel. The compensation costs for key management personnel are as follows:

	<b>For the year ended December 31, 2021</b>	<b>For the year ended December 31, 2020</b>
Consulting fees	\$ 18,000	\$ 18,000
Corporate development	-	30,000
Management fees	213,058	215,153
Professional fees	112,000	97,000
Property investigation costs	18,000	18,000
Share-based payments	-	228,830
	<b>\$ 361,058</b>	<b>\$ 606,983</b>

As at December 31, 2021, included in accounts payable and accrued liabilities are amounts owing to directors and officers of \$329,753 (2020 - \$105,832).

During the year ended December 31, 2021, the Company settled \$nil (2020 - \$20,000) of accounts payable owed to a director through the issuance of nil (2020 - 133,333) common shares with a value of \$nil (2020 - \$26,000).

**12. INCOME TAXES**

A reconciliation of income taxes at statutory rates is as follows:

	<b>For the year ended December 31, 2021</b>	<b>For the year ended December 31, 2020</b>
Loss for the year before income tax	\$ (1,426,423)	\$ (2,476,430)
Expected income tax recovery	(385,000)	(669,000)
Change in statutory, foreign tax, foreign exchanges rates and other	72,000	95,000
Permanent differences	6,000	187,000
Share issue costs	(4,000)	(5,000)
Adjustment to prior year provision versus statutory tax returns	(3,000)	40,000
Change in unrecognized deductible temporary differences	314,000	352,000
<b>Total income tax (recovery)</b>	<b>\$ -</b>	<b>\$ -</b>

**BOLT METALS CORP.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars)  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**12. INCOME TAXES (cont'd...)**

The Company's deferred income tax liability relates to the expected tax payable in Indonesia on income recorded in a subsidiary.

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	2021	2020
Deferred tax assets:		
Exploration and evaluation assets	\$ 148,000	\$ -
Equipment	14,000	10,000
Share issue costs	10,000	47,000
Allowable capital losses	77,000	77,000
Non-capital losses available for future periods	3,763,000	3,564,000
	4,012,000	3,698,000
Unrecognized deferred tax assets	(4,012,000)	(3,698,000)
	\$ -	\$ -

Tax attributes are subject to review and potential adjustment by tax authorities.

The Company has non-capital losses of approximately \$14,614,000 available to offset against taxable income in future years, which if unutilized will expire through 2041, allowable capital losses of \$287,000, which have no expiry date, exploration and evaluation assets costs of approximately \$742,000 available to offset against taxable income in future years, which have no expiry date, equipment costs of approximately \$70,000 available to offset against taxable income in future years, which have no expiry date, and share issue costs of approximately \$36,000 available to offset against taxable income in future years, which if unutilized will expire through 2025. Deferred tax benefits that may arise as a result of these losses, resource deductions and other tax assets have not been recognized in these financial statements due to a lack of probability of their realization.

As at December 31, 2021, the Company has accrued \$71,200 (2020 - \$71,200) for taxes payable in Indonesia

**13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

For the year ended December 31, 2021, the Company's significant non-cash investing and financing transactions consisted of:

- i. allocation of cancelled options from reserves to deficit of \$851,119; and
- ii. finders' warrants issued included in share issue costs of \$16,266.

For the year ended December 31, 2020, the Company's significant non-cash investing and financing transactions consisted of:

- i. shares issued for settlement of accounts payable of \$478,000; and
- ii. allocation of expired options from reserves to deficit of \$242,026.

#### **14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

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 Company's financial instruments consist of cash, receivables, reclamation deposit, accounts payable and accrued liabilities, and deposit. The fair value of these financial instruments approximates their carrying values.

##### **Financial risk factors**

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and price risk.

##### Credit risk

The Company is exposed to industry credit risks arising from its cash holdings and receivables. The Company manages credit risk by placing cash with major Canadian financial institutions. The Company's primary receivable consists of goods and service tax receivable due from the Federal Government of Canada. Management believes that credit risk related to these amounts is nominal.

##### Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company reviews additional sources of capital and financing to continue its operations and discharge its commitments as they become due. The Company is subject to liquidity risk.

##### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of market price changes:

(a) *Interest rate risk* - this risk relates to the change in the borrowing rates of the Company. The Company is not exposed to interest rate risk as it does not have any significant financial instruments with interest rates, with the exception of cash. Interest earned on cash is based on prevailing bank account interest rates, which may fluctuate. A 10% change in interest rates would result in a nominal difference in interest income for the year ended December 31, 2021.

(b) *Foreign currency risk* - this risk relates to any changes in foreign currencies in which the Company transacts. The effect of a 10% change in foreign exchange rates would be approximately \$12,000 for the year ended December 31, 2021.

(c) *Price risk* - this risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices in relation to its exploration and evaluation assets.

**BOLT METALS CORP.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

**FOR THE YEAR ENDED DECEMBER 31, 2021****15. CAPITAL MANAGEMENT**

The Company considers its components within shareholders' equity (deficiency) as capital. The Company's objective when managing capital is to fund its operations and corporate overhead costs, meet obligations as they come due, and to maintain a flexible capital structure, which optimizes the cost of capital at an acceptable risk. The Company has no earnings and therefore it must finance its activities and corporate overhead costs by the sale of common shares or loans.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, or acquire or dispose of assets. In order to maximize ongoing development efforts, the Company does not pay out dividends. Given its objectives, the Company determines the amount of capital to be raised and retained based on the scope of operating activities and potential acquisitions management's assessment of the expected availability of acceptably priced capital in future periods.

There were no changes in the Company's approach to capital management for the year ended December 31, 2021. The Company is not subject to externally imposed capital requirements.

**16. SEGMENTED INFORMATION**

The Company operates in a single reportable operating segment being the acquisition and exploration of exploration and evaluation assets located in Indonesia and Canada. Geographical information is as follows:

December 31, 2021	Indonesia		Canada		Total
Equipment	\$	8,082	\$	-	\$ 8,082
Right-of-use assets		-		-	-
Reclamation deposit		169,415		-	169,415
Exploration and evaluation assets		-		-	-
Total	\$	177,497	\$	-	\$ 177,497

December 31, 2020	Indonesia		Canada		Total
Equipment	\$	27,590	\$	-	\$ 27,590
Right-of-use assets		2,944		-	2,944
Reclamation deposit		-		-	-
Exploration and evaluation assets		741,948		-	741,948
Total	\$	772,482	\$	-	\$ 772,482

**17. SUBSEQUENT EVENT**

Subsequent to December 31, 2021, the Company:

- i. made payments of USD \$40,000 towards the Cyclops property (Note 6).

**BOLT METALS CORP.**  
**MANAGEMENT'S DISCUSSION and ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**INTRODUCTION**

This management's discussion and analysis ("MD&A") reports on the financial position and results of operations of Bolt Metals Corp. (the "Company" or "Bolt") and was prepared and approved by the Board of Directors as at April 28, 2022 and should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2021. The audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A is intended to assist the reader's understanding of the Company and its operations, business, strategies, performance and future outlook from the perspective of management. All dollar figures included therein and in the following MD&A are quoted in Canadian dollars unless otherwise indicated. Additional information related to the Company, including its press releases and quarterly and annual reports, is available for view on SEDAR at [www.sedar.com](http://www.sedar.com).

This MD&A may contain management estimates of anticipated future trends, activities, or results; these are not a guarantee of future performance, since actual results may vary based on factors and variables outside of management's control. Management is responsible for the preparation and integrity of the consolidation financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible to ensure that information disclosed externally, including the consolidated financial statements and MD&A, is complete and reliable.

The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board's Audit Committee meets with management quarterly to review the consolidated financial statement results, including the MD&A, and to discuss other financial, operating and internal control matters. The Audit Committee receives a report from the independent auditors annually and is free to meet with them throughout the year.

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

Certain statements contained in this MD&A constitute "forward-looking statements". Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below and as detailed under RISKS AND UNCERTAINTIES in this MD&A.

Risk factors that could affect the Company's future results include, but are not limited to, risks inherent in hydrocarbon exploration and development and production activities in general, volatility and sensitivity to market prices for oil and gas, changes in government regulation and policies including environmental regulations and reclamation requirements, receipt of required permits and approvals from governmental authorities, competition from other companies, ability to attract and retain skilled employees and contractors, changes in foreign currency exchange rates, and the outbreak of an epidemic or a pandemic, including the outbreak of the novel coronavirus (COVID-19), or other health crisis and the related global health emergency affecting workforce health and wellbeing. Further information regarding these and other factors which may cause results to differ materially from those projected in forward-looking statements are included in the Company's filings with securities regulatory authorities. The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

**DESCRIPTION OF BUSINESS**

The Company was incorporated under the laws of the Province of British Columbia and is a Canadian-based exploration company focused on the acquisition and development of production grade nickel-cobalt deposits, a key raw material input for the growing lithium-ion battery industry.

The Company's head office is located at Suite 300 - Bellevue Centre, 235 - 15th Street, West Vancouver, BC, V7T 2X1 and its registered records office is located at Pacific Centre, 400 - 725 Granville Street, Vancouver, BC, V7Y 1G5. The Company is listed on the Canadian Securities Exchange ("CSE") under the symbol BOLT, the OTCQB under the symbol PCRCF and the Frankfurt Exchange under the symbol NXFE.

**BOLT METALS CORP.**  
MANAGEMENT'S DISCUSSION and ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**CORPORATE UPDATES**

In April 2021, the Company closed a private placement for net proceeds of \$707,700 from the issuance of 2,580,000 units. Each unit was comprised of one common share and one share purchase warrant, which will entitle the holder of each warrant to acquire an additional common share of the Company at a price of \$0.35 per common share, for a period of 24 months from the date of issue. 52,500 finder's warrants were issued, which will entitle the holder of each warrant to acquire an additional common share of the Company at a price of \$0.35 per common share, for a period of 24 months from the date of issue.

In April 2021, all stock options were cancelled.

In August 2021, 175,641 warrants were exercised for proceeds of \$64,109.

On December 21, 2021 the Company entered into a conditional share sale and purchase agreement (the "Agreement"), pursuant to which Nickel Mines Limited (ASX:NIC) ("Nickel Mines") has agreed to acquire the Company's interest in the Cyclops nickel-cobalt project (the "Transaction").

Pursuant to the Agreement and subject to approval of the Transaction by the shareholders of the Company, the Company and its subsidiaries will receive cash payments in the aggregate amount of US\$6,020,000 in exchange for the Company's 65% interest in the Cyclops property. If the shareholders of the Company do not approve the Transaction, Nickel Mines will have the right to acquire a 10% of the Company's interest in the Cyclops property for total consideration to the Company and its subsidiaries of US\$750,000 and additional consideration to underlying Cyclops property owners of US\$980,000.

Completion of the Transaction is subject to customary due diligence, regulatory and shareholder approval and the successful extension of the Production Operation IUP mining permit for the Cyclops property. A finder's fee is payable in connection with the Transaction.

**Key Transaction Details**

Pursuant to the Agreement and subject to the Company's shareholder approval of the Transaction, Nickel Mines will acquire a 100% interest in the Cyclops property in consideration for the payment of an aggregate of US\$8,500,000 in cash, payable as follows:

- US\$500,000 payable to the Company within seven (7) business days of entering into the Agreement (received) and US\$6,020,000 (inclusive of the initial US\$500,000 deposit) payable on closing of the Transaction to Cobalt Power (Asia) Limited, an indirect wholly-owned subsidiary of the Company ("CPA"), to acquire all the issued and outstanding shares of Minerals Harvest Limited ("MHL").
- US\$980,000 payable to PT Best Resources ("PT Best") to acquire the remaining 35% interest in the Cyclops property.
- US\$1,500,000 payable to an existing royalty-holder to buy out a 2% NSR royalty granted by CPA on the Cyclops property.

In the event the Company does not obtain shareholder approval for the Transaction, Nickel Mines has the right to acquire a 45% interest in the Cyclops property by paying US\$250,000 to the Company for a 10% interest in MHL, paying US\$250,000 to CPA in exchange for CPA cancelling its option to acquire an additional 35% interest in the Cyclops property and paying US\$980,000 to PT Best to acquire their 35% interest in the Cyclops property, following which Nickel Mines and the Company will proceed as partners in developing the Cyclops property with Nickel Mines holding a 45% interest and the Company holding the remaining 55% interest in the project. Nickel Mines may also elect to terminate the Agreement and receive a cash payment of US\$250,000 if Bolt does not obtain shareholder approval for the Transaction.



**BOLT METALS CORP.**  
MANAGEMENT'S DISCUSSION and ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**CORPORATE UPDATES** (cont'd...)

About Nickel Mines Limited

Nickel Mines Limited (ASX: NIC) is a globally significant, low-cost producer of nickel pig iron, a key ingredient in the production of stainless steel, with principal operations in Central Sulawesi, Indonesia. Nickel Mines holds an 80% interest in the Hengjaya Nickel and Ranger Nickel rotary kiln electric furnace projects, located within the Indonesia Morowali Industrial Park ("IMIP"), and the Hengjaya mine, a large tonnage high grade nickel laterite deposit located close to the IMIP.

In February 2022, the Company's Indonesian subsidiary received notification from the Head of BKPM (Investment Coordinating Board)/Minister of Investment for Indonesia that the mining permit (IUP) for the Cyclops property has been revoked. Revocation of the Cyclops property licence was one of over 1,750 in a mass cancellation of mining permits by the Indonesian Government

The Company, through its Indonesian subsidiary has for the last 4-years been working with government agencies to register its license into the Directorate General Mineral and Coal, Ministry of Energy and Mineral Resources database, a requirement for the extension of the Cyclops project IUP. The license was successfully registered in July 2020. The Company's application for IUP extension commenced in 2021 with all the demanded requirements from the Directorate General Mineral and Coal having been fulfilled, including submission of certificates of bank deposit of a joint TNM/Directorate General Mineral and Coal Account for Reclamation and Post Mining bonds.

The Company's Indonesian advisors have suggested several strategies to have the IUP extended and intends to pursue one or more courses of action. When available, the Company will provide updates regarding a possible reinstatement of the mining permit for the Cyclops property as well as any impact to the conditional sale of the Cyclops property.

**LIQUIDITY, FINANCIAL POSITION AND CAPITAL RESOURCES**

As at December 31, 2021, the Company's liquidity and capital resources are as follows:

	December 30, 2021	December 31, 2020
Cash	\$ 600,380	\$ 395,941
Receivables	36,652	35,314
Prepaid expenses	55,666	48,822
Advances	1,177	-
Total current assets	693,875	480,077
Accounts payable and accrued liabilities	617,478	511,479
Deposit	320,596	-
Taxes payable	71,200	71,200
Total current liabilities	1,009,274	582,679
<b>Working capital (deficiency)</b>	<b>\$ (315,399)</b>	<b>\$ (102,602)</b>

During the year ended December 31, 2021, cash funded operating activities for \$565,383 (2020 - \$1,472,283) and investing activities for \$1,987 (2020 - \$165,260). Operating activities included expenditures on the exploration of the Cyclops property of \$306,084 (2020 - \$290,660). The investing activities consisted of payments of advance non-controlling interest payments of \$153,168 (2020 - \$165,260) and a reclamation deposit of \$169,415 (2020 - \$nil). The reclamation deposit is held with the Indonesian government for potential work requirements. Investing activities includes funds received of \$320,596 (US\$250,000) as a deposit on the Agreement (2020 - \$nil).

**BOLT METALS CORP.**  
**MANAGEMENT'S DISCUSSION and ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**LIQUIDITY, FINANCIAL POSITION AND CAPITAL RESOURCES** (cont'd...)

During the year ended December 31, 2021, the Company closed one non-brokered private placement and raised net proceeds of \$707,700 (2020 - \$722,588) from the issuance of 2,580,000 (2020 - 951,493) units. Each unit was comprised of one common share and one share purchase warrant, which will entitle the holder of each whole warrant to acquire an additional common share of the Company at a price of \$0.35 per common share, for a period of 24 months from the date of issue. The Company also received proceeds of \$64,109 (2020 - \$1,121,066) from the exercise of warrants. These proceeds from financing activities were offset by lease payments of \$nil (2020 - \$12,900).

At December 31, 2021, the Company had no source of operating cash flow, limited financial resources, and no assurance that additional funding would be available to it in order to remain a going concern.

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company has not entered into any off-balance sheet arrangements.

**SELECTED ANNUAL INFORMATION**

	December 31, 2021	December 31, 2020	December 31, 2019
Revenue	\$ nil	\$ nil	\$ nil
Income (loss) from continuing operations	\$ (1,426,423)	\$ (2,476,430)	\$ (2,978,043)
- per share <sup>(1)</sup>	\$ (0.10)	\$ (0.20)	\$ (0.31)
Income (loss) and comprehensive loss	\$ (1,426,423)	\$ (2,476,430)	\$ (2,978,043)
- per share <sup>(1)</sup>	\$ (0.10)	\$ (0.20)	\$ (0.31)
Total assets	\$ 871,372	\$ 1,252,559	\$ 1,089,978

<sup>1.</sup> Fully diluted loss per share was not calculated as the effect was anti-dilutive.

**SUMMARY OF QUARTERLY RESULTS**

	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Revenue	\$ nil	\$ nil	\$ nil	\$ nil
Loss from continuing operations	\$ (816,535)	\$ (222,601)	\$ (216,469)	\$ (170,818)
- per share <sup>(1)</sup>	\$ (0.06)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Loss and comprehensive loss	\$ (816,535)	\$ (222,601)	\$ (216,469)	\$ (170,818)
- per share <sup>(1)</sup>	\$ (0.06)	\$ (0.01)	\$ (0.01)	\$ (0.01)

	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Revenue	\$ nil	\$ nil	\$ nil	\$ nil
Loss from continuing operations	\$ (291,274)	\$ (268,045)	\$ (316,775)	\$ (1,600,336)
- per share <sup>(1)</sup>	\$ (0.02)	\$ (0.02)	\$ (0.03)	\$ (0.14)
Loss and comprehensive loss	\$ (291,274)	\$ (268,045)	\$ (316,775)	\$ (1,600,336)
- per share <sup>(1)</sup>	\$ (0.02)	\$ (0.02)	\$ (0.03)	\$ (0.14)

<sup>1.</sup> Fully diluted loss per share was not calculated as the effect was anti-dilutive.

**BOLT METALS CORP.**  
**MANAGEMENT'S DISCUSSION and ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**RESULTS OF OPERATIONS**

For the year ended December 31, 2021, significant expenditures are as follows:

<b>Expenses</b>	<b>Explanation for Change</b>
Consulting fees	During the current year, minimal consultants were used as operations had slowed.
Corporate development	During the current year, there were no fees paid for corporate development as the Company has decreased operations. The Company is focusing on decreasing expenses to maintain cash.
Exploration expenditures	The Company acquired a 65% in the Cyclops property on July 16, 2018. Costs incurred on the project since acquisition were recorded as exploration expenditures. The Company continues to explore the property, with fewer costs as a result of decreased activity as a result of COVID-19.
Management fees	The Company incurs fees for management for their role in running the operations, searching for additional projects, and promoting its activities.
Marketing	The Company has incurred fewer fees for attending conferences and road shows around the world in addition to other various advertising costs than in the prior year. There have been less promotional activities as a result of COVID-19.
Share-based payments	All prior stock options granted had vested in the prior year and, accordingly, there were no amounts recorded in the current year.

For the three month ended December 31, 2021, significant expenditures are as follows:

<b>Expenses</b>	<b>Explanation for Change</b>
Impairment on exploration and evaluation assets	During the current period, the Company recorded an impairment on the Cyclops property as the Indonesian government revoked the licence on the property.
TNM agreement	During the current period, the Company recorded income to reflect the non-refundable portion of the deposit received on the Agreement.

**PROPOSED TRANSACTIONS**

The Company has not entered into any proposed transactions.

**RELATED PARTY TRANSACTIONS**

The Company defines its directors and officers as its key management personnel. The Company entered into the following transactions with related parties during the for the year ended December 31, 2021:

- Paid or accrued management fees of \$213,058 to Ranjeet Sundher or to a company controlled by Ranjeet Sundher, the President, CEO, and a director of the Company;
- Paid or accrued professional fees of \$112,000 to a company controlled by Steve Vanry, the CFO and a director of the Company;
- Paid or accrued property investigation costs of \$18,000 to a company controlled by Garry Clark, a director of the Company; and
- Paid or accrued consulting fees of \$18,000 to Geoffrey Fielding, a director of the Company.

At December 31, 2021, included in accounts payable and accrued liabilities are amounts owing to related parties of \$329,753.

## **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

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 Company's financial instruments consist of cash, receivables, reclamation deposit, accounts payable and accrued liabilities, and deposit. The fair value of these financial instruments approximates their carrying values.

### **Financial risk factors**

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and price risk.

#### **Credit risk**

The Company is exposed to industry credit risks arising from its cash holdings and receivables. The Company manages credit risk by placing cash with major Canadian financial institutions. The Company's primary receivable consists of goods and service tax receivable due from the Federal Government of Canada. Management believes that credit risk related to these amounts is nominal.

#### **Liquidity risk**

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company reviews additional sources of capital and financing to continue its operations and discharge its commitments as they become due. The Company is subject to liquidity risk.

#### **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of market price changes:

(a) *Interest rate risk* - risk relates to the change in the borrowing rates of the Company. The Company is not exposed to interest rate risk as it does not have any significant financial instruments with interest rates, with the exception of cash. Interest earned on cash is based on prevailing bank account interest rates, which may fluctuate. A 10% change in interest rates would result in a nominal difference in interest income for the year ended December 31, 2021.

(b) *Foreign currency risk* - this risk relates to any changes in foreign currencies in which the Company transacts. The effect of a 10% change in foreign exchange rates would be approximately \$12,000 for the year ended December 31, 2021.

(c) *Price risk* - this risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices in relation to its exploration and evaluation assets.

## **NEW ACCOUNTING STANDARDS, INTERPRETATIONS, AND AMENDMENTS**

There were no changes in accounting policies, including initial adoption, during the year.

## **RISKS AND UNCERTAINTIES**

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, fluctuating metal prices, social, political, financial and economics. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable.

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not listed in order of importance nor are they inclusive of all the risks and uncertainties the Company may be subject to as other risks may apply: the risks associated with our dependence on the Cyclops project; geological exploration and development; changes in law, unrest and political instability in Indonesia; permits for development of the Company's projects cannot be renewed on terms satisfactory to the Company and other land title permitting and licensing risks; infrastructure; inflation; governmental regulation; environmental hazards and insurance; uninsured risks; competition; currency fluctuations; labour and employment; joint ventures; and contract repudiation.

### ***Activities of the Company may be impacted by the spread of COVID-19.***

The Company's business could be adversely affected by the effects of the recent outbreak of respiratory illness caused by the novel coronavirus ("COVID-19"). Since early March 2020, several significant measures have been implemented in Canada, Indonesia and the rest of the world by authorities in response to the increased impact from COVID-19. The Company cannot accurately predict the impact COVID-19 will have on the ability of third parties to meet their obligations with the Company, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In particular, the continued spread of the COVID-19 globally could materially and adversely impact the Company's business including without limitation, employee health, limitations on travel, the availability of industry experts and personnel, restrictions on planned drill programs and other factors that depend on future developments beyond the Company's control. In addition, the significant outbreak of a contagious disease has resulted in a widespread health crisis that has adversely affected the economies and financial markets of many countries (including Canada and Indonesia), resulting in a potential economic downturn that may negatively impact the Company's financial position, financial performance, cash flows, and its ability to raise capital. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company's exploration activities cannot be reasonably estimated at this time.

### ***The Company has a history of losses and may not be able to generate sufficient revenue to be profitable or to generate positive cash flow on a sustained basis.***

The Company has no history of revenue or earnings from operations. The Company is an exploration stage company and no cash flow or operating revenues are anticipated until one of the Company's projects comes into production, which may or may not occur. As such, the Company has had negative cash flow since the date of its incorporation and is subject to many risks common to such enterprises, including undercapitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of revenues. The Company expects to continue to expend financial and other resources on exploration and development of the Cyclops project. These investments may not result in revenue or growth in the business. If the Company cannot eventually earn revenue at a rate that exceeds the costs associated with its business, it will not be able to achieve or sustain profitability or generate positive cash flow on a sustained basis and its revenue growth rate may decline. There is no assurance that an investor will be successful in achieving a return on an investment in the Common Shares of the Company and the likelihood of success must be considered in light of its early stage of development. If the Company fails to eventually earn revenue, its business, results of operations, financial condition and prospects could be materially adversely affected.

### ***The Company may be unable to raise the capital necessary for it to execute its strategy on favourable terms or at all.***

The Company will require additional financing to advance exploration programs at the Cyclops project. Additional funds may not be available when the Company needs them, on terms that are acceptable, or at all. If adequate funds are not available to the Company on a timely basis, it may be unable to proceed with future exploration and development of Cyclops or with other exploration, development or acquisition of property interests to carry out its business plan, as desired, which could materially affect the Company's business, results of operations, financial condition and prospects.

**RISKS AND UNCERTAINTIES** (cont'd...)

***No History of Dividends***

Since incorporation, the Company has not paid any cash or other dividends on its common stock and does not expect to pay such dividends in the foreseeable future, as all available funds will be utilized to acquire and finance a new business. The Company will need to achieve profitability prior to any dividends being declared.

***Dilution***

The Company does not generate any revenues and does not have sufficient financial resources to undertake by itself significant expenditures. The Company has limited financial resources and has financed its operations primarily through the sale of securities such as common shares. The Company will need to continue its reliance on the sale of such securities for future financing, resulting in dilution to the Company's existing shareholders.

The amount of additional funds required will depend largely on the success of the Company's business undertakings.

Further expenditures will depend on the Company's ability to obtain additional financing which may not be available under favourable terms, if at all.

***Capital and Liquidity Risk***

The amount of financial resources available to invest for the enhancement of shareholder value is dependent upon the size of the treasury, profitable operations, and willingness to utilize debt and issue equity. Due to the size of the Company, financial resources are limited and if the Company exceeds growth expectations or finds investment opportunities it may require debt or equity financing. There is no assurance that the Company will be able to obtain additional financial resources that may be required to successfully finance transactions or compete in its markets on favourable commercial terms.

***There is no assurance that the Company's exploration and development programs and properties will result in the discovery, development or production of a commercially viable ore body or develop new resources.***

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At this time the Company does not have any properties with mineral resources.

The economics of developing nickel, cobalt and other mineral properties are affected by many factors including capital and operating costs, variations of the tonnage and grade of ore mined, fluctuating mineral markets, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Depending on the prices of nickel, cobalt or other minerals produced, the Company may determine that it is impractical to commence or continue exploration and development. Substantial expenditures are required to discover an ore-body, to establish reserves, to identify the appropriate metallurgical processes to extract metal from ore, and to develop the mining and processing facilities and infrastructure. The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be accurately foreseen or predicted, such as market fluctuations, conditions for base and precious metals, the proximity and capacity of milling and smelting facilities, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals, and environmental protection. In order to commence exploitation of certain properties presently held under exploration concessions, it is necessary for the Company to apply for an exploitation concession. There can be no guarantee that such a concession will be granted. Unsuccessful exploration or development programs could have a material adverse impact on the Company's operations and profitability.

**RISKS AND UNCERTAINTIES** (cont'd...)

***Historical estimates are based on interpretations and assumptions that may not be accurate.***

There are numerous uncertainties inherent in historical estimates, including many factors beyond the Company's control. In making determinations about whether to advance a project to development, historical estimates of mineralization must be considered as estimates only. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling which may prove to be unreliable. Historical estimates or other mineralization estimates may not be accurate.

Any material changes in estimates and grades of mineralization will affect the economic viability of placing a property into production and a property's return on capital. Estimates have been determined and valued based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate. Extended declines in market prices for nickel, cobalt and other minerals may render portions of the Company's resources uneconomic.

***The Company's operations are subject to extensive environmental, health and safety regulations.***

The Company's operations are subject to extensive laws and regulations governing environmental protection and employee health and safety promulgated by governments and government agencies. Environmental regulation provides for restrictions on, and the prohibition of, spills and the release and emission of various substances related to mining industry operations which could result in environmental pollution.

Environmental laws and regulations are complex and have become more stringent over time. The Company is required to obtain governmental permits and in some instances air, water quality, waste disposal, hazardous substances and mine reclamation permits. Failure to comply with applicable environmental and health and safety laws may result in injunctions, damages, suspension or revocation of permits and imposition of penalties. Environmental regulation is evolving in a manner resulting in stricter standards and the enforcement of, and fines and penalties for, non-compliance are becoming more stringent. In addition, certain types of operations require environmental impact assessments. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees.

Climate change regulations may become more onerous over time as governments implement policies to further reduce carbon emissions, including the implementation of taxation regimes based on aggregate carbon emissions. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, the cost of compliance with environmental regulation and changes in environmental regulation have the potential to result in increased cost of operations, reducing the profitability of the Company's operations.

The Company intends to, and attempts to, fully comply with all applicable environmental regulations. While the health and safety of its people and responsible environmental stewardship are top priorities for the Company, there can be no assurance that the Company has been or will be at all times in complete compliance with such laws, regulations and permits, or that the costs of complying with current and future environmental and health and safety laws and permits will not materially and adversely affect the Company's business, results of operations or financial condition.

***The Company's future success depends on its relationships with the communities in which it operates.***

The Company's relationships with the communities in which the Company operates are critical to ensuring the future success of existing operations and the construction and development of future projects. There is an increasing level of public interest worldwide relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Certain non-governmental organizations ("NGOs"), some of which oppose globalization and resource development, are often vocal critics and attempt to interfere with the mining industry and its practices. Adverse publicity generated by such NGOs or others related to extractive industries generally, or their operations specifically, could have an adverse effect on the Company's reputation or financial condition and may impact the Company's relationship with the communities in which it operates. While the Company believes that it operates in a socially responsible manner, there is no guarantee that the Company's efforts in this respect will mitigate this potential risk.

**RISKS AND UNCERTAINTIES** (cont'd...)

***The Company may not be able to complete acquisitions it pursues and any completed acquisitions or business arrangements may ultimately not benefit its business.***

As part of the Company's business strategy, it has sought and will continue to seek new mining and development opportunities in the mining industry. In pursuit of such opportunities, it may fail to select appropriate acquisition candidates, negotiate appropriate acquisition terms, conduct sufficient due diligence to determine all related liabilities or to negotiate favourable financing terms. The Company may encounter difficulties in transitioning the business, including issues with the integration of the acquired businesses or its personnel into the Company. The Company cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favourable terms, or that any acquisitions or business arrangements completed will ultimately benefit its business.

***The mining industry is very competitive.***

The Company competes with other exploration and production companies, many of which are better capitalized, have greater financial resources, operational experience and technical capabilities, or are further advanced in their development or are significantly larger and have access to greater mineral resources than the Company, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. If the Company is unsuccessful in acquiring additional mineral properties or qualified personnel, it may not be able to grow at the rate it desires, or at all.

The Company's competitors may be able to devote greater resources to the expansion and efficiency of their operations or respond more quickly to new laws and regulations or emerging technologies than the Company. The Company may not be able to compete successfully against current and future competitors, and any failure to do so could have a material adverse effect on the Company's business, financial condition or results of operations.

***The Company is subject to government regulation and failure to comply could have an adverse effect on the Company's operations.***

The Company's operations, exploration and development activities are subject to extensive foreign federal, state and local laws and regulations governing such matters as environmental protection, management and use of toxic substances and explosives, management of natural resources, health, exploration and development of mines, production and post-closure reclamation, safety and labour, mining law reform, price controls, import and export laws, taxation, maintenance of claims, tenure, government royalties and expropriation of property. There is no assurance that future changes in such regulation, if any, will not adversely affect the Company's operations. The activities of the Company require licenses and permits from various governmental authorities.

The costs associated with compliance with these laws and regulations are substantial and possible future laws and regulations, changes to existing laws and regulations and more stringent enforcement of current laws and regulations by governmental authorities could cause additional expenses, capital expenditures, restrictions on or suspensions of the Company's operations and delays in the development of its properties. Moreover, these laws and regulations may allow governmental authorities and private parties to bring lawsuits based upon damages to property and injury to persons resulting from the environmental, health and safety practices of the Company's past and current operations, or possibly even those actions of parties from whom the Company acquired its mines or properties, and could lead to the imposition of substantial fines, penalties or other civil or criminal sanctions. The Company retains competent and well-trained individuals and consultants in jurisdictions in which it does business; however, even with the application of considerable skill, the Company may inadvertently fail to comply with certain laws. Such events can lead to financial restatements, fines, penalties, and other material negative impacts on the Company.



**RISKS AND UNCERTAINTIES** (cont'd...)

***The Company may not be successful in obtaining and renewing government permits.***

In the ordinary course of business, the Company is required to obtain and renew government permits for the operation and expansion of existing operations or for the development, construction and commencement of new operations. Obtaining or renewing the necessary governmental permits is a complex and time-consuming process involving numerous jurisdictions and possibly involving public hearings and costly undertakings on the Company's part. The duration and success of the Company's efforts to obtain and renew permits are contingent upon many variables not within its control, including the interpretation of applicable requirements implemented by the permitting authority. The Company may not be able to obtain or renew permits that are necessary to its operations, or the cost to obtain or renew permits may exceed what the Company believes it can recover from a given property once in production. Any unexpected delays or costs associated with the permitting process could delay the development or impede the operation of a mine, which could adversely impact the Company's operations and profitability.

***The Company's exploration activities are subject to foreign currency exchange fluctuations which could result in foreign exchange losses.***

Exploration activities in Canada and Indonesia are subject to foreign currency exchange fluctuations. The Company raises its funds through equity issues, which are priced in Canadian dollars, and the majority of the exploration costs of the Company are denominated in United States dollars. The Company may suffer losses due to adverse foreign currency fluctuations.

***Loss of key personnel could materially affect the Company's operations and financial condition.***

The Company depends on the business and technical expertise of a number of key personnel, including its directors and executive officers and key personnel working full-time in management and administrative capacities or as consultants. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Company's exploration and development activities expand, it will require additional key personnel. The Company does not maintain life insurance for such personnel. The loss of any key personnel, or the failure to retain such personnel, could have a material adverse effect on the Company's future operations and financial condition.

***The Company may be subject to potential conflicts of interest with its directors and/or officers.***

The directors and officers of the Company may serve as directors and/or officers of other public and private companies, and may devote a portion of their time to manage other business interests. This may result in certain conflicts of interest.

To the extent that such other companies may participate in ventures in which the Company is also participating, such directors and officers of the Company may have a conflict of interest. The laws of British Columbia, Canada, require the directors and officers to act honestly, in good faith, and in the best interests of the Company and its shareholders. However, in conflict-of-interest situations, directors and officers of the Company may owe the same duty to another company and will need to balance the competing obligations and liabilities of their actions.

**BOLT METALS CORP.**  
MANAGEMENT'S DISCUSSION and ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**RISKS AND UNCERTAINTIES** (cont'd...)

***Security breaches of the Company's information systems could adversely affect the Company.***

The Company's operations depend, in part, upon information technology systems. The Company's information technology systems are subject to disruption, damage or failure from a number of sources, including, but not limited to, hacking, computer viruses, security breaches, natural disasters, power loss, vandalism, theft and defects in design. Any of these and other events could result in information technology systems failures, operational delays, production downtimes, destruction or corruption of data, security breaches or other manipulation or improper use of our data, systems and networks, any of which could have adverse effects on our reputation, business, results of operations, financial condition and share price.

The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect our systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, we may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on any forward-looking statement.

**CRITICAL ACCOUNTING ESTIMATES**

The preparation of the consolidated financial statements requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

**Economic recoverability and probability of future economic benefits of exploration and evaluation assets**

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

**Valuation of share-based payments**

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

**Determination of income taxes**

Deferred tax assets and liabilities are determined based on differences between the financial statement carrying values of assets and liabilities and their respective income tax bases ("temporary differences"), and losses carried forward.

The determination of the ability of the Company to utilize tax loss carry-forwards to offset deferred tax liabilities requires management to exercise judgment and make certain assumptions about the future performance of the Company. Management is required to assess whether it is probable that the Company will benefit from these prior losses and other deferred tax assets. Changes in economic conditions, metal prices and other factors could result in revisions to the estimates of the benefits to be realized or the timing of utilizing the losses.

**BOLT METALS CORP.**  
MANAGEMENT'S DISCUSSION and ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**SUBSEQUENT EVENT**

The following event occurred subsequent to December 31, 2021 and are not disclosed elsewhere in this MD&A: the Company made payments of USD \$40,000 towards the Cyclops property.

**OUTSTANDING SHARE DATA**

The following details the common shares, stock options, and warrants outstanding as of the date of this MD&A:

Common Shares	14,981,415
Stock Options	nil
Warrants	3,408,352

**OTHER MD&A REQUIREMENTS**

Additional information relating to the Company may be found on or in:

- SEDAR at [www.sedar.com](http://www.sedar.com);
- the Company's audited consolidated financial statements for the year ended December 31, 2021.

This MD&A was approved by the Board of Directors of the Company effective April 28, 2022.

## SCHEDULE "B"

### STATEMENT OF EXECUTIVE COMPENSATION

#### BOLT METALS CORP. (the "Corporation")

#### FOR THE FINANCIAL YEAR ENDING DECEMBER 31, 2021

In accordance with the requirements of National Instrument 51-102 *Continuous Disclosure Obligations*, the Canadian Securities Administrators have issued guidelines on executive compensation disclosure for venture issuers as set out in Form 51-102F6V. The objective of the disclosure is to communicate the compensation the Corporation paid, made payable, awarded, granted, gave or otherwise provided to each named executive officer and director for the financial year, and the decision-making process relating to compensation. The disclosure will provide insight into executive compensation as a key aspect of the overall stewardship and governance of the Corporation and will help Shareholders understand how decisions about executive compensation are made. The Corporation's approach to executive compensation is set forth below.

#### Director and Named Executive Officer Compensation

Executive compensation is required to be disclosed for each (i) Chief Executive Officer (or individual who served in a similar capacity during the most recently completed financial year), (ii) each Chief Financial Officer (or individual who served in a similar capacity during the most recently completed financial year), (iii) the most highly compensated executive officer (other than the Chief Executive Officer and the Chief Financial Officer) who were serving as executive officers at the end of the most recently completed fiscal year whose total compensation was, individually, more than \$150,000; and (iv) each individual who would meet the definition set forth in (iii) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year (the "Named Executive Officers" or "NEO's").

#### Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth all compensation paid or accrued, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Corporation or any subsidiary thereof, to each Named Executive Officer and director of the Corporation, for each of the two most recently completed financial years ended December 31, 2021 and 2019.

Table of compensation excluding compensation securities							
Name and position <sup>(1)</sup>	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$) <sup>(2)</sup>	Value of perquisites (\$) <sup>(3)</sup>	Value of all other compensation (\$) <sup>(4)</sup>	Total compensation (\$)
SUNDHER, Ranjeet <sup>(5)</sup> <i>President, CEO &amp; Director</i>	2021	188,058	25,000	Nil	Nil	Nil	213,058
	2020	215,153	Nil	Nil	Nil	Nil	215,153
VANRY, Steve <sup>(6)</sup> <i>CFO, Corporate Secretary &amp; Director</i>	2021	87,000	25,000	Nil	Nil	Nil	112,000
	2020	97,000	Nil	Nil	Nil	Nil	97,000
BROMLEY, Sean <sup>(7)</sup> <i>Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	30,000	Nil	Nil	Nil	Nil	30,000

**Table of compensation excluding compensation securities**

<b>Name and position <sup>(1)</sup></b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)<sup>(2)</sup></b>	<b>Value of perquisites (\$)<sup>(3)</sup></b>	<b>Value of all other compensation (\$)<sup>(4)</sup></b>	<b>Total compensation (\$)</b>
CLARK, J. Garry <i>Director</i>	2021	18,000	Nil	Nil	Nil	Nil	18,000
	2020	18,000	Nil	Nil	Nil	Nil	18,000
FIELDING, Geoffrey <sup>(8)</sup> <i>Director</i>	2021	18,000	Nil	Nil	Nil	Nil	18,000
	2020	18,000	Nil	Nil	Nil	Nil	18,000

**Notes:**

1. If an individual is an NEO and a director, both positions have been listed.
2. Directors do not receive cash compensation for acting as directors per se; all compensation noted is for serving as an NEO.
3. Includes perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are greater than (a) \$15,000, if the NEO or director's total compensation for the financial year is \$150,000 or less; (b) 10% of the NEO or director's salary for the financial year, if the NEO or director's total compensation for the financial year is greater than \$150,000 but less than \$500,000; (c) \$50,000, if the NEO or director's total for the financial year is \$500,000 or greater.
4. No form of other compensation paid or payable equals or exceeds 25% of the total value of other compensation paid or payable to the director or Named Executive Officer other than compensation securities.
5. The table above reflects compensation paid from January 2021 through September 2021 to Mr. Sundher directly, and the compensation paid from October 2021 through December 2021 to 1323552 B.C. Ltd., a company he controls.
6. The table above reflects the compensation paid to 677185 B.C. Ltd., a company controlled by Mr. Vanry.
7. The table above reflects the compensation paid to 1129925 B.C. Ltd., a company controlled by Mr. Bromley.
8. Ms. Fielding was appointed a director of the Corporation on July 5, 2018.

**External Management Companies**

Please refer to "Employment, Consulting and Management Agreements" below for disclosure relating to any external management company employing, or retaining individuals, acting as Named Executive Officers of the Corporation, or that provide the Corporation's executive management services and allocate compensation paid to any Name Executive Officer or director.

**Stock Options and Other Compensation Securities**

There were no compensation securities granted or issued by the Corporation, or any subsidiary thereof, to any director or Named Executive Officer in the most recently completed financial year ended December 31, 2021.

**Exercise of Compensation Securities by Directors and NEO's**

There were no exercises of compensation securities by director or Named Executive Officer in the most recently completed financial year ended December 31, 2021.

## **Stock Option Plans and Other Incentive Plans**

The following is a summary of the Corporation's stock option plan (the "**Option Plan**"), which is the only incentive plan in place available to the Named Executive Officers and Directors.

- The number of Common Shares to be reserved and authorized for issuance pursuant to options granted under the Option Plan shall not exceed ten percent (10%) of the total number of issued and outstanding shares in the Corporation.
- Under the Option Plan, the aggregate number of optioned Common Shares granted to any one director or Named Executive Officer, together with all other Common Share compensation arrangements, must not exceed 5% of the Corporation's issued and outstanding shares in a 12-month period unless the Corporation has obtained disinterested shareholder approval.
- The exercise price for options granted under the Option Plan will set by the Board of Directors at such time as the option is allocated under the Option Plan and cannot be less than the discounted market price permitted by the policies of the stock exchange on which the Corporation's Common Shares are listed for trading.
- Options can be exercisable for a maximum of up to 10 years, subject to earlier termination in the event of the optionee's death or the cessation of the optionee's services to the Corporation.
- Options granted under the Option Plan will not be assignable or transferable, except in the case of the death of an optionee; any vested option held by such individual at the date of death will become exercisable by the optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such optionee and the date of expiration of the term otherwise applicable to such option.

## **Employment, Consulting and Management Agreements**

The following is a summary of the Corporation's employment, consulting and management agreements with its directors and Named Executive Officers during the most recently completed financial year.

### ***Compensation of Mr. Ranjeet Sundher, President and CEO***

The Corporation has a verbal consulting contact with Mr. Ranjeet Sundher to provide the services of President and Chief Executive Officer, which was amended in October 2021 to provide the services of Mr. Sundher, by way of 1323552 B.C. Ltd. (the "**Sundher Agreement**"). Pursuant to the Sundher Agreement, Mr. Sundher receives USD\$12,500 per month, is eligible for incentive bonuses and participation in the Option Plan. The Sundher Agreement may be terminated at the election of Mr. Sundher or the Corporation on reasonable notice.

### ***Compensation of Mr. Steve Vanry, CFO and Corporate Secretary***

The Corporation has a verbal consulting contact with Mr. Steve Vanry, by way of 677185 B.C. Ltd. (the "**Vanry Agreement**"), pursuant to which Mr. Vanry provides his services to the Corporation as Chief Financial Officer. Pursuant to the Vanry Agreement, Mr. Vanry receives \$7,250 per month, is eligible for incentive bonuses and participation in the Option Plan. The Vanry Agreement may be terminated at the election of Mr. Vanry or the Corporation on reasonable notice.

## **Oversight and Description of Director and Named Executive Officer Compensation**

### **Director Compensation**

Subject to availability of funds and the Corporation's revenue, the Corporation may pay its independent directors a cash fee. The independent directors are also eligible for equity-based compensation on an annual basis, in accordance with the policies of the Option Plan, applicable securities regulatory authorities and stock exchanges. The issuance of any independent director compensation is upon recommendation and approval of the Board and is determined on an annual basis.

---

## **Named Executive Officer Compensation**

As the Corporation does not have a compensation committee, the functions of a compensation committee are performed by the Board of Directors as a whole and the compensation of the Named Executive Officers is reviewed and approved annually by the Board of Directors.

The objective of the Board of Directors in setting compensation levels is to attract and retain individuals of high caliber to serve the Corporation, to motivate their performance in order to achieve the Corporation's strategic objectives and to align the interests of the Named Executive Officers with the long-term interests of the Shareholders. These objectives are designed to ensure that the Corporation's business continues to grow and develop.

The Board of Directors sets the compensation received by the Named Executive Officers so as to be generally competitive with the compensation received by persons with similar qualifications and responsibilities who are engaged by other companies of corresponding size and stage of development having similar assets, number of employees and market capitalization; the peer group the Corporation uses to determine compensation consists of First Cobalt Corp., Jervois Mining Ltd., Nickel 28 Capital Corp., and Battery Mineral Resources Corp.

The Corporation compensates its Named Executive Officers based on their skill and experience levels and the existing stage of development of the Corporation. Named Executive Officers are rewarded on the basis of the skill and level of responsibility involved in their position, the individual's experience and qualifications, the Corporation's resources, industry practice, and regulatory guidelines regarding executive compensation levels.

The Board of Directors has implemented three levels of compensation to align the interests of the executive officers with those of the shareholders: First, Named Executive Officers are paid a monthly consulting fee or salary determined by the Board of Directors, if appropriate; second; the Board of Directors awards Named Executive Officers long term incentives in the form of stock options, if appropriate. Finally and only in special circumstances, the Board of Directors may award cash or share bonuses for exceptional performance that results in a significant increase in shareholder value as well as in contingent and extenuating circumstances, the Corporation determines the amount to be paid for each significant element of compensation, based on objective, identifiable measures or upon a subjective decision by the independent members of the Board.

The base compensation of the Named Executive Officers is reviewed and set annually by the Board of Directors. The Chief Executive Officer has substantial input in setting annual compensation levels. The Chief Executive Officer is directly responsible for the financial resources and operations of the Corporation. In addition, the Chief Executive Officer and Board of Directors from time to time determine the stock option grants to be made pursuant to the Option Plan. Previous grants of stock options are taken into account when considering new grants. The Board of Directors awards bonuses at its sole discretion. The Board of Directors has not set any performance criteria or objectives.

The Board of Directors considers the implications of the risks associated with the Corporation's compensation policies and practices when determining rewards for its Named Executive Officers and ensures that those policies do not encourage management to take inappropriate or excessive risks. The Board of Directors does not believe that there are any risks arising from the compensation programs that would be reasonably likely to have a material adverse effect on the Corporation.

Neither Named Executive Officers nor directors are permitted to take any derivative or speculative positions in the Corporation's securities. This is to prevent the purchase of financial instruments that are designed to hedge or offset any decrease in the market value of the Corporation's securities.

Compensation for the most recently completed financial year should not be considered as an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Corporation's financial resources and prospects.

---

**Pension Disclosure**

The Corporation does not have any defined benefit or defined contribution pension plans in place which provide for payments or benefits at, following, or in connection with retirement of its directors or Named Executive Officers.

---