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**OLIVE RESOURCE CAPITAL INC.**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL**  
**STATEMENTS**  
**FOR THE THREE AND SIX MONTHS ENDED**  
**JUNE 30, 2022**  
**(EXPRESSED IN CANADIAN DOLLARS UNLESS OTHERWISE STATED)**  
**(UNAUDITED)**

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**Notice to Reader**

The accompanying condensed consolidated interim financial statements of Olive Resource Capital Inc. (the "Company") have been prepared by and are the responsibility of management. The condensed consolidated interim financial statements have not been reviewed by the Company's auditors.

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**OLIVE RESOURCE CAPITAL INC.**

Condensed Interim Consolidated Statements of Financial Position  
(Expressed in Canadian Dollars unless otherwise stated)  
(Unaudited)

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	June 30, 2022	December 31, 2021
<b>ASSETS</b>		
Cash	\$ 833,888	\$ 291,293
Publicly traded investments (Note 3)	4,742,882	8,490,477
Amounts receivable (Notes 5 and 10(a))	68,301	55,016
Prepaid expenses	89,144	37,120
Restricted cash (Note 4)	25,000	25,000
Non-public investments (Note 3)	91,692	53,789
<b>Total assets</b>	<b>\$ 5,850,907</b>	<b>\$ 8,952,695</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Notes 5, 6 and 10)	\$ 568,333	\$ 677,638
<b>Total liabilities</b>	<b>568,333</b>	<b>677,638</b>
<b>Shareholders' equity</b>		
Share capital (Note 7)	13,536,152	13,536,152
Contributed surplus (Note 8)	286,620	272,506
Deficit	(8,540,198)	(5,533,601)
<b>Total shareholders' equity</b>	<b>5,282,574</b>	<b>8,275,057</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 5,850,907</b>	<b>\$ 8,952,695</b>

Nature of Operations (Note 1)

Commitments and Contingencies (Note 13)

Subsequent event (Note 14)

Approved by the Board of Directors:

"Samuel Pelaez" \_\_\_\_\_ Director

"Derek Macpherson" \_\_\_\_\_ Director

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

**OLIVE RESOURCE CAPITAL INC.**

Condensed Interim Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income  
(Expressed in Canadian Dollars unless otherwise stated)  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
<b>Revenues</b>				
Realized gain on investments (Note 3)	\$ 172,513	\$ 392,211	\$ 766,907	\$ 456,553
Unrealized (loss) gain on investments (Note 3)	(3,043,135)	653,109	(3,534,758)	233,248
Management fee income (Note 5)	6,735	-	13,303	-
Interest income	1,264	499	1,409	1,335
<b>Total revenues</b>	<b>(2,862,623)</b>	<b>1,045,819</b>	<b>(2,753,139)</b>	<b>691,136</b>
<b>Operating expenses</b>				
Salaries and benefits (Note 10(b))	13,000	101,804	36,116	161,683
Professional fees (Note 10(a)(i)(ii)(iii)(iv)(v))	84,257	470,543	170,622	509,303
Shareholder relations	5,443	21,180	8,262	29,383
General and administrative	13,766	541,770	17,827	559,693
Investor relations	6,780	1,695	10,424	3,390
Stock-based compensation (Notes 8 and 10(b))	35,754	1,618	71,115	7,012
Foreign exchange gain	(2,836)	-	(3,907)	-
<b>Total operating expenses</b>	<b>156,164</b>	<b>1,138,610</b>	<b>310,459</b>	<b>1,270,464</b>
<b>Loss before tax</b>	<b>(3,018,787)</b>	<b>(92,791)</b>	<b>(3,063,598)</b>	<b>(579,328)</b>
Income tax recovery	-	(293,000)	-	(293,000)
<b>Net (loss) income and comprehensive (loss) income for the period</b>	<b>\$ (3,018,787)</b>	<b>\$ 200,209</b>	<b>\$ (3,063,598)</b>	<b>\$ (286,328)</b>
<b>Basic and diluted net (loss) income per share (Note 9)</b>	<b>\$ (0.04)</b>	<b>\$ 0.00</b>	<b>\$ (0.04)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of shares outstanding - basic and diluted (Note 9)</b>	<b>70,140,501</b>	<b>70,140,501</b>	<b>70,140,501</b>	<b>70,140,501</b>

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

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**OLIVE RESOURCE CAPITAL INC.**

Condensed Interim Consolidated Statements of Cash Flows  
(Expressed in Canadian Dollars unless otherwise stated)  
(Unaudited)

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Six months ended June 30,	2022	2021
<b>Operating activities</b>		
Net loss for the period	\$ (3,063,598)	\$ (286,328)
Adjustments for:		
Deferred income tax recovery	-	(293,000)
Net loss (gain) on investments (note 3)	2,767,851	(689,801)
Unrealized foreign exchange loss	1,171	-
Stock-based compensation	71,115	7,012
Purchase of investments	(2,169,857)	(30,985)
Proceeds on disposal of investments	3,110,527	497,310
	717,209	(795,792)
Changes in non-cash operating capital:		
Amounts receivable	(13,285)	(62)
Prepaid expenses	(52,024)	(28,232)
Accounts payable and accrued liabilities	(109,305)	715,896
<b>Net cash inflows (outflows) from operating activities</b>	<b>542,595</b>	<b>(108,190)</b>
<b>Financing activities</b>		
Payment of dividend (Note 7)	-	(2,104,215)
<b>Net cash outflows from financing activities</b>	<b>-</b>	<b>(2,104,215)</b>
<b>Net change in cash and cash equivalents</b>	<b>542,595</b>	<b>(2,212,405)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>291,293</b>	<b>3,311,682</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 833,888</b>	<b>\$ 1,099,277</b>

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

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**OLIVE RESOURCE CAPITAL INC.****Condensed Interim Consolidated Statements of Changes in Shareholders' Equity****(Expressed in Canadian Dollars unless otherwise stated)****(Unaudited)**

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	<b>Number of Shares</b>	<b>Share Capital</b>	<b>Contributed Surplus</b>	<b>Deficit</b>	<b>Total</b>
<b>Balance, December 31, 2020</b>	<b>70,140,501</b>	<b>\$ 13,536,152</b>	<b>\$ 516,196</b>	<b>\$ (2,021,953)</b>	<b>\$12,030,395</b>
Dividend payment (Note 7)	-	-	-	(2,104,215)	(2,104,215)
Share-based compensation (Note 8)	-	-	7,012	-	7,012
Expiry of stock options	-	-	(294,534)	294,534	-
Net loss for the period	-	-	-	(286,328)	(286,328)
<b>Balance, June 30, 2021</b>	<b>70,140,501</b>	<b>\$ 13,536,152</b>	<b>\$ 228,674</b>	<b>\$ (4,117,962)</b>	<b>\$ 9,646,864</b>
<b>Balance, December 31, 2021</b>	<b>70,140,501</b>	<b>\$ 13,536,152</b>	<b>\$ 272,506</b>	<b>\$ (5,533,601)</b>	<b>\$ 8,275,057</b>
Share-based compensation (Note 8)	-	-	71,115	-	71,115
Expiry of stock options (Note 8)	-	-	(57,001)	57,001	-
Net loss for the period	-	-	-	(3,063,598)	(3,063,598)
<b>Balance, June 30, 2022</b>	<b>70,140,501</b>	<b>\$ 13,536,152</b>	<b>\$ 286,620</b>	<b>\$ (8,540,198)</b>	<b>\$ 5,282,574</b>

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

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# **OLIVE RESOURCE CAPITAL INC.**

## **Notes to Condensed Interim Consolidated Financial Statements**

**June 30, 2022**

**(Expressed in Canadian Dollars unless otherwise stated)**

**(Unaudited)**

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### **1. Nature of Operations**

Olive Resource Capital Inc. (formerly Norvista Capital Corporation) ("Olive" or the "Company") operates as a publicly traded resource investment company focused on investment opportunities in the junior resource sector. Currently, the Company actively manages a portfolio of three core investee companies providing Olive with precious and base metal pre-production exposure as well as pre-production exposure to the US agricultural sector. The Company is a publicly listed company incorporated under the Canada Business Corporations Act. The Company's shares are listed on the TSX Venture Exchange under the symbol "NVV". The Company's head office is located at 82 Richmond St. East, Toronto, Ontario, M5C 1P1. Effective December 30, 2021, the Company completed a vertical amalgamation with its wholly owned subsidiary, Olive Resource Capital Inc. On January 13, 2022, the Company's name was changed from Norvista Capital Corporation to Olive Resource Capital Inc. The Company's stock symbol on the TSX Venture Exchange was also changed to "OC".

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, has 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 the outbreak and its long term effects on the Company's business investments or ability to raise funds.

### **2. Significant Accounting Policies**

#### **Statement of compliance**

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB.

The policies applied in these unaudited condensed consolidated interim financial statements are based on IFRS issued and outstanding as of August 24, 2022, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed consolidated interim financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2021, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2022 could result in restatement of these unaudited condensed consolidated interim financial statements.

#### **Recent accounting pronouncements**

Certain new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early adopted. These standards are not expected to have a material impact on the Company in the current and future reporting periods.

# OLIVE RESOURCE CAPITAL INC.

Notes to Condensed Interim Consolidated Financial Statements  
 June 30, 2022  
 (Expressed in Canadian Dollars unless otherwise stated)  
 (Unaudited)

## 3. Investments

### (a) Public investments

	As at December 31, 2021			Transactions during the six months ended June 30, 2022				As at June 30, 2022		
	Cost	Cumulative Unrealized Gain (Loss)	Fair Value	Acquisition cost (Proceeds on Disposition)	Realized Gain (Loss)	Change in unrealized Gain (Loss)	Foreign exchange	Fair value	Securities Held	Cost
Nevada Zinc Corporation ("Nevada Zinc") <sup>(5)</sup>	\$ 2,350,851	\$ (1,521,171)	\$ 829,680	\$ -	\$ -	\$ -	\$ -	\$ 829,680	10,370,999	\$ 2,350,851
Minera Alamos Inc. ("Minera Alamos") shares <sup>(1)</sup>	153,130	1,292,450	1,445,580	(734,330)	661,283	(686,533)	-	686,000	1,400,000	80,083
Rockcliff Metals Corporation ("Rockcliff") shares <sup>(2)(4)</sup>	9,433,388	(4,362,801)	5,070,587	-	-	(2,535,293)	-	2,535,294	72,436,953	9,433,388
Other investments in public companies <sup>(3)</sup>	1,006,458	138,172	1,144,630	(206,340)	105,624	(350,835)	(1,171)	691,908	-	905,742
	\$ 12,943,827	\$ (4,453,350)	\$ 8,490,477	\$ (940,670)	\$ 766,907	\$ (3,572,661)	\$ (1,171)	\$ 4,742,882		\$ 12,770,064

(1) The Company has one director in common with Minera Alamos.

(2) Derek Macpherson, Executive Chairman of Olive is a director of Rockcliff.

(3) The Company holds numerous smaller investments in public companies. These investments are presented in aggregated format.

(4) The Company owns more than 10% of the voting rights attached to the outstanding voting securities of Rockcliff. This may limit the Company's ability to monetize or dispose of the securities of Rockcliff.

(5) The Company owns more than 10% of the voting rights attached to the outstanding voting securities of Nevada Zinc. This may limit the Company's ability to monetize or dispose of the securities of Nevada Zinc.

## OLIVE RESOURCE CAPITAL INC.

### Notes to Condensed Interim Consolidated Financial Statements

June 30, 2022

(Expressed in Canadian Dollars unless otherwise stated)

(Unaudited)

### 3. Investments (continued)

#### (a) Public investments (continued)

	Transactions during the year ended								
	As at December 31, 2020			December 31, 2021			As at December 31, 2021		
	Cost	Cumulative Unrealized Gain (Loss)	Fair Value	Acquisition cost (Proceeds on Disposition)	Realized Gain (Loss)	Change in unrealized Gain (Loss)	Fair Value	Securities Held	Cost
Nevada Zinc Corporation ("Nevada Zinc") <sup>(5)</sup>	\$ 2,350,851	\$ (1,158,186)	\$ 1,192,665	\$ -	\$ -	\$ (362,985)	\$ 829,680	10,370,999	\$2,350,851
Minera Alamos Inc. ("Minera Alamos") shares <sup>(1)</sup>	259,097	2,820,963	3,080,060	(1,123,990)	1,018,023	(1,528,513)	1,445,580	2,677,000	153,130
Rockcliff Metals Corporation ("Rockcliff") shares <sup>(2)(4)</sup>	9,433,388	(4,718,010)	4,715,378	-	-	355,209	5,070,587	72,436,953	9,433,388
Other investments in public companies <sup>(3)</sup>	191,745	(75,912)	115,833	872,363	(53,861)	210,295	1,144,630	-	1,006,458
	\$ 12,235,081	\$ (3,131,145)	\$ 9,103,936	\$ (251,627)	\$ 964,162	\$ (1,325,994)	\$ 8,490,477		\$12,943,827

<sup>(1)</sup> The Company has one director in common with Minera Alamos.

<sup>(2)</sup> Derek Macpherson, Executive Chairman of Olive is a director of Rockcliff.

<sup>(3)</sup> The Company holds numerous smaller investments in public companies. These investments are presented in aggregated format.

<sup>(4)</sup> The Company owns more than 10% of the voting rights attached to the outstanding voting securities of Rockcliff. This may limit the Company's ability to monetize or dispose of the securities of Rockcliff.

<sup>(5)</sup> The Company owns more than 10% of the voting rights attached to the outstanding voting securities of Nevada Zinc. This may limit the Company's ability to monetize or dispose of the securities of Nevada Zinc.



# OLIVE RESOURCE CAPITAL INC.

## Notes to Condensed Interim Consolidated Financial Statements

June 30, 2022

(Expressed in Canadian Dollars unless otherwise stated)

(Unaudited)

### 3. Investments (continued)

#### (b) Non-public investments

	Transactions during the six months ended								
	As at December 31, 2021			June 30, 2022			As at June 30, 2022		
	Cost	Cumulative Unrealized Gain	Fair Value	Purchase	Foreign Exchange Loss	Change in Unrealized (loss)	Fair Value	Securities Held	Cost
Other non-public investment	\$ 334,801	\$ (281,012)	\$ 53,789	\$ -	\$ -	\$ 37,903	\$ 91,692	100,000	\$50,000

	Transactions during the year ended								
	As at December 31, 2020			December 31, 2021			As at December 31, 2021		
	Cost	Cumulative Unrealized Gain	Fair Value	Purchase	Foreign Exchange Loss	Change in Unrealized (loss)	Fair Value	Securities Held	Cost
Other non-public investment	\$ 284,801	\$ (284,801)	\$ -	\$ 50,000	\$ -	\$ 3,789	\$ 53,789	100,263	\$334,801

# OLIVE RESOURCE CAPITAL INC.

## Notes to Condensed Interim Consolidated Financial Statements

June 30, 2022

(Expressed in Canadian Dollars unless otherwise stated)

(Unaudited)

### 3. Investments (continued)

#### (c) Total investments

	As at December 31, 2021			Transactions during the six months ended June 30, 2022			As at June 30, 2022	
	Cost	Cumulative Unrealized Gain (loss)	Fair Value	Net purchase (disposition)	Realized Gain	Exchange Loss	Net Unrealized Gain (loss)	Fair Value
<b>Public investments</b>	\$ 12,943,827	\$ (4,453,350)	\$ 8,490,477	\$ (940,670)	\$ 766,907	\$ (1,171)	\$ (3,572,661)	\$ 4,742,882
<b>Non-public investments</b>	334,801	(281,012)	53,789	-	-	-	37,903	91,692
	<b>\$ 13,278,628</b>	<b>\$ (4,734,362)</b>	<b>\$ 8,544,266</b>	<b>\$ (940,670)</b>	<b>\$ 766,907</b>	<b>\$ (1,171)</b>	<b>\$ (3,534,758)</b>	<b>\$ 4,834,574</b>

	As at December 31, 2020			Transactions during the year ended December 31, 2021			As at December 31, 2021	
	Cost	Cumulative Unrealized (Loss) Gain	Fair Value	Net purchase (disposition)	Realized Gain(Loss)	Exchange Loss	Net Unrealized (Loss)	Fair Value
<b>Public investments</b>	\$ 12,235,081	\$ (3,131,145)	\$ 9,103,936	\$ (251,627)	\$ 964,162	\$ -	\$ (1,325,994)	\$ 8,490,477
<b>Non-public investments</b>	284,801	(284,801)	-	50,000	-	-	3,789	53,789
	<b>\$ 12,519,882</b>	<b>\$ (3,415,946)</b>	<b>\$ 9,103,936</b>	<b>\$ (201,627)</b>	<b>\$ 964,162</b>	<b>\$ -</b>	<b>\$ (1,322,205)</b>	<b>\$ 8,544,266</b>

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## **OLIVE RESOURCE CAPITAL INC.**

### **Notes to Condensed Interim Consolidated Financial Statements**

**June 30, 2022**

**(Expressed in Canadian Dollars unless otherwise stated)**

**(Unaudited)**

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#### **4. Restricted Cash**

The Company has a corporate credit card with a major financial institution with an aggregate credit limit of \$25,000. As at June 30, 2022, the financial institution holds \$25,000 in one Guaranteed Investment Certificate (December 31, 2021 - \$25,000) as collateral on the credit card amount as long as the credit card is active. The restricted cash amount would change if there was any change in the credit limit on the card.

#### **5. Norvista Capital I Limited Partnership**

On March 14, 2016, a partnership was formed under the name of Norvista Capital I Limited Partnership (the "LP"). A wholly owned subsidiary of Olive, Norvista Capital General Partner I Ltd., serves as the "General Partner" of the LP and the Company serves as the manager of the LP and provides investment management services to the LP and is responsible for the day-to-day business of the LP. The LP has been created by the Company to avoid concentrated equity ownership in Olive while accommodating institutional investors who want to make private equity investments in the junior resource space and have such investments sourced, structured and managed by Olive. As at June 30, 2022, the General Partner had no partnership units in the LP.

The General Partner is entitled to 0.01% of the net income or net loss of the LP and the LP pays the General Partner an annual management fee equal to 2% of their net asset value, calculated and paid monthly in arrears. During the three and six months ended June 30, 2022, the General Partner recorded a management fee of \$6,735 and \$13,303, respectively (three and six months ended June 30, 2021 - \$nil). As at June 30, 2022, the Company had a \$30,902 (December 31, 2021 - \$17,777) management fee receivable from the LP which was included in the amounts receivable in the condensed interim consolidated statements of financial position as at June 30, 2022.

On or before the dissolution of the LP or implementation of one of the liquidity alternatives, an incentive bonus will be payable by the LP to the General Partner calculated as 15% of the amount by which the increase in the Net Asset Value from formation until dissolution of the LP exceeds a threshold increase of 10% per annum compounded annually, excluding the effect of distributions to the LP, if any. The one-time performance fee, if any, will be paid within 10 calendar days of the dissolution date of the LP. As at June 30, 2022, no performance fee is expected.

The Company accounts for its investment in the LP using a nominal value of \$nil as it does not own any partnership units and is only able to recover up to 0.01% of the net income of the LP.

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**OLIVE RESOURCE CAPITAL INC.****Notes to Condensed Interim Consolidated Financial Statements****June 30, 2022****(Expressed in Canadian Dollars unless otherwise stated)****(Unaudited)**

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**6. Accounts Payable and Accrued Liabilities**

<b>As at</b>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Accounts payable	\$ 653	\$ 29,835
Accrued liabilities	567,680	647,803
	<b>\$ 568,333</b>	<b>\$ 677,638</b>

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The following is an aged analysis of the accounts payable and accrued liabilities:

<b>As at</b>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Less than 1 month	\$ 568,333	\$ 673,716
1 to 3 months	-	3,804
Greater than 3 months	-	118
	<b>\$ 568,333</b>	<b>\$ 677,638</b>

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**7. Share Capital**

## a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares without par value.

## b) Common shares issued

	<b>Number of Common Shares</b>	<b>Amount</b>
<b>Balance - December 31, 2020 and June 30, 2021</b>	<b>70,140,501</b>	<b>\$ 13,536,152</b>
<b>Balance - December 31, 2021 and June 30, 2022</b>	<b>70,140,501</b>	<b>\$ 13,536,152</b>

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On January 18, 2021, the Company announced the Board of Directors declared the payment of a special cash dividend of \$0.03 per common share (the "Special Dividend") in the total amount of \$2,104,215. The Special Dividend was paid on February 9, 2021 to shareholders of record as of the close of business on January 26, 2021.

## OLIVE RESOURCE CAPITAL INC.

### Notes to Condensed Interim Consolidated Financial Statements

June 30, 2022

(Expressed in Canadian Dollars unless otherwise stated)

(Unaudited)

#### 8. Stock Options

The following table reflects the continuity of stock options for the periods ended June 30, 2022 and 2021:

	Number of Stock Options	Weighted Average Exercise Price
<b>Balance - December 31, 2020</b>	3,825,000	\$ 0.17
Expired	(1,775,000)	0.20
<b>Balance - June 30, 2021</b>	2,050,000	\$ 0.13
<b>Balance - December 31, 2021</b>	5,550,000	\$ 0.12
Expired	(400,000)	0.17
<b>Balance - June 30, 2022</b>	5,150,000	\$ 0.12

The following table reflects the actual stock options issued and outstanding as of June 30, 2022:

Expiry Date	Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested	Grant Date Fair Value (\$)
April 27, 2025	0.10	2.83	800,000	800,000	65,626
August 9, 2026	0.13	4.11	4,350,000	1,237,500	327,971
	0.12	3.91	5,150,000	2,037,500	393,597

(i) On April 27, 2020, the Company granted 800,000 stock options to certain directors, pursuant to the Company's stock option plan. The options vest 1/3 on grant, 1/3 on the six month anniversary date of the grant and 1/3 on the one year anniversary date of the grant. The options are exercisable at \$0.10 and expire on April 26, 2025. The fair value of the stock options was estimated to be \$65,626 using Black-Scholes option pricing model on the following assumptions: share price of \$0.10, exercise price of \$0.10, risk free interest rate of 0.46%, an expected yield of 0%, an expected life of 5 years and an expected volatility of 119%. During the three and six months ended June 30, 2022, stock compensation of \$nil (three and six months ended June 30, 2021 - \$1,618 and \$7,012, respectively) was recorded in the unaudited condensed interim consolidated statements of loss.

(ii) On August 9, 2021, the Company granted a total of 4,350,000 stock options to acquire common shares in the capital of the Company at an exercise price of \$0.125 per share which expire on August 9, 2026. The stock options granted to Officers and Directors vest as follows: 25% vest immediately, 25% on the first anniversary date, 25% on second anniversary date, and 25% on the third anniversary date. The options granted to consultants vest immediately. The fair value of the stock options was estimated to be \$327,971 using Black-Scholes option pricing model on the following assumptions: share price of \$0.10, exercise price of \$0.13, risk free interest rate of 0.88%, an expected yield of 0%, an expected life of 5 years and an expected volatility of 108%. During the three and six months ended June 30, 2022, stock compensation of \$35,754 and \$71,115, respectively (three and six months ended June 30, 2021 - \$nil) was recorded in the unaudited condensed interim consolidated statements of loss.

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## OLIVE RESOURCE CAPITAL INC.

### Notes to Condensed Interim Consolidated Financial Statements

June 30, 2022

(Expressed in Canadian Dollars unless otherwise stated)

(Unaudited)

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#### 9. Basic and Diluted Loss per Share

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Weighted average number of common shares outstanding - basic and dilutive	<b>70,140,501</b>	70,140,501	<b>70,140,501</b>	70,140,501

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The calculation of basic and diluted loss per share for the three and six months ended June 30, 2022 was based on the net loss attributable to common shareholders of 3,018,787 and \$3,063,598, respectively (three and six months ended June 30, 2021 – net loss of 200,209 and \$286,328, respectively) and the weighted average number of common shares outstanding of 70,140,501 (three and six months ended June 30, 2021 – 70,140,501). Diluted loss per share for the three and six months ended June 30, 2022 did not include the effect of 5,150,000 options (three and six months ended June 30, 2021 – 2,050,000) as they were anti-dilutive.

#### 10. Related Party Balances and Transactions and Major Shareholders

##### (a) Related party balances and transactions

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Marrelli Support Services Inc. ("MSSI") (i)	\$ 13,664	\$ 16,105	\$ 32,061	\$ 39,223
Marrelli Trust Company Limited (Marrelli Trust") (ii)	-	7,675	184	12,454
DSA Corporate Services Inc. ("DSA") (iii)	3,793	5,634	4,136	8,908
Kanaga Capital Corp. ("Kanaga") (iv)	16,950	4,897	33,900	4,897
Celeste Advisors Inc. ("Celeste") (v)	33,900	10,170	67,800	10,170

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(i) Fees are related to services of Carmelo Marrelli to act as the Chief Financial Officer ("CFO") of the Company. Carmelo Marrelli is the Managing Director of MSSI. Services were incurred for bookkeeping, accounting and CFO services. As at June 30, 2022, MSSI was owed \$nil (December 31, 2021 - \$2,349) and this amount was included in accounts payable and accrued liabilities. This amount is unsecured and non-interest bearing.

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## OLIVE RESOURCE CAPITAL INC.

### Notes to Condensed Interim Consolidated Financial Statements

June 30, 2022

(Expressed in Canadian Dollars unless otherwise stated)

(Unaudited)

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#### 10. Related Party Balances and Transactions and Major Shareholders (continued)

##### (a) Related party balances and transactions (continued)

(ii) The CFO of the Company is a director of Marrelli Trust, corporate trustee, transfer agent and registrar to the Company. Fees are related to shareholder, transfer agent and corporate trustee services provided by Marrelli Trust to the Company. As at June 30, 2022, Marrelli Trust was owed \$nil (December 31, 2021 - \$nil).

(iii) The CFO of the Company is an officer of DSA. Fees are related to corporate secretarial and filing services provided by DSA. As at June 30, 2022, DSA was owed \$nil (December 31, 2021 - \$nil) and this amount was included in accounts payable and accrued liabilities. This amount is unsecured and non-interest bearing.

(iv) Consulting fees were paid to Kanaga Capital Corp., a Company controlled by Derek Macpherson, the Executive Chairman of the Company. As at June 30, 2022, Kanaga was owed \$nil (December 31, 2021 - \$nil).

(v) Consulting fees were paid to Celeste Advisors Inc., a Company controlled by Samuel Pelaez, the Chief Executive Officer ("CEO"). As at June 30, 2022, Celeste was owed \$nil (December 31, 2021 - \$nil).

(vi) See Notes 3 and 5.

(vii) As at June 30, 2022, \$29,242 was owed to Olive by Nevada Zinc (December 31, 2021 - \$29,242) and these amounts were included in amounts receivable. This amount is unsecured and non-interest bearing.

##### (b) Remuneration of directors and key management

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. Remuneration of directors, the CEO and the CFO of the Company was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Salaries	\$ -	\$ 45,000	\$ -	\$ 90,000
Termination accrual	-	346,685	-	346,685
Director fees	11,678	79,793	31,283	91,271
Stock-based compensation (Note 8)	35,754	1,618	71,115	7,012

Please refer to note 10 (a) above for compensation to CEO, CFO and Executive Chairman of the Company.

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## **OLIVE RESOURCE CAPITAL INC.**

### **Notes to Condensed Interim Consolidated Financial Statements**

**June 30, 2022**

**(Expressed in Canadian Dollars unless otherwise stated)**

**(Unaudited)**

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#### **10. Related Party Balances and Transactions and Major Shareholders (continued)**

##### **(c) Major shareholders**

To the knowledge of the directors and senior officers of the Company, as at June 30, 2022, no person or corporation beneficially owns or exercises control over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company. The holding can change at any time at the discretion of the owners.

None of the Company's major shareholders have different voting rights compared to holders of the Company's common shares.

The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company. To the knowledge of the Company, it is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

#### **11. Capital Disclosure**

The Company considers its capital to consist of share capital, contributed surplus, and deficit. The Company's objectives when managing capital are: (a) to allow the Company to respond to changes in economic and/or marketplace conditions by maintaining the Company's ability to purchase new investments; (b) to give shareholders sustained growth in value by increasing shareholders' equity; while (c) taking a conservative approach towards management of financial risks.

The Company's management reviews its capital structure on an on-going basis and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying investments. The Company's current capital is composed of its shareholders' equity and, to-date, has adjusted or maintained its level of capital by: (a) raising capital through equity financings; and (b) realizing proceeds from the disposition of its investments.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSX Venture Exchange which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of June 30, 2022, management believes it is compliant with known requirements. The Company expects that its capital resources will be sufficient to discharge its liabilities as of the current statement of financial position date.



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## OLIVE RESOURCE CAPITAL INC.

### Notes to Condensed Interim Consolidated Financial Statements

June 30, 2022

(Expressed in Canadian Dollars unless otherwise stated)

(Unaudited)

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#### 12. Fair Value Measurements

##### Fair value of financial instruments

The Company has determined the carrying values of its financial instruments as follows:

- i. The carrying values of cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these instruments.
- ii. Public investments and non-public investments are carried at amounts in accordance with the Company's accounting policy as set out in Note 2 to the consolidated financial statements for the years ended December 31, 2021 and 2020.

There were no transfers to or from level 3 of the fair value hierarchy during the three and six months ended June 30, 2022.

The following tables illustrate the classification and hierarchy of the Company's financial instruments, measured at fair value in the statements of financial position as at June 30, 2022 and December 31, 2021:

##### As at June 30, 2022 - (Investments, at fair value)

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Aggregate Fair Value
Publicly traded investments	4,742,882	-	-	4,742,882
Non-public investments	-	-	91,692	91,692

##### As at December 31, 2021 - (Investments, at fair value)

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Aggregate Fair Value
Publicly traded investments	\$ 7,597,558	\$ 892,919	\$ -	\$ 8,490,477
Non-public investments	-	-	53,789	53,789

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## OLIVE RESOURCE CAPITAL INC.

### Notes to Condensed Interim Consolidated Financial Statements

June 30, 2022

(Expressed in Canadian Dollars unless otherwise stated)

(Unaudited)

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#### 12. Fair Value Measurements (Continued)

##### Level 3 hierarchy:

The following table presents the changes in fair value measurements of financial instruments classified as Level 3. These financial instruments are measured at fair value utilizing non-observable market inputs. The net change in unrealized gains is recognized in the statements of loss.

Investment at fair value	Opening balance at January 1	Purchases	Net unrealized gain (loss)	Ending balance
June 30, 2022	\$ 53,789	\$ -	\$ 37,903	\$ 91,692
December 31, 2021	\$ -	\$ 50,000	\$ 3,789	\$ 53,789

Within Level 3, the Company includes non-public company investments. The key assumptions used in the valuation of these instruments include (but are not limited to) the value at which a recent financing was done by the investee, company-specific information, trends in general market conditions, the marketability of the shares and subsequent transactions.

The following table presents the fair value, categorized by key valuation techniques and the unobservable inputs used within Level 3 as at:

##### June 30, 2022

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Investment name	Valuation technique	Fair value	Unobservable inputs
Non-public equities and warrants	Recent financing approach	\$ 91,692	Transaction price

As the valuation of investments for which market quotations are not readily available and are inherently uncertain, the values may fluctuate materially within short periods of time and are based on estimates, and determinations of fair value may differ materially from values that would have resulted if a ready market existed for the investments.

For those investments valued based on a recent financing, management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at June 30, 2022. A 10% decrease (increase) on the fair value of these investments will result in a corresponding decrease (increase) of approximately \$9,200 in the total fair value of the investments. The Company has applied a marketability discount of 0% to its non-public investments valued based on recent financing. Had the Company applied a marketability discount of 5% it would have resulted in a corresponding decrease of approximately \$4,600 in the total fair value of the investments. While this illustrates the overall effect of changing the values of the unobservable inputs by a set percentage, the significance of the impact and the range of reasonably possible alternative assumptions may differ significantly between investments, given their different terms and circumstances.

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## **OLIVE RESOURCE CAPITAL INC.**

**Notes to Condensed Interim Consolidated Financial Statements**

**June 30, 2022**

**(Expressed in Canadian Dollars unless otherwise stated)**

**(Unaudited)**

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### **12. Fair Value Measurements (Continued)**

#### **Level 3 hierarchy (continued):**

The sensitivity analysis is intended to reflect the uncertainty inherent in the valuation of these investments under current market conditions, and its results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the fair value of these investments. Furthermore, the analysis does not indicate a probability of such changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of these investments. Any management actions that may be taken to mitigate the inherent risks are not reflected in this analysis.

### **13. Commitments and contingencies**

From time to time, the Company may be named as a party to claims or involved in proceedings, including legal, regulatory and tax related, in the ordinary course of its business. While the outcome of these matters may not be estimable at period end, the Company makes provisions, where possible, for the estimated outcome of such claims or proceedings. Should a loss result from the resolution of any claims or proceedings that differs from these estimates, the difference will be accounted for as a charge to net income (loss) in that period.

As at June 30, 2022, the Company accrued a total of \$369,950 relating to legal proceedings and potential settlements. The Company denies the claims made against it and intends to defend its interests in these situations.

### **14. Subsequent event**

On July 29, 2022, the Company completed the acquisition of a portfolio of assets from CannalIncome Fund Corporation ("CiF"). The portfolio consisted of public equities, private equities, debt, convertible debt and warrants, having a deemed value of \$2,525,259. Olive issued 30,254,247 common shares in consideration for the assets, representing a deemed issue price of \$0.0835 per common share.