ADYTON RESOURCES CORPORATION

(Formerly XIB I Capital Corp.)

Financial Statements

(Expressed in Canadian Dollars)

For the year ended December 31, 2020

Level 38, 345 Queen Street
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Adyton Resources Corporation.

Opinion

We have audited the financial statements of Adyton Resources Corporation (formerly XIB I Capital Corp.) (the "Corporation"), which comprise the statement of financial position as at December 31, 2020 and December 31, 2019, and the statements of comprehensive loss, statement of changes in shareholders' equity and statement of cash flows for the years then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2020 and December 31, 2019 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

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 Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the 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 is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge of the audit, or otherwise appears to be materially misstated.

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

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

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

In preparing the financial statements, management is responsible for assessing the Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Corporation'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 Corporation'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 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 Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Jason Evans.

Pitcher Partners

PITCHER PARTNERS
CHARTERED PROFESSIONAL ACCOUNTANTS

J. Evans

JASON EVANS
Partner

Brisbane, Queensland
April 30, 2021

Adyton Resources Corporation (formerly XIB I Capital Corp.**)**
Statements of Financial Position
(Expressed in Canadian dollars)

		December 31, 2020		December 31, 2019
Assets				
Current Assets:				
Cash	**$**	**528,666**	$	636,380
Receivables		**11,183**		7,806
Total Assets	**$**	**539,849**	$	644,186
Liabilities and Shareholders' Equity				
Current Liabilities:				
Accounts payable and accrued liabilities	**$**	**263,712**	$	85,893
		263,712		85,893
Shareholders' equity				
Share capital (Note 6)		**612,310**		644,570
Reserves (Note 6)		**19,435**		19,435
Deficit		**(355,608)**		(105,712)
		276,137		558,293
Total Liabilities and Shareholders' Equity	**$**	**539,849**	**$**	644,186

Nature and continuance of operations (Note 1)
Subsequent event (Note 11)

Approved on Behalf of the Board on April 30, 2021

"Frank Terranova"
Frank Terranova – Director

"Timothy Crossley"
Timothy Crossley – Director

The accompanying notes are an integral part of these financial statements

Adyton Resources Corporation (formerly XIB I Capital Corp.**)**
Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

		For the year ended December 31, 2020		For the year ended December 31, 2019
Expenses				
Legal fees	$	**144,412**	$	29,650
Office and administration		**975**		733
Professional fees		**62,153**		17,061
Transfer agent and filing fees (recovery)		**42,356**		(4,194)
Loss and comprehensive loss	$	**249,896**	$	43,250
Weighted average number of common shares outstanding – basic and diluted (Note 7)		**3,000,000**		3,000,000
Basic and diluted loss per common share	$	**(0.08)**	$	(.01)

The accompanying notes are an integral part of these financial statements

Adyton Resources Corporation (formerly XIB I Capital Corp.**)**
Statements of Changes in Shareholders' Equity
For the years ended December 31, 2020 and December 31, 2019
(Expressed in Canadian dollars)

	Share Capital Number	Share Capital Amount	Reserves	Deficit	Total Shareholders' Equity
Balance – December 31, 2019	**13,100,000**	**$ 644,570**	**$ 19,435**	**$ (105,712)**	**$ 558,293**
Loss for the year	-	-	-	(249,896)	(249,896)
Capital raising costs incurred in advance of share issuance	-	(32,260)	-	-	(32,260)
Balance, December 31, 2020	**13,100,000**	**$612,310**	**$19,435**	**$(355,608)**	**276,137**

	Share Capital Number	Share Capital Amount	Reserves	Deficit	Total Shareholders' Equity
Balance – December 31, 2018	**13,100,000**	**$ 644,570**	**$ 19,435**	**$ (62,462)**	**$ 601,543**
Loss for the year	-	-	-	(43,250)	(43,250)
Balance, December 31, 2019	**13,100,000**	**$ 644,570**	**$ 19,435**	**$ (105,712)**	**$ 558,293**

The accompanying notes are an integral part of these financial statements

Adyton Resources Corporation (formerly XIB I Capital Corp.**)**
Statements of Cash Flows
(Expressed in Canadian dollars)

	For the year ended December 31, 2020	For the year ended December 31, 2019
Operating Activities:		
Loss	$ (249,896)	$ (43,250)
Net change in non-cash working capital items:		
Receivables	(3,378)	(4,792)
Prepaid capital raising costs	(32,260)	-
Accounts payable and accrued liabilities	177,820	(8,585)
Net cash used in operating activities	(107,714)	(56,627)
Increase (decrease) in cash for the year	(107,714)	(56,627)
Cash, beginning of the year	636,380	693,007
Cash, end of the year	$ 528,666	$ 636,380

Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Interest paid	$ -	$ -
Income taxes	$ -	$ -

The accompanying notes are an integral part of these financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Adyton Resources Corporation (formerly XIB I Capital Corp.) (the "Company") was incorporated on March 8, 2018 under the laws of British Columbia. The Company completed its Initial Public Offering ("IPO") on December 12, 2018 and is classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The principle business of the Company during the year was the identification and evaluation of assets or a business (Qualifying Transaction) and, once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities. The Company's head office and the records and registered office is located at 2900 – 550 Burrard Street, British Columbia, V6C 0A3.

On February 18, 2021 the Company completed a reverse takeover transaction and several financings (collectively the "Qualifying Transaction") as further described in Note 11. Through the Qualifying Transaction the Company acquired a number of copper and gold exploration projects in Papua New Guinea. On closing of the Qualifying Transaction the Company changed its name to Adyton Resources Corporation and its shares recommenced trading on the TSX Venture Exchange ("TSXV") under the symbol ADY on February 24, 2021.

As of December 31, 2020 The Company has an accumulated deficit of $355,608 (2019: deficit of $105,712), a working capital surplus of $276,137 (2019: surplus of $558,293), and net assets of $276,137 (2019: net assets of $558,293). Taking into consideration the completion of the Qualifying Transaction, management believes that the Company's cash position will support its operations for the next twelve months.

In March 2020, the World Health Organisation 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. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

2. STATEMENT OF COMPLIANCE

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

These financial statements were authorized for issue by the Board of Directors on April 30,2021.

3. BASIS OF PRESENTATION

The financial statements have been prepared on a historical cost basis, except for financial instruments measured at their fair value. The financial statements are presented in Canadian dollars, which is also the Company's functional currency. In addition, the financial statements have been prepared using the accrual basis of accounting except for cash flow information. The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or loss or directly in equity, in which case it is recognized in other comprehensive income or loss or equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the group intends to settle its current tax assets and liabilities on a net basis.

(b) Share capital

Common shares are classified as shareholders' equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects. The proceeds from the issue of units is allocated between common shares and common share purchase warrants based on the residual value method. Under this

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

method, the proceeds are allocated to share capital based on the fair value of the common shares and any residual value is allocated to common share purchase warrants.

(c) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. Contingently returnable shares are not considered outstanding common shares and consequently are not included in loss per share calculations.

(d) Financial instruments

Recognition

The Company recognizes financial assets and financial liabilities on the date the Company becomes a party to the contractual provisions of the instruments.

Classification

The Company classifies its financial assets and financial liabilities in the following measurement categories: i) those to be measured subsequently at fair value (either through other comprehensive income ("FVOCI") or through profit or loss ("FVTPL"), and ii) those to be measured at amortized costs. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows.

Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

The Company has implemented the following classifications:

- Cash and receivables are classified as financial assets measured at amortized cost.
- Accounts payable and accrued liabilities are classified as other financial liabilities and measured at amortized cost using the effective interest rate method.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial instruments (continued)

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition).

Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit loss associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

(e) Share -based Payment Transactions

The cost of stock options and other equity-settled share-based payment arrangements are recorded based on the estimated fair value at the grant date and charged to earnings over the vesting period. The Company uses the fair value method for accounting for stock-based awards to employees, defined as persons classified as employees for legal or tax purposes (direct employee) or alternatively a person providing services similar to those performed by a direct employee. Under the fair value method, compensation expenses attributed to the direct award of stock options to employees are measured at fair value on the grant date for each tranche using an option pricing model and are usually recognized over the vesting period of the award. Stock options granted to non-employees are measured at the fair value of goods or services rendered or at the fair value of the instruments issued, if it is determined that the fair value of the goods or services received cannot be reliably measured.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Share -based Payment Transactions

All share-based payments are reflected in reserves, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid.

(f) Critical accounting estimates and judgements

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions.

The effect of a change in accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical accounting estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

Judgements

Going Concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the next 12 months.

Estimates

Deferred tax assets and liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

(Expressed in Canadian dollars)

5. 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 other 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.

The Company has identified its directors and officers as its key management personnel.

As of December 31, 2020 and 2019, $Nil was due to related parties. During the periods ended December 31, 2020 and December 31, 2019, $Nil was recorded as compensation costs for key management personnel and companies related to them.

6. SHARE CAPITAL

(a) Authorized
Unlimited number of common shares without par value.

(b) Issued and outstanding
As at December 31, 2020 and 2019, the Company had 13,100,000 common shares issued and outstanding.

	Number of Shares	Amount
		$
Balance, December 31, 2019 and December 31, 2020	**13,100,000**	**805,000**

In October 2018, the Company entered into an escrow agreement with its shareholders whereby 10,100,000 issued shares were subject to escrow restrictions upon completion of the IPO and will be released from escrow in tranches over 36 months upon completion of the Qualifying Transaction. These shares are considered contingently returnable and are excluded from the weighted average number of shares outstanding.

In October 2018, the Company issued options to Brokers as partial consideration for services provided in relation to the IPO. A summary of the options on issue during the period is:

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

		Options
	Number	Weighted Average Exercise Price
Outstanding and exercisable, December 31, 2018 and 2019	300,000	0.10
Expired	(300,000)	0.10
Outstanding and exercisable, December 31, 2020	-	-

7. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the year ended December 31, 2020 was based on the loss attributable to common shareholders of $249,896 (2019 - $43,250) and the weighted average number of common shares outstanding of 3,000,000 (2019 – 3,000,000).

8. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	2020	2019
	$	$
Loss before income taxes	**249,896**	43,250
Expected income tax recovery at statutory rates	**(67,471)**	(12,000)
Share issue costs		-
Change in unrecognized deductible temporary differences	**67,471**	12,000
Income tax expense (recovery)	**-**	-

Significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included in the statement of financial position are as follows:

	2020	2019	**Expiry Dates**
	$	$	
Share issue costs	**70,329**	103,000	**2019 to 2022**
Non-capital losses	**426,274**	144,000	**2038 to 2034**

9. MANAGEMENT OF CAPITAL

Capital is comprised of the Company's shareholders' equity. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that no more than the lesser of 30% of the gross proceeds from the issuance of common shares or $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a QT by the Company as defined under the TSX-V Policy 2.4.

10. FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Market Risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk and are disclosed as follows:

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than Canadian dollars. As at December 31, 2020, the Company is not exposed to currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market interest rates. The Company's sensitivity to interest rates relative to its cash balances is currently immaterial. The Company also has no long-term debt with variable interest rates, so it has no negative exposure to changes in the market interest rate.

10. FINANCIAL INSTRUMENTS (continued)

(iii) Price rate risk

The Company is exposed to price risk with respect to equity prices. Equity price 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. Management closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Given the Company's limited market exposure at this time it has assessed there to be a low level of price rate risk.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. Management believes that the credit risk related to its cash is negligible.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. At December 31, 2020, the Company has no sources of revenue but has a cash balance of $528,666 to settle current liabilities of $263,712. As such, management feels the Company has sufficient cash to fund corporate overhead costs for the next year. The Company's exposure to liquidity risk is currently negligible.

Fair Value Measurements

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 date. The fair value of cash is determined based on Level 1 inputs, which consist of quoted prices in active markets for identical assets.

10. FINANCIAL INSTRUMENTS (continued)

As at December 31, 2020, the Company's financial instruments consist of cash, receivables and accounts payable. Cash and receivables are classified as amortized cost. Accounts payable and accrued liabilities are classified as amortized cost. The fair values of these financial instruments approximate their carrying values due to the short-term nature of these instruments.

11. SUBSEQUENT EVENTS

On November 12, 2020, the Company entered into a Share Purchase Agreement pursuant to which the Company was to acquire all of the issued and outstanding securities of MR Exploration PNG Pte Ltd ("MRE") ("RTO Transaction").

On February 18, 2021 the RTO transaction completed and the Company acquired MRE's copper gold exploration tenements in Papua New Guinea including the Papua New Guinea copper gold exploration tenements of Ballygowan Limited ("Ballygowan") and Pacific Arc Aurum (Niugini) Limited ("Pacific Arc") which were acquired by MRE immediately preceding the completion of the RTO Transaction.

Under the RTO Transaction the Company:

- consolidated its 13,100,000 previously issued and outstanding common shares ("Common Shares") on a 2.62-for-1 basis into 5,000,000 Common Shares issued and outstanding (the "Consolidation") and changed its name to "Adyton Resources Corporation";

- acquired all of MRE from Mayur Resources Limited and its other shareholders in exchange for 71,666,666 post-Consolidation Common Shares, after MRE first acquired all of the shares of Ballygowan Limited ("Ballygowan") and Pacific Arc Aurum (Niugini) Limited ("Pacific Arc") from their shareholders in return for shares of MRE;

- completed a three-cornered amalgamation between Adyton Resources Finance Company Ltd. ("Adyton Financeco"), a special purpose subsidiary of Mayur, 1269592 B.C. Ltd. a special purpose entity established by certain financing parties ("Pre-Seed Financeco"), and a special purpose subsidiary of the Company, under which the Company issued a total of 48,092,220 post- Consolidation Common Shares to the shareholders of Adyton Financeco and Pre-Seed Financeco in exchange for the same number of common shares of Adyton Financeco and Pre-Seed Financeco, which had been issued on a one-for-one basis on conversion of subscription receipts issued by Adyton Financeco and Pre-Seed Financeco under private placement financings which raised aggregate gross proceeds of approximately $10.75 million for Adyton less capital raising costs, including brokerage fees and legal fees amounting to $1.3 million; and

- reorganized its Board of Directors to consist of Frank Terranova, Rod Watt, Tim Crossley, Sinton Spence, Frederic Leigh Jr. and Nick Tintor, and its management to consist of Frank Terranova - Chairman, President and Chief Executive Officer, Stephen Kelly - Chief Financial Officer and Corporate Secretary, and Rod Watt, Chief Geologist.

11. SUBSEQUENT EVENTS (continued)

The RTO Transaction constituted the Company's "Qualifying Transaction" pursuant to Policy 2.4 of the TSX Venture Exchange (the "Exchange") and the Company will carry on the business of exploring the copper- gold tenements held by its wholly-owned subsidiaries MRE, Ballygowan and Pacific Arc.