

ANNUAL INFORMATION FORM

for the

YEAR ENDED DECEMBER 31, 2023

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October 14, 2024

TABLE OF CONTENTS

CURRENCY AND PRESENTATION	3
DOCUMENTS INCORPORATED BY REFERENCE.....	3
USE OF MARKET AND INDUSTRY DATA	3
CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS	3
CORPORATE STRUCTURE	6
NAME, ADDRESS AND INCORPORATION.....	6
INTERCORPORATE RELATIONSHIPS.....	6
GENERAL DEVELOPMENTS OF THE BUSINESS.....	6
THREE YEAR HISTORY	6
DESCRIPTION OF THE BUSINESS	9
GENERAL.....	9
INVESTMENT STRATEGY.....	9
NATURE OF INVOLVEMENT.....	11
IMPLEMENTATION AND INVESTMENT EVALUATION PROCESS.....	11
CONFLICTS OF INTEREST	12
MONITORING AND REPORTING	12
INVESTMENTS/INVESTMENT PORTFOLIO	13
SPECIALIZED SKILLS AND KNOWLEDGE	13
COMPETITIVE CONDITIONS.....	14
EMPLOYEES.....	14
FOREIGN OPERATIONS.....	14
COMPETITIVE CONDITIONS.....	14
ECONOMIC DEPENDENCE	14
LENDING.....	14
REORGANIZATIONS.....	15
BANKRUPTCY AND SIMILAR PROCEDURES	15
RISK FACTORS	15
Limited Operating History as an Investment Company.....	15
Portfolio Exposure and Sensitivity to Macro-Economic Conditions	15
Risks Associated with Divestment.....	16
Cash Flow and Revenue.....	16
Private Issuers and Illiquid Securities	16
Volatility of Stock Price.....	16
Trading Price of the Common Shares Relative to Net Asset Value.....	17
Available Opportunities and Competition for Investments.....	17
Share Prices of Investments	17
Concentration of Investments	17
Competition for Investments.....	17
Dependence on Management, Directors and Investment Committee	18
Additional Financing Requirements.....	18
No Guaranteed Return	18
Due Diligence	18
Exchange Rate Fluctuations.....	19
Non-Controlling Interests.....	19
Potential Conflicts of Interest.....	19
Potential Transaction and Legal Risks	19

Results to Date and Additional Requirement for Capital	20
Substantial Capital Requirements	20
Management of Growth	20
Future Sales of Common Shares by the Company	20
DIVIDENDS AND DISTRIBUTIONS.....	21
DESCRIPTION OF CAPITAL STRUCTURE.....	21
MARKET FOR SECURITIES.....	22
TRADING PRICE AND VOLUME	22
PRIOR SALES	22
ESCROWED SECURITIES.....	22
DIRECTORS AND OFFICERS.....	23
NAME, OCCUPATION AND SECURITY HOLDINGS	23
TERM OF OFFICE.....	25
DIRECTOR AND OFFICER SHARE OWNERSHIP	25
CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS	25
CONFLICTS OF INTEREST	27
PROMOTERS	28
AUDIT COMMITTEE INFORMATION	28
AUDIT COMMITTEE CHARTER	28
COMPOSITION OF AUDIT COMMITTEE.....	28
RELEVANT EDUCATION AND EXPERIENCE.....	29
Desmond Balakrishnan	29
AUDIT COMMITTEE OVERSIGHT	29
RELIANCE ON CERTAIN EXEMPTIONS	30
PRE-APPROVAL OF AUDIT SERVICES AND PERMITTED NON-AUDIT SERVICES	30
EXTERNAL AUDITOR SERVICE FEES	30
EXEMPTION	30
LEGAL PROCEEDINGS AND REGULATORY ACTIONS.....	31
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS.....	31
TRANSFER AGENT AND REGISTRAR	31
MATERIAL CONTRACTS	31
INTERESTS OF EXPERTS.....	32
ADDITIONAL INFORMATION.....	32

CURRENCY AND PRESENTATION

In this Annual Information Form (the “AIF”), unless the context otherwise dictates, references to the “Company”, “Axcap”, “us”, “we”, or “our” means Axcap Ventures Inc. and/or its subsidiaries.

All information contained in this AIF is presented as at and for the year ended December 31, 2023, unless otherwise indicated. Except as otherwise stated, the information in this AIF is given as of October 14, 2024

All references to dollars (\$) in this AIF are expressed in Canadian dollars, unless otherwise indicated.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this AIF from documents filed with securities regulatory authorities in Canada. Copies of the documents incorporated herein by reference are available under the Company’s profile on the System for Electronic Document Analysis and Retrieval (“SEDAR+”) which can be accessed at www.sedarplus.ca.

USE OF MARKET AND INDUSTRY DATA

This AIF includes market and industry data that has been obtained from third party sources, including industry publications, as well as industry data prepared by the Company’s management on the basis of its knowledge of and experience in the industry in which the Company operates (including management’s estimates and assumptions relating to the industry based on that knowledge). Management’s knowledge of the industry has been developed through its experience and lengthy participation in the industry. Management believes that its industry data is 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 management believes it to be reliable, the Company’s management has not independently verified any of the data from third party sources referred to in this AIF or ascertained the underlying economic assumptions relied upon by such sources.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This AIF contains forward-looking information and forward-looking statements (collectively, “**forward-looking statements**”) within the meaning of applicable securities laws that relate to the Company’s future expectations and views of future events. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. In particular and without limitation, this AIF contains forward-looking statements pertaining to the following:

- the Company’s expectations regarding its revenue, expenses and operations;
- the Company’s intentions with respects to its business and operations;
- the Company’s growth strategy and opportunities;
- the Company’s business objectives;

- the Company's expectations with respect to its working capital requirements and financial obligations;
- the Company's expectations regarding its ability to raise capital;
- the Company and/or its investee companies' expected market and profitability thereof;
- the Competitive position of the Company's investee companies and the regulatory environments in which they operate; and
- anticipated trends and challenges in the Company's and its investee companies' business and the industries in which they operate.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of the Company's management made in light of its experience and its perception of trends, current conditions, expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable. Key assumptions upon which the Company's forward-looking information is based include:

- those related to general economic conditions;
- those related to conditions, including competitive conditions, in the market in which the Company and its investee companies operate;
- the speculative nature of the investments made by the Company;
- the Company's dependency on its board of directors (the "**Board**") and management for the success of the Company; and
- the ability of the Company to safeguard its minority position investments;
- the Company's ability to attract and retain key personnel.

Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Forward-looking statements are also subject to risks and uncertainties facing the Company's business, any of which could have a material impact on its outlook.

Some of the risks the Company faces and the uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements include:

- the Company's limited operating history as an investment company;
- the Company's financial condition and results of operations being dependent upon the market value of the securities that will comprise the Company's investment portfolio, which may create an irregular pattern in the Company's investment gains and revenues (if any);
- the Company may decide, or be required, to divest its interest in certain investments and there is no assurance that such divestitures will be completed on terms favourable to the Company, or at all;
- the Company's revenue and cash flow are generated primarily from financing activities, dividends and/or royalty payments on investments and proceeds from the disposition of investments, and the availability and amounts generated from these sources are dependent on various factors;
- the Company may invest in securities of private and public companies that are illiquid;
- the market price of the Common Shares is subject to wide fluctuations in response to various factors;
- the market price of the Common Shares may vary significantly from the Company's net asset value per Common Share due to the nature of the Company's business;
- the Company's success depends on the availability of investment opportunities, its ability to identify investment opportunities, and its ability to generate funds for investments;

- the trading prices of securities the Company acquires could be subject to wide fluctuations in response to various factors beyond the Company's control;
- competition for favourable investment opportunities;
- there are no restrictions on the proportion of the Company's funds that may be allocated to any particular investment, and, as a consequence, the Company's financial results may be substantially adversely affected by the unfavourable performance of a single investment;
- the Company is dependent on the management and the Board, and the loss of the services of any such individuals could have a material adverse effect on the Company;
- the Company may require funds to support its growth and there are no assurances that additional funding will be available at all, on acceptable terms or at an acceptable level;
- there is no guarantee that an investment in the securities of the Company will earn any positive return in the short-term or long-term;
- the due diligence process undertaken by the Company in connection with investments may not reveal all facts that may be relevant in connection with an investment;
- changes in the value of the foreign currencies in which the Company's investments are denominated could have a negative impact on the return on its investments and overall financial performance;
- the Company's officers and directors are or may, from time to time, be involved in other financial investments and professional activities that may on occasion cause a conflict of interest with their duties to the Company;
- the Company may also be exposed to legal risks in its business, including potential liability under securities or other laws and disputes over the terms and conditions of business arrangements;
- the Company has a relatively short history and has incurred significant losses to date;
- the Company may require substantial capital for future expenditures and its ability to make such expenditures is dependent on various factors;
- the Company may be subject to growth related risks; and
- the Company may issue additional Common Shares in the future, which may dilute a shareholder's holdings in the Company or negatively affect the market price of the Common Shares.

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in those forward-looking statements. The assumptions referred to above and described in greater detail under "*Risk Factors*" should be considered carefully by readers. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update or revise any forward-looking statements, except as, and to the extent required by, applicable securities laws in Canada.

All of the forward-looking statements contained in this AIF are expressly qualified by the foregoing cautionary statements.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated as GAR Limited on February 20, 1987 under the *Business Corporations Act* (Ontario) and was listed for trading on the Canadian Securities Exchange (the “CSE”) on December 31, 2014 under the trading symbol “GL”. On March 9, 2018 the Company completed the acquisition of all the issued and outstanding shares of Netcoins Inc., a private British Columbia company, pursuant to the terms of a share exchange agreement, as amended. The acquisition of Netcoins Inc. constituted a “fundamental change” of Netcoins Inc. pursuant to the policies of the CSE (the “**Fundamental Change**”). In connection with the Fundamental Change, the Company changed its name to “Netcoins Holdings Inc.” On March 13, 2018, the Company resumed trading on the CSE under the symbol “NETC” and doing business as “Netcoins”, and operating under its wholly-owned subsidiary Netcoins Inc. On August 31, 2018, the Company continued its registered jurisdiction from Ontario to British Columbia. In 2020, the Company changed its business from the business of developing software to facilitate the purchase and sale of Bitcoin to an investment issuer.

On April 20, 2022, the Company changed its name to “Axcap Ventures Inc.”

The registered office of the Company is located at 1500-1055 West Georgia Street, Vancouver, British Columbia. The head office of the Company is located at 488 1090 West Georgia St., Vancouver, British Columbia, V6E 3V7, Canada.

The common shares in the capital of the Company (the “**Common Shares**”) are listed on the CSE under the symbol “AXCP”. The Company is a reporting issuer in the Provinces of British Columbia, Alberta, and Ontario.

Intercorporate Relationships

The Company has one wholly-owned subsidiary, PGV Patriot Gold Vault Ltd. (“PGV”).

GENERAL DEVELOPMENTS OF THE BUSINESS

Three Year History

Set out below are certain significant events in the development of the Company’s business over the last three years and up to the date of this AIF.

Year-ended December 31, 2021

On January 20, 2021, the Company announced that it refiled its interim financial statements for the nine months ended September 30, 2020.

On July 23, 2021, the Company appointed Kenneth Cotiamco, Robert Dubeau, Carson Seabolt and Mario Vetro as new directors of the Company. On July 23, 2021, the Company re-appointed Desmond Balakrishnan as a director of the Company.

On July 23, 2021, at the Company’s annual general meeting the Company’s shareholders approved an ordinary resolution approving the change of business of the Company from a business of developing software to better facilitate the purchase and sale of Bitcoin for end users to an investment company.

Year-ended December 31, 2022

On February 7, 2022, the Company closed the first tranche of a non-brokered private placement (the “**2022 Offering**”) comprised of 15,654,825 units of the Company (each a “**2022 Unit**”) at \$0.11 per 2022 Unit for gross proceeds of \$1,722,031. Each 2022 Unit consisted of one Common Share and one transferable Common Share purchase warrant (each a “**2022 Warrant**”). Each 2022 Warrant was exercisable into one additional Common Share at an exercise price of \$0.115 per 2022 Warrant on or before February 7, 2027. In connection with the first tranche of 2022 Offering, the Company paid aggregate cash finder’s fees totaling \$172,203 and issued 1,565,582 finder’s warrants to certain qualified arm’s length finders. Each finder’s warrant was exercisable into one share at an exercise price of \$0.115 per finder’s warrant on or before February 7, 2027.

On April 1, 2022, the Company closed the second tranche of the 2022 Offering comprised of 1,181,661 2022 Units of the Company at \$0.11 per 2022 Unit for gross proceeds of \$129,983. In connection with the second tranche of the 2022 Offering, the Company issued 118,166 finders’ units and 118,166 finder’s warrants to certain qualified arm’s length finders. Each finder’s unit consisted of one share and one finder’s unit warrant. Each finder’s warrant and finder’s unit warrant is exercisable into one finder’s warrant share at an exercise price of \$0.115 per finder’s warrant share on or before March 31, 2027. The proceeds of the 2022 Offering were used for satisfaction of listing requirements and for investments that the Company will be making in the future.

On May 16, 2022, the Company filed a listing statement dated April 26, 2022 with the CSE.

On May 20, 2022, the Company announced that it completed its change of business from an industrial issuer to an investment issuer pursuant to Policy 8 of the CSE. The Company resumed trading on the CSE under the ticker “AXCP”.

Year-ended December 31, 2023

On July 21, 2023, the Company re-appointed Kenneth Cotiamco, Robert Dubeau, Carson Seabolt, Mario Vetro and Desmond Balakrishnan as directors of the Company.

Recent developments from January 1, 2024 to the date of this AIF

On April 9, 2024, the Company announced a proposed consolidation of its Common Shares with a ratio of ten pre-consolidation Common Shares for each one post-consolidation Common Share.

Effective May 6, 2024, Kevin Ma was appointed as the Chief Financial Officer of the Company who replaced Jonathan Yan who served as the Company’s Chief Financial Officer since January 2023. Mr. Ma previously served as the Company’s Chief Financial Officer and Director from March 2018 to July 2021.

On June 17, 2024, the Company closed a non-brokered private placement comprised of 2,000,000 Common Shares at \$0.075 per Common Share for gross proceeds of \$150,000. The private placement was completed pursuant to the listed financing exemption under Part 5A of National Instrument 45-106 – *Prospectus Exemptions*.

On June 21, 2024, the Company announced that it amended and updated its Investment Policy to provide for investments, directly or indirectly, in natural resource companies or projects. The Company announced that its Investment Committee determined that it is in the best interests of the Company to participate in the natural resource market, which represents a significant sector in the junior markets. In connection with the

amendment to the Investment Policy, the Company has appointed Tyron Breytenbach as a director of the Company.

On July 16, 2024, the Company announced that it had entered into a Letter of Intent (the “**PGV LOI**”) dated effective July 15, 2024 to make an investment and purchase a 100% interest in an investee company, PGV, which is a private corporation existing under the laws British Columbia the (“**PGV Transaction**”). Under the terms of the PGV LOI, in consideration for the 100% interest in PGV, the Company will issue an aggregate of 4,583,333 Common Shares (the “**PGV Consideration Shares**”) to such shareholders of PGV who are selling their PGV shares (the “**PGV Shareholders**”). The PGV Consideration Shares shall be exchanged at a ratio of one (1) PGV Consideration Share per common share in the capital of PGV.

On July 19, 2024, the Company announced that it had entered into a Letter of Intent (the “**OntarioCo LOI**”) dated effective July 11, 2024 to purchase of all the issued and outstanding shares of an Ontario corporation having certain shareholdings in a American corporation (“**OntarioCo**”) resulting in the indirect acquisition of a 100% interest in an advanced stage gold project (the “**Gold Project**”) located within the continental USA.

On August 9, 2024, the Company re-appointed Kenneth Cotiamco, Robert Dubeau, Mario Vetro and Desmond Balakrishnan as directors of the Company. The Company was not able to include Mr. Tyron Breytenbach’s appointment as a resolution to be approved at the annual general meeting of shareholders held on August 9, 2024. Accordingly, Mr. Breytenbach began serving as a director of the Company effective as of August 9, 2024.

On August 19, 2024, the Company announced that it closed the first tranche of a non-brokered private placement (the “**2024 Offering**”) in the amount of 35,028,006 units of the Company (the “**2024 Units**”) at a price of \$0.06 per 2024 Unit for gross proceeds of approximately \$2,101,680. Each 2024 Unit consisted of one Common Share and one Common Share purchase warrant (a “**2024 Warrant**”). Each 2024 Warrant entitles the holder thereof to acquire one Common Share at an exercise price of \$0.72 per Common Share for a period of five (5) years from the date of issuance.

On August 26, 2024, the Company announced that further to its news release of July 16, 2024, it has entered into a share exchange agreement dated August 23, 2024 (the “**PGV Definitive Agreement**”) among the Company, PGV, and the PGV Shareholders pursuant to which the Company will make an investment and purchase 100% of the issued and outstanding common shares in the capital of PGV. On August 30, 2024, the Company closed the PGV Transaction.

On September 3, 2024, the Company announced that it closed the second and final tranche of the 2024 Offering in the amount of 34,971,993 2024 Units for gross proceeds of \$2,098,320, for aggregate gross proceeds, including the first tranche, of approximately \$4,200,000.

On September 25, 2024, the Company appointed Luis Zapata as the Company’s President and to its board of Directors.

On September 25, 2024, the Company announced that, further to a binding letter of intent dated May 8, 2024 (the “**Rattlesnake Hills LOI**”), its investee company, PGV, signed a definitive agreement dated August 15, 2024 (the “**Rattlesnake Hills Agreement**”) to acquire the Rattlesnake Hills Gold Project (the “**Rattlesnake Hills Project**”) from GFG Resources Inc. (“**GFG**”). Pursuant to the terms of the Rattlesnake Hills Agreement, PGV will pay GFG aggregate consideration of approximately C\$3,300,000 to acquire the Rattlesnake Hills Project in addition to certain milestone and resource bonus payments.

On September 27, 2024, the Company announced that it entered into a binding letter of intent (the “**Carlyle LOI**”) to acquire from Carlyle Commodities Corp. (“**Carlyle**”) a gold project located in the British Columbia. Pursuant to the terms of the Carlyle LOI, the company will pay Carlyle aggregate consideration of approximately C\$2,800,000 in cash and Common Shares to acquire the project in addition to certain milestone payments (the “**Carlyle Transaction**”). In addition, the Company will pay a finder's fee in connection with the Carlyle Transaction in the amount of 675,000 Common Shares to certain finders who assisted the Company in identifying and negotiating the Carlyle Transaction.

On October 7, 2024, the Company entered into a share purchase agreement (the “**Converse Agreement**”) among the Company, Converse Acquisition Company, Limited (“**Converse**”) and the sole shareholder of Converse (the “**Converse Shareholder**”), pursuant to which the Company will purchase all the issued and outstanding common shares in the capital of Converse from the Converse Shareholder (the “**Converse Transaction**”). Converse indirectly owns a 100% interest in an advanced stage gold project located in Nevada, United States (the “**Converse Property**”).

Pursuant to the terms of the Converse Agreement, the Company shall pay the Converse Shareholder aggregate cash payments of approximately C\$1,500,000 and shall issue the Converse Shareholder 20,000,000 Common Shares (on a post-split basis). Converse acquired the Converse Property pursuant to a membership interest purchase agreement and is required to make an aggregate of approximately C\$10,000,000 in milestone payments over a four (4) year period. Completion of the Converse Transaction remains subject to a number of conditions, including the completion of the Company’s offering of securities for gross proceeds of not less than C\$4,000,000 and the receipt of any required regulatory approvals, including the CSE

On October 8, 2024, the Company announced that the Board of Directors have approved a share split of the Common Shares on the basis of one (1) pre-split Common Share for 2.4 post-split Common Shares, subject to regulatory approval.

Significant Acquisitions

The Company has not completed any significant acquisitions during its most recently completed financial year.

DESCRIPTION OF THE BUSINESS

General

The objective of the Company is to provide investors with long-term capital growth by investing in a portfolio of early stage or undervalued companies or natural resource projects (“**Projects**”). It is planned that the Company will “unlock” value or “accelerate” growth of investee companies or Projects as a provider of capital and strategic guidance. The Company will strive to complement management as an active participant generally assisting in every aspect of the business or project development, including providing board of director and capital market advisory services.

The Company has adopted an Investment Policy, as amended on June 17, 2024, to govern its investment activities and investment strategy, a copy of which is attached as Schedule “A” hereto.

Investment Strategy

The following are the guidelines for the Company’s investment strategy:

- Investments shall be focused on development stage companies or Projects in all sectors or commodities, including technology, alternative currency, natural resources, oil and gas or renewable energy. Such investee companies or Projects may be private or public companies and there will be no bias to sector based on economic, financial and market conditions. Investments in investee companies or Projects may be direct.
- Target investments shall encompass companies at all stages of development, including pre-IPO and/or early-stage companies with undeveloped and undervalued high-quality assets requiring start-up or development capital, as well as intermediate and senior companies.
- Initial investments of debt, equity or a combination thereof may be made through a variety of financial instruments including, but not limited to, private placements, participation in initial public offerings, bridge loans, secured loans, unsecured loans, convertible debentures, warrants and options, royalties, net profit interests and other hybrid instruments, which will be acquired and held both for long-term capital appreciation and shorter-term gains.
- The nature and timing of the Company's investments will depend, in part, on available capital at any particular time and the investment opportunities identified and available to the Company.
- A key aspect of the investment strategy shall be seeking undervalued companies or Projects with strong management teams and solid business models that can benefit from macro-economic trends. Notwithstanding this requirement, consideration will be given to opportunities where existing management may need the infusion of high-level guidance, direction and expertise from the Company. In such situations, the Company intends to work closely with an investee company's management and board of directors to structure and deliver the strategic and financial resources to help such company best take advantage of its prospective or estimated resources and to mature into a successful commercial enterprise.
- In general, the Company invests with a view to having active control and or management representation and to providing capital markets advisory services, including (as required) board member and management services and capital markets advisory to investee companies with respect to Projects the Company will provide. The Company may also structure an investment to assume a controlling or joint-controlling interest in a company, which may or may not involve the provision of advice to management and/or board participation. The Company may seek equity participation in situations to which the Company can potentially add value by its involvement, not only financially but also by the contribution of guidance and additional management expertise. In certain circumstances, the investment activities of the Company may be passive.
- Immediate liquidity shall not be a requirement, but each investment shall be evaluated in terms of a clear exit strategy designed to maximize the relative return in light of changing fundamentals and opportunities.
- Subject to applicable laws, there are no restrictions on the size or market capitalization with respect to the Company's investments in the equity securities of public or private issuers.
- Cash reserves may, from time to time as appropriate, be placed into high quality money market investments, including Canadian Treasury Bills or corporate notes rated at least R-1 by DBRS Limited, each with a term to maturity of less than one year.

- Subject to the full approval of the Board, the Investment Committee may consider certain special investment situations, including assuming a controlling or joint-controlling interest in an invested company or becoming operator in respect of natural resource investments, which may also involve the provision of advice to management and/or board participation.
- The Company's investments in the natural resources industry may include the ownership of real estate and commodities and investments in the exploration, development and infrastructure of natural resources.
- All investments shall be made in full compliance with applicable laws in relevant jurisdictions and shall be made in accordance with and governed by the rules and policies in effect in the regulatory environment.

From time to time, the Board may authorize such additional investments outside of the guidelines described herein as it sees fit for the benefit of the Company and its shareholders.

Nature of Involvement

The Company may, from time to time, seek a more active role in the companies in which it invests, and provide such companies with financial and personnel resources, as well as strategic counsel. The Company may also ask for board representation in cases where it makes a significant investment in the business of an investee company. The Company's nominee(s) shall be determined by the Board as appropriate in such circumstances.

Implementation and Investment Evaluation Process

The officers, directors and management of the Company shall work jointly and severally to uncover appropriate investment opportunities. These individuals have a broad range of business experience and their own networks of business partners, financiers, venture capitalists and finders through whom potential investments may be identified.

Prospective investments will be channelled through the Investment Committee. The Investment Committee shall make an assessment of whether the proposal fits with the investment and corporate strategy of the Company in accordance with the investment evaluation process below, and then proceed with preliminary due diligence, leading to a decision to reject or move the proposal to the next stage of detailed due diligence. This process may involve the participation of outside professional consultants.

Once a decision has been reached to invest in a particular situation, a short summary of the rationale behind the investment decision should be prepared by the Investment Committee and submitted to the Board. The summary should also highlight any finder's or agents' fees payable by the Company on the transaction.

All investments shall be submitted to the Board for final approval. The Investment Committee will select all investments for submission to the Board and monitor the Company's investment portfolio on an ongoing basis, and will be subject to the direction of the Board. One member of the Investment Committee may be designated and authorized to handle the day-to-day trading decisions in keeping with the directions of the Board and the Investment Committee.

Negotiation of terms of participation is a key determinant of the ultimate value of any opportunity to the Company. Negotiations may be on-going before and after the performance of due diligence. The representative(s) of the Company involved in these negotiations will be determined in each case by the circumstances.

The Investment Committee shall use both a top-down and bottom-up approach in identifying and submitting investments to the Board for approval. The investment approach will be to develop a macro view of a sector, build a position consistent with such view by identifying micro-cap opportunities within that sector, and devise an exit strategy designed to maximize the relative return in light of changing fundamentals and opportunities.

In selecting securities for the investment portfolio of the Company, the Investment Committee will consider various factors in relation to any particular issuer, including:

- inherent value of its resource assets or other assets (in the case of a non-resource issuer);
- proven management, clearly-defined management objectives and strong technical and professional support;
- future capital requirements to develop the full potential of its business and the expected ability to raise the necessary capital;
- anticipated rate of return and the level of risk;
- financial performance;
- exit strategies and criteria; and
- capital market appetite for the sector being invested in.

Conflicts of Interest

The Company has assembled a strong Board and management team, with diverse backgrounds and significant business expertise and experience. In assembling a Board with these characteristics, the Company has two primary goals:

- to gain exposure to a wide variety of potential investments, including investments that Board members may already be familiar with or that come to their attention through other business dealings; and
- where a Board member has a personal interest in a potential investment, to ensure that the Company has independent, qualified directors available to conduct an independent assessment.

The Company has no restrictions with respect to investing in companies in which a Board member may already have an interest. Any potential investments where there is a material conflict of interest involving an employee, officer or director of the Company may only proceed after receiving approval from disinterested directors of the Board. The Company is also subject to the “related party” transaction policies of the CSE, which mandates disinterested shareholder approval to certain transactions.

Monitoring and Reporting

The Company’s Chief Financial Officer is primarily responsible for the reporting process whereby the performance of each of the Company’s investments is monitored. Quarterly financial and other progress reports are gathered from each investee entity and form the basis for a quarterly review of the Company’s

investment portfolio by the Investment Committee. Any deviations from expectation will be investigated by the Investment Committee and, if deemed to be significant, reported to the Board.

With public company investments, the Company usually does not have any difficulty accessing financial information relevant to its investment. In the event the Company invests in private enterprises, it endeavors in each case to obtain a contractual right to be provided with timely access to all books and records it considers necessary to monitor and protect its investment in such private enterprises and to be informed of any material changes in the private enterprises.

A full report of the status and performance of the Company's investments is prepared by the Investment Committee and presented to the Board at the end of each fiscal year.

Investments/Investment Portfolio

As at December 31, 2023, the Company's investments consisted of:

Description	Number of securities			Cost	Fair Value
	Shares	Warrants	Debentures		
PRIVATE INVESTMENTS					
Lannister Mining Corp.	100,000	Nil	Nil	\$125,100	\$ N/A ¹
Purpose ESG Holdings Ltd.	300,000	Nil	Nil	\$75,000	\$54,844
GH Power Inc.	83,333	Nil	Nil	\$20,000	\$20,000
PUBLIC INVESTMENTS					
Rua Gold Inc. (formerly, First Uranium Resources Ltd.)	3,229,500	Nil	Nil	\$520,474	\$322,950
MCF Energy Ltd.	400,000	Nil	Nil	\$80,000	\$72,000
Alaska Energy Metals Corporation.	506,000	Nil	Nil	\$214,277	\$199,870
Trillion Energy International Inc. ²	Nil	248,845	Nil	\$-	\$-
Recharge Resources Ltd. ³	Nil	1,000,000	Nil	\$-	\$42,715
Rockland Resources Ltd. ⁴	Nil	50,000	Nil	\$-	\$-
Total Helium Ltd. ⁵	Nil	200,000	Nil	\$-	\$1,000
Total investments as at December 31, 2023	4,618,833	1,498,85		\$1,034,851	\$713,379

Notes:

- (1) The fair value for Lannister Mining Corp., currently a private company, is not yet determinable. The latest market price to go-public was not consistent with current market valuations and still not closed. Management has determined the fair value will be nil until the public offering is complete.
- (2) Trillion Energy International Inc. warrants were acquired as part of a units offering. The Company acquired 496,970 units, and 248,485 warrants for a total cost of \$149,091. There is no cost attributed to the warrants.
- (3) Recharge Resources Ltd. warrants were acquired as part of a units offering. The Company acquired 1,000,000 units, and 1,000,000 warrants for a total cost of \$100,000. There is no cost attributed to the warrants.
- (4) Rockland Resources Ltd. warrants were acquired as part of a units offering. The Company acquired 100,000 units, and 50,000 warrants for a total cost of \$20,100. There is no cost attributed to the warrants.
- (5) Total Helium Ltd. warrants were acquired as part of a units offering. The Company acquired 200,000 units, and 200,000 warrants for a total cost of \$100,000. There is no cost attributed to the warrants.

Specialized Skills and Knowledge

Members of the Company's Board and management have diverse backgrounds and significant business expertise and experience which enable the Company to gain exposure to a wide variety of potential investments, including investments that Board members may already be familiar with or that come to their attention through other business dealings. Further, management of the Company has a strong track record of identifying sound investment opportunities and making prudent business decisions. The Company has adequate personnel with the specialized skills required to successfully carry out its operations.

Competitive Conditions

The Company competes against a broad range of other potential investors for opportunities to make investments consistent with its Investment Policy. These other investors include venture capital and private equity funds, other publicly listed investment issuers, strategic corporate investors, family offices and high net worth individuals. Some of these competitors may have greater access to capital than the Company and may have different investment objectives and criteria.

The Company believes that the Board's and management's extensive business networks, experience in raising capital required to develop projects to their full potential, and experience in the successful turn-around of businesses give it a competitive advantage in identifying, securing and successfully completing investments within its area of focus.

Employees

As of the date hereof, the Company has five directors and three officers (its CEO, its CFO, and its Corporate Secretary) all of whom are independent contractors. The Company has no employees.

Foreign Operations

The Company has invested in companies that operate outside of Canada. See risk factors "*U.S. Operations*" and "*Exchange Rate Fluctuations*."

Competitive Conditions

The Company competes with other companies in the industries and sectors in which it seeks to invest, as well as mutual funds, investment funds, hedge funds, investment companies, management companies and other investment vehicles for investment opportunities. Many of these competitors have greater financial, technical, and other resources than the Company. To compete, the Company depends on the knowledge, experience and network of business contacts of management and the Board. See "*Risk Factors*".

Economic Dependence

No part of the Company's business is reasonably expected to be affected in the current financial year by either the renegotiation or termination of any contract.

Lending

The Company does not currently have any lending operations but may engage in lending activities from time to time.

Reorganizations

The Company has not completed any material reorganization and no reorganization is proposed for the current financial year.

Bankruptcy and Similar Procedures

There are no bankruptcies, receivership or similar proceedings against the Company, nor is the Company aware of any such pending or threatened proceedings. There has not been any voluntary bankruptcy, receivership or similar proceeding, by the Company during its last three financial years.

RISK FACTORS

The following are certain risk factors relating to the Company's business, financial position, results of operations and cash flows. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this AIF. These risks and uncertainties are not the only ones the Company is facing. Additional risks and uncertainties not presently known to us, or that we currently deem immaterial, may also impair our operations. If any such risks actually occur, the business, financial condition, liquidity and results of our operations could be materially adversely affected.

Limited Operating History as an Investment Company

The Company has a limited record of operating as an investment company. As such, the Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that the Company will not achieve its financial objectives as estimated by management or at all. Past successes of management does not guarantee future success for the Company.

Portfolio Exposure and Sensitivity to Macro-Economic Conditions

Given the nature of the Company's investment activities, the results of operations and financial condition of the Company will be dependent upon the market value of the securities that will comprise the Company's investment portfolio. Market value can be reflective of the actual or anticipated operating results of companies in the portfolio and/or the general market conditions that affect a particular sector. Various factors affecting a sector could have a negative impact on the Company's portfolio of investments and thereby have an adverse effect on the Company's business. Additionally, the Company may invest in small-cap businesses that may never mature or generate adequate returns, or which may require a number of years to do so. This may create an irregular pattern in the Company's investment gains and revenues (if any).

Macro factors such as fluctuations in commodity prices and global political and economic conditions could also negatively affect the Company's portfolio of investments. The Company may be adversely affected by the falling share prices of the securities of investee companies; as such, share prices may directly and negatively affect the estimated value of the Company's portfolio of investments. Moreover, company-specific risks could have an adverse effect on one or more of the investments that may comprise the portfolio at any point in time. Company-specific and industry-specific risks that may materially adversely affect the Company's investment portfolio may have a materially adverse impact on operating results. The factors affecting current macro-economic conditions are beyond the control of the Company.

Risks Associated with Divestment

In certain circumstances, the Company may decide, or be required, to divest its interest in certain investments. In particular, if any investee companies violate any applicable laws and regulations, including U.S. federal law, the Company may be required to divest its interest in such investment or risk significant fines, penalties, administrative sanctions, convictions or settlements. There is no assurance that these divestitures will be completed on terms favourable to the Company, or at all. Any opportunities resulting from these divestitures, and the anticipated effects of these divestitures on the Company, may never be realized, or may not be realized to the extent the Company anticipates. Any required divestiture or an actual or perceived violation of applicable laws or regulations could have a material adverse effect on the Company, including its reputation and ability to conduct business, its holdings (directly or indirectly) in the companies it has invested, the listing of its securities on applicable stock exchanges, its financial position, operating results, profitability or liquidity or the market price of its publicly traded Common Shares. In addition, it is difficult for the Company to estimate the time or resources that may be required for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial.

Cash Flow and Revenue

The Company's revenue and cash flow are generated primarily from financing activities, dividends and/or royalty payments on investments and proceeds from the disposition of investments. The availability of these sources of income and the amounts generated from these sources are dependent upon various factors, many of which are outside of the Company's direct control. The Company's liquidity and operating results may be adversely affected if its access to capital markets is hindered, whether as a result of a downturn in market conditions generally or to matters specific to the Company, or if the value of its investments decline, resulting in losses upon disposition.

Private Issuers and Illiquid Securities

The Company may invest in securities of private issuers, illiquid securities of public issuers and publicly-traded securities that have low trading volumes. The value of these investments may be affected by factors such as investor demand, resale restrictions, general market trends and regulatory restrictions. Fluctuation in the market value of such investments may occur for a number of reasons beyond the control of the Company and there is no assurance that an adequate market will exist for investments made by the Company. Many of the investments made by the Company may be relatively illiquid and may decline in price if a significant number of such investments are offered for sale by the Company or other investors.

Volatility of Stock Price

The market price of the Common Shares has been and may continue to be subject to wide fluctuations in response to factors such as actual or anticipated variations in its results of operations, changes in financial estimates by securities analysts, general market conditions and other factors. Market fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, may adversely affect the market price of the Common Shares, even if the Company is successful in maintaining revenues, cash flows or earnings. The purchase of the Common Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment.

Trading Price of the Common Shares Relative to Net Asset Value

The Company is neither a mutual fund nor an investment fund and, due to the nature of its business and investment strategy and the composition of its investment portfolio, the market price of the Common Shares, at any time, may vary significantly from the Company's net asset value per Common Share. This risk is separate and distinct from the risk that the market price of the Common Shares may decrease.

Available Opportunities and Competition for Investments

The success of the Company's operations will depend upon, among other things: (a) the availability of appropriate investment opportunities; (b) the Company's ability to identify, select, acquire, grow and exit those investments; and (c) the Company's ability to generate funds for future investments. The Company encounters competition from other entities having similar investment objectives, including institutional investors and strategic investors. These groups may compete for the same investments as the Company, will have a longer operating history and may be better capitalized, have more personnel and have different return targets. As a result, the Company may not be able to compete successfully for investments. In addition, competition for investments may lead to the price of such investments increasing, which may further limit the Company's ability to generate desired returns. There can be no assurance that there will be a sufficient number of suitable investment opportunities available to invest in or that such investments can be made within a reasonable period of time. There can also be no assurance that the Company will be able to identify suitable investment opportunities, acquire them at a reasonable cost or achieve an appropriate rate of return. Identifying attractive opportunities is difficult, highly competitive and involves a high degree of uncertainty. Potential returns from investments will be diminished to the extent that the Company is unable to find and make a sufficient number of investments.

Share Prices of Investments

Investments in securities of public companies are subject to volatility in the share prices of such companies. There can be no assurance that an active trading market for any of the subject shares comprising the Company's investment portfolio is sustainable. The trading prices of such subject shares could be subject to wide fluctuations in response to various factors beyond the Company's control, including, but not limited to, quarterly variations in the subject companies' results of operations, changes in earnings, results of exploration and development activities, estimates by analysts, and general market or economic conditions. In recent years, equity markets have experienced extreme price and volume fluctuations. These fluctuations have had a substantial effect on market prices, often unrelated to the operating performance of the specific companies. Such market fluctuations could adversely affect the market price of the Company's investments.

Concentration of Investments

Other than as described herein, there are no restrictions on the proportion of the Company's funds and no limit on the amount of funds that may be allocated to any particular investment. The Company may participate in a limited number of investments and, as a consequence, its financial results may be substantially adversely affected by the unfavourable performance of a single investment. Completion of one or more investments may result in a highly concentrated investment in a particular company or geographic area, resulting in the performance of the Company depending significantly on the performance of such company or geographic area.

Competition for Investments

There is potential that the Company will face intense competition from numerous other companies, some of which can be expected to have longer operating histories and more financial resources and technical,

manufacturing and marketing experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the Company's ability to acquire Investments.

To remain competitive, the Company will require a continued high level of investment in research, marketing and networking, and research and development, marketing, sales and client support for its Investments. The Company may not have sufficient resources to maintain its operations on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Company.

Dependence on Management, Directors and Investment Committee

The Company is dependent upon the efforts, skill and business contacts of key members of management, the Board and the Investment Committee for, among other things, the information and deal flow they generate during the normal course of their activities and the synergies that exist amongst their various fields of expertise and knowledge. Accordingly, the Company's success may depend upon the continued service of these individuals to the Company. The loss of the services of any of these individuals could have a material adverse effect on the Company's revenues, net income and cash flows and could harm its ability to maintain or grow assets and raise funds.

From time to time, the Company will also need to identify and retain additional skilled management to efficiently operate its business. Recruiting and retaining qualified personnel is critical to the Company's success and there can be no assurance of its ability to attract and retain such personnel. If the Company is not successful in attracting and training qualified personnel, the Company's ability to execute its business model and growth strategy could be affected, which could have a material and adverse impact on its profitability, results of operations and financial condition.

Additional Financing Requirements

The Company may have ongoing requirements for funds to support its growth and may seek to obtain additional funds for these purposes through public or private equity, or debt financing. There are no assurances that additional funding will be available at all, on acceptable terms or at an acceptable level. Any limitations on the Company's ability to access the capital markets for additional funds could have a material adverse effect on its ability to grow its investment portfolio.

No Guaranteed Return

There is no guarantee that an investment in the securities of the Company will earn any positive return in the short-term or long-term. The task of identifying investment opportunities, monitoring such investments and realizing a significant return is difficult. Many organizations operated by persons of competence and integrity have been unable to make, manage and realize a return on such investments successfully. The past performance of management of the Company provides no assurance of its future success.

Due Diligence

The due diligence process undertaken by the Company in connection with investments may not reveal all facts that may be relevant in connection with an investment. Before making investments, the Company will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, the Company may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and

making an assessment regarding an investment, the Company will rely on resources available, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that is carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Exchange Rate Fluctuations

A proportion of the Company's investments will be made in Canadian dollars and the Company has also made investments in securities denominated or quoted in U.S. dollars or other foreign currencies. Changes in the value of the foreign currencies in which the Company's investments are denominated could have a negative impact on the ultimate return on its investments and overall financial performance.

Non-Controlling Interests

The Company's investments are likely to consist of debt instruments and equity securities of companies that it does not control. These investments will be subject to the risk that the company in which the investment is made may make business, financial or management decisions with which the Company does not agree or that the majority stakeholders or the management of the investee company may take risks or otherwise act in a manner that does not serve the Company's interests. If any of the foregoing were to occur, the values of the Company's investments could decrease and its financial condition, results of operations and cash flow could suffer as a result.

Potential Conflicts of Interest

Certain of the directors and officers of the Company are or may, from time to time, be involved in other financial investments and professional activities that may on occasion cause a conflict of interest with their duties to the Company. These include serving as directors, officers, advisors or agents of other public and private companies, including companies involved in similar businesses to the Company or companies in which the Company may invest, management of investment funds, purchases and sales of securities and investment and management counselling for other clients. Such conflicts of the Company's directors and officers may result in a material and adverse effect on the Company's results of operations and financial condition.

Potential Transaction and Legal Risks

The Company intends to manage transaction risks through allocating and monitoring its capital investments in circumstances where the risk to its capital is minimal, carefully screening transactions, and engaging qualified personnel to manage transactions, as necessary. Nevertheless, transaction risks may arise from the Company's investment activities. These risks include market and credit risks associated with its operations. An unsuccessful investment may result in the total loss of such an investment and may have a material adverse effect on the Company's business, results of operations, financial condition and cash flow.

The Company may also be exposed to legal risks in its business, including potential liability under securities or other laws and disputes over the terms and conditions of business arrangements. The Company also faces the possibility that counterparties in transactions will claim that it improperly failed to inform them of the risks involved or that they were not authorized or permitted to enter into such transactions with the Company and that their obligations to the Company are not enforceable. During a prolonged market downturn, the Company expects these types of claims to increase. These risks are often difficult to assess or quantify and their existence and magnitude often remains unknown for substantial periods of time. The Company may incur significant legal and other expenses in defending against litigation involved with any

of these risks and may be required to pay substantial damages for settlements and/or adverse judgments. Substantial legal liability or significant regulatory action against the Company could have a material adverse effect on its results of operations and financial condition.

Results to Date and Additional Requirement for Capital

The Company has a relatively short history and has incurred significant losses to date. Due to the nature of its business, there can be no assurance that the Company will be profitable in the future. The Company has not paid dividends on its Common Shares since incorporation and does not anticipate doing so in the foreseeable future. The Company may need to raise additional capital in the future to fund the expected capital requirements on future investments. The future of the Company may therefore be dependent upon its ability to raise the required funding in the form of equity, debt, joint ventures, or a combination thereof. The Company has limited debt capacity and therefore a significant part of its future may need to be financed primarily through equity or third-party joint ventures, though some debt may be obtained. There is no assurance that additional financing will be available and, if available, on terms acceptable to the Company. Any additional equity financing may be dilutive to shareholders and debt financing, if available, may involve restrictions on financing and operating activities.

Substantial Capital Requirements

The Company may require substantial capital expenditures for future activities. As future capital expenditures will be financed out of possible cash generated from operations, possible borrowings and possible future equity sales, the Company's ability to make capital expenditures is dependent on, among other factors: (i) the overall state of the capital markets; (ii) interest rates; (iii) the Company's ability to obtain debt financing; and (iv) tax burden due to current and future tax laws. There can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's business financial condition, results of operations and prospects.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth could have a material adverse impact on its business, operations and prospects.

Future Sales of Common Shares by the Company

The Company may issue additional Common Shares in the future, which may dilute a shareholder's holdings in the Company or negatively affect the market price of the Common Shares. The Company's articles permit the issuance of an unlimited number of Common Shares and an unlimited number of Preferred Shares, issuable in series, and shareholders will have no pre-emptive rights in connection with such further issuances. The directors of the Company have the discretion to determine the provisions attaching to any series of the preferred shares and the price and the terms of issue of further issuances of Common Shares. Also, additional Common Shares will be issued by the Company on the exercise of stock options under the Company's stock option plan, or pursuant to other share compensation arrangements.

DIVIDENDS AND DISTRIBUTIONS

The Company has not declared nor paid any cash dividends on any of its issued Common Shares since its inception. Other than requirements imposed under applicable corporate law, there are no other restrictions on the Company's ability to pay dividends under the Company's constating documents. The Company has no present intention of paying dividends on the Common Shares, as it anticipates that all available funds will be invested to finance the growth of its business and, when appropriate, retire debt.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The Company is authorized to issue an unlimited number of Common Shares, and as of the date of this AIF, 78,764,441 Common Shares were issued and outstanding as fully paid and non-assessable. The holders of Common Shares are entitled to receive notice of and to attend any meeting of shareholders of the Company and have the right to one vote per Common Share thereat. The holders of Common Shares are entitled to receive any dividend declared by the Company's Board, and have the right to receive a proportionate amount, on a per share basis of the remaining property of the Company on its dissolution, liquidation, winding up, or other distribution of its assets or property among its shareholders for the purpose of winding up its affairs.

Options

As of the date of this AIF, there were **nil** Common Shares reserved for issuance pursuant to stock options.

Warrants

As of the date of this AIF, there were 71,863,839 Common Shares reserved for issuance pursuant to warrants. The following table describes the material terms of the issued and outstanding Warrants:

<u>Date Issued</u>	<u>Number of Underlying Common Shares</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
February 7, 2022	1,722,041 ⁽¹⁾	\$0.115	February 7, 2027
March 31, 2022	141,799 ⁽¹⁾	\$0.115	March 31, 2027
August 19, 2024	35,028,006	\$0.72	August 19, 2029
September 3, 2024	34,971,993	\$0.72	September 3, 2029

Note:

(1) on a post-consolidated basis.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed and posted for trading on the CSE under the symbol “AXCP”. The following table sets out the high and low trading prices and aggregate volume of trading of the Common Shares on the CSE for the following periods (as reported by the CSE).

Period	High (\$)	Low (\$)	Volume
December 2023	\$0.045	\$0.03	27,952
November 2023	\$0.04	\$0.03	43,640
October 2023	\$0.035	\$0.03	7,347
September 2023	\$0.04	\$0.035	13,588
August 2023	\$0.10	\$0.03	39,740
July 2023	\$0.07	\$0.065	16,073
June 2023	\$0.075	\$0.06	23,716
May 2023	\$0.15	\$0.075	16,508
April 2023	\$0.10	\$0.075	16,478
March 2023	\$0.14	\$0.09	22,171
February 2023	\$0.13	\$0.11	20,661
January 2023	\$0.13	\$0.10	24,135

Prior Sales

During the financial year ended December 31, 2023, and in the subsequent months to the date of this AIF, the following securities of the Company, which are not listed or quoted on a marketplace, were issued:

<u>Date of Issuance</u>	<u>Type of Security</u>	<u>Number</u>	<u>Issue or Exercise Price Per Security</u>	<u>Aggregate Issue or Exercise Price</u>
August 19, 2024	Warrants ⁽¹⁾	35,028,006	\$0.72	\$2,101,680.32
September 3, 2024	Warrants ⁽¹⁾	34,971,993	\$0.72	\$2,098,319.58

Note:

(1) Issued as part of Units in connection with the Company’s 2024 Offering.

ESCROWED SECURITIES

As of the date of this AIF there were approximately 69,999,999 Common Shares are subject to voluntary lock-up and cannot be sold, transferred, pledged, hypothecated or otherwise assigned or traded until such locked-up Common Shares have been released from lock-up in accordance with the respective release

schedule applicable to such locked-up Common Shares. Such locked-up Common Shares shall be released from lock-up over a period of 24 months.

Designation of Class Held in Escrow	Number of Securities Held in Escrow	Percentage of Class
Common Shares	69,999,999 ⁽¹⁾	88.8%
Warrants	69,999,999 ⁽¹⁾	88.8%

Note:

- (1) The Common Shares and Warrants held pursuant to voluntary lock-up are to be released as follows: 2.5% of the securities shall be released on each of the 6th, 7th, and 8th month anniversaries from the date of issuance, 5.0% of the securities will be released at each of the 9th to 19th month anniversaries from the date of issuance, and the remaining locked-up securities shall be released in 7.5% intervals on each of the 20th to 24th month anniversaries from the date of issuance.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holdings

The following table sets out information regarding the Company's directors and executive officers. The term of office for the directors expires at the Company's next annual meeting of shareholders.

Name, Province and Country of Residence	Position with the Company	Principal Occupation for the Last Five Years⁽¹⁾	Served as a Director/Officer of the Company since	Number and Percentage of Common Shares Beneficially Owned or Controlled⁽¹⁾⁽²⁾
Desmond Balakrishnan ⁽³⁾ , British Columbia, Canada	Director	Corporate Securities Lawyer (1997 to present). Partner at McMillan LLP (formerly Lang Michener LLP) (2004 to present).	August 31, 2018	416,667 0.50%
Mario Vetro British Columbia, Canada	Director	Partner at Commodity Partners Inc. (2014 to present)	July 23, 2021	4,479,463 5.7%
Tyron Breytenbach Ontario, Canada	Director	Chief Executive Officer of Lithium Africa Resources Corp. (2024 to present) Senior Vice President of Capital Markets at Aris Mining Corporation (June 2022 to March 2024) Managing Director of Cormark Securities Inc.	August 9, 2024	4,166,667 5.3%

Name, Province and Country of Residence	Position with the Company	Principal Occupation for the Last Five Years ⁽¹⁾	Served as a Director/Officer of the Company since	Number and Percentage of Common Shares Beneficially Owned or Controlled ⁽¹⁾⁽²⁾
		(September 2020 to June 2022 and June 2012 to March 2020) Managing Director of Stifel GMP (March 2020 to August 2020)		
Kevin Ma British Columbia, Canada	Chief Financial Officer	Principal of Calibre Capital Partners Corp. and KGSK Capital Management Corp. (2015 to present) CFO of Electra Battery Materials Corp. (December 2016 to February 2018)	May 9, 2024	Nil Nil %
Luis Zapata Peru	President and Director	President of A15 Capital Corp. (January 2013 to present) CEO Vista Gold SAC. (January 2021 to present) Executive Chairman Silver X Mining Corp. (January 2020 to June 2022)	September 25, 2024	1,250,000 1.59%
Robert Dubeau ⁽³⁾ British Columbia, Canada	Chief Executive Officer and Director	Real estate investor and director of various non-profit organizations	July 23, 2021	632,212 0.8%
Kenneth Cotiamco ⁽³⁾ British Columbia, Canada	Director	Managing Partner, Commodity Partners Inc (January 2018 to present)	July 23, 2021	424,243 0.54%
Shannon Anderson British Columbia, Canada	Corporate Secretary	Head of Operations, Commodity Partners Inc. (March 2019 to present)	August 5, 2022	500 0%

Notes:

- (1) The information as to the principal occupation, business or employment, and shares beneficially owned or controlled is not within the knowledge of the Company and has been furnished by the respective director/officer.

- (2) Based on 78,764,441 Common Shares issued and outstanding as of the date hereof.
- (3) Member of the Audit Committee.

Term of Office

The term of office of each director of the Company expires at the end of the next annual meeting of Shareholders.

Director and Officer Share Ownership

As of the date of the AIF, the Company's directors and executive officers, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 11,369,752 Common Shares, representing approximately 14.4% of the issued and outstanding Common Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as described below, no director or executive officer of the Company is, as at the date of this AIF, or has been within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company), that:

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

No director or executive officer of the Company, nor a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is, as at the date of this AIF, or has been within 10 years before the date of this AIF, a director or executive 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
- (b) has, within 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become 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 proposed director.

No director or executive officer of the Company has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a

securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Desmond Balakrishnan

On June 16, 2020, the British Columbia Securities Commission (the “**BCSC**”) issued a CTO against the Company in connection with the late filing of its annual financial statements, management’s discussion and analysis and officers’ certifications for the year ended December 31, 2019 (the “**2019 Financial Statements**”). The Company subsequently filed the 2019 Financial Statements and the BCSC revoked the CTO on July 16, 2020.

Desmond Balakrishnan, a director of the Company, was a director of Aroway Energy Inc., a TSX Venture Exchange listed company at the time a CTO was issued by the BCSC on January 4, 2016 for not having filed its annual financial statements for the year ended June 30, 2015 and its interim financial report for the financial period ended September 30, 2015 and its management’s discussion and analysis for the periods ended June 30, 2015 and September 30, 2015. The CTO remains in effect.

Desmond Balakrishnan was a director of Hempfusion Wellness Inc., a Toronto Stock Exchange listed company at the time a CTO was issued by the BCSC and the Ontario Securities Commission on July 7, 2022 for not having filed its annual financial statements for the year ended December 31, 2021, its interim financial report for the period ended March 31, 2022, its management’s discussion and analysis for the periods ended December 31, 2021 and March 31, 2022, its annual information form for the year ended December 31, 2021 and its certification of annual and interim filings for the periods ended December 31, 2021 and March 31, 2022. The CTO remains in effect. Mr. Balakrishnan resigned as a director of Hempfusion Wellness Inc. on July 5, 2023.

Desmond Balakrishnan was a director of Isracann Biosciences Inc. (“**Isracann**”), a CSE-listed company, at the time the BCSC issued a management cease trade order (the “**MCTO**”) against Isracann on September 29, 2022 in connection with the late filing of Isracann’s annual financial statements, management’s discussion and analysis and officer’s certifications for the year ended May 31, 2022. The MCTO was revoked on December 9, 2022.

The BCSC issued an MCTO against Isracann on February 1, 2023 in connection with the late filing of the Company’s unaudited interim financial statements, management’s discussion and analysis and officer’s certifications for the period ended November 30, 2022. Subsequently, the BCSC issued a CTO on April 5, 2023. The CTO and the MCTO remain in place. Mr. Balakrishnan resigned as a director of Isracann on January 22, 2024.

Desmond Balakrishnan is a director of Cognetivity Neurosciences Ltd. (“**Cognetivity**”), a CSE-listed company. The BCSC issued an MCTO against Cognetivity on June 1, 2022 in connection with the late filing of Cognetivity’s annual financial statements, management’s discussion and analysis and officer’s certifications for the year ended January 31, 2022. The MCTO was revoked on June 6, 2022.

The BCSC issued an MCTO against Cognetivity on June 1, 2023 in connection with the late filing of Cognetivity’s annual financial statements, management’s discussion and analysis and officer’s certifications for the year ended January 31, 2023. The MCTO was revoked on June 12, 2023.

The BCSC issued a further CTO against Cognetivity on June 5, 2024 in connection with the late filing of Cognetivity's annual financial statements, management's discussion and analysis and officer's certifications for the year ended January 31, 2024. The CTO remains in effect.

Desmond Balakrishnan is a director of Eat Well Group Inc. ("**Eat Well**"), a CSE-listed company. On May 2, 2023, the BCSC issued a MCTO against Eat Well in connection with the late filing of Eat Well's annual financial statements and management's discussion and analysis for the year ended December 31, 2022. The MCTO remains in effect.

On July 7, 2023, the BCSC issued a CTO against Eat Well for not having filed its interim report for the period ended March 31, 2023, its annual audited financial statements for the year ended December 31, 2022 and management's discussion and analysis for the periods ended December 31, 2022 and March 31, 2023, and certifications of annual and interim filings for the periods ended December 31, 2022 and March 31, 2023. The CTO remains in effect.

Kevin Ma

The BCSC, as principal regulator, issued a management CTO against Chakana Copper Corp., a Company of which proposed director, Kevin Ma was acting as Chief Financial Officer, on October 1, 2019 in connection with the late filing of the company's annual financial statements, management's discussion and analysis and officer's certifications for the year ended May 31, 2019. The MCTO was revoked on November 19, 2019 in connection with the completion of the annual filings.

On June 16, 2020, the BCSC, as principal regulator, issued a MCTO against the Company in connection with the late filing of the Company's annual financial statements, management's discussion and analysis and officer's certification for the year ended December 31, 2019. The MCTO was revoked on July 16, 2020 in connection with the completion of the annual filings. Mr. Kevin Ma was the Chief Financial Officer at the time of the issuance of the MCTO.

On July 11, 2022, the BCSC, as principal regulator, issued a CTO against Green Block Mining Corp. ("**Green Block**") in connection with the late filing of Green Blocks' annual financial statements, management's discussion and analysis and officer's certification for the year ended November 30, 2021. Mr. Kevin Ma was a director at the time of the issuance of the CTO.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the BCBCA dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the BCBCA. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith, and the best interest of the Company.

To the best of the Company's knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest among the Company, its directors, officers or other members of management of the Company or of any proposed director, officer or other member of management as a result of their

outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter.

PROMOTERS

A “Promoter” is defined in the *Securities Act* (British Columbia) as a “person who (a) alone or in concert with other persons (a) acting alone or in concert with one or more other persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the Company, or (b) in connection with the founding, organization or substantial reorganization of the business of the Company, directly or indirectly receives, in consideration of services or property or both, 10% or more of a class of the Company’s own securities or 10% or more of the proceeds from the sale of a class of the Company’s own securities of a particular issue.

To the knowledge of the Board, management is not aware of any person or company who could currently be or would have been within the two (2) years immediately preceding the date of this AIF characterized as a promoter for the Company or a subsidiary of the Company.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The primary function of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities with respect to the quality and integrity of the consolidated financial statements of the Company; appointing and overseeing the external auditors and reviewing the qualifications and independence of the external auditors; reviewing the performance of the external auditors; ensuring compliance by the Company with all legal and regulatory requirements for audit and related financial functions of the Company; reviewing financial information contained in public filings of the Company; reviewing earnings announcements of the Company prior to release to the public; monitoring the Company’s systems of and compliance with internal financial controls; reviewing the Company’s auditing, accounting and financial reporting processes; and dealing with all complaints regarding accounting, internal accounting controls and auditing matters. The Audit Committee Charter is attached as Schedule “B” hereto.

Composition of Audit Committee

The following table sets out the members of the Audit Committee and whether they are “independent” and “financially literate”, as such terms are defined in National Instrument 52-110 *Audit Committees* (“NI 52-110”):

Committee Member	Independent	Financially Literate
Desmond Balakrishnan	Yes	Yes
Kenneth Cotiamco	Yes	Yes
Robert Dubeau	No	Yes

Relevant Education and Experience

Each member of the Company's Audit Committee has adequate education and experience relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that provides the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

Desmond Balakrishnan

Mr. Balakrishnan is a Vancouver lawyer and has practiced law as a partner at McMillan LLP since January 2002. His areas of practice focus on mergers, acquisitions, international public listings, cannabis law, gaming and entertainment law. He acted as counsel to companies with respect to corporate governance, regulatory compliance, public listing on the Canadian Securities Exchange, the TSX Venture Exchange, the Toronto Stock Exchange, Nasdaq or the New York Stock Exchange, debt or equity financings and strategic acquisitions. Mr. Balakrishnan is now, or has been in the last five years, a director or officer of various public companies or reporting issuers.

Mr. Balakrishnan graduated from Simon Fraser University with a Bachelor of Arts degree in 1994 and from the University of Alberta in 1997 with an LL.B (with distinction). Mr. Balakrishnan was called to the bar in British Columbia in 1998. Mr. Balakrishnan is a member of the Vancouver Bar Association, the Canadian Bar Association and the International Masters of Gaming Law.

Kenneth Cotiamco

With well over a decade of corporate finance and investment planning experience, Mr. Cotiamco executes capital market strategies that are complimentary to co-investment partners and financiers. Mr. Cotiamco graduated from the University of British Columbia with a Bachelors of Science in Biology in 2003. In 2007, Mr. Cotiamco earned a Financial Management Diploma from the British Columbia Institute of Technology. In 2007, he also completed the Canadian Securities Course with the Canadian Securities Institute. Mr. Cotiamco spent several years with Scotia Securities advising middle-market families with all aspects of wealth planning. He spent several years with Leede Jones Gable, one of Canada's top rated independent investment firms, leading several TSX Venture and CSE listings raising well over a quarter billion dollars.

Robert Dubeau

Mr. Dubeau is a seasoned investor, spending the last 15 years in government regulatory roles and private businesses. He has extensive experience in audit, operations management, and real estate. Mr. Dubeau is a graduate of Kwantlen Polytechnic University with a major in accounting.

Audit Committee Oversight

Since the commencement of the Company’s most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company’s most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. The Company is relying upon the exemption in Section 6.1 of NI 52-110 (Venture Issuers) from the requirement of Part 5 (Reporting Obligations).

Pre-Approval of Audit Services and Permitted Non-Audit Services

The audit committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter.

External Auditor Service Fees

The aggregate fees billed by the Company’s external auditors for the years ended December 31, 2023, 2022, and 2021 are as follows:

Financial Year Ended	Audit Fees ⁽¹⁾ (\$)	Audit-Related Fees ⁽²⁾ (\$)	Tax Fees ⁽³⁾ (\$)	All Other Fees ⁽⁴⁾ (\$)
December 31, 2023	\$40,000	Nil	Nil	Nil
December 31, 2022	\$35,720	Nil	Nil	Nil
December 31, 2021	\$34,000	Nil	Nil	Nil

Notes:

- (1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Company’s financial statements. Audit Fees include aggregate fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Audit-Related Fees” include fees for services that are traditionally performed by the auditor. These audit-related services include aggregate fees for employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes aggregate fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include all other non-audit services, in the aggregate.

Exemption

As the Company is a “venture issuer” as defined under NI 52-110, it is relying on the exemption provided by section 6.1 of NI 52-110 relating to Parts 3 - *Composition of the Audit Committee* and 5 - *Reporting*

Obligations.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

As of the date hereof, the Company's management is not aware of any current or contemplated legal proceedings material to the Company to which it is a party or of which any of its property is the subject matter. As of the date hereof, no penalties or sanctions have been imposed against the Company by a court or regulatory body and the Company did not enter into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority during its last financial year.

Regulatory Actions

During the most recently completed financial year and during the current financial year, the Company is not and has not been the subject of any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision, or entered into any settlement agreements before a court relating to securities legislation or which a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed elsewhere in this AIF and in the audited consolidated annual financial statements of the Company for the financial years ended December 31, 2023, and December 31, 2022, none of the directors or executive officers of the Company, or any shareholders who beneficially own, control or direct, directly or indirectly, more than 10% of the Company's outstanding Common Shares, or any known associates or affiliates of such persons, had any material interests, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENT AND REGISTRAR

Odyssey Trust Company, at its office located at 323-409 Granville St., Vancouver, British Columbia, V6C 1T2, Canada is the transfer agent and registrar for the Common Shares.

MATERIAL CONTRACTS

Except as disclosed below, as of the date of this AIF, there are no material contracts, other than those contracts entered into in the ordinary course of business, entered into by the Company within the most recently completed financial year, subsequent to the most recently completed financial year to the date of this AIF, or prior to the most recently completed financial year which are still in effect:

- (a) Rattlesnake Hills Agreement; and
- (b) Converse Agreement.

INTERESTS OF EXPERTS

The Company's auditors are Manning Elliott LLP, Chartered Professional Accountants, who have prepared an independent auditors' report dated April 29, 2024, with respect to the Company's consolidated audited financial statements for the fiscal years ended December 31, 2023, and December 31, 2022. Manning Elliott LLP has advised that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR+ at www.sedarplus.ca. Additional information, including directors' and officers' remuneration and indebtedness, the Company's principal shareholders, and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Company's Management Information Circular available on SEDAR+ at www.sedarplus.ca. Additional financial information is provided in our consolidated financial statements and management's discussion and analysis for the financial years ended December 31, 2023, and December 31, 2022.

Schedule "A"
Investment Policy
[See Attached]

AXCAP VENTURES INC.

INVESTMENT POLICY AMENDED JUNE 17, 2024

Investment Objective

The investment objective of Axcap Ventures Inc. (the “Corporation”) is to provide investors with long-term capital growth by investing in a portfolio of early stage or undervalued companies or natural resource projects (“**Projects**”). It is planned that the Corporation will “unlock” value or “accelerate” growth of investee companies or Projects as a provider of capital and strategic guidance. The Corporation will strive to complement management as an active participant generally assisting in every aspect of the business or project development, including providing board of director and capital market advisory services.

Investment Strategy

The following shall be the guidelines for the Corporation’s investment strategy:

1. Investments shall be focused on development stage companies or Projects in all sectors or commodities, including technology, alternative currency, natural resources, oil and gas or renewable energy. Such investee companies or Projects may be private or public companies and there will be no bias to sector based on economic, financial and market conditions. Investments in investee companies or Projects may be direct.
2. Target investments shall encompass companies at all stages of development, including pre-IPO and/or early-stage companies with undeveloped and undervalued high-quality assets requiring start-up or development capital, as well as intermediate and senior companies.
3. Initial investments of debt, equity or a combination thereof may be made through a variety of financial instruments including, but not limited to, private placements, participation in initial public offerings, bridge loans, secured loans, unsecured loans, convertible debentures, warrants and options, royalties, net profit interests and other hybrid instruments, which will be acquired and held both for long-term capital appreciation and shorter-term gains.
4. The nature and timing of the Corporation’s investments will depend, in part, on available capital at any particular time and the investment opportunities identified and available to the Corporation.
5. A key aspect of the investment strategy shall be seeking undervalued companies or Projects with strong management teams and solid business models that can benefit from macro-economic trends. Notwithstanding this requirement, consideration will be given to opportunities where existing management may need the infusion of high level guidance, direction and expertise from the Corporation. In such situations, the Corporation intends to work closely with an investee company’s management and board of directors to structure and deliver the strategic and financial resources to help such company best take advantage

of its prospective or estimated resources and to mature into a successful commercial enterprise.

6. In general, the Corporation invests with a view to having active control and or management representation and to providing capital markets advisory services, including (as required) board member and management services and capital markets advisory to investee companies with respect to Projects the Company will provide. The Corporation may also structure an investment to assume a controlling or joint-controlling interest in a company, which may or may not involve the provision of advice to management and/or board participation. The Corporation may seek equity participation in situations to which the Corporation can potentially add value by its involvement, not only financially but also by the contribution of guidance and additional management expertise. In certain circumstances, the investment activities of the Corporation may be passive.
7. Immediate liquidity shall not be a requirement, but each investment shall be evaluated in terms of a clear exit strategy designed to maximize the relative return in light of changing fundamentals and opportunities.
8. Subject to applicable laws, there are no restrictions on the size or market capitalization with respect to the Corporation's investments in the equity securities of public or private issuers.
9. Cash reserves may, from time to time as appropriate, be placed into high quality money market investments, including Canadian Treasury Bills or corporate notes rated at least R-1 by DBRS Limited, each with a term to maturity of less than one year.
10. Subject to the full approval of the Board, the Investment Committee may consider certain special investment situations, including assuming a controlling or joint-controlling interest in an invested company or becoming operator in respect of natural resource investments, which may also involve the provision of advice to management and/or board participation.
11. The Corporation's investments in the natural resources industry may include the ownership of real estate and commodities and investments in the exploration, development and infrastructure of natural resources.
12. All investments shall be made in full compliance with applicable laws in relevant jurisdictions and shall be made in accordance with and governed by the rules and policies in effect in the regulatory environment.

From time to time, the Board may authorize such additional investments outside of the guidelines described herein as it sees fit for the benefit of the Corporation and its shareholders.

Asset Allocation

In determining the sector weighting of the investment portfolio, an investment committee (the “Investment Committee”) established by the Corporation shall analyze the current economic conditions and trends in North American and global economies and shall seek to respond quickly to such changes. The investment portfolio shall be positioned in accordance with the market view of the Investment Committee from time to time. Sector allocations may vary significantly over time.

Rebalancing

Asset allocations will be reviewed by the Investment Committee as needed and in context of the capital markets and as opportunities may arise. Reallocations are anticipated to be required in context of the capital markets, especially during extremely volatile market periods.

Implementation

The officers, directors and management of the Corporation shall work jointly and severally to uncover appropriate investment opportunities. These individuals have a broad range of business experience and their own networks of business partners, financiers, venture capitalists and finders through whom potential investments may be identified.

Prospective investments will be channelled through the Investment Committee. The Investment Committee shall make an assessment of whether the proposal fits with the investment and corporate strategy of the Corporation in accordance with the investment evaluation process below, and then proceed with preliminary due diligence, leading to a decision to reject or move the proposal to the next stage of detailed due diligence. This process may involve the participation of outside professional consultants.

Once a decision has been reached to invest in a particular situation, a short summary of the rationale behind the investment decision should be prepared by the Investment Committee and submitted to the Board. The summary should also highlight any finder’s or agents’ fees payable by the Corporation on the transaction.

All investments shall be submitted to the Board for final approval. The Investment Committee will select all investments for submission to the Board and monitor the Corporation’s investment portfolio on an ongoing basis, and will be subject to the direction of the Board. One member of the Investment Committee may be designated and authorized to handle the day-to-day trading decisions in keeping with the directions of the Board and the Investment Committee.

Negotiation of terms of participation is a key determinant of the ultimate value of any opportunity to the Corporation. Negotiations may be on-going before and after the performance of due diligence. The representative(s) of the Corporation involved in these negotiations will be determined in each case by the circumstances.

Investment Evaluation Process

The Investment Committee shall use both a top-down and bottom-up approach in identifying and submitting investments to the Board for approval. The investment approach will be to develop a macro view of a sector, build a position consistent with such view by identifying micro-cap opportunities within that sector, and devise an exit strategy designed to maximize the relative return in light of changing fundamentals and opportunities.

In selecting securities for the investment portfolio of the Corporation, the Investment Committee will consider various factors in relation to any particular issuer, including:

- (a) inherent value of its resource assets or other assets (in the case of a non-resource issuer);
- (b) proven management, clearly-defined management objectives and strong technical and professional support;
- (c) future capital requirements to develop the full potential of its business and the expected ability to raise the necessary capital;
- (d) anticipated rate of return and the level of risk;
- (e) financial performance;
- (f) exit strategies and criteria; and
- (g) capital market appetite for the sector being invested in.

Conflicts of Interest

The Corporation has assembled a strong Board and management team, with diverse backgrounds and significant business expertise and experience. In assembling a Board with these characteristics, the Corporation has two primary goals:

- (a) to gain exposure to a wide variety of potential investments, including investments that Board members may already be familiar with or that come to their attention through other business dealings; and
- (b) where a Board member has a personal interest in a potential investment, to ensure that the Corporation has independent, qualified directors available to conduct an independent assessment.

The Corporation has no restrictions with respect to investing in companies in which a Board member may already have an interest. Any potential investments where there is a material conflict of interest involving an employee, officer or director of the Corporation may only proceed after receiving approval from disinterested directors of the Board. The Corporation is also subject to the “related party” transaction policies of the Canadian Securities Exchange, which mandates disinterested shareholder approval to certain transactions.

Management Participation

The Corporation may, from time to time, seek a more active role in the companies in which it invests, and provide such companies with financial and personnel resources, as well as strategic counsel. The Corporation may also ask for board representation in cases where it makes a significant investment in the business of an investee company. The Corporation's nominee(s) shall be determined by the Board as appropriate in such circumstances.

Monitoring and Reporting

The Corporation's Chief Financial Officer shall be primarily responsible for the reporting process whereby the performance of each of the Corporation's investments is monitored. Quarterly financial and other progress reports shall be gathered from each corporate entity, and these shall form the basis for a quarterly review of the Corporation's investment portfolio by the Investment Committee. Any deviations from expectation are to be investigated by the Investment Committee, and if deemed to be significant, reported to the Board.

With public company investments, the Corporation is not likely to have any difficulty accessing financial information relevant to its investment. In the event the Corporation invests in private enterprises, it shall endeavour in each case to obtain a contractual right to be provided with timely access to all books and records it considers necessary to monitor and protect its investment in such private enterprises and to be informed of any material changes in the private enterprises.

A full report of the status and performance of the Corporation's investments is to be prepared by the Investment Committee and presented to the Board at the end of each fiscal year.

Schedule "B"

Audit Committee Charter

[See Attached]

AXCAP VENTURES INC.

AUDIT COMMITTEE CHARTER

1. General

The board of directors (the “**Board**”) of Axcap Ventures Inc. (the “**Corporation**”) has delegated the responsibilities, authorities and duties described below to the audit committee (the “**Audit Committee**”). For the purpose of these terms of reference, the term “Corporation” shall include the Corporation and its subsidiaries.

The Audit Committee shall be directly responsible for overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation, and the Audit Committee shall be directly responsible for the appointment, compensation, and oversight of the work of any registered external auditor employed by the Corporation (including resolution of disagreements between management of the Corporation and the external auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. In so doing, the Audit Committee will comply with all applicable Canadian securities laws, rules and guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules.

2. Members

The Audit Committee shall be composed of a minimum of three members. The quorum at any meeting of the Audit Committee is a majority of its members. Members of the Audit Committee shall be appointed by the Board. Each member shall serve until such member’s successor is appointed, unless that member resigns or is removed by the Board or otherwise ceases to be a director of the Corporation. The Board shall fill any vacancy if the membership of the Committee is less than three directors. The Chair of the Committee may be designated by the Board or, if it does not do so, the members of the Committee may elect a Chair by vote of a majority of the full Committee membership. The Chair shall not have a second, or casting, vote. The Chair of the Committee shall be responsible for overseeing the performance by the Committee of its duties, for assessing the effectiveness of the Committee and individual Committee members and for reporting periodically to the Board.

All members of the Audit Committee must satisfy the independence, financial literacy and experience requirements of applicable Canadian securities laws, rules and guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules. In particular the majority of members shall be “independent” and “financially literate” within the meaning of Multilateral Instrument 52-110 *Audit Committees*.

3. Meetings

The Audit Committee shall meet at least quarterly at such times and at such locations as the Chair of the Audit Committee shall determine, provided that meetings shall be scheduled so as to permit the timely review of the Corporation’s quarterly and annual financial statements and related management discussion and analysis. Notice of every meeting shall be given to the external auditor, who shall, at the expense of the Corporation, be entitled to attend and to be heard thereat. The external auditor or any member of the Audit Committee may also request a meeting of the Audit Committee. The Chair of the Audit Committee shall hold in camera sessions of the Audit Committee, without management present, at every meeting. The external auditor and management employees of the Corporation shall, when required by the Audit Committee, attend any meeting of the Audit Committee. The Audit Committee shall submit the minutes of all meetings to the Board, and when requested to, shall discuss the matters discussed at each Audit Committee meeting with the Board.

4. **Committee Charter**

The Committee shall have a written charter that sets out its mandate and responsibilities and the Committee shall review and assess the adequacy of such charter and the effectiveness of the Committee at least annually or otherwise, as it deems appropriate, and propose recommended changes to the Board for its approval. Unless and until replaced or amended, this mandate constitutes that charter.

5. **Duties of the Audit Committee:**

(a) General

The overall duties of the Committee shall be to:

- (i) assist the Board in the discharge of its duties relating to the Corporation's accounting policies and practices, reporting practices and internal controls;
- (ii) establish and maintain a direct line of communication with the Corporation's external auditor and assess their performance;
- (iii) oversee the work of the external auditor, which shall be responsible to report directly to the Audit Committee, including resolution of disagreements between management and the external auditor regarding financial reporting;
- (iv) ensure that management has designed, implemented and is maintaining an effective system of internal controls and disclosure controls and procedures;
- (v) monitor the credibility and objectivity of the Corporation's financial reports;
- (vi) report regularly to the Board on the fulfillment of the Audit Committee's duties;
- (vii) assist, with the assistance of the Corporation's legal counsel, the Board in the discharge of its duties relating to the Corporation's compliance with legal and regulatory requirements; and
- (viii) assist the Board in the discharge of its duties relating to risk assessment and risk management

(b) External Auditor

The duties of the Audit Committee as they relate to the external auditor shall be to:

- (i) review management's recommendations for the appointment of the external auditor, and in particular their qualifications and independence, and to recommend to the Board a firm of external auditors to be engaged;
- (ii) review the performance of the external auditor and make recommendations to the Board regarding the appointment or termination of the external auditor;
- (iii) review and approve, in advance, the engagement letters of the external auditor, for any permissible non-audit services, including the fees to be paid for such services;
- (iv) review, where there is to be a change of external auditor, all issues related to the change, including the information to be included in the notice of change of

auditor called for under National Instrument 51-102 Continuous Disclosure Obligations or any successor legislation (“NI 51-102”), and the planned steps for an orderly transition;

- (v) review all reportable events, including disagreements, unresolved issues and consultations, as defined in NI 51-102, on a routine basis, whether or not there is to be a change of external auditor;
- (vi) ensure the rotation of partners on the audit engagement team of the external auditor in accordance with applicable law;
- (vii) review and approve the engagement letters of the external auditor, both for audit and permissible non-audit services, including the fees to be paid for such services;
- (viii) review the performance, including the fee, scope and timing of the audit and other related services and any non-audit services provided by the external auditor; and
- (ix) review the nature of and fees for any non-audit services performed for the Corporation by the external auditor and consider whether the nature and extent of such services could detract from the external auditor’s independence in carrying out the audit function.

(c) Audits and Financial Reporting

The duties of the Audit Committee as they relate to audits and financial reporting shall be to:

- (i) review the audit plan with the external auditor and management;
- (ii) review with the external auditor and management all critical accounting policies and practices of the Corporation, including any proposed changes in accounting policies, the presentation of the impact of significant risks and uncertainties, all material alternative accounting treatments that the external auditor has discussed with management, other material written communications between the external auditor and management, and key estimates and judgments of management that may in any such case be material to financial reporting;
- (iii) review the contents of the audit report;
- (iv) question the external auditor and management regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
- (v) review the scope and quality of the audit work performed;
- (vi) review the adequacy of the Corporation’s financial and auditing personnel;
- (vii) review the co-operation received by the external auditor from the Corporation’s personnel during the audit, any problems encountered by the external auditor and any restrictions on the external auditor’s work;

- (viii) review the evaluation of internal controls by the persons performing the internal audit function and the external auditor, together with management's response to the recommendations, including subsequent follow-up of any identified weaknesses;
 - (ix) review the appointments of the Chief Financial Officer, persons performing the internal audit function and any key financial executives involved in the financial reporting process;
 - (x) review with management and the external auditor the Corporation's annual audited financial statements in conjunction with the report of the external auditor thereon, and obtain an explanation from management of all significant variances between comparative reporting periods before recommending approval by the Board and the release thereof to the public;
 - (xi) review with management and the external auditor and approve the Corporation's interim unaudited financial statements, and obtain an explanation from management of all significant variances between comparative reporting periods before recommending approval by the Board and the release thereof to the public; and
 - (xii) review the terms of reference for an internal auditor or internal audit function.
- (d) Accounting and Disclosure Policies

The duties of the Audit Committee as they relate to accounting and disclosure policies and practices shall be to:

- (i) review the effect of regulatory and accounting initiatives and changes to accounting principles of the Canadian Institute of Chartered Accountants or, if it should cease to exist, the entity which is the successor thereto, which would have a significant impact on the Corporation's financial reporting as reported to the Audit Committee by management and the external auditor;
- (ii) review the appropriateness of the accounting policies used in the preparation of the Corporation's financial statements and consider recommendations for any material change to such policies;
- (iii) review the status of material contingent liabilities as reported to the Audit Committee by management;
- (iv) review the status of income tax returns and potentially significant tax problems as reported to the Audit Committee by management;
- (v) review any errors or omissions in the current or prior years' financial statements; and
- (vi) review and approve before their release all public disclosure documents containing audited or unaudited financial results, including all press releases, offering documents, annual reports, annual information forms and management's discussion and analysis containing such results.

(e) Other

The other duties of the Audit Committee shall include:

- (i) reviewing any inquiries, investigations or audits of a financial nature by governmental, regulatory or taxing authorities;
- (ii) reviewing annual operating and capital budgets;
- (iii) reviewing and reporting to the Board on difficulties and problems with regulatory agencies which are likely to have a significant financial impact;
- (iv) establishing procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
- (v) inquiring of management and the external auditor as to any activities that may be or may appear to be illegal or unethical; and
- (vi) any other questions or matters referred to it by the Board.

6. Authority to engage independent counsel and advisors

The Audit Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties, to set and pay the compensation for any advisors employed by the audit committee, and to communicate directly with the internal and external auditors.

The Corporation shall provide appropriate funding, as determined by the Audit Committee, in its capacity as a committee of the board of directors, for payment of compensation (a) to the external auditors employed by the issuer for the purpose of rendering or issuing an audit report, and (b) to any advisers employed by the Audit Committee.