*A copy of this preliminary prospectus has been filed with the securities regulatory authorities in the provinces of British Columbia and Alberta, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.*

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons authorized to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "U.S. Securities Act") and may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state laws or an exemption from such registration is available. See "Plan of Distribution" below.*

**PRELIMINARY PROSPECTUS**

INITIAL PUBLIC OFFERING October 4, 2016

# CARRARA EXPLORATION CORP.

(the "Issuer")

| Type of Securities | OFFERING<br>Number of Securities | Price per Security |
|---|---|---|
| Common Shares | 3,500,000 | $0.10 |

This prospectus (the "Prospectus") qualifies the distribution (the "Offering") in the provinces of British Columbia and Alberta, through Haywood Securities Inc. (the "Agent"), of 3,500,000 common shares without par value ("Common Shares") in the capital of the Issuer at a price of $0.10 per Common Share (the "Offering Price") for aggregate gross proceeds of $350,000. See "Description of Securities Distributed" below. The Offering Price was determined by negotiation between the Issuer and the Agent.

The Common Shares are being offered pursuant to an agency agreement (the "Agency Agreement") dated ●, 2016 between the Issuer and the Agent.

| | Price to Public | Agent Discounts or Commission(1) | Proceeds to Issuer(2)(3) |
|---|---|---|---|
| Per Common Share | $0.10 | $0.01 | $0.09 |
| Total Offering | $350,000 | $35,000 | $315,000 |

Notes:

(1) Pursuant to the terms and conditions of the Agency Agreement between the Issuer and the Agent, the Issuer has agreed to pay the Agent upon closing of the Offering (the "Closing"), a cash commission (the "Agent's Commission") equal to 10% of the gross proceeds realized from the sale of the Common Shares under the Offering. In addition, the Agent will also receive that number of compensation options (the "Compensation Options") equal to 10% of the aggregate number of Common Shares issued in the Offering, which will entitle the Agent to purchase one Common Share (each a "Compensation Share") at a price that is equal to the Offering Price for a period of 24 months from the Closing. The Issuer has further agreed to pay the Agent a corporate finance fee (the "Corporate Finance Fee") of $50,000, of which $35,000 will be payable in cash and $15,000 in Common Shares (the "Corporate Finance Shares"). Each Corporate Finance Share will have a deemed price equal to the Offering Price. This Prospectus also qualifies for distribution of the Compensation Options and the Corporate Finance Shares.

(2) Before deducting expenses of the Offering, to be borne by the Issuer, estimated to be $80,000.

(3) The Issuer has granted to the Agent an over-allotment option (the "Over-Allotment Option") exercisable, in whole or in part in the sole discretion of the Agent, within 30 days following the Closing, to issue additional Common Shares equal to 15% of the Common Shares issued pursuant to this Offering. If the Over-Allotment Option is exercised by the Agent, the Issuer will issue up to 525,000 additional Common Shares (each an "Over-Allotment Share") for a purchase price equal to the Offering Price. This table excludes any Over-Allotment Shares issuable upon exercise of the Over-Allotment Option. See "Plan of Distribution" below. A purchaser who acquires Common Shares forming part of the Agent's over-allocation position acquires those securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the over-allotment option or secondary market purchases.

## ADDITIONAL DISTRIBUTIONS

This Prospectus also qualifies for the distribution of 300,000 Common Shares issuable to the Optionors (as defined herein) in respect of the Boomerang Property (as defined herein) pursuant to the Property Option Agreement (as defined herein). See "General Development of Business" and "Plan of Distribution" below.

**There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. The securities offered hereunder must be considered highly speculative due to the nature of the Issuer's business. See "Risk Factors" below.**

As at the date of this Prospectus, the Issuer does not have any of its securities listed or quoted, has not applied to list or quote any of its securities and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

The Issuer has applied to list its Common Shares on the Canadian Securities Exchange. Listing will be subject to the Issuer fulfilling all of the requirements of the Canadian Securities Exchange.

The Agent's position is as follows:

| Agent's Position | Number of Securities Available | Exercise Period or Acquisition Date | Exercise Price or Average Acquisition Price |
|---|---|---|---|
| Over-Allotment Option(1) | 525,000 | Within 30 days from the Closing | $0.10 |
| Compensation Options(2)(3) | 350,000 | Within 24 months from the Closing | $0.10 |
| Corporate Finance Shares(2)(3) | 150,000 | On the Closing | $0.10 |
| **Total Securities Issuable to Agent** | **1,025,000** (of which 875,000 are available under option) | | |

Notes:
(1) These securities are qualified for distribution by this Prospectus. See "Plan of Distribution" below.
(2) These securities are qualified for distribution by this Prospectus to the extent that such Corporate Finance Shares and Compensation Options constitute Qualified Compensation Securities. See Note (3) and "Plan of Distribution" below.
(3) National Instrument 41-101 – *General Prospectus Requirements* ("NI 41-101") imposes a restriction on the maximum number of securities which may be distributed under a prospectus to an Agent as compensation ("Qualified Compensation Securities"). Pursuant to NI 41-101, the aggregate Qualified Compensation Securities must not exceed 10% of the Common Shares offered pursuant to this Prospectus, which in the case of this Offering and the Over-Allotment Option is 402,500 securities. For the purpose of this Offering, any combination of the following totalling 402,500 securities are Qualified Compensation Securities and are qualified for distribution by this Prospectus: (i) up to 150,000 Corporate Finance Shares; and (ii) up to a maximum of an aggregate 252,500 Compensation Options. To the extent that the Agent is entitled to receive securities as compensation exceeding 10% of the Offering and the Over-Allotment Option, those securities exceeding the 10% threshold will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus and will be subject to a hold period in accordance with applicable securities laws.

The Agent, as exclusive agent of the Issuer for the purposes of this Offering, conditionally offers the Common Shares on a best efforts basis, subject to prior sale, if, as and when issued by the Issuer and accepted by the Agent in accordance with the Agency Agreement referred to under "Plan of Distribution" below and subject to the approval of certain legal matters on behalf of the Issuer by Lotz & Company and on behalf of the Agent by Miller Thomson LLP. No person is authorized to provide any information or to make any representation in connection with this offering other than as contained in this Prospectus.

Subscriptions will be received subject to rejection or allotment in whole or in part by the Issuer and the right is reserved to close the subscription books at any time without notice. It is expected that the share certificates evidencing the Common Shares in definitive form will be available for delivery at the Closing unless the Agent elects for delivery in electronic book entry form through CDS Clearing and Depository Services Inc. ("CDS") or its nominee. If delivered in book entry form, purchasers of Common Shares will receive only a customer confirmation from the registered dealer that is a CDS participant from or through which the Common Shares were purchased.

**No minimum amount of funds must be raised under this offering. This means that the Issuer could complete this offering after raising only a small proportion of the offering amount set out above.**

**HAYWOOD SECURITIES INC.**
Waterfront Centre
200 Burrard Street, Suite 700
Vancouver, British Columbia
V6C 3L6

Telephone: (604) 697-7100
Facsimile: (604) 697-7499

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## FORWARD-LOOKING STATEMENTS

This Prospectus contains "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information may include, but is not limited to, statements with respect to the future price of metals, historical estimates of mineralization, capital expenditures, success of exploration activities, permitting time lines, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage, the completion of regulatory approvals. In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "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". Forward-looking information in this Prospectus includes, among other things, proposed expenditures for exploration work on the Boomerang Property (as defined herein), general and administrative expenses, expectations generally regarding completion of this Offering, the ability of the Issuer to raise further capital for corporate purposes, the utilization of the net proceeds of the Offering and treatment under applicable governmental regimes for permitting and approvals. See "Narrative Description of the Business – Recommendations", "Use of Proceeds" and "Risk Factors" below.

Such forward-looking statements are based on a number of material factors and assumptions, including, but not limited in any manner, to those disclosed in any other of the Issuer's public filings and include the ultimate determination of mineral reserves, if any, the availability and final receipt of required approvals, licenses and permits, sufficient working capital to develop and operate any proposed mine, access to adequate services and supplies, economic conditions, commodity prices, foreign currency exchange rates, interest rates, access to capital and debt markets and associated costs of funds, availability of a qualified work force and the ultimate ability to mine, process and sell mineral products on economically favourable terms. While the Issuer considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to, risks and uncertainties disclosed in this Prospectus. See "Risk Factors" below. The Issuer has no specific policies or procedures for updating forward-looking information. Forward-looking statements are based upon management's beliefs, estimates and opinions on the date the statements are made and, other than as required by law, the Issuer does not intend, and undertakes no obligation, to update any forward-looking information to reflect, among other things, new information or future events.

Investors are cautioned against placing undue reliance on forward-looking statements.

## ELIGIBILITY FOR INVESTMENT

In the opinion of Thorsteinssons LLP, Canadian tax counsel to the Issuer, based on the current provisions of the *Income Tax Act* (Canada) and the regulations thereunder (the "Tax Act"), and any specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, provided the Common Shares are listed on a "designated stock exchange" (as such term is defined in the Tax Act and which currently includes the Canadian Securities Exchange (the "Exchange")) or the Issuer is otherwise a “public corporation” (as such term is defined in the Tax Act) at the particular time, the Common Shares will at that time be a "qualified investment" under the Tax Act for a trust governed by a registered retirement savings plan (a "RRSP"), a registered retirement income fund (a "RRIF"), a deferred profit sharing plan, a registered disability savings plan, a registered education savings plan, and a tax-free savings account (a "TFSA").

The Common Shares are not currently listed on a "designated stock exchange" and the Issuer is not otherwise a “public corporation” (as such term is defined in the Tax Act). The Issuer has applied to list the Common Shares of on the Exchange. Listing will be subject to the Issuer fulfilling all of the requirements of the Exchange. The Issuer will rely upon the Exchange to list the Common Shares on the Exchange as of the day before Closing (the "Listing") and otherwise proceed in the manner described above to render the Common Shares issued on the Closing to be listed on a designated stock exchange within the meaning of the Tax Act at the time of issuance. If the Exchange does not proceed as anticipated, the Common Shares will not be a "qualified investment" as per the Tax Act at the time of Closing. Confirmation of the Listing is a condition of Closing.

Notwithstanding that Common Shares may be a qualified investment for a TFSA, RRSP or RRIF, the holder of or annuitant under such plan will be subject to a penalty tax if the Common Shares are a "prohibited investment" for purposes of the Tax Act. The Common Shares will be a "prohibited investment" if the holder of a TFSA or the annuitant of a RRSP or RRIF, as the case may be: (i) does not deal at arm's length with the Issuer for purposes of the Tax Act; or (ii) has a "significant interest" (within the meaning of the Tax Act) in the Issuer. **Prospective holders that intend to hold Common Shares in a TFSA, RRSP or RRIF are urged to consult their own tax advisers.**

## METRIC EQUIVALENTS

For ease of reference, the following factors for converting Imperial measurements into metric equivalents are provided:

| **To convert from Imperial** | **To Metric** | **Multiply by** |
|---|---|---|
| Acres | Hectares | 0.404686 |
| Feet | Metres | 0.30480 |
| Miles | Kilometres | 1.609344 |
| Tons | Tonnes | 0.907185 |
| Ounces (troy)/ton | Grams/Tonne | 34.2857 |

## GLOSSARY

"**Agency Agreement**" means the Agency Agreement dated ●, 2016 between the Agent and the Issuer.

"**Agent**" means Haywood Securities Inc.

"**Board of Directors**" or "**Board**" means the Issuer's board of directors.

"**Boomerang Property**" means the seven contiguous mineral tenures, comprising an aggregate area of 738.01 hectares, located approximately 25 kilometers north-northwest of Rock Creek, in the Greenwood Mining Division, British Columbia.

"**Closing**" means the closing of the Offering.

"**Closing Date**" means such date that the Issuer and the Agent mutually determine to close the sale of the Common Shares of the Issuer offered pursuant to this Prospectus, in compliance with the regulatory requirements governing distribution of securities.

"**Common Shares**" means the common shares without par value in the capital of the Issuer.

"**Compensation Option**" means the options granted to the Agent as compensation for its services in relation to this Offering entitling the Agent to purchase one Common Share per option within 24 months from the Closing.

"**Compensation Shares**" means the Common Shares that may be sold to the Agent pursuant to the Agent's exercise of the Compensation Options, as described under the heading "Plan of Distribution" below.

"**Corporate Finance Shares**" means the 150,000 Common Shares to be issued to the Agent as part of its corporate finance fee for the Offering.

"**Issuer**" means Carrara Exploration Corp.

"**Escrow Agent**" means TSX Trust Company (formerly Equity Financial Trust Company).

"**Exchange**" or "**CSE**" means the Canadian Securities Exchange.

"**Listing Date**" means the date the Common Shares commence trading on the Exchange.

"**Offering**" has the meaning ascribed to it on the face page of this Prospectus.

"**Offering Price**" means $0.10 per Common Share.

"**Optionors**" means Craig A. Lynes and Rich River Exploration Ltd. collectively, and each an "Optionor".

"**Over-Allotment Option**" means the Agent's option to solicit up to 525,000 additional Common Shares to raise additional gross proceeds of up to $52,500 exercisable within 30 days from Closing.

"**Over-Allotment Option Shares**" means the Common Shares to be issued upon exercise of the Over-Allotment Option.

"**Property Option Agreement**" means the option agreement dated December 15, 2014 made among the Issuer and the Optionors with respect to the Boomerang Property.

"**Stock Option Agreements**" mean the stock option agreements dated September 7, 2016 between the Issuer and certain directors and officers of the Issuer.

"**Stock Option Plan**" means a stock option plan approved by the Board of Directors on September 7, 2016 providing for the granting of incentive stock options to the Issuer's directors, officers, employees and consultants.

"**Subscriber**" means a subscriber for the Common Shares offered under this Offering.

"**Technical Report**" means the technical report dated August 30, 2016 entitled "*NI 43-101 Technical Report on the Boomerang Gold-Silver-Lead-Zinc-Copper Property, Greenwood Mining Division, British Columbia, Canada*" authored by Andris Kikauka, B.Sc., P. Geo.

## GLOSSARY OF TECHNICAL TERMS

| | |
|---|---|
| **Ag** | Chemical symbol for silver. |
| **Anomalous** | A description of anything statistically out of the ordinary. |
| **Argillite** | A compact rock, derived either from mudstone (claystone or siltstone) or shale, that has undergone a somewhat higher degree of induration than mudstone or shale but is less clearly laminated and without its fissility, and that lacks the cleavage distinctive of slate. |
| **Au** | Chemical symbol for gold. |
| **Calcareous** | Said of a substance that contains calcium carbonate. When applied to a rock name, it implies that as much as 50% of the rock is calcium carbonate. |
| **Chalcopyrite** | A sulphide of copper common to most copper mineral deposits. |
| **Chlorite** | A member of a group of minerals resembling micas (the tabular crystals of chlorite cleave into small, thin flakes or scales that are flexible, but not elastic like those of micas); they may also be considered as clay minerals when very fine grained. Chlorites are widely distributed, especially in low-grade metamorphic rocks, or as alteration products of ferromagnesian minerals. |
| **Cu** | Chemical symbol for copper. |
| **EM** | Electromagnetic. |
| **Fe** | Chemical symbol for iron. |
| **Feldspar** | A common silicate mineral that occurs in all rock types and decomposes to form much of the clay in soil, including kaolinite. |
| **Geochemical** | Pertaining to various chemical aspects (e.g. concentration, associations of elements) of natural media such as rock, soil and water. |
| **Igneous Rock** | A rock formed by the crystallization of magma or lava. |
| **Lithologic** | Pertaining to rock. |
| **Metamorphic** | Pertaining to the process of metamorphism or to its results. |
| **Metasedimentary** | A sedimentary rock that shows evidence of having been subjected to metamorphism. |
| **Metavolcanic** | Descriptive of partly metamorphosed volcanic rock. |
| **Mineralization** | The presence of minerals of possible economic value – and also the process by which concentration of economic minerals occurs. |
| **Pb** | Chemical symbol for lead. |
| **Phyllite** | A metamorphic rock, intermediate in grade between slate and mica schist. Minute crystals of sericite and chlorite impart a silky sheen to the surfaces of cleavage (or schistosity). Phyllites commonly exhibit corrugated cleavage surfaces. |
| **Porphyry** | An igneous rock of any composition that contains conspicuous phenocrysts in a fine-grained groundmass. |
| **Ppb** | Parts per billion. |
| **Ppm** | Parts per million. |
| **Proterozoic** | Of or relating to the later of the two divisions of Precambrian time, from approximately 2.5 billion to 570 million years ago, marked by the buildup of oxygen and the appearance of the first multicellular eukaryotic life forms. |
| **Pyrite** | An iron sulphide. |

| | |
|---|---|
| **Pyrrhotite** | A monoclinic and hexagonal mineral ($FeS$); invariably deficient in iron; variably ferrimagnetic; metallic; bronze yellow with iridescent tarnish; in mafic igneous rocks, contact metamorphic deposits, high-temperature veins and granite pegmatites. |
| **S** | Chemical symbol for sulphur. |
| **Schist** | A strongly foliated crystalline rock, formed by dynamic metamorphism, that can be readily split into thin flakes or slabs due to the well-developed parallelism of more than 50% of the minerals present, particularly those of lamellar or elongate prismatic habit, e.g. mica and hornblende. |
| **Sphalerite** | A sulphide mineral of zinc ($ZnS$) with zinc replaced by iron with minor manganese, arsenic and cadmium. Commonly occurs with the lead mineral galena in veins and irregular replacement in limestone. |
| **Vtem** | Means versatile time domain electromagnetic system. |
| **Zn** | Chemical symbol for zinc. |

**PROSPECTUS SUMMARY**

*The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus.*

| | |
|---|---|
| **The Issuer:** | The Issuer was incorporated under the *Business Corporations Act* (British Columbia) on December 15, 2014 under the name "Carrara Exploration Corp.".<br><br>The Issuer's corporate office is located at Suite 200, 551 Howe Street, Vancouver, British Columbia, V6C 2C2 and its registered and records office is located at Lotz & Company, Suite 415, 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H1. |
| **The Issuer's Business:** | The Issuer is engaged in the business of mineral exploration and the acquisition of mineral property assets in British Columbia. Its objective is to locate and develop economic precious and base metal properties of merit and to conduct its exploration program on the Boomerang Property.<br><br>Further to these objectives, the Issuer entered into the Property Option Agreement pursuant to which it is entitled to earn an undivided 100% interest in the Boomerang Property.<br><br>The Issuer intends to fund the exploration of the Boomerang Property and its initial commitments thereon using the proceeds of its prior private placement financings and this Offering. See "Narrative Description of the Business" below. |
| **The Property:** | The Boomerang Property consists of seven contiguous mineral tenures located approximately 25 kilometers north-northwest of Rock Creek, in the Greenwood Mining Division, British Columbia. |
| **Management, Directors and Officers:** | Stephen B. Butrenchuk – President, Chief Executive Officer, Director<br>Robert Coltura – Chief Financial Officer, Corporate Secretary, Director<br>A. Salman Jamal – Director<br>Matthew Coltura – Director<br><br>See "Directors and Officers" below. |
| **The Offering:** | The Issuer is offering 3,500,000 Common Shares for sale at a price of $0.10 per Common Share in the provinces of British Columbia and Alberta.<br><br>This Prospectus also qualifies the distribution of (i) 150,000 Corporate Finance Shares, to the extent such securities are Qualified Compensation Securities; (ii) up to 350,000 Compensation Options, to the extent that such securities are Qualified Compensation Securities; (iii) the Over-Allotment Option and up to 525,000 Over-Allotment Shares issuable upon the exercise thereof; and (iv) 300,000 Common Shares issuable to the Optionors in respect of the Boomerang Property.<br><br>See "Plan of Distribution" below. |
| **Use of Proceeds:** | The gross proceeds to the Issuer (excluding proceeds which may be received from the exercise of the Over-Allotment Option) from the sale of the Common Shares offered hereby will be $350,000. The total funds available to the Issuer at the closing of the Offering, after deducting the estimated expenses of the Offering of $80,000, the Agent's Commission of $35,000 and the Corporate Finance Fee of $35,000, and including the Issuer's estimated working capital as at September 30, 2016 of $25,730.20, are estimated to be $225,730.20. |

| **Principal Purpose** | **Funds to be Used[(1)]** |
|---|---|
| To fund the Phase 1 exploration program on the Boomerang Property[(2)] | $100,000 |
| To provide funding sufficient to meet administrative costs for 12 months | $118,600 |
| To provide general working capital to fund ongoing operations | 7,130.20 |
| **Total** | **$225,730.20** |

Notes:
(1) See "Use of Proceeds" below. The Issuer intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary. In the event of exercise of the Over-Allotment Option, the Issuer will use the proceeds for general working capital and in part, to fund Phase 2 of the recommended exploration program on the Boomerang Property.
(2) See "Narrative Description of the Business – Recommendations" below for a summary of the work to be undertaken, a breakdown of the estimated costs and the nature of title to or the Issuer's interest in the Boomerang Property.

**Summary of Financial Information**

The following selected financial information is subject to the detailed information contained in the audited financial statements of the Issuer and notes thereto appearing elsewhere in this Prospectus. The selected financial information is derived from the audited financial statements for the year ended July 31, 2016 and for the period from incorporation to July 31, 2015. The Issuer has established July 31 as its financial year end.

| | **Period Ended July 31, 2016 (audited)** | **Period Ended July 31, 2015 (audited)** |
|---|---|---|
| Total revenues | Nil | Nil |
| Exploration expenditures | $15,000 | $50,391 |
| Management fees | $40,000 | Nil |
| Professional fees | $4,670 | $7,312 |
| General and administrative expenses | $12,314 | $1,439 |
| Consulting | $1,250 | $2,400 |
| Rent | $8,000 | Nil |
| Stock-based compensation | 11,400 | 51,300 |
| Net Loss | ($77,634) | ($62,451) |
| Basic and diluted loss per common share | $0.02 | $0.04 |
| Total assets | $122,954 | $79,749 |
| Long-term financial liabilities | Nil | Nil |
| Cash dividends per share | Nil | Nil |

See "Selected Financial Information and Management Discussion and Analysis" below.

**Risk Factors:**

An investment in the Common Shares should be considered highly speculative and investors may incur a loss on their investment. The Issuer has no history of earnings and to date has not defined any commercial quantities of mineral reserves on the Boomerang Property. The Issuer has an option only to acquire an interest in the Boomerang Property and there is no guarantee that the Issuer's 100% interest, if earned, will be certain or that it cannot be challenged by claims of aboriginal or indigenous title, or unknown third parties claiming an interest in the Boomerang Property. The Issuer and its assets may also become subject to uninsurable risks. The Issuer's activities may require permits or licenses which may not be granted to the Issuer. The Issuer competes with other companies with greater financial resources and technical facilities. The Issuer may be affected by political, economic, environmental and regulatory risks beyond its control. The Issuer is currently largely dependent on the performance of its directors and officers and there is no assurance the Issuer can retain their services. In recent years both metal prices and publicly traded securities prices have fluctuated widely. See "Risk Factors" below.

**Currency:** Unless otherwise indicated, all currency amounts herein are stated in Canadian Dollars.

## CORPORATE STRUCTURE

### Name and Incorporation

Carrara Exploration Corp. was incorporated pursuant to the *Business Corporations Act* (British Columbia) on December 15, 2014.

The Issuer's head office is located at Suite 200, 551 Howe Street, Vancouver, British Columbia, V6C 2C2 and its registered and records office is located at Lotz & Company, Suite 415, 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H1.

The Issuer has no subsidiaries.

## GENERAL DEVELOPMENT OF THE BUSINESS

### Business of the Issuer

The Issuer is engaged in the business of mineral exploration and the acquisition of mineral property assets in British Columbia. See "Narrative Description of the Business" below.

### History

Subsequent to its incorporation, the Issuer has completed private seed capital equity financing, raising aggregate gross proceeds of approximately $198,300. These funds have been, and are being, used for the acquisition, exploration and maintenance of the Boomerang Property and general working capital. The Issuer intends to raise funds through the Offering to carry out additional exploration on the Boomerang Property, as set out in "Use of Proceeds" below.

### Acquisitions

To this end, the Issuer entered into the Property Option Agreement whereby the Issuer was granted an irrevocable and exclusive option to acquire a 100% interest in the Boomerang Property, consisting of seven contiguous mineral tenures comprising an aggregate area of 738.01 hectares, located approximately 25 kilometers north-northwest of Rock Creek, in the Greenwood Mining Division, British Columbia, the particulars of which are described in greater detail below.

To exercise its option to acquire a 100% interest in the Boomerang Property, the Issuer is required to (i) pay an aggregate $105,000 in cash payments to the Optionor, Rich River Exploration Ltd.; (ii) issue an aggregate 800,000 Common Shares to the Optionor, Rich River Exploration Ltd.; and (iii) incur an aggregate minimum of $400,000 in exploration expenditures on the Boomerang Property, in accordance with the following schedule:

| Date for Completion | Cash Payment | Number of Common Shares to be Issued | Minimum Exploration Expenditures to be Incurred |
|---|---|---|---|
| Upon execution of Property Option Agreement | $5,000 | Nil | Nil |
| Upon the Closing | Nil | 300,000[(1)] | Nil |
| On or before the 1st anniversary of the listing of the Common Shares on the Exchange | Nil | 100,000[(2)] | Nil |
| On or before the 2nd anniversary of the listing of the Common Shares on the Exchange | Nil | 100,000[(2)] | Nil |
| On or before the 3rd anniversary of the listing of the Common | $20,000 | 100,000[(2)] | $100,000 |

| Date for Completion | Cash Payment | Number of Common Shares to be Issued | Minimum Exploration Expenditures to be Incurred |
|---|---|---|---|
| Shares on the Exchange | | | |
| On or before the 4th anniversary of the listing of the Common Shares on the Exchange | $30,000 | 200,000(2) | $100,000 |
| On or before the 5th anniversary of the listing of the Common Shares on the Exchange | $50,000 | Nil | $200,000 |

Notes:
(1) These 300,000 Common Shares are qualified for distribution under this Prospectus.
(2) Subject to such resale restrictions and legends as may be imposed by the applicable securities laws.

In accordance with the terms of the Property Option Agreement, the Optionors will retain a 3% net smelter returns royalty (the "NSR") on the Boomerang Property. The Issuer will have the right to purchase 1% of such NSR for $750,000 and the remaining 2% of such NSR for $1,000,000. Otherwise, once the Issuer exercises its option to acquire a 100% interest in the Boomerang Property and upon the commencement of commercial production thereon, the NSR is payable to the Optionors on all base, rare earth elements and precious metals upon receipt by the Issuer of payment from the smelter refinery or other place of treatment of the proceeds from the sale of the minerals, ore, concentrates or other products from the Boomerang Property. The Issuer will be the operator of the Boomerang Property during the term of the Property Option Agreement and the Optionor, Rich River Exploration Ltd., will be the primary contractor when possible. The Issuer will also pay any rates, taxes, duties, royalties, assessments or fees levied with respect to the Boomerang Property or the Optionors' operations thereon and will apply and pay for assessment credits for the mineral claims comprising the Boomerang Property for all the work and expenditures conducted on all or any part of the Boomerang Property.

**Trends**

As a junior mining company, the Issuer is highly susceptible to the cycles of the mineral resource sector and the financial markets as they relate to junior companies.

The Issuer's financial performance is dependent upon many external factors. Both prices and markets for metals are volatile, difficult to predict and subject to changes in domestic and international, political, social and economic environments. Circumstances and events beyond its control could materially affect the financial performance of the Issuer. Apart from this risk and the risk factors noted under the heading "Risk Factors", the Issuer is not aware of any other trends, commitments, events or uncertainties that are reasonably likely to have a material adverse effect on the Issuer's business, financial conditions or result of operations.

## NARRATIVE DESCRIPTION OF THE BUSINESS

**Overview**

The Issuer is engaged in the business of acquiring and exploring mineral resource properties. The Issuer's sole property is the Boomerang Property (in this section, the "Property"), located near Rhone, British Columbia, approximately 25 kilometers north-northwest of Rock Creek, in the Greenwood Mining Division. The Issuer's interest in the Property is governed by the Property Option Agreement. See "Acquisitions" above.

The Issuer intends to use the net proceeds from this Offering to carry out exploration on the Property and for working capital. The Issuer may decide to acquire other mineral properties in addition to the Property described below.

**Boomerang Property, Greenwood Mining Division, British Columbia, Canada**

The following information regarding the Property is summarized or extracted from an independent technical report dated August 30, 2016 entitled "NI 43-101 Technical Report on the Boomerang Gold-Silver-Lead-Zinc-Copper Property, Greenwood Mining Division, British Columbia, Canada" and prepared for the Issuer by Andris Kikauka (the "Author"), B.Sc., P.Geo. in accordance with the requirements of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101").

**Description and Location of the Boomerang Property**

The Property is located approximately 25 kilometers north-northwest of Rock Creek and 100 kilometers southeast of Kelowna in south-central British Columbia, Canada (See Figures 1 and 2). The property lies within the Greenwood Mining Division and is accessible via a network of mining and logging roads west of Blythe-Rhone Road and that parallel the west bank of the West Kettle River.

The Property consists of seven contiguous mineral tenures lying west of the West Kettle River and south of Nelse Creek (Figure 2 and Table 1). The Property is centred at N: 5456300-5458600, E: 351200-353900 and covers an aggregate area of 738.01 hectares.

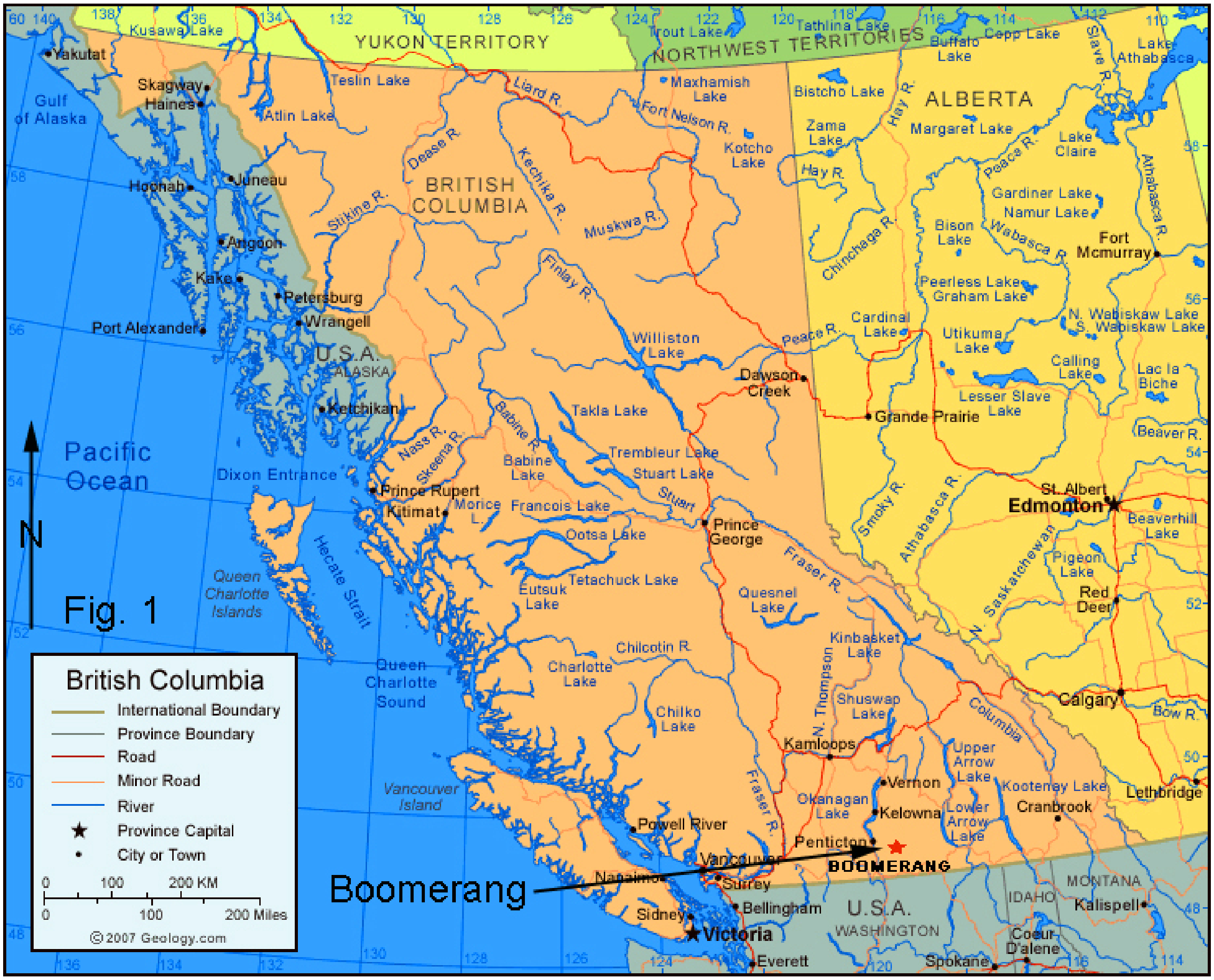


**Figure 1. General location map – Boomerang Property.**

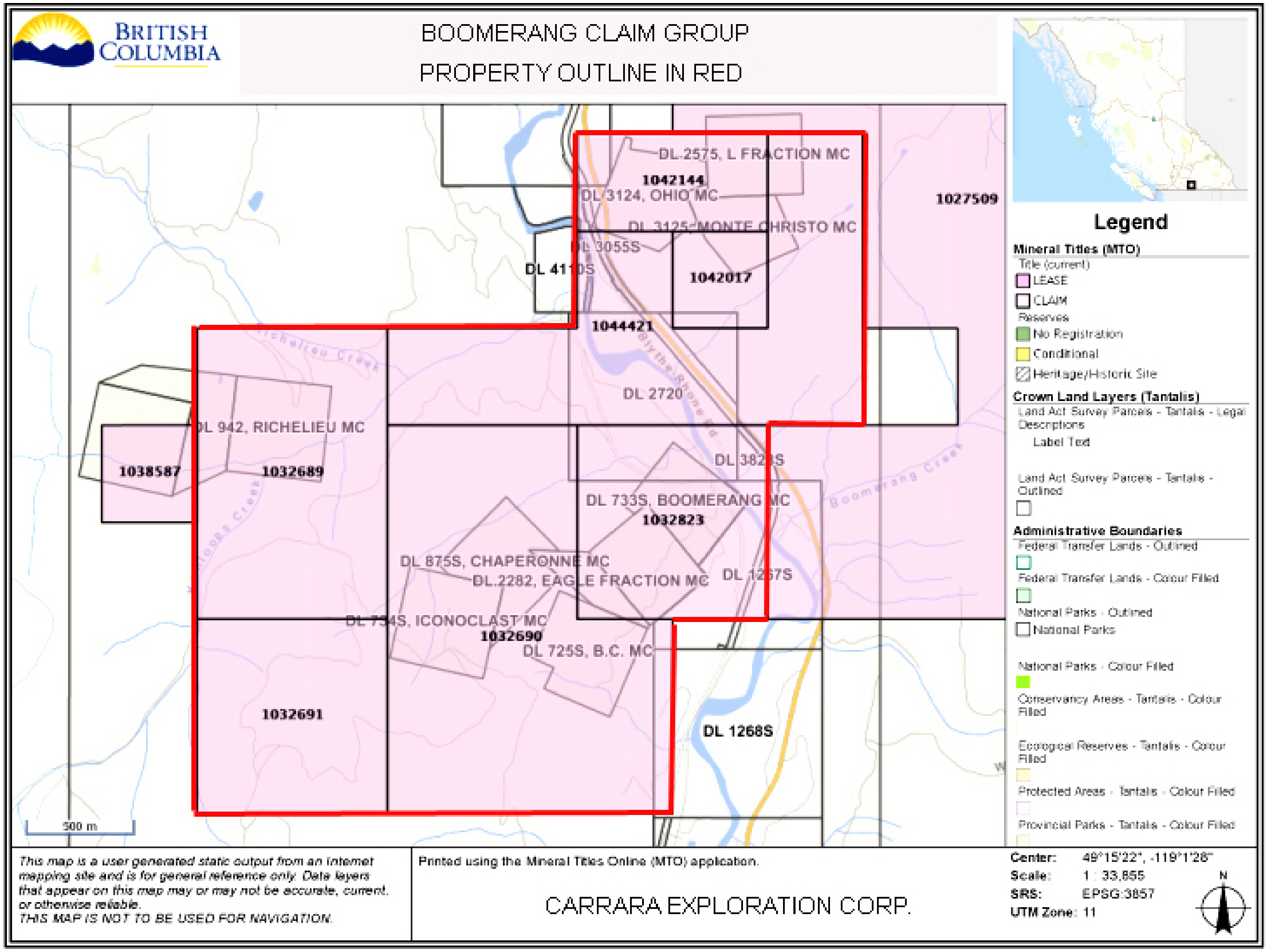


**Figure 2. Boomerang Property mineral tenure map – tenure numbers 1032689, 1032690, 1032691, 1032823, 1042017, 1042144, 1044421.**

**Mineral Tenures**

Details of the status of tenure ownership for the Property were obtained from the Mineral Titles Online (the "MTO") electronic staking system managed by the Mineral Titles Branch of the Province of British Columbia. The Property claims have not been surveyed. The mineral tenures comprising the Property are shown above in Figure 2 and listed below in Table 1.

**Table 1. Boomerang Mineral Claim Data.**

| Tenure Number | Type | Claim Name | Good Until | Area (hectares) |
|---|---|---|---|---|
| 1032689 | Mineral Claim | TERESA | December 31, 2023 | 126.51 |
| 1032690 | Mineral Claim | ICONOCLAST | December 31, 2023 | 210.88 |
| 1032691 | Mineral Claim | SOUTH RICHELIEU | December 31, 2023 | 84.36 |
| 1032823 | Mineral Claim | BOOMERANG | December 31, 2023 | 84.35 |
| 1042017 | Mineral Claim | MONTE CHRISTO | February 13, 2017 | 21.08 |
| 1042144 | Mineral Claim | OH – HIGH – AU | February 17, 2017 | 42.16 |
| 1044421 | Mineral Claim | MONTE CHRISTO | May 29, 2017 | 168.67 |

Information on the MTO website indicates that all of the claims listed in Table 1 are owned 100% by Craig A. Lynes. Mr. Lynes holds these claims on behalf of his company Rich River Exploration Ltd. Historic and reverted Crown Grant mineral claims located within the Property (each a "Reverted Crown Grant") include the following mineral claims:

- Balzac L 876S ("Balzac")
- B.C. L 725S ("B.C.")
- Boomerang L 733S ("Boomerang")
- Chaperone L 875S ("Chaperone")
- Dogan Grp ("Dogan")
- Eagle Fraction L 2282 ("Eagle Fraction")
- Eagle Fraction L 2282 ("Eagle Fraction")
- Iconoclast L 734S ("Iconoclast")
- Paddy ("Paddy")
- Richelieu L 942 ("Richelieu")
- Rhone Grp ("Rhone")
- Teresa Fraction L 869S ("Teresa Fraction")
- W.S. L 2281 ("W.S.")

In British Columbia, an individual or company holds the available mineral or placer mineral rights as defined in Section 1 of the *Mineral Tenure Act* (British Columbia) by acquiring title to a mineral tenure. This is now done by electronic staking. In addition to mineral or placer mineral rights, a mineral title conveys the right to use, enter and occupy the surface of the claim or lease for the exploration and development or production of minerals or placer minerals, including the treatment of ore and concentrates and all operations related to the business of mining, providing that the necessary permits have been obtained.

The mineral tenures listed in Table 1 are under option to the Issuer as outlined in the Property Option Agreement. See "General Development of the Business" above and "Risk Factors" below.

**Accessibility, Climate, Local Resources, Infrastructure and Physiography**

*Access*

The Property is located approximately 25 kilometers north-northwest of the town of Rock Creek and is accessible via a network of logging and mining roads west of Blythe-Rhone Road that run parallel to the west bank of the West Kettle River. The Property occupies a prominent ridge that separates the West Kettle River and Nelse Creek. The Property is located in the Okanagan Highlands of southcentral British Columbia in the Greenwood Mining Division. The east portions of the Property cover private land in the West Kettle River valley. There is no known aboriginal traditional territory on or adjoining the Property. There is no plant or equipment, inventory, mine or mill structure of any value on the claim.

*Climate and Vegetation*

The Property covers a portion of the West Kettle River Valley and extends over the mountain ridge flanking the west side of the valley and a small portion on the east side.

Elevations on the Property are between 650 and 1,350 meters. From the half-kilometer wide valley floor, the slope rises fairly gradually to about 900 meters before becoming steep with bluffs and cliffs in places. At about 1200 meters, it flattens out into a plateau.

The Property is located between the temperate rainforests of coastal British Columbia and the world's only temperate forest inland on the western slopes of the Columbia Mountains. Vegetation ranges from cactus and sagebrush in the south, to cedar and hemlock trees in the north.

The area is characterized by a variation of the continental climate, with warm to hot dry summers with daytime highs occasionally surpassing 40 degrees Celsius and fairly cold winters, though no month of the year has an average high temperature below 0 degrees Celsius. Precipitation during the year is low. Snow accumulation in the lower regions is low, but on the higher portions of the Boomerang Property it commonly reaches about a meter deep.

*Local Resources*

The City of Kelowna has good accommodation and logistical support including a source of supplies, helicopters and a hospital. Kelowna has a population of approximately 107,000 and equipment and supplies needed to support mine development are available.

*Infrastructure*

The Property is well situated with regards to local logging road infrastructure. Adequate fresh water for a mining operation could be drawn from the West Kettle River (and tributaries) from a location on the east limit of the Property.

*Physiography*

The dominant physiographic feature of the area surrounding the Property is the mountainous terrain of the Okanagan Highlands. The Property features a prominent northeast trending ridge axis with steep cliff areas that occur on the southeast facing slope of the ridge (towards the West Kettle River) and a more moderate northwest facing slope of the ridge (towards Nelse Creek). The steeper terrain is commonly underlain by Jurassic and Cretaceous intrusive rocks and the moderate sloping terrain is partly underlain by Eocene volcanic rocks.

**History**

*1899 – Early Recorded Activity*

Earliest recorded activity on the Property took place from 1899 to 1914 on the Iconoclast, Boomerang, W.S. and B.C. Reverted Crown Grants. The work consisted of prospecting and trenching that led to the sinking of an 18 meter deep shaft on the W.S. Reverted Crown Grant in 1914 from quartz veins in granite, porphyry, or other igneous rock. Quartz veins carrying iron sulphides with gold values estimated at $11 per ton, with some occasional free gold showing. The average price of gold in 1901 was $18.98 per troy ounce. These results are historic (Minister of Mines Annual Report, 1901) and as such, analytical results are not compliant with current NI 43-101 standards and are not to be relied upon.

*1913 – Minister of Mines Report*

A report prepared for the Minister of Mines summarized the Property as follows. The main rock formation is granite intruded here and there by dykes and small bosses of porphyritic rock. The veins are well defined fissure-veins varying from a few inches to several feet in width. The vein-filling being quartz with sparse galena and iron-pyrites. The values are chiefly in gold associated with the galena. Quartz veins lie at contacts between granite and porphyry. The ore taken from the shaft on the south part of the W.S. Reverted Crown Grant has been piled in three dumps. To the east of the shaft, it is covered with wash (overburden), while to the west is apparently capped by the porphyry. Approximately 500 feet (152 meters) to the west, a small vein crops out, which is probably an extension of the main one and is entirely within the granite. This small showing is prospected by some open cuts and a 15 foot (4.6 meter) shaft, the cuts show the vein to be faulted, while in the shaft the vein pinched to two seams about 18 inches apart and in between is a filling of kaolin. Two other leads are exposed on the Property, paralleling the main lead and run north and south, respectively, from it.

*1939 – Arthur Miller and Associates Extractions*

Arthur Miller and Associates shipped 33 tons of ore from the Property (W.S. Reverted Crown Grant) which yielded 7 troy ounces of gold and 55 troy ounces of silver. Based on the recovered gold and silver, the average grade extracted was approximately 0.212 troy ounces/short ton (7.27 grams per ton) Au and 1.66 troy ounces/short ton (56.9 grams per ton) Ag. These results are historic (Minister of Mines Annual Report, 1939) and as such, are not compliant with current NI 43-101 standards and are not to be relied upon.

*1946 – Pinecrest Gold Mines Ltd. Exploration*

Pinecrest Gold Mines Ltd. acquired the Boomerang, W.S., B.C., Eagle Fraction, Chaperone, Iconoclast and Balzac Reverted Crown Grants and other claims near Rhone, on the Kettle Valley Railway. Work done during 1946 was confined to clearing a site for development and general exploratory work on the surface (Minister of Mines Annual Report, 1946).

*1962 – S. Ruzicka Operations*

S. Ruzicka operated the Paddy Reverted Crown Grant in this area and shipped 24 tonnes yielding 187 grams Au, 1,462 grams Ag, 24 kilograms Pb and 24 kilograms Zn (Minister of Mines Annual Report, 1962). Based on the recovered minerals, the average grade extracted is approximately 0.227 troy ounces/short ton (7.79 g/t) Au and 1.78 troy ounces/short ton (60.92 grams per ton) Ag. These results are historic (Minister of Mines Annual Report, 1962) and as such, are not compliant with current NI 43-101 standards and are not to be relied upon.

*1974 – Doug Hopper Acquisition and Sampling*

The Property was acquired by Doug Hopper who performed line cutting and soil sampling on the Boomerang, W.S., B.C., Chaperone and Iconoclast Reverted Crown Grants and filed EMPR assessment report 05621. (Cu, Ag and Au geochemical analysis was performed on 200 soil samples covering an area of approximately 100 hectares (247.1 acres). Results indicate above average values for copper and silver in soil near the old workings, as well as outside of the area of historic workings. Gold values in soil indicated that isolated anomalies appear to be restricted to areas near the old workings. In 1976, a total of 17 rock chip samples were taken on the Boomerang, W.S., B.C. and Iconoclast Reverted Crown Grants.

*1978 – Dayton Silver Mines Ltd. Mapping*

Dayton Silver Mines Ltd. acquired the Richelieu and Teresa Fraction Reverted Crown Grants and performed geological mapping in the northwest part of the Property. An old working with a tunnel was located in the east part of the Richelieu Reverted Crown Grant as well as quartz float north of Nelse Creek across from the mouth of Kamloops Creek.

*1980 – Zeron Resources Ltd. Trenching*

Zeron Resources Ltd. acquired the Property and carried out a program of bulldozer trenching on the Boomerang, W.S., Eagle Fraction, B.C. and Iconoclast Reverted Crown Grant mineral claims located within the northeast and central area of the Property. A total of six trenches were excavated taking out approximately 6,150 cubic meters (8,044 cubic yards). Also, 1,100 meters of access road was cleared. Vein structures were located in two of six trenches. Vein material as float (located in overburden, not in outcrop) was found in other trenches. The veins are of the porcelaneous variety and have been ribbon-fractured and re-fractured, and carry abundant limonite, minor pyrite, fine galena and tetrathedrite. Veins were observed up to one meter in width but are not well exposed and may be wider.

*1981 – Dayton Silver Mines Ltd. Sampling*

Dayton Silver Mines Ltd. performed geochemical analysis of soil samples and geological mapping on the Richelieu and Teresa Fraction Reverted Crown rants within the northwest part of the Property. The area north and west of the mouth of Kamloops Creek contains several isolated As-Pb-Cu soil anomalies in an area that is underlain by granite and rhyolite porphyry. Mapping of this area identified zones of quartz vein material found in overburden. Follow up exploration on this area was recommended.

*1986 – John Visser Surveys*

John Visser acquired the Boomerang, W.S., Eagle Fraction, B.C. and Iconoclast Reverted Crown Grant mineral claims and SJV Geophysics performed magnetometer and self-potential geophysical surveys. A zone of low magnetic intensity appears to have the same north east trend as the quartz veins. More work should be done to correlate the magnetic data to the geology and extend the survey. The self-potential results did not show any response. Logan Mines completed 1,744 feet (531.6 meters) of NQ core drilling.

A total of seven drill holes were collared from five different locations focusing primarily on two mineralized structures identified on the Boomerang, W.S., Eagle Fraction and B.C. Reverted Crown Grants. Mafic dykes trending northeast are located approximately 225 meters uphill, to the northwest, from mineralized structures on the W.S. Reverted Crown Grant. The northeast trending dykes have been cut northwest trending faults that appear to have displaced the mafic dykes approximately 20 to 60 meters horizontally. The drill logs and analysis results for 1986 drill holes by Logan Mines Ltd. (assessment report 16,671) were not reported.

*1987 – Trenching and Fieldwork*

During the period of July 1 to 7, 1987, limited bulldozer trenching and sampling was conducted on the on the Boomerang, W.S., Eagle Fraction, B.C. and Iconoclast Reverted Crown Grant mineral claims. Fieldwork was financed through a joint venture between Logan Mines Ltd. and Tinto Gold Corp. The Property is underlain by intrusive rocks of the Nelson Formation with intrusions of porphyritic rocks; the picture of their interrelationship is not yet clear. A strong northeast-southwest shear zone is cutting through the Property containing at least two almost parallel quartz veins with gold and silver values, which could be merging at their northeast end. Explored so far is a strike length of about 450 meters, but the zone could possibly extend its length to over 800 meters. As follow up work on two targets selected on the basis of high assays obtained in 1986, the first target area was line 240 south 200 west, where a narrow silicified structure, enveloped by two mafic dikes assayed 4.944 ounces per ton (169.51 grams per ton) Au over 0.15 meters. Trench G returned three samples assaying 0.021, 0.086 and 0.037 ounces per ton (0.71, 2.95 and 1.27 grams per ton) Au. The average from these samples is 0.047 ounces (1.61 grams per ton) Au over 5.5 feet (1.68 meters). These values are historic and as such, are not compliant with current NI 43-101 standards and are not to be relied upon.

From the 1988 to present, no work has been recorded on the Property.

## Geological Setting, Mineralization and Deposit Types

*Regional Geology*

A roughly circular, 700 meter diameter volcanic rock unit occurs in the north-central and southwest part of the Property. Lithologic units of Middle Jurassic granite and alkali feldspar granite MJgr and Cretaceous Okanagan Batholith Ladybird and Valhalla intrusive rocks are part of the Okanagan Highlands intrusive complex and occur as north-northeast trending emplacement of granite, alkali feldspar granite, granodiorite, diorite and quartz diorite composition plutonic rock. Younger Penticton Group volcanic rocks occur as outliers (younger rock surrounded by older rocks) and are accompanied by north-northeast, northwest to east trending (herringbone pattern) fault structures and related felsic dykes (rhyolitic), mafic dykes (basaltic) adjacent to faults. Tertiary hydrothermal activity has mineralized older rocks of the Okanagan Plutonic Complex along or adjacent to fault and dyke structures. Eocene (Tertiary) Penticton Group (Marron, Kettle River, Marama, Springbrook, & Skaha Formations) lava and intercalated epiclastic rock accumulations form 0.5 to 5 kilometer diameter domes and elongated (north, east and northeast trending) belts of undivided volcanic rocks within and adjacent to the Property. Tertiary outliers have been influenced by major normal faults some of which show vertical displacement in the order of several hundreds of meters. In general, structural control of the Tertiary outliers seems to relate to a herringbone pattern of conjugate faults of northeast and northwest orientation. The polymetallic vein type mineralization that occurs on the

Boomerang property is interpreted as Tertiary age. Mineralization at the nearby Beaverdell Camp Highland Bell-Wellington-Lass (the "Beaverdell") polymetallic vein is also Tertiary age and both the Beaverdell and the Property are hosted in older Jurassic intrusive rocks. Tertiary volcanism and accompanying shallow felsic intrusive emplacement appear to be important elements in a north-south stress scheme responsible for the many northerly trending graben structures and northeast trending conjugate extensional tectonics across the interior of British Columbia from the Fraser River lineament to the Rocky Mountain Trench. The period 45 to 53 million years ago witnessed intense volcanic and tectonic activity that coincides with northerly movement of the Pacific plate.

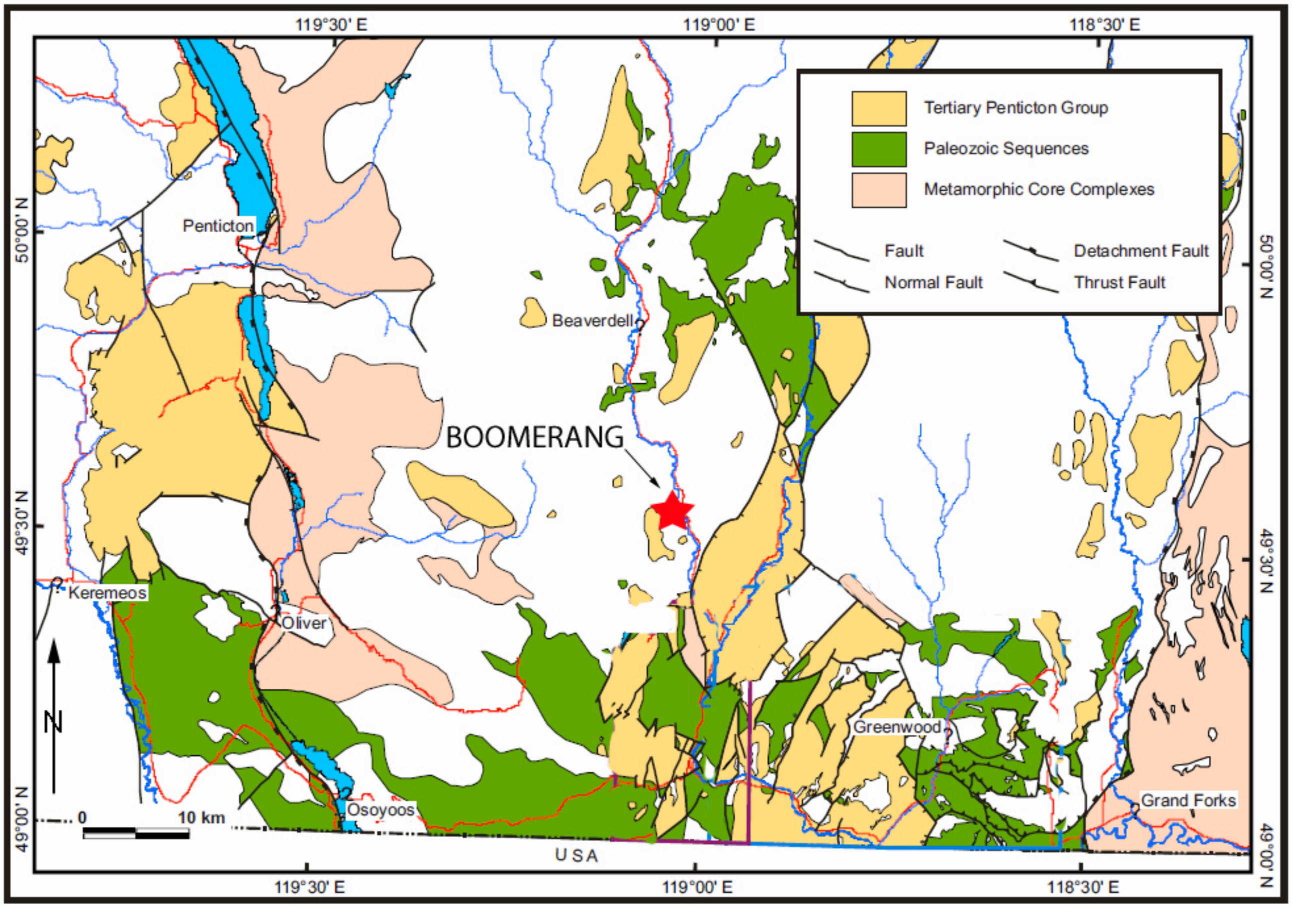


Figure 1. Distribution of Paleozoic Quesnellian rock suites in the Boundary District (south-central part of NTS 082E), southern BC, amended from the digital geology map of British Columbia (Massey *et al.*, 2005).

**Figure 3. Regional geology of the Boomerang Property.**

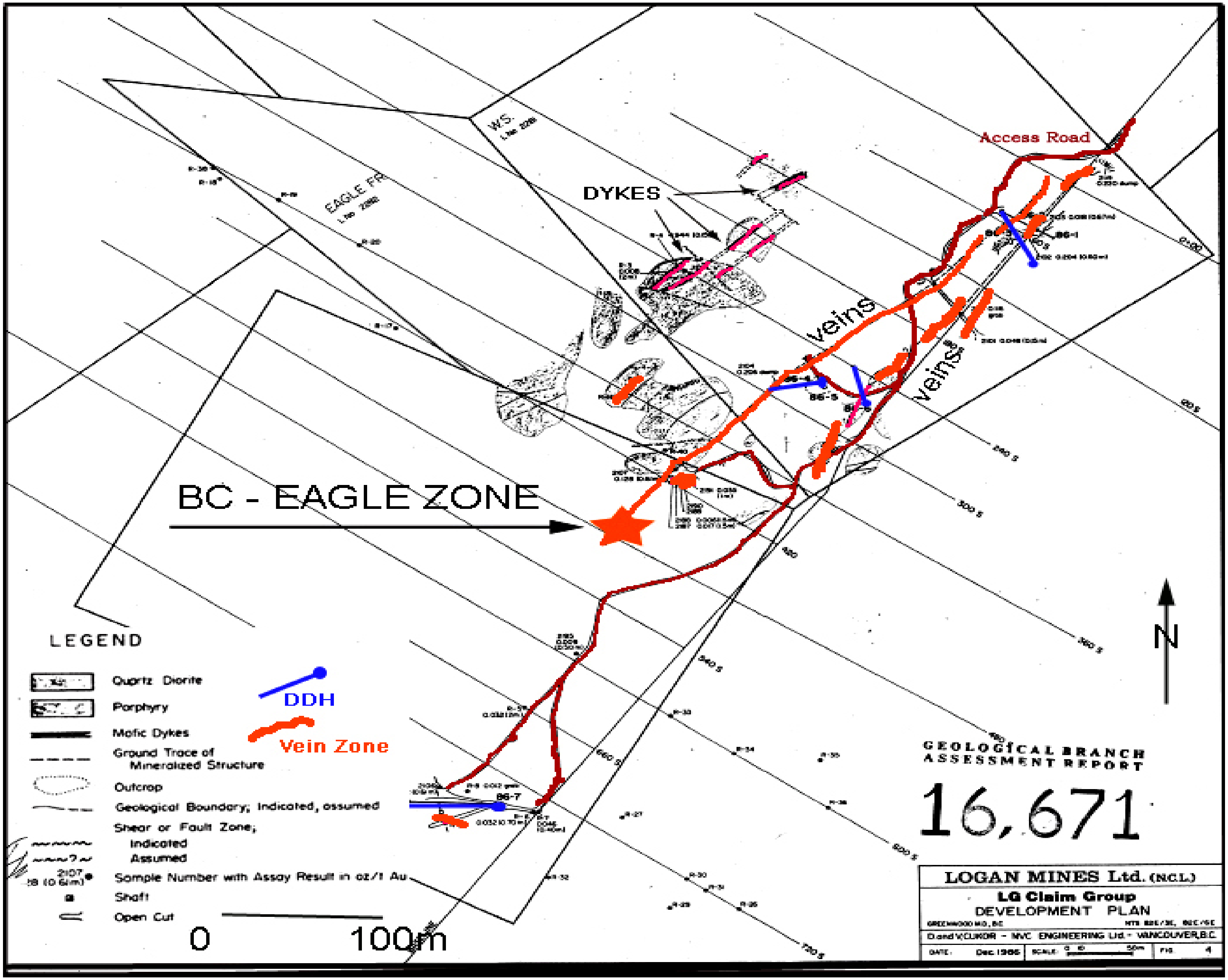


Figure 4. Logan Mines Ltd. Assessment Report 16,671 showing geology, mineralization and diamond drill hole locations.

*Local and Property Geology*

The Property is mainly underlain by intrusive rocks consisting of Middle Jurassic granite and alkali feldspar granite with minor Cretaceous Okanagan Batholith Ladybird and Valhalla intrusive rocks in the northeast portion of the Property. Approximately 15% of the Property is underlain by Eocene Penticton Group volcanic rocks.

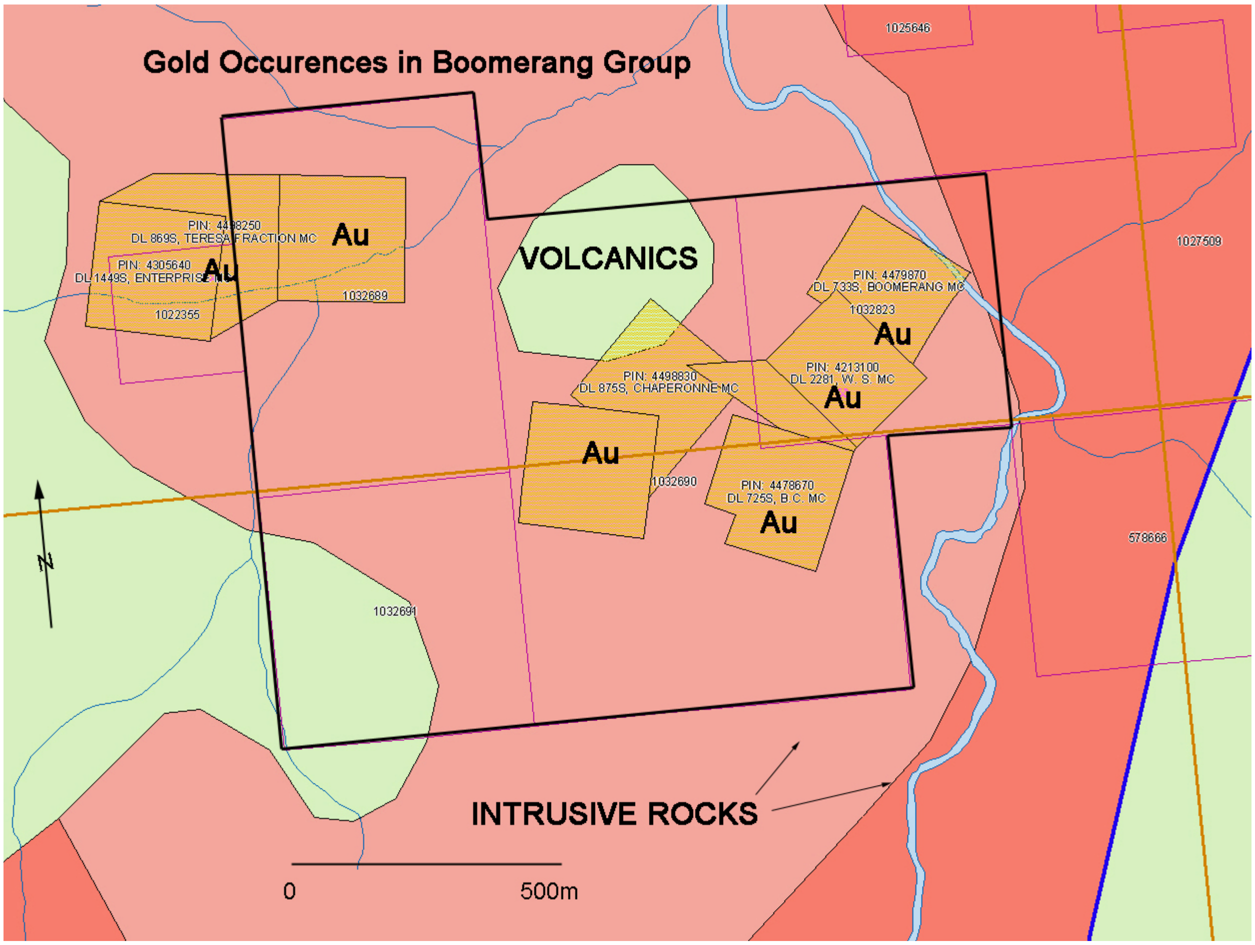

**Figure 5. General geology and gold occurrences in Reverted Crown Granted claims.**

*Mineralization*

The alteration assemblages present on the Property consist of quartz, chlorite, kaolinite, montmorillonite, pyrolusite and calcite. Mineralization present on the Property consists of quartz-polymetallic sulphide veins that contain variable amounts of pyrite, chalcopyrite, galena, sphalerite and rare tetrahedrite. In general, the veins are steeply dipping, narrow, tabular or splayed occurring as sets of parallel and offset veins. The quartz-sulphide fissure veins present on the Property trace steeply dipping fissures and faults that are mainly northeast trending. A small portion of polymetallic vein mineralization trends north and east with steep dips.

The Property is underlain by the following lithologies:

| Type | Description |
|---|---|
| Volcanic Rocks | Eocene Penticton Group volcanic rocks |
| Intrusive Rocks | Cretaceous Okanagan Batholith Ladybird and Valhalla intrusive rocks |
| | Middle Jurassic granite and alkali feldspar granite |

The Property is underlain by Late Jurassic to Early Cretaceous granodiorite with roof pendants, inclusions and lenses of Lower Cretaceous Gambier Group sedimentary, volcanic and metamorphic rocks and/or older sedimentary, volcanic and metamorphic equivalents. The roof pendants host skarn deposit type mineralization. The alteration assemblages present on the Boomerang property consist of, chlorite, pyrolusite and calcite. The sulphide minerals present on the Property consist of pyrite, chalcopyrite, galena and sphalerite.

*Deposit Types*

The main deposit type sought in the exploration of the Boomerang mineral property are polymetallic veins.

Sulphide-rich veins containing sphalerite, galena, silver and sulphosalt (e.g. tetrahedrite) minerals in a carbonate and quartz gangue can be subdivided into those hosted by metasediments and another group hosted by volcanic or intrusive rocks. The latter type of mineralization is typically contemporaneous with emplacement of a nearby intrusion. These veins occur in virtually all tectonic settings except oceanic, including continental margins, island arcs, continental volcanics and cratonic sequences.

Veins typically occur in country rock marginal to an intrusive stock. Typically veins crosscut volcanic sequences and follow volcano-tectonic structures, such as caldera ring-faults or radial faults. In some cases, such as Property, the veins cut older intrusions. Typically steeply dipping, narrow, tabular or splayed veins commonly occur as sets of parallel and offset veins. Individual veins vary from centimetres up to more than 3 meters wide and can be followed from a few hundred to more than 1,000 meters in length and depth. Veins may widen to tens of metres in stockwork zones. Compound veins with a complex paragenetic sequence are common. A wide variety of textures may be present, including cockade texture, coliform banding and crustifications and locally drusy. Veins may grade into broad zones of stockwork or breccia. Coarse-grained sulphides as patches and pods and fine-grained disseminations are confined to veins. Silver minerals often occur as inclusions in galena, while native gold and electrum occur in some deposits. Rhythmic compositional banding is sometimes present in sphalerite. Some veins contain more chalcopyrite and gold at depth and gold grades are normally low for the amount of sulphides present. Regional faults, fault sets and fractures are an important ore control; however, veins are typically associated with second order structures. In igneous rocks, the faults may relate to volcanic centers. Significant deposits restricted to competent lithologies. Dykes are often emplaced along the same faults and in some camps are believed to be roughly contemporaneous with mineralization. Some polymetallic veins are found surrounding intrusions with porphyry deposits. Historically these veins have been considered to result from differentiation of magma with the development of a volatile fluid phase that escaped along faults to form the veins. More recently researchers have preferred to invoke mixing of cooler, upper crustal hydrothermal or meteoric waters with rising fluids that could be metamorphic, groundwater heated by an intrusion or expelled directly from a differentiating magma. Strong structural control on veins and common occurrence of deposits in clusters can be used to locate new veins.

Individual vein systems range from several hundred to several million tonnes grading from 5 to 1500 grams per ton Ag, 0.5 to 20% Pb and 0.5 to 8% Zn. Average grades are strongly influenced by the minimum size of deposit included in the population. In British Columbia, for deposits larger than 20,000 tons, the average size is 161,000 tonnes with grades of 304 grams per ton Ag, 3.47% Pb and 2.66% Zn. Copper and gold are reported in less than half the occurrences, with average grades of 0.09% Cu and 4 grams per ton Au. These veins usually support small to medium-size underground mines. The polymetallic vein is the most common deposit type in British Columbia with over 2,000 occurrences; these veins were a significant source of Ag, Pb and Zn. They have declined in importance as industry focused more on syngenetic massive sulphide deposits. Larger polymetallic vein deposits are still attractive because of their high grades and relatively easy benefication. They are potential sources of cadmium and germanium.

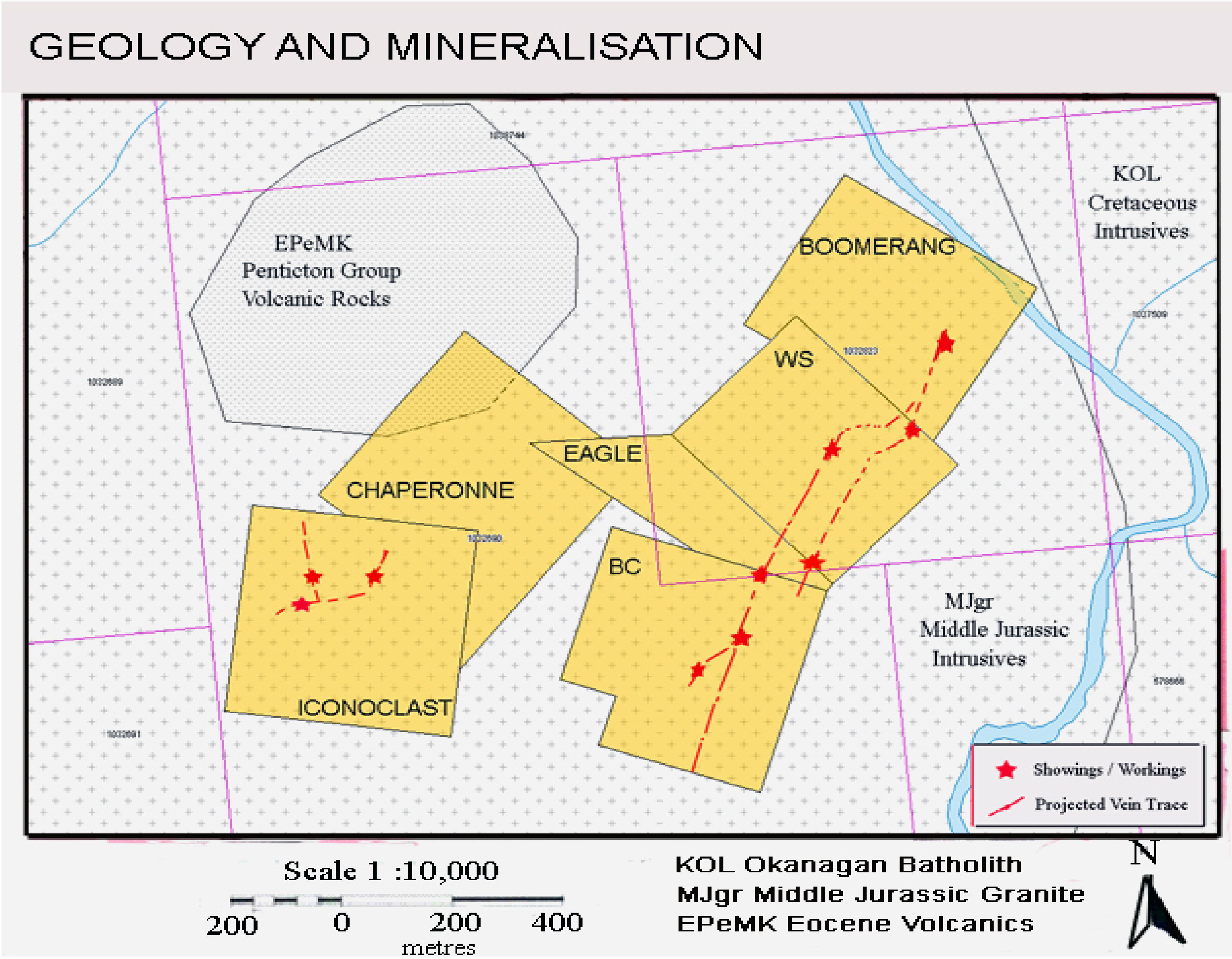


**Figure 6. Geology and mineralization of the east portion of the Boomerang Property.**

**Exploration**

The Author was commissioned by the Issuer to conduct a program of geological mapping and geochemical rock sampling on the Property for the purpose of identification of base and precious metal bearing mineralization. A total of 4 hectares (12.4 acres) was mapped at a scale of 1:5,000 and three rock chip samples were taken on the east-central parts of the Property. Field work was supervised by the Author and carried out commencing on December 18, 2014 through until June 17, 2016. During this time, the Author identified several mineral zones throughout the Property (each a "Zone").

*Geological Mapping and Mineralization Sampling*

Geological features such as strike, dip of lithological contacts and alteration mineral assemblages were identified on the Property, as well as sulphide mineralization. Three rock samples were taken across interval lengths of 66 to 127 centimeters (26 to 50 inches) using rock hammer and chisel. In order to minimize sampling biases, approximately 1 to 2 kilograms (2.2 to 4.4 pounds) of acorn sized rock chips were collected from bedrock exposures of outcrop and are representative of the sampled interval. The Author sampled intervals perpendicular to the strike of mineralization, however sample interval length is not true width. Additional geospatial data is required to estimate true width. Rock chip samples were placed in a marked poly ore bag and shipped to Pioneer Labs, Richmond, British Columbia for multi-element ICP-MS and gold geochemical analysis.

In the south portion of the Boomerang Reverted Crown Grant, rock sample 14BM-01 was collected. On the south portion of the B.C. Reverted Crown Grant, rock sample 14BM-02 was collected. On the south portion of Iconoclast Reverted Crown Grant, rock sample 14BM-03 was collected. Descriptions of the rock samples are listed as follows:

**Table 2. Boomerang Rock Sample Geological Descriptions.**

| Sample ID | Mineralization | Strike | Dip | Interval Length (cm) |
|---|---|---|---|---|
| 14BM-01 | pyrite, sphalerite, galena, chalcopyrite, tetrahedrite | 36 | 75 SE | 125 |
| 14BM-02 | pyrite, sphalerite, galena | 38 | 80 SE | 120 |
| 14BM-03 | pyrite | 168 | 88 E | 50 |

**Table 3. Boomerang Rock Samples, Multi-element ICP-MS analysis, (source: Pioneer Labs Report 2141428).**

| Sample ID | MTO Tenure | Easting | Northing | Elevation (meters) | Cu (ppm) | Pb (ppm) | Zn (ppm) | Ag (ppm) | Au (ppb) |
|---|---|---|---|---|---|---|---|---|---|
| 14BM-01 | 1032823 | 353516 | 5457531 | 715 | 708 | 4465 | 2153 | 66.2 | 6950 |
| 14BM-02 | 1032690 | 353074 | 5456901 | 761 | 173 | 2180 | 1147 | 9 | 1480 |
| 14BM-03 | 1032690 | 352410 | 5457050 | 1018 | 52 | 20 | 33 | 0.2 | 42 |

Sample ID 14BM01 contains approximately 0.3% pyrite, 0.5% sphalerite and 0.8% galena, with lesser amounts of chalcopyrite and trace amounts of tetrahedrite. Sample ID 14BM02 contains approximately 0.3% pyrite, 0.2% sphalerite and 0.4% galena. Sample ID 14BM03 contains approximately 1% pyrite and 10% quartz as 1 to 5 millimeters wide veinlets. Sulphide mineralization is hosted in quartz veins and lesser quartz breccia zones with minor carbonate, chlorite, kaolinite, hematite, pyrolusite gangue minerals. Quartz-sulphide veins and breccia are associated with fault and fracture zones cutting Middle Jurassic granitic intrusive rocks. The majority of quartzsulphide fissure veins trend northeast and have steep dips.

Some veins on the Iconoclast exhibit east and north strike with moderate to steep dips. A historic working on the Richelieu Reverted Crown Grant is reported to trend north-northwest. Quartz-sulphide veins identified on the Property are tabular and/or splayed and occur as sets of parallel and offset veins.

Fieldwork carried out in May of 2015 on the Property consisted of a total of 200 hectares (494 acres) of geological mapping at a scale of 1:2,500, 7.6 line kilometers of magnetometer surveying, and 52 rock chip samples that were taken on the Property.

The purpose of the survey was to identify, sample and describe gold and silver bearing mineralization as well as alteration, lithology and structure related to mineralization.

Vein structures were located and prospected along strike for further signs of mineralization. Two such areas were located in a forested area just south of some old workings. Small test holes were dug in areas of angular rusty, vuggy quartz sub-crop and float.

This resulted in the discovery of new showing of high grade gold in quartz vein outcrop. This new zone is dubbed the B.C.-EAGLE after the old Reverted Crown Grants on which the showings occur.

Gold is commonly associated with silver within argentiferous galena on the Property.

*Iconoclast Zone Detailed Geological Mapping*

Detailed geological mapping of the Iconoclast Zone identified a northeast trending steep dipping (70 degrees to the northwest) localized quartz-sulphide (galena-chalcopyrite bearing) veining. Approximately 12 meters southwest of the Iconoclast Zone is a southeast trending fault gully that is centered on a 20 by 50 meter area (elongated northeast) that features a zone of angular shaped quart-limonite float.

The Iconoclast Zone consists of northeast trending quartz-sulphide veining that is traced intermittently for approximately 200 meters along strike to the northeast of the old workings. The close proximity of the Iconoclast Zone to the southeast trending gully suggests the gully fault should be mapped in detail to identify localized structure to identify extensions of Iconoclast quartz-sulphide (galena-chalcopyrite bearing) Zone. Previous trenching has been done and did not reach bedrock at a depth of 1 meter and, based on exposures of bedrock in a trenched area located 20 meters northwest of the Iconoclast Zone, the Author estimates that approximately 2.5 to 3.5 meter deep trenches are required to reach bedrock in this area.

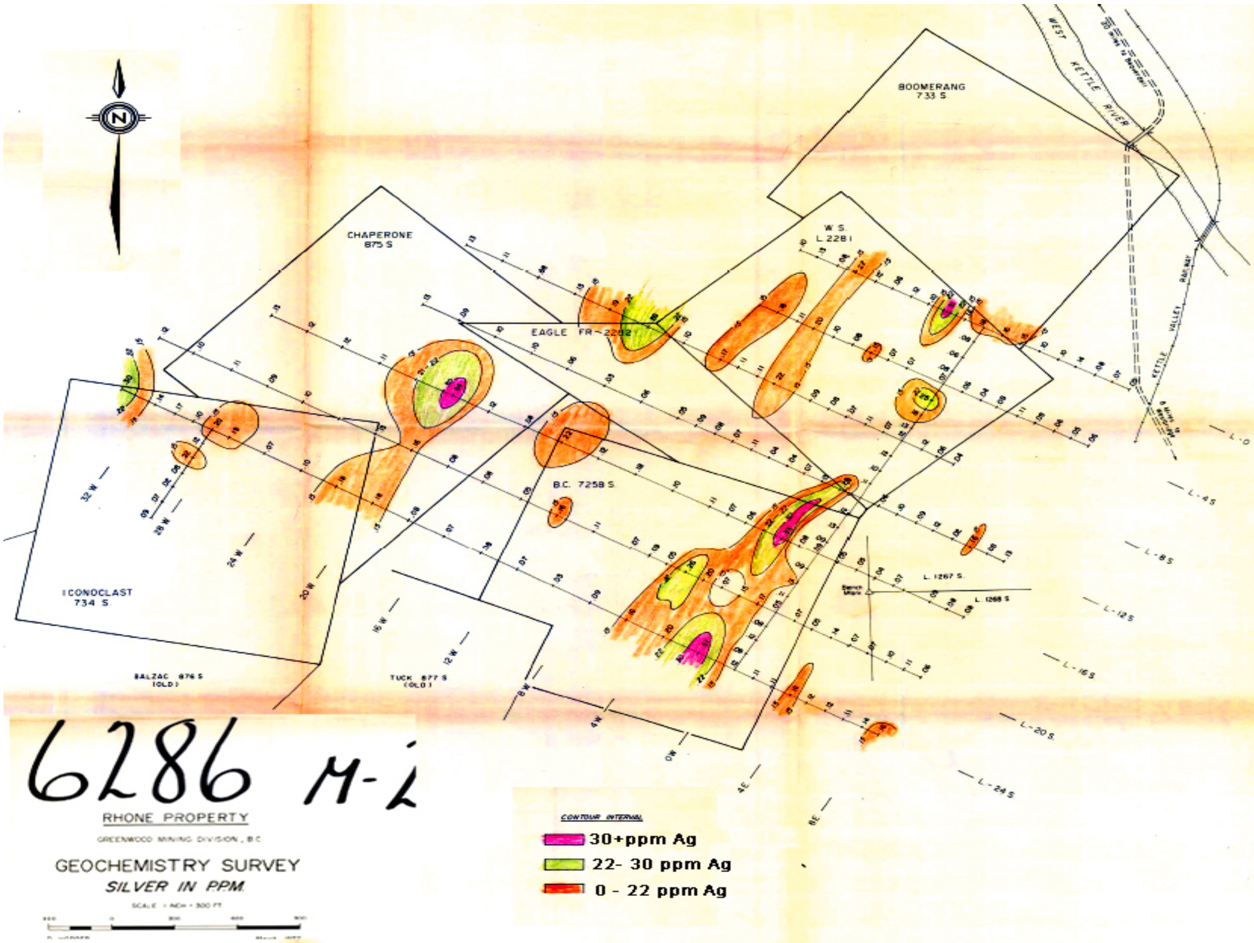


**Figure 7. Silver geochemistry of the Boomerang, W.S., Eagle Fraction, B.C. and Iconoclast Reverted Crown Grants (Detail).**

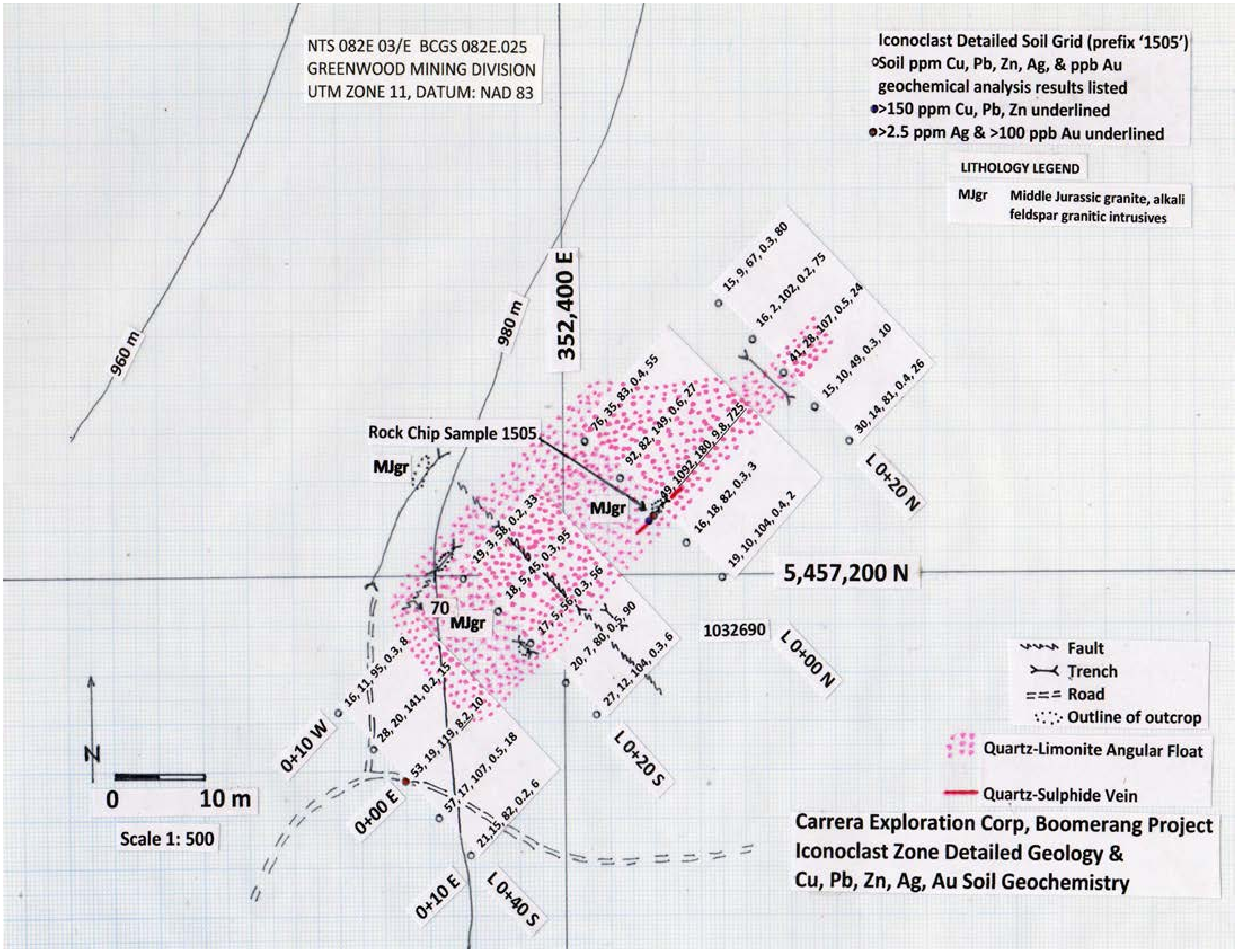


**Figure 8. Geology and mineralization of the Iconoclast Reverted Crown Grants (Detail).**

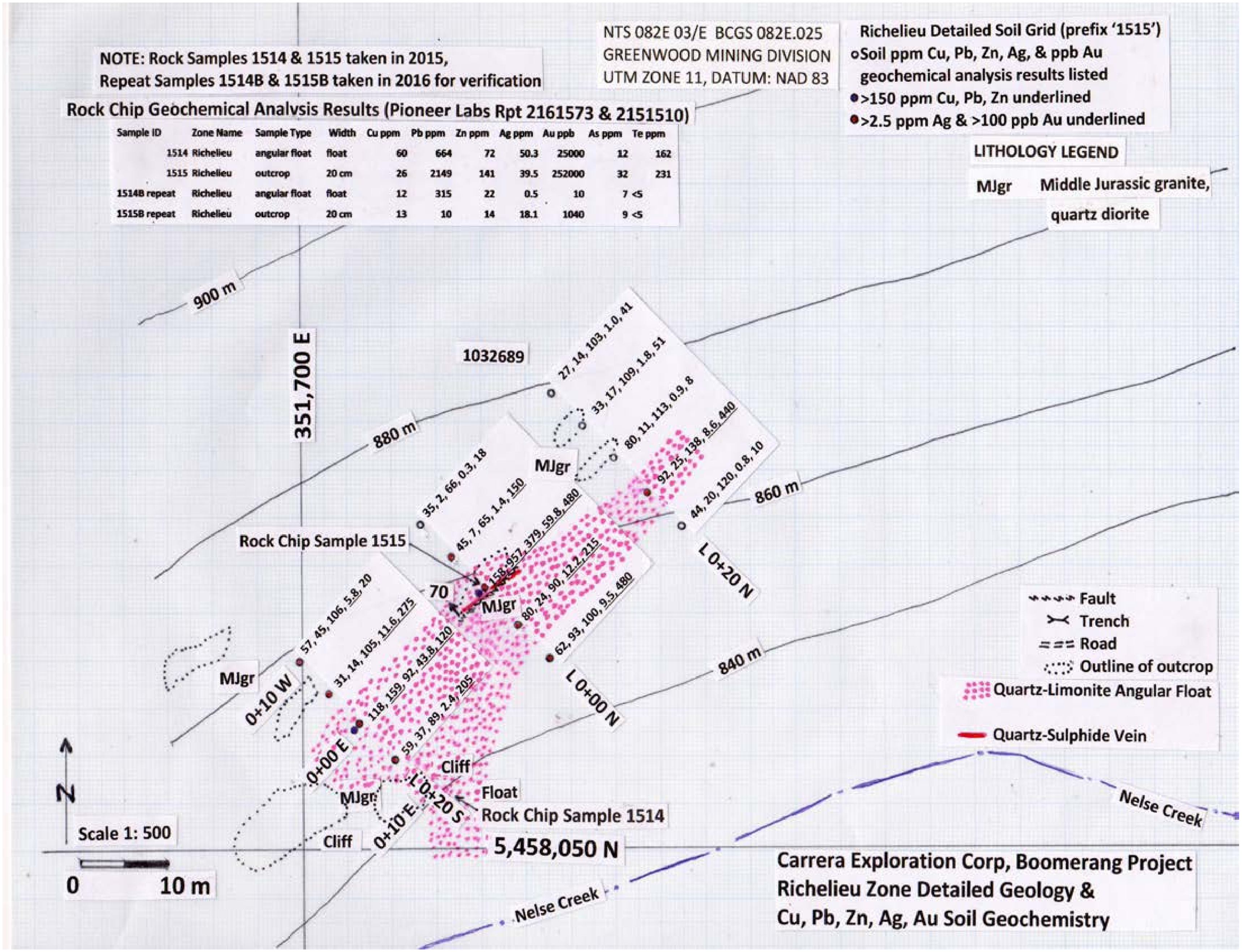


**Figure 9. Richelieu Zone detailed geology & Cu, Pb, Zn, Ag, Au soil geochemistry.**

*Richelieu Zone Detailed Geological Mapping*

Detailed geological mapping of the Richelieu Zone identified a northeast trending steep dipping (70 degrees to the northwest) localized quartz-sulphide (pyrite-trace telluride bearing) veining. Approximately 30 meters south of the Richelieu Zone, there is a 30 by 30 meter area zone of angular shaped quart-limonite float that appears to be cut-off to the west by a series of 2 to 6 meter relief cliffs that consist of silicified granite that contains minor amounts of secondary limonite-muscovite alteration.

The Richelieu Zone consists of northeast trending quartz-sulphide veining that is traced for approximately 5 meters in strike length in well exposed outcrop located approximately 30 meters north of Nelse Creek and about 20 meters in elevation above Nelse Creek. The Richelieu has some mineralogical similarities to the Boomerang and north portion of the B.C. Zone in that both exhibit precious metal values associated with trace amounts of telluride (common telluride minerals include tetradymite, as well as rare calaverite, sylvanite and hessite).

The Richelieu Zone appears to be an example of telluride mineralization that has erratic and unpredictable areal distribution within quartz-sulphide veins that contain 0.1 to 1% pyrite, void of chalcopyrite-galena-sphalerite and is not considered to be a polymetallic vein type occurrence, but rather an Au Quartz Vein with subordinate tetradymite and/or other telluride minerals (Au/Ag /Te).

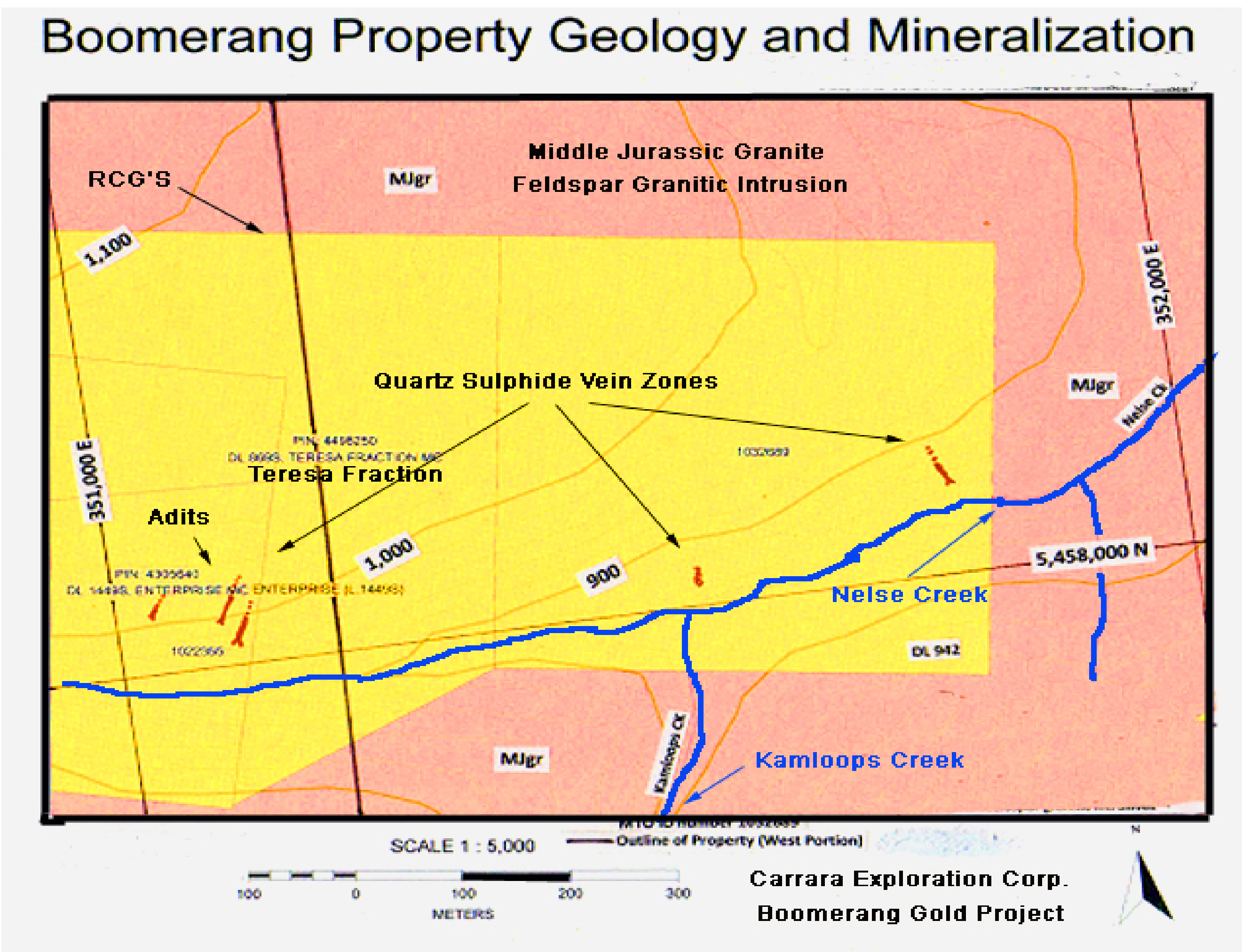


**Figure 10. Geology and mineralization of the Richelieu L942 Reverted Crown Grants (Detail).**

*W.S. Zone Detailed Geological Mapping*

Detailed geological mapping of the W.S. Zone (near shaft) identified northwest trending, steep to moderate southwest dipping jointing in the granitic country rock that appears to align with northeast trending, steep dipping fault structures that parallel localized quartz-sulphide (galena-chalcopyrite) veining located 20 meters northwest and 50 meters southeast of a steep-sided gully that steepens in the area of the mineral occurrences as a result of increased silicification. The distribution of quartz-sulphide veining on the W.S Zone suggests that there may be parallel quart-sulphide vein structures adjacent and close to mafic dykes. The mafic dykes at the northwest portion of W.S. Zone are related to Eocene Penticton Group volcanic rocks, which are interpreted to be related to precious metal bearing quartz-sulphide veining.

This genetic model is similar to Beaverdell polymetallic quartz veins (located approximately 20 kilometers north of the Property). From 1913-1991, the Beaverdell Mine produced 1,198,829 tonnes that were processed, resulting in 1,076,005,759 grams Ag, 520,197 grams Au, 11,598.3 tonnes Pb, 13,900.1 tonnes Zn and 58.1 tonnes Cd (Source: Minfile).

*B.C. Zone Detailed Geological Mapping*

The Eagle Fraction and north portion of B.C. Zone consists of northeast trending quartz-sulphide veining that is traced for approximately 140 meters along strike.

This zone is bisected by a southeast trending fault gully that has several 5 to 10 meter diameter flat spots that form swampy, marshy areas. The southeast trending fault gully appears to offset the quartz-sulphide veining approximately 5 to 10 meters, however, there is very little outcrop exposed to verify this. The outcrop exposure located approximately 25 meters southwest of the southeast trending fault gully exhibits a re-fractured sawtooth shaped, sharp contact with secondary muscovite altered granite.

The re-fractured quartz-sulphide vein exhibits 10 to 15 centimeter dextral horizontal displacement and the mineralogy of this vein consists of pyrite and trace amounts of telluride minerals. The quartz vein outcrop exposure does not contain galena-chalcopyrite, however, chalcopyrite and minor galena occurs with large 2 meter sized blocks of angular float located 20 to 50 meters northwest of the fault gully (an area that has historic trenching).

The Eagle Fraction and north portion of B.C. Zone also features a 140 by 30 meter area (elongated northeast) that contains quartz-limonite angular float and disseminated pyrite in granitic country rock.

The south portion of B.C. Zone also features a southeast trending gully that appears to the locus of disseminated pyrite hosted in quartz-carbonate-muscovite altered granite, as well as northeast and north-northeast trending, steeply dipping polymetallic (galena, chalcopyrite, sphalerite bearing) quartz veins adjacent to the fault gully. The south portion of B.C. Zone also features breccia textures associated with quartz-carbonate veining in a strongly altered 30 by 50 meter area centered on the galena, chalcopyrite, sphalerite bearing quartz veins adjacent to the fault gully.

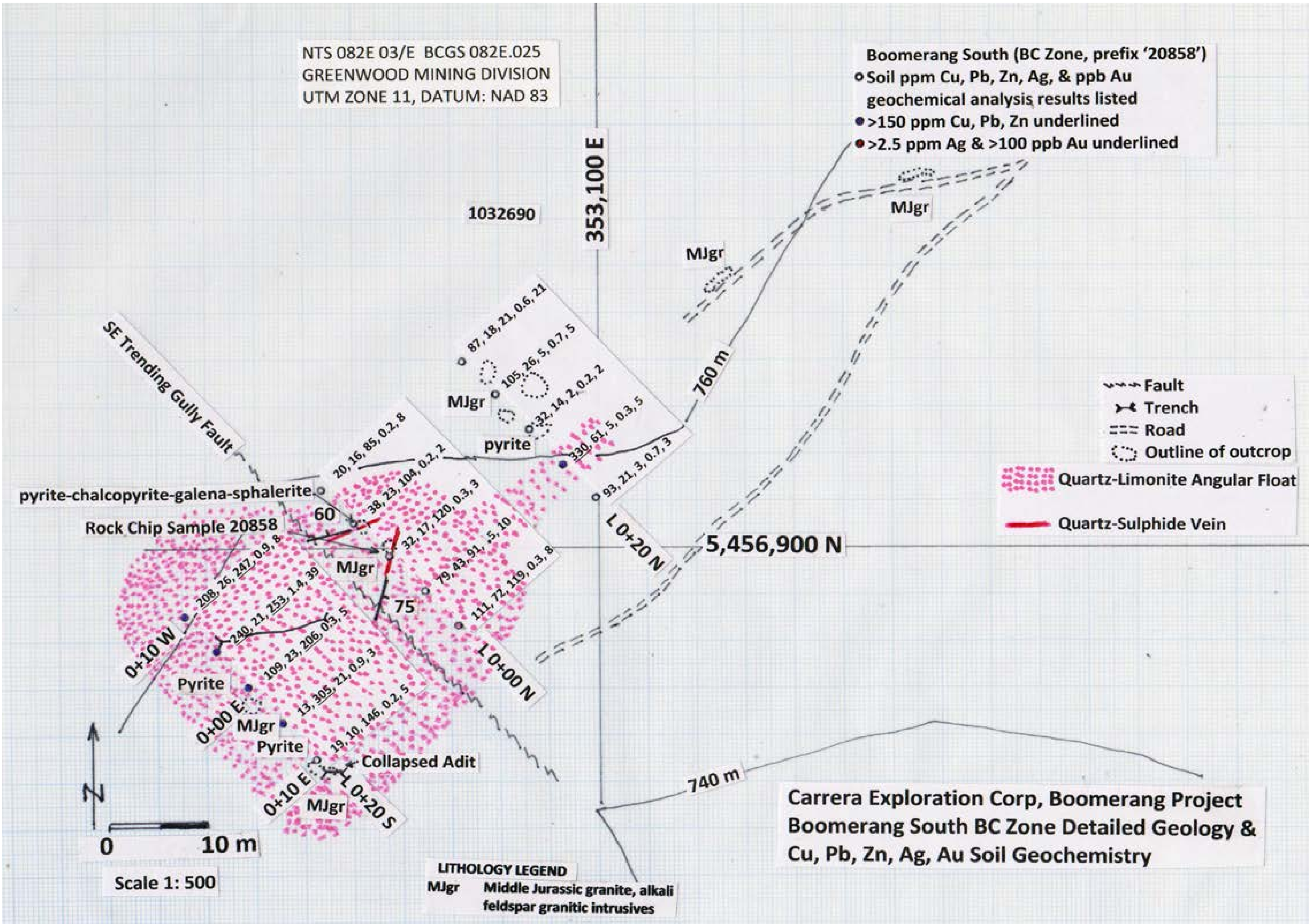


**Figure 11. Southern portion of the B.C. Zone detailed geology & Cu, Pb, Zn, Ag, Au soil geochemistry.**

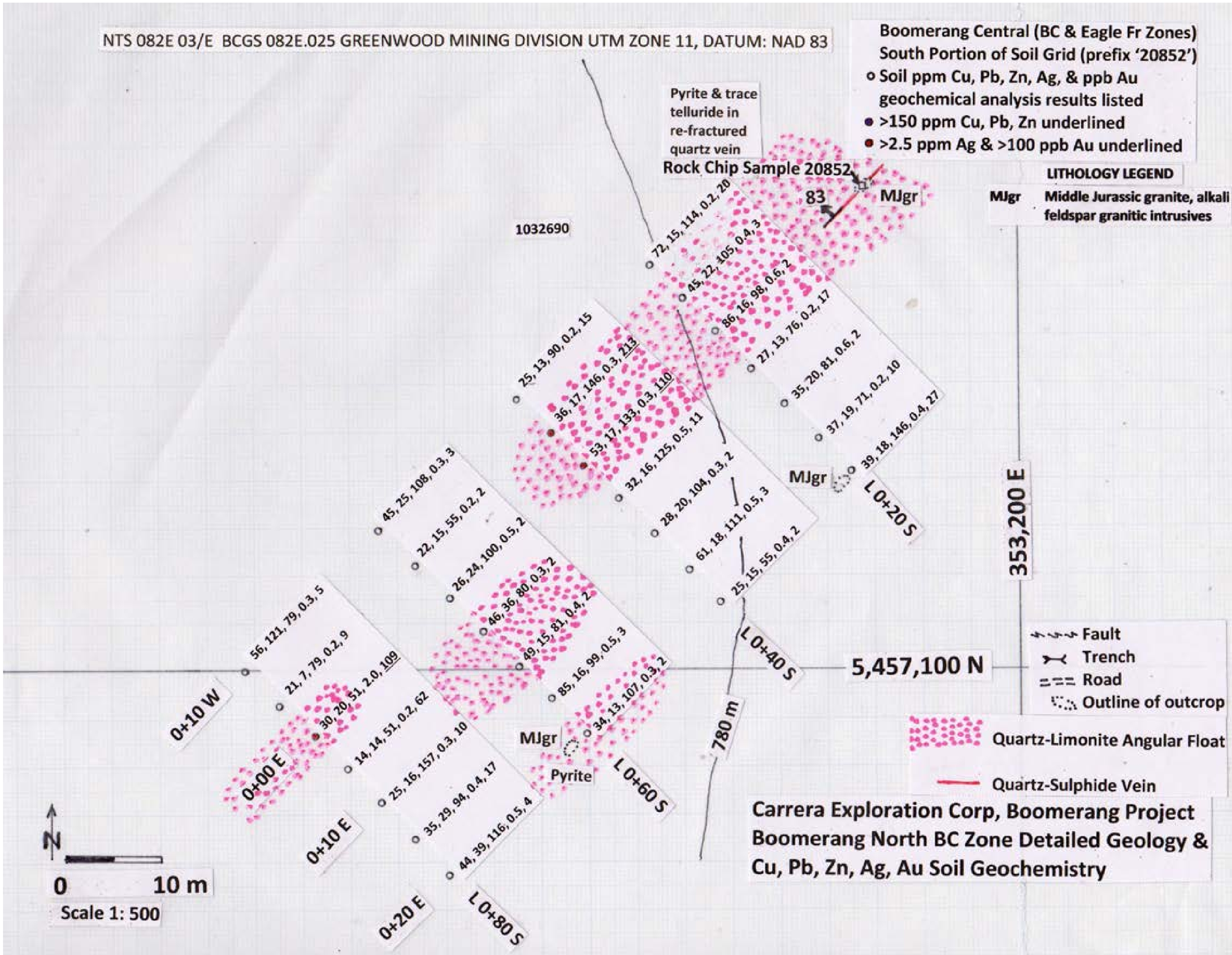


**Figure 12. Northern portion of the B.C. Zone detailed geology & Cu, Pb, Zn, Ag, Au soil geochemistry.**

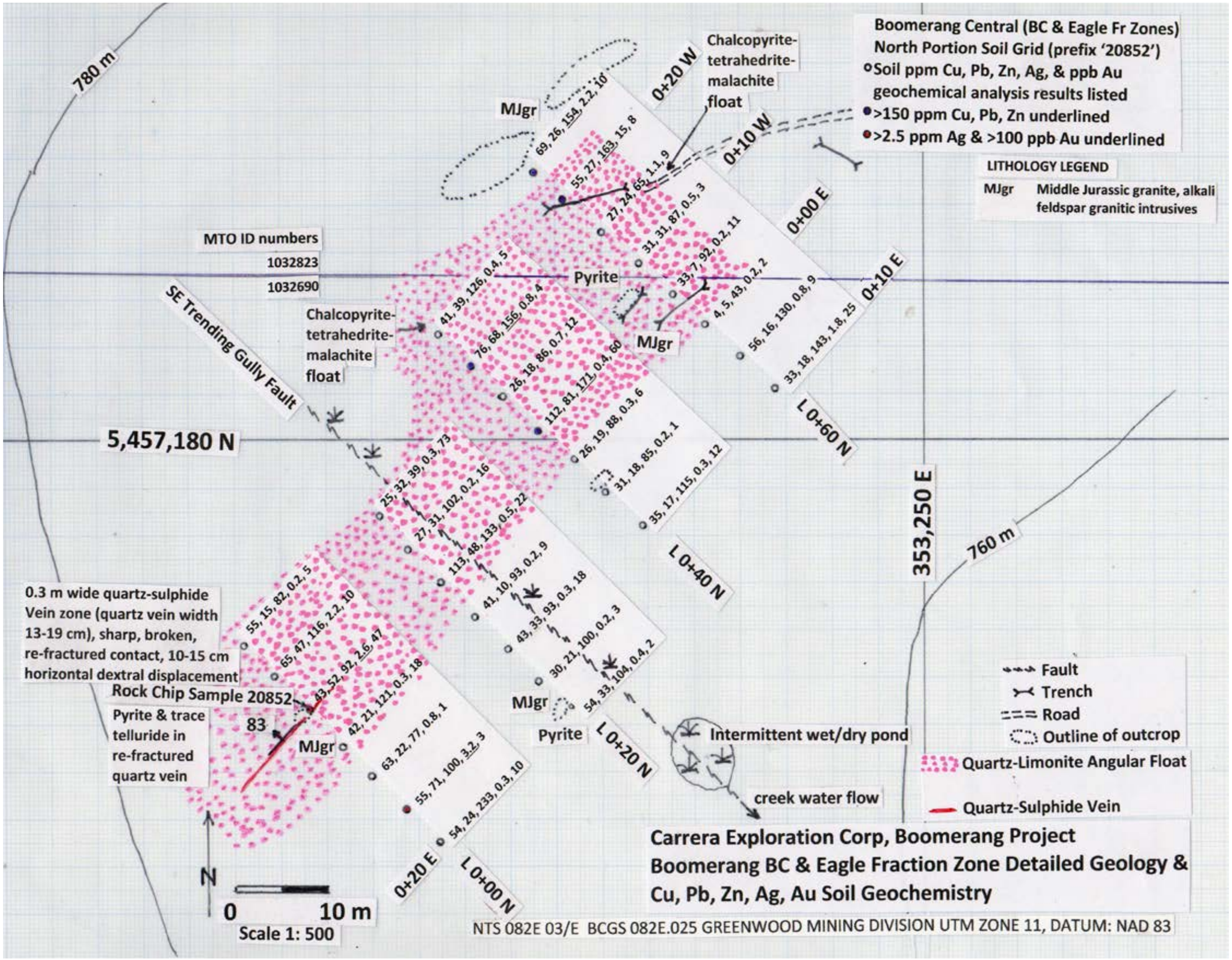


**Figure 13. B.C. and Eagle Fraction Zone detailed geology & Cu, Pb, Zn, Ag, Au soil seochemistry.**

*Boomerang Central*

Boomerang Eagle Fraction, B.C., Iconoclast and Richelieu Zones Detailed Soil Geochemistry:

Detailed geochemical analysis of soil was carried out over four separate areas that includes the Eagle Fraction, B.C., Iconoclast and Richelieu Zones. Surveying with tight chain and compass (slope corrected horizontal distance) established four separate grids with a northeast trending baseline (20 meter line spacing) and northwest trending tie lines (5 meter soil sample spacing). Each soil sample was taken with grubhoe from a depth of 10 to 30 centimeters and approximately 500 grams of "B" horizon, brown to red-brown coloured soil was placed in marked kraft envelopes and shipped to Pioneer Labs for multi-element geochemical analysis. Sample sites were marked with orange flagging tape. Details of each of the four grid areas are listed as follows:

| **Grid** | **Soil Details** |
|---|---|
| Boomerang Eagle Fraction B.C. | Soil grid covers an area of 30 by 140 meters (0.42 hectares) |
| South B.C. | Soil grid covers an area of 20 by 40 meters (0.08 hectares) |
| Iconoclast | Soil grid covers an area of 20 by 60 meters (0.12 hectares) |
| Richelieu | Soil grid covers an area of 20 by 40 meters (0.08 hectares) |

A comparison of soil geochemical analysis results from these four soil grids is discussed for selected elements:

<u>Copper (Cu)</u> Comparing data, the southern portion of the B.C. Zone contains the highest Cu in soil values. Elevated values of 330, 240 and 208 ppm Cu in soil are located at the east and west portion of the southern portion of the B.C. Zone grid. The Richelieu Zone grid contains elevated Cu in soil at a level of 158 ppm Cu. Chalcopyrite and malachite occur in quartz veins on the Property, however, Cu soil geochemistry suggests copper mineralization is localized and does not correlate with precious metal content.

<u>Lead (Pb)</u> The Iconoclast and Richelieu Zones contain single elevated Pb in soil values. The Iconoclast Zone has a soil sample containing 1,092 ppm Pb and the Richelieu Zone contains 957 ppm Pb. High Pb in soil from the Iconoclast and Richelieu Zones occur at rock sample 1505 and 1515 which contain elevated precious metal values. There is a correlation between increased Pb in soil to increased Au and Ag in soil. Galena occurs in quartz veins on the Property and increased galena content generally correlates with precious metal content, however, elevated lead in soil with relatively low Au-Ag values occur in the south portion of the B.C. Zone grid. Lead and, to a lesser degree tellurium, are considered to be the best pathfinder elements for the detection of Au-Ag bearing mineralization on the Property.

<u>Zinc (Zn)</u> The Richelieu Zone contains single elevated Zn in soil (379 ppm Zn) at rock sample site 1515. There is rare sphalerite present on the Property and there is no correlation between increased Zn in soil to increased Au and Ag in soil.

<u>Silver (Ag)</u> Geochemical analysis of soil from the Richelieu Zone reveals that 7 of 15 samples contain elevated Ag in soil values that range from 5.4 to 59.8 ppm Ag (7 samples average 21.6 ppm Ag). This is a significant Ag in soil anomaly and is open in all directions. The Iconoclast Zone soil grid identified 2 of 20 samples which contain elevated Ag in soil values that range from 8.2 to 9.8 ppm Ag. There is a weak correlation between increased Ag in soil and increased Pb, however, it appears that the elevated Ag in soil content on the Richelieu and Iconoclast Zones correlate with increased Au-Ag bearing telluride minerals, as opposed to galena.

<u>Gold (Au)</u> Geochemical analysis of soil from the Richelieu Zone reveals that 8 of 15 samples contain elevated Au in soil values that range from 120 to 480 ppb Au (eight samples average 296 ppb Au). This is a significant Au in soil anomaly and is open in all directions. One sample from the Iconoclast soil grid contains 725 ppb Au and is a multi-element soil anomaly. There is a correlation between increased Au in soil with increased Pb, but it appears that the elevated Ag in soil content on the Richelieu and Iconoclast Zones correlate with increased Au-Ag bearing telluride minerals, as opposed to galena.

<u>Arsenic (As)</u> Arsenic in soil values range from 6 to 104 ppm As. Overall, the arsenic values are interpreted as background range and arsenopyrite is not associated with precious metals.

<u>Tellurium (Te)</u> All 106 soil samples taken from four grids contain <5 ppm Te. This negative result is partly explained by the rare occurrence of telluride minerals and nugget effect size distribution of tellurium bearing minerals. It is assumed by the Author that telluride minerals present on the Property are classified as sub-ordinate, whereas galena is classified as principal mineralization.

**Drilling**

In 1986, Logan Mines Ltd. acquired historic mineral claims that covered the Boomerang Reverted Crown Grant and drilled seven holes for a total of 1,744 feet (531.6 meters). Six of the seven drill holes are located on the W.S. Reverted Crown Grant and one drill hole was collared on B.C. Reverted Crown Grant. Core logging description and geochemical analysis of these seven drill holes from 1986 drilling are not available in the public domain.

**Sample Preparation, Analyses and Security**

Rock chip samples taken on the Property were shipped to Pioneer Labs, Richmond, British Columbia. Samples were dried and subjected to a 4 inch wide jaw crusher in order to achieve 6 millimeter sized material and then split into sub-samples using a riffle splitter creating a 250 gram representative sample that was pulverized to 75 micron (0.075 millimeters) size material using a ring and puck style steel grinding mill. The pulverized sample was reduced to 0.5 grams used for multi-element ICP and 20 grams used for Au geochemical analysis. QA/QC procedures applied to all geochemical data documented and all instrumentation was operated in accordance with operating instructions, as supplied by manufacturer. Equipment checkout and calibration activities occurred prior to sampling/operation. All calibration was documented. Pioneer Lab is independent of the Issuer. The manager at Pioneer Labs has a B.Sc. degree in Chemistry and is recognized as a certified assayer in British Columbia with over 30 years of experience in geochemical analysis.

Samples that were handled by the Author were secured with nylon cable ties and not tampered with. The Author ensured that samples taken on the Property were secure during shipment to Pioneer Labs. Quality assurance and quality control of sample data was acted upon in order to generate representative quantitative geochemical analysis results. The Author believes that adequate preparation, security and analytical procedures have been applied to rock samples.

**Data Verification**

Pioneer Labs performs quality assurance and quality procedures that include repeat sampling and insertion of blank and/or standard samples for the purpose of data verification. The erratic distribution of Au-Te bearing minerals in the Richelieu Zone are demonstrated by the Author taking duplicate rock samples for the purpose of verification. Initial analysis results in rock sample 1515 identified 39.5 ppm Ag, 252,000 ppb Au, & 231 ppm Te. A subsequent repeat sample of the same material in the same sample area returned analysis results of 18.1 ppm Ag, 1,040 ppb Au, & <5 ppm Te. The discrepancy is probably due to erratic distribution of telluride minerals in the Richelieu Zone.

**Mineral Processing and Metallurgical Testing**

There has not been any mineral processing or metallurgical testing done on mineral samples from the Property.

**Mineral Resource Estimates**

There has not been sufficient drilling to determine subsurface extent and overall grade of mineralization on the Property. There are no historical mineral resource estimates for the Property.

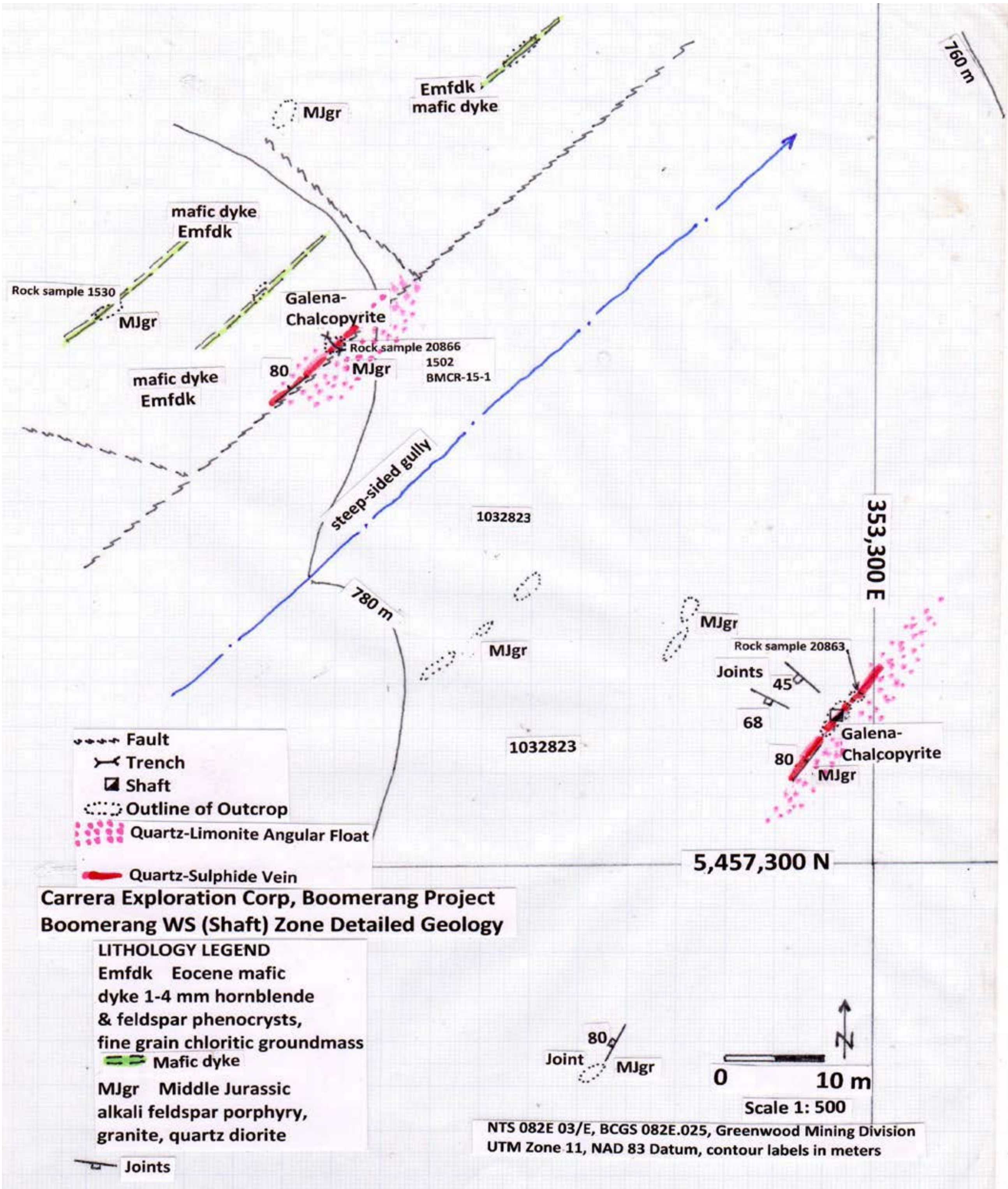


**Figure 14. Boomerang W.S. (Shaft) Zone detailed geology.**

## Adjacent Properties

Important polymetallic vein deposits in British Columbia include the Beaverdell Highland Bell Mine located approximately 30 kilometers north of the Property. The Beaverdell deposit was mined from 1913 to 1991 and the mill put through a total of 1,170,226 tonnes resulting in recovery of 1,076,005,759 grams Ag, 520,197 grams Au, 13,900,078 kilograms Zn and 11,598,238 kilograms Pb. The Beaverdell Ag-Au-Pb-Zn is hosted in altered Middle Jurassic Westkettle granodiorite and the polymetallic veins are interpreted as Eocene age cutting older country rock.

Beaverdell polymetallic veins correlate in age with the Carmi stock, an Eocene quartz monzonite, which hosts a low-fluorine type porphyry molybdenum deposit located 10 kilometers north of the Beaverdell.

**Other Relevant Data and Information**

The Author is not aware of any additional sources of information that might significantly change the conclusions presented in this Technical Report.

**Exploration, Development and Production**

*Interpretation and Conclusions*

The Property has been the subject of historic exploration/development work that has identified several zones of Au and Ag bearing ribbon-fractured and re-fractured quartz-sulphide veining and brecciation. Historic shipments of quartz-sulphide vein material from the Property (W.S. Reverted Crown Grant) to smelters in 1939 (33 short tons at 0.212 troy ounces/short ton Au and 1.66 troy ounces/short ton Ag) and 1962 (24 short tons at 0.227 troy ounces/short ton Au and 1.78 troy ounces/short ton Ag), resulted in similar precious metal grade values.

The Author sampled a 125 centimeter interval across a quartz-sulphide vein (14BM-01) located on south portion of the Boomerang Reverted Crown Grant that returned geochemical analysis results of 66.2 ppm Ag and 6,950 ppb Au (0.203 troy ounces/short ton Au and 1.93 troy ounces/short ton Ag). Current precious metal geochemical analysis values of sample 14BM-01 and historic 24 and 33 short tons shipments to smelters, are similar in tenor for gold and silver.

Based on historic data, geological mapping and geochemical analysis of rock samples, the Property is considered by the Author to be of merit and, therefore, worthy of exploring for base and precious metal bearing minerals. The main target for exploration is located on the Boomerang, W.S., Eagle Fraction and B.C. Reverted Crown Grants (east limit of the Property). Additional targets for follow up exploration include the Iconoclast, Chaperone (near the center of the Property), Richelieu and Teresa Fraction Reverted Crown Grants (west and north limit of the Property).

An understanding of structural/lithological controls of base and precious metal enriched hydrothermal systems are important in order to define optimum exploration targets on the Property.

Further detailed geological mapping, geochemical sampling and geophysical surveying is required to identify Cu-Pb-Zn-Ag-Au bearing mineralization on the Property.

*Recommendations*

A two phase exploration program is recommended. The first phase consists of geological mapping, geochemical rock and soil sampling and geophysical magnetometer surveying on the Boomerang, W.S., Eagle Fraction and B.C. Reverted Crown Grants, as well as geological mapping, geochemical rock and soil sampling on the Iconoclast, Chaperone, Richelieu and Teresa Fraction Reverted Crown Grants. Phase 1 has a proposed budget of $100,000, as set out below.

**Table 4. Proposed Phase 1 Budget for Boomerang.**

| PHASE 1: PROPOSED BUDGET FOR BOOMERANG Ag-Cu-Zn-Au: | |
|---|---|
| Field Crew – Geologist, & 2 Geotechnicians, 45 days | $64,000 |
| Field Costs – Analysis & assays soil, rock samples | $9,500 |
| Geophysical equipment rental | $2,950 |
| Equipment and Supplies | $4,500 |
| Communication | $900 |
| Meals & Accommodations | $4,250 |
| Transportation | $3,900 |
| Report | $5,500 |
| Contingencies | $4,500 |
| **Total** | **$100,000** |

Contingent on the results of Phase 1, a second phase of exploration is recommended that includes 500 meters (1,640 feet) of core drilling and geochemical analysis with a proposed budget of $100,000, as set out below. The total of the proposed Phase 1 and 2 budget is $200,000.

**Table 5. Proposed Phase 2 Budget for Boomerang (Contingent on results from Phase 1).**

| PHASE 2: PROPOSED BUDGET FOR BOOMERANG Ag-Cu-Zn-Au: | |
|---|---|
| Field Crew – Geologist, 2 Geotechnicians, 18 days | $14,000 |
| Field Costs – Core Drilling 1,640 feet (500 metres) | $50,000 |
| Assays & analysis 180 | $5,900 |
| Equipment and Supplies | $3,000 |
| Communication | $1,000 |
| Meals & Accommodations | $4,600 |
| Transportation | $4,000 |
| Report | $2,500 |
| Contingencies | $15,000 |
| **Total** | **$100,000** |

## USE OF PROCEEDS

### Proceeds

The Agent has agreed to use its best efforts to secure subscriptions for the Common Shares offered pursuant to the Offering in the provinces of British Columbia and Alberta. If all of the Common Shares offered pursuant to this Offering are sold, the gross proceeds to the Issuer will be $350,000 (assuming no exercise of the Over-Allotment Option).

**No minimum amount of funds must be raised under this offering. This means that the Issuer could complete this offering after raising only a small proportion of the offering amount set out above.**

### Funds Available

The gross proceeds to the Issuer (excluding proceeds which may be received from the exercise of the Over-Allotment Option) from the sale of the Common Shares offered hereby will be $350,000. The total funds available to the Issuer at the closing of the Offering, after deducting the estimated expenses of the Offering of $80,000, the Agent's Commission of $35,000 and the Corporate Finance Fee of $35,000, and including estimated working capital as at September 30, 2016 of $25,730.20, are estimated to be $225,730.20.

### Principal Purposes

| Expenses | Funds to be Used |
|---|---|
| To pay the estimated cost of the recommended Phase 1 exploration program and budget on the Boomerang Property as outlined in the Technical Report | $100,000 |
| To provide funding sufficient to meet administrative costs for 12 months | $118,600 |
| To provide general working capital to fund the Issuer's ongoing operations | $7,130.20 |
| **Total** | **$225,730.20** |

Notes:
(1) The Issuer intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary. In the event of exercise of the Over-Allotment Option, the Issuer will use the proceeds for general working capital and in part, to fund Phase 2 of the recommended exploration program on the Boomerang Property.
(2) See "Narrative Description of the Business – Recommendations" above for a summary of the work to be undertaken, a breakdown of the estimated costs and the nature of title to, or the Issuer's interest in, the Boomerang Property.

Upon completion of the Offering, the Issuer's working capital available to fund ongoing operations will be sufficient to meet its administrative costs and exploration expenditures for twelve months. Estimated administrative expenditures for the twelve months following completion of the Offering are comprised of the following:

| Administrative Expenses | Funds to be Used |
|---|---|
| Office Rent | $12,000 |
| Management and Administration Services | $60,000 |
| Miscellaneous Office and Supplies | $6,000 |
| Transfer Agent | $3,600 |
| Legal | $19,000 |
| Accounting and Audit | $18,000 |
| **Total** | **$118,600** |

Since its incorporation on December 15, 2014, the Issuer has not generated cash flow from its operations and has incurred certain operating losses. Such losses and negative operating cash flow are expected to continue since funds will be expended to pay its administrative expenses and to conduct the recommended Phase 1 exploration program on the Boomerang Property. Although the Issuer has allocated $225,730.20 (as above) from the Offering to fund its ongoing operations for a period of 12 months, thereafter, the Issuer will be reliant on future equity financings for its funding requirements.

The Issuer intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons, a reallocation of funds may be necessary.

Until required for the Issuer's purposes, the proceeds will be invested only in securities of, or those guaranteed by, the Government of Canada or any province of Canada, in certificates of deposit or interest-bearing accounts of Canadian chartered banks or trust companies or in prime commercial paper. The Issuer's Chief Financial Officer will be responsible for the investment of unallocated funds.

In the event of exercise, in full, of the Over-Allotment Option, potential additional gross proceeds totalling $52,500 will be added to the Issuer's general working capital to be used, in part, to fund the Issuer's ongoing operations and, in part, to fund the recommended Phase 2 exploration program, in the event such program is proceeded with.

**Stated Business Objectives and Milestones**

The Issuer's business objectives in using the available funds are to:

(a) obtain a listing of its Common Shares on the Exchange; and

(b) conduct the Phase 1 exploration program on the Boomerang Property recommended in the Technical Report.

The listing of the Issuer's Common Shares on the Exchange is subject to the Issuer fulfilling all of the requirements of the Canadian Securities Exchange and is expected to occur shortly after completion of this Offering. Upon completion of the Offering, the Phase 1 exploration program is expected to be conducted in the spring of 2017.

## SELECTED FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION AND ANALYSIS

**Annual Information**

The Issuer was incorporated in the province of British Columbia on December 15, 2014. The following table summarizes selected information from the Issuer's financial statements for the year ended July 31, 2016 and for the period from incorporation to July 31, 2015.

| | **Period Ended July 31, 2016 (audited)** | **Period Ended July 31, 2015 (audited)** |
|---|---|---|
| Total revenues | Nil | Nil |
| Exploration expenditures (Boomerang Property) | $15,000 | $50,391 |
| Management fees | $40,000 | Nil |
| Professional fees | $4,670 | $7,312 |
| General and administrative expenses | $12,314 | $1,439 |
| Consulting | $1,250 | $2,400 |
| Rent | $8,000 | Nil |
| Stock-based compensation | 11,400 | $51,300 |
| Net Loss | ($77,634) | ($62,451) |
| Basic and diluted loss per common share | $0.02 | $0.04 |
| Total assets | $122,954 | $79,749 |

| | Period Ended July 31, 2016 (audited) | Period Ended July 31, 2015 (audited) |
|---|---|---|
| Long-term financial liabilities | Nil | Nil |
| Cash dividends per share | Nil | Nil |

**Dividends**

There are no restrictions that would prevent the Issuer from paying dividends on the Common Shares, however, the Issuer has neither declared nor paid any dividends on its Common Shares since incorporation and has not established any dividend or distribution policy. The Issuer intends to retain its earnings to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

**Management's Discussion and Analysis**

The following discussion of the operating results and financial position of the Issuer should be read in conjunction with the audited financial statements and related notes for the year ended July 31, 2016 and for the period from incorporation to July 31, 2015. The financial statements are included in this Prospectus and should be referred to when reading this disclosure. The financial statements summarize the financial impact of the Issuer's financings, investments and operations, which financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars. The effective date of this management's discussion and analysis is September 30, 2016.

The Issuer is not a reporting issuer and was not required to prepare interim financial statements therefore, quarterly results are not available.

*Financial Period Ended July 31, 2016*

During the financial period ended July 31, 2016, the Issuer reported nil revenue and a net loss of ($77,634) ($0.02 per common share). The Issuer incurred $4,670 for professional fees, $12,314 for general administrative expenses and $1,250 for consulting expenses during the financial period. The Issuer also paid the aggregate amount of $40,000 in management fees to private companies controlled by directors of the Issuer, as to $20,000, to Matalia Investments Ltd., a company controlled by Robert Coltura and, as to $20,000, to Syndicated Capital Corp., a company controlled by A. Salman Jamal.

J.A. Minni & Associates, a private company controlled by Jerry Minni, who is the former Chief Financial Officer and a former director of the Issuer, provided accounting services to the Issuer during the financial period ended July 31, 2016, at a cost of $2,700.

As at July 31, 2016, the Issuer owed $5,250 to Matalia Investments Ltd. and Syndicated Capital Corp. The amounts are non-interest bearing, unsecured and are due upon demand.

During the financial period ended July 31, 2016, the Issuer incurred exploration expenditures in the aggregate amount of $15,000.

The Issuer paid $7,500 in share issuance costs and received $106,500 in gross proceeds for shares issued, $900 of which was received for shares issued in the period ended July 31, 2015. The issuer was deemed to have incurred a share-based compensation expense of $11,400 due to that fact that 600,000 shares worth an estimated $12,000 were issued at a price of $0.001 per share for proceeds of $600.

As at the date of this Prospectus, the only outstanding securities of the Issuer consisted of 7,800,000 Common Shares and 800,000 stock options granted to the directors and officers of the Issuer.

*Financial Period Ended July 31, 2015*

During the financial period ended July 31, 2015, the Issuer reported nil revenue and a net loss of ($62,451) ($0.04 per common share). The Issuer incurred $7,312 for professional fees, $1,439 for general and administrative expenses and $2,400 for consulting expenses during the financial period. As at July 31, 2015, the Issuer did not have any indebtedness.

During the financial period ended July 31, 2015, the Issuer incurred exploration expenditures in the aggregate amount of $50,391.

The Issuer received gross proceeds of $90,900 for shares issued, however, the Issuer was deemed to have incurred a share-based compensation expense of $51,300 due to the fact that 2,700,000 shares worth an estimated $54,000 were issued at a price of $0.001 per share for proceeds of $2,700.

**Liquidity and Capital Resources**

During the first year after completion of this Offering, the Issuer estimates that the aggregate annual cost of general administration for its operations will be approximately $118,600. See "Use of Proceeds" above. The net proceeds from this Offering should be sufficient to fund the Issuer's operations for at least a period of 12 months. There are no other capital expenditures to be incurred by the Issuer during the period.

The Issuer does not yet generate positive cash flow from operations and is therefore reliant upon the issuance of its Common Shares to fund its operations. As of July 31, 2016, its capital resources consisted of a cash balance of $54,941 and accounts receivable of $2,622. The Issuer also had an accounts payable balance of $10,439. The Issuer expects that it will be able to meet its current obligations as they come due with its existing cash and other receivable balances. The Issuer’s sole property is the Boomerang Property located in Rhone, British Columbia, consisting of seven contiguous mineral tenures. The Issuer has the option of acquiring a 100% interest in the Boomerang Property, subject to a 3% net smelter returns royalty, as set out in the Property Option Agreement (see "General Development of the Business" above). The Issuer is not required to make any exploration expenditures on the Boomerang Property or make payments of cash installments to the Optionors until 36 months after the Listing Date of the Common Shares under this Offering. For a summary of the Issuer's payment and exploration expenditure obligations under the Property Option Agreement, see "General Development of the Business" above. In order to meet future exploration commitments and cash payments, the Issuer will require additional capital resources.

As of September 30, 2016, the Issuer had a working capital of $225,730.20. The Issuer expects to incur losses for at least the next 24 months and there can be no assurance that the Issuer will ever make a profit. To achieve profitability, the Issuer must advance its Property through further exploration in order to bring the Property to a stage where the Issuer can attract the participation of a major resource company, which has the expertise and financial capability to place such property into commercial production.

The Issuer has concluded transactions and arrangements with related parties. See "Interest of Management and Others in Material Transactions" below for further details.

The Issuer's ability to continue as a going-concern is dependent upon its ability to achieve profitability and fund any additional losses it may incur. The financial statements are prepared on a going-concern basis, which implies that the Issuer will realize its assets and discharge its liabilities in the normal course of business. The financial statements do not reflect adjustments to the carrying value of assets and liabilities that would be necessary if the Issuer were unable to achieve and maintain profitable operations.

## DESCRIPTION OF SECURITIES DISTRIBUTED

**Authorized and Issued Share Capital**

The authorized share capital of the Issuer consists of an unlimited number of common shares without par value. As of the date of this Prospectus, 7,800,000 Common Shares were issued and outstanding as fully paid and non-assessable shares.

**Common Shares**

The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Issuer and each Common Share confers the right to one vote in person or by proxy at all meetings of the shareholders of the Issuer. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of the Issuer, are entitled to receive such dividends in any financial year as the Board of Directors may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Issuer, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Issuer, the remaining property and assets of the Issuer.

**Compensation Options**

The Issuer has also agreed to grant to the Agent, Compensation Options entitling the Agent to purchase that amount of Common Shares as is equal to 10% of Common Shares to be issued pursuant to this Offering with an exercise price that is equal to the Offering Price.

**Additional Common Shares**

The Issuer has also agreed to issue:

(a) 150,000 Corporate Finance Shares to the Agent as part of a corporate finance fee. See "Plan of Distribution" below; and

(b) 300,000 Common Shares to the Optionors on the Listing Date in respect of the Boomerang Property. See "General Development of the Business" above and "Plan of Distribution" below.

## CONSOLIDATED CAPITALIZATION

The following table summarizes the changes in the Issuer's capitalization since incorporation and after giving effect to the Offering:

| Description | Authorized Amount | Authorized at the date of this Prospectus | Outstanding as at July 31, 2016 (Audited) | Outstanding at the date of this Prospectus (Unaudited) | Outstanding after giving effect to this Offering (Unaudited)(1)(2) |
|---|---|---|---|---|---|
| Common Shares | Unlimited | Unlimited | 8,700,000 | 7,800,000 | 11,750,000 |
| Long Term Debt | Nil | Nil | Nil | Nil | Nil |

Notes:

(1) As partial consideration for the sale of Common Shares pursuant to this Prospectus, the Issuer has agreed to grant the Agent Compensation Options entitling the Agent to purchase up to that amount of Common Shares as is equal to 10% of the number of Common Shares issued pursuant to this Offering. The Compensation Options may be exercised at a price of $0.10 per Common Share for a period of 24 months from the Closing. This Prospectus qualifies the distribution of the Compensation Options and Corporate Finance Shares to the Agent to the extent that such Compensation Options and Corporate Finance Shares constitute Qualified Compensation Securities. The Common Shares issuable on exercise of the Compensation Options are not reflected in these figures.

(2) Includes the Corporate Finance Shares and 300,000 Common Shares to be issued to the Optionors in respect of the Boomerang Property, but does not include any shares issued upon any exercise of the Over-Allotment Option.

## OPTIONS TO PURCHASE SECURITIES

The Stock Option Plan was approved by the Issuer's directors on September 7, 2016. The purpose of the Stock Option Plan is to assist the Issuer in attracting, retaining and motivating directors, officers, employees and consultants (together "service providers") of the Issuer and of its affiliates and to closely align the personal interests of such service providers with the interests of the Issuer and its shareholders.

The Stock Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance will be 10% of the number of Common Shares of the Issuer issued and outstanding from time to time.

The Stock Option Plan will be administered by the Board of Directors, who will have full and final authority with respect to the granting of all options thereunder.

Options may be granted under the Stock Option Plan to such service providers of the Issuer and its affiliates, if any, as the Board may from time to time designate. The exercise prices shall be determined by the Board, but shall, in no event, be less than the closing market price of the Issuer's shares on the Exchange on the date of grant of such options, less the maximum discount permitted under the Exchange policies. The Stock Option Plan provides that the number of Common Shares issuable on the exercise of options granted to all persons together with all of the Issuer's other previously granted options may not exceed 10% of the Issuer's issued and outstanding Common Shares on a non-diluted basis, from time to time. In addition, the number of Common Shares, which may be reserved for issuance to any one individual upon the exercise of all stock options held by such individual within a one-year period, may not exceed 5% of the Common Shares issued and outstanding on the grant date, on a non-diluted basis, unless otherwise approved by disinterested shareholders of the Issuer. Subject to earlier termination in the event of dismissal for cause, early retirement, voluntary resignation or termination other than for cause, or in the event of death or disability, all options granted under the Stock Option Plan will expire on the date set by the Board as the expiry date of the option, which expiry date shall not be more than 10 years from the date that such options are granted. Options granted under the Stock Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

The following table sets out information about the Options issued and outstanding pursuant to the Stock Option Plan as of the date hereof:

| Name of Optionee | Designation of Securities under Option | Number of Common Shares under Option | Exercise price per Common Share | Expiry Date |
|---|---|---|---|---|
| All executive officers and past executive officers as a group (2 persons) | Common Shares | 400,000 | $0.10 | September 7, 2021 |
| All directors and past directors who are not also executive officers as a group (2 persons) | Common Shares | 400,000 | $0.10 | September 7, 2021 |

**Compensation Options**

The Issuer will issue to the Agent, Compensation Options for the purchase of up to that number of Common Shares as is equal to 10% of the Common Shares of the Issuer issued pursuant to the Offering exercisable at a price of $0.10 per Common Share for a period of 24 months from the Closing.

## PRIOR SALES

The following table summarizes the sales of securities of the Issuer prior to the date of this Prospectus:

| Issue Date | Price Per Common Share | Number of Common Shares Issued | Proceeds to the Issuer |
|---|---|---|---|
| December 15, 2014 | $0.001 | 2,700,000(1) | $2,700 |
| February 15, 2016 | $0.001 | 600,000 | $600 |
| February 16, 2016 | $0.02 | 500,000 | $10,000 |
| March 1, 2016 | $0.02 | 2,000,000 | $40,000 |
| May 15, 2016 | $0.05 | 1,400,000 | $70,000 |
| July 8, 2016 | $0.05 | 1,500,000 | $75,000 |
| | **Total** | **8,700,000(2)** | **$198,300** |

Notes:
(1) Of these, 900,000 shares held by a former shareholder of the Issuer were returned to treasury for cancellation on September 9, 2016. As of the date of this Prospectus, 7,800,000 Common Shares are issued and outstanding.

(2) 2,500,000 of these shares were issued as flow-through Common Shares.

## ESCROWED SECURITIES

### Escrowed Securities

Under the applicable policies and notices of the Canadian Securities Administrators, securities held by Principals (as defined below) are required to be held in escrow in accordance with the escrow regime applicable to initial public distributions. Equity securities, including Common Shares, owned or controlled by the Principals of the Issuer are subject to the escrow requirements set out in National Instrument 46-201 - *Escrow for Initial Public Offerings*.

Principals include all persons or companies that, on the completion of the Offering, fall into one of the following categories:

(a) directors and senior officers of the Issuer, as listed in this Prospectus;

(b) promoters of the Issuer during the two years preceding this Offering;

(c) those who own and/or control more than 10% of the Issuer's voting securities immediately after completion of this Offering if they also have appointed or have the right to appoint a director or senior officer of the Issuer or of a material operating subsidiary of the Issuer;

(d) those who own and/or control more than 20% of the Issuer's voting securities immediately after completion of this Offering; and

(e) associates and affiliates of any of the above.

The Principals of the Issuer are Stephen B. Butrenchuk, Robert Coltura, A. Salman Jamal and Matthew Coltura, of which, Robert Coltura and A. Salman Jamal are also promoters of the Issuer.

The Issuer is an "emerging issuer" as defined in the applicable policies and notices of the Canadian Securities Administrators and if the Issuer achieves "established issuer" status during the term of the Escrow Agreement (as defined below), it will "graduate" resulting in a catch-up release and an accelerated release of any securities remaining in escrow under the 18 month schedule applicable to established issuers as if the Issuer had originally been classified as an established issuer.

Pursuant to the terms of the Escrow Agreement, the Escrowed Securities may not be transferred or otherwise dealt with during the term of the Escrow Agreement unless the transfers or dealings within the escrow are:

(a) transfers to continuing or, upon their appointment, incoming directors and senior officers of the Issuer or of a material operating subsidiary, with approval of the Board of Directors;

(b) transfers to an RRSP or similar trustee plan provided that the only beneficiaries are the transferor or the transferor's spouse or children or parents;

(c) transfers upon bankruptcy to the trustee in bankruptcy;

(d) pledges to a financial institution as collateral for a loan, provided that upon a realization the securities remain subject to escrow; and

(e) tenders of Escrowed Securities to a take-over bid are permitted provided that, if the tenderer is a Principal of the successor corporation upon completion of the take-over bid, securities received in exchange for tendered Escrowed Securities are substituted in escrow on the basis of the successor corporation's escrow classification.

The following table sets forth details of the Escrowed Securities that are subject to the Escrow Agreement as of the date of this Prospectus:

| Name | No. of Escrowed Common Shares(1)(2) | Offering Percentage (After Giving Effect to the Offering)(3)(4) |
|---|---|---|
| Robert Coltura | 1,700,00 | 14.47% |
| A. Salman Jamal | 1,700,000 | 14.47% |

Notes:
(1) These shares have been deposited in escrow with the Escrow Agent.
(2) Pursuant to an escrow agreement (the "Escrow Agreement") made as of September 30, 2016, among the Issuer, the Escrow Agent and certain Principals of the Issuer, the Principals agreed to deposit in escrow their Common Shares (the "Escrowed Securities") with the Escrow Agent. The Escrow Agreement provides that 10% of the Escrowed Securities will be released from escrow upon the Listing Date and that, where there are no changes to the Common Shares initially deposited and no additional Escrow Securities, the remaining Escrowed Securities will be released in equal tranches of 15% every 6 month interval thereafter, over a period of 36 months.
(3) Does not include exercise of Compensation Options or Over-Allotment Option.
(4) Includes the Corporate Finance Shares and the 300,000 Common Shares to be issued to the Optionors; in result, the aggregate number of issued and outstanding Common Shares after completion of the Offering would total 11,750,000 Common Shares.

**Shares Subject to Resale Restrictions**

Those securities which are issued to the Agent and which do not constitute Qualified Compensation Securities will be subject to a four month hold period, in accordance with applicable securities laws.

## PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and officers of the Issuer, as of the date of this Prospectus, no person beneficially owns or exercises control or direction over Common Shares carrying more than 10% of the votes attached to the Issuer's Common Shares except for the following:

| Prior to the Offering | | | After Giving Effect to the Offering | | |
|---|---|---|---|---|---|
| Name | Number of Common Shares Owned Directly or Indirectly | Percentage of Common Shares Held | Number of Common Shares Beneficially Owned Directly or Indirectly | Percentage of Common Shares Held(1)(2) | Percentage of Common Shares Held (3) |
| **Robert Coltura** | 1,700,000 owned beneficially and of record | 21.80% | 1,700,000 owned beneficially and of record | 14.47% | 12.76% |
| **A. Salman Jamal** | 1,700,000 owned beneficially and of record | 21.80% | 1,700,000 owned beneficially and of record | 14.47% | 12.76% |

Notes:
(1) Does not include exercise of Compensation Options or Over-Allotment Option.
(2) Includes the Corporate Finance Shares and the 300,000 Common Shares to be issued to the Optionors.
(3) On a fully-diluted basis, assuming completion of the Offering, the issuance of the Corporate Finance Shares, the 300,000 Common Shares to the Optionors, the exercise of all stock options, the exercise of 252,500 Compensation Options and the Over-Allotment Option.

## DIRECTORS AND OFFICERS

The following table provides the names, provinces of residence, positions, principal occupations and the number of voting securities of the Issuer that each of the directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as of the date hereof:

| **Name and Province of Residence and Position with the Issuer** | **Director/ Officer Since** | **Principal Occupation for the Past Five Years** | **Number and % of Common Shares Beneficially Owned Directly or Indirectly (at the date of this Prospectus)** |
|---|---|---|---|
| **Stephen B. Butrenchuk**<br>Alberta, Canada<br>*President, Chief Executive Officer, Director* | President, Chief Executive Officer and Director since July 7, 2016 | Self-employed consulting geologist from 1994 to present; Director of APAC Resources Inc. from May 2012 to present; Director of Stone Ridge Exploration Corp. from October 2015 to present; Director of Goldstar Minerals Inc. from June 2010 to present; Director of Anfield Resources Inc. from June 2010 to present; Director of Montego Resources Inc. from July 2012 to September 2016; Director of Oxford Resources Inc. from March 2010 to July 2015; Director of Inexco Mining Corp. from June 2014 to March 2015; Director, Chief Executive Officer and President of Gold Ridge Exploration Corp. from May 2011 to July 2013; President and CEO of Pacific Potash Corporation from June 2011 to May 2013; Director of Trigold Resources Inc. from April 2011 to January 2013; Director of Passport Potash Inc. from April 2010 to May 2012; Director of Mega Copper Ltd. from May 2009 to February 2012. | None |
| **Robert Coltura[(1)]**<br>British Columbia, Canada<br>*Chief Financial Officer, Corporate Secretary, Director* | Director since December 15, 2014.<br>Chief Financial Officer and Corporate Secretary since July 7, 2016. | President of Matalia Investments Ltd. from October 1993 to present; Director of Four River Ventures Ltd. from June 2016 to present; President, Chief Executive Officer and Director of Stone Ridge Exploration Corp. from January 2012 to present; President, Chief Executive Officer and Director of APAC Resources Inc. from May 2011 to present; Director of GMV Minerals Inc. from April 2014 to present; President, Chief Executive Officer and Director of Montego Resources from July 2012 to present; President, Chief Executive Officer and Director of Portofino Resources Inc. from March 2012 to present; President and Chief Executive Officer of Carrara Exploration Corp. from December 2014 to July 2016; Director of Golden Peak Minerals Inc., from March 2011 to June 2016 and President and Chief Executive Officer from April 2011 to June 2016; Director of Graphene 3D Labs Inc. from June 2011 to May 2016; Director of Portola Resources Inc. from June 2011 to July 2016; Director of Turquoise Capital Corp. from March 2013 to May 2014; Director of Pacific Potash Corp. from June 2013 to October, 2013; President and Chief Executive Officer of Trigold Resources Inc. from November 2010 to February 2013 and Director from November 2010 to September 2013; Chief Financial Officer of 88 Capital | 1,700,000<br>21.80% |

| Name and Province of Residence and Position with the Issuer | Director/ Officer Since | Principal Occupation for the Past Five Years | Number and % of Common Shares Beneficially Owned Directly or Indirectly (at the date of this Prospectus) |
|---|---|---|---|
| | | Corp. from April 2012 to December 2012 and Director from March 2011 to December 2012; Director, President and Chief Executive Officer of Goldstar Minerals Inc. from May 2010 to June 2012; Director, President and Chief Executive Officer of Highpointe Exploration Inc. from November 2009 to December 2012; President and Chief Executive Officer of Mega Copper Ltd. from April 2009 to February 2012; Director of Iron South Mining Corp. from August 2002 to September 2013. | |
| **A. Salman Jamal**(1)<br>British Columbia, Canada<br>*Director* | Director since December 15, 2014 | President of Syndicated Capital Corp. from March 2002 to present; Director of Montego Resources Inc. from July 2012 to September 2016; Director of Emerita Resources Corp. from March 2010 to January 2013. | 1,700,000<br>21.80% |
| **Matthew Coltura**(1)<br>British Columbia, Canada<br>*Director* | Director since July 7, 2016 | Student; currently enrolled in Okanagan College's Business Administration Program; Director of Stone Ridge Exploration Corp. from March 2015 to present; Sales Representative (part-time), Envision Financial, a division of First West Credit Union. | None |

Note:
(1) Denotes a member of the Audit Committee of the Issuer.

The term of office of the directors expires annually at the time of the Issuer's annual general meeting. The term of office of the officers expires at the discretion of the Issuer's directors.

The Issuer has one committee, the audit committee, comprised of Robert Coltura, A. Salman Jamal and Matthew Coltura (Chairman).

The following is a brief description of the background of the key management, directors and promoters of the Issuer.

**Stephen B. Butrenchuk**, *President, Chief Executive Officer and Director*

Mr. Butrenchuk is the President, Chief Executive Officer and a director of the Issuer and provides his services to the Issuer on a part-time basis. He has served as President, Chief Executive Officer and director of the Issuer since July 7, 2016 and will devote approximately 40% of his time to the affairs of the Issuer. His responsibilities with the Issuer in his capacity as Chief Executive Officer and President include managing the day-to-day operations of the Issuer, executing policies implemented by the Board of Directors and reporting back to the Board.

Mr. Butrenchuk received his B.Sc. and M.Sc. in Geology from the University of Manitoba and is a P.Geo. registered in the province of British Columbia. He was first employed by Cominco Ltd. where he spent 16 years as an exploration geologist, after which he was under contract to the British Columbia Geological Survey for four years and most recently was engaged as a consulting geologist with several junior mineral exploration companies. Mr. Butrenchuk is currently a director of several reporting issuers.

Mr. Butrenchuk is not an independent contractor or employee of the Issuer, has not entered into any non-competition or non-disclosure agreements with the Issuer and is 71 years of age.

**Robert Coltura**, *Chief Financial Officer, Corporate Secretary and Director*

Mr. Coltura is Chief Financial Officer, Corporate Secretary, director and a promoter of the Issuer and provides his services to the Issuer on a part-time basis. He has served the Issuer as director since December 15, 2014 and Chief Financial Officer and Secretary since July 7, 2016. He will devote approximately 40% of his time to the affairs of the Issuer. In his capacity as Chief Financial Officer, Mr. Coltura reports to the President of the Issuer regarding all strategic and tactical matters as they relate to budget management, cost-benefit analysis, forecasting needs and securing adequate funding. As Corporate Secretary, he is responsible for ensuring the meetings of the Board of Directors are properly conducted and recorded.

Mr. Coltura is a businessman and is the President and principal shareholder of Matalia Investments Ltd., a company that provides management consulting and corporate finance services to public and private companies. He has several years of experience with reporting issuers.

Mr. Coltura is not an independent contractor or employee of the Issuer, has not entered into any non-competition or non-disclosure agreements with the Issuer and is 51 years of age.

**A. Salman Jamal**, *Director*

Mr. Jamal has been a director of the Issuer since December 15, 2014 and provides his services to the Issuer on a part-time basis. He will devote approximately 30% of his time to the affairs of the Issuer. As a director, he is responsible for directing and overseeing management of the Issuer.

Mr. Jamal has over 12 years of experience in investor relations and has acted as an investor relations consultant for several reporting issuers. Mr. Jamal currently serves as President of Syndicated Capital Corp., an investor relations service provider. Mr. Jamal recently served as a director of Montego Resources Inc. from July 2012 to September 2016. He holds a Bachelor of Arts in Economics from McMaster University.

Mr. Jamal is not an independent contractor or employee of the Issuer, has not entered into a non-competition or non-disclosure agreement with the Issuer and is 43 years of age.

**Matthew Coltura**, *Director*

Mr. Coltura is a Director of the Issuer and provides his services to the Issuer on a part-time basis. He has served as a director of the Issuer since July 7, 2016 and will devote approximately 5% of his time to the affairs of the Issuer. As a director, he is responsible for directing and overseeing management of the Issuer.

Mr. Coltura is currently enrolled in Okanagan College's Business Administration Program and is employed on a part-time basis as a service representative of Envision Financial, a division of First West Credit Union. Since May 2015, Mr. Coltura has also served as a director of Stone Ridge Exploration Corp.

Mr. Coltura is not an independent contractor or employee of the Issuer, has not entered into a non-competition or non-disclosure agreement with the Issuer and is 24 years of age.

**Corporate Cease Trade Orders or Bankruptcies**

To the Issuer's knowledge:

(a) no existing or proposed director, executive officer or promoter of the Issuer is, or within the ten years prior to the date hereof has been, a director or executive officer of any other company that, while that person was acting in the capacity of director or executive officer of that company, was the subject of a cease trade order or similar order or an order that denied the company access to any statutory exemptions for a period of more than 30 consecutive days;

(b) no existing or proposed director, executive officer or promoter of the Issuer is, or within the ten years prior to the date hereof ceased to be a director or executive officer of any other company that, was the subject of a cease trade order or similar order or an order that denied the company access to any statutory exemptions for a period of more than 30 consecutive days that was issued after the director, executive officer or promotor ceased to be a director or executive officer and which resulted from an event that occurred while that person was acting in the capacity as director or executive officer; and

(c) no existing or proposed director, executive officer or promoter of the Issuer is, or within the ten years prior to the date hereof has been, a director or executive officer of any other company that, while that person was acting in the capacity of director, executive officer or promoter of that company, 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.

**Penalties or Sanctions**

To the Issuer's knowledge, no existing or proposed director, executive officer, promoter or other member of management of the Issuer has been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion, formation or management of a publicly traded company, or involving fraud or theft.

**Personal Bankruptcies**

To the Issuer's knowledge no existing or proposed director, officer, promoter or other member of management of the Issuer has, during the ten years prior to the date hereof, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

**Conflicts of Interest**

The directors of the Issuer are required by law to act honestly and in good faith with a view to the best interests of the Issuer and to disclose any interests, which they may have in any project or opportunity of the Issuer. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the Issuer's knowledge and other than disclosed herein, there are no known existing or potential conflicts of interest among the Issuer, its promoters, directors and officers or other members of management of the Issuer or of any proposed promoter, 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 Issuer and their duties as a director or officer of such other companies.

## STATEMENT OF EXECUTIVE COMPENSATION

**Compensation Discussion and Analysis**

The executive compensation discussion below discloses compensation paid to the following individuals:

(a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;

(b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;

(c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than $150,000, as determined in accordance with Section 1.3(5) of Form 51-102F6V under National Instrument 51-102 – *Continuous Disclosure Obligations*, for that financial year; and

(d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, as at the end of the most recently completed financial year,

(each, a "**Named Executive Officer**").

During the financial year ended July 31, 2016, the Issuer had three individuals who were Named Executive Officers, namely: (i) Stephen B. Butrenchuk, who was appointed the Chief Executive Officer of the Issuer on July 7, 2016; (ii) Robert Coltura, who was appointed the Chief Financial Officer of the Issuer on July 7, 2016 and, prior to that, was the Chief Executive Officer of the Issuer from December 15, 2014 to July 7, 2016; and (iii) Jerry Minni, who was the Chief Financial Officer of the Issuer from December 15, 2014 to July 7, 2016.

**Compensation Discussion and Analysis**

In assessing the compensation of its Named Executive Officers, the Issuer does not have in place any formal objectives, criteria or analysis; compensation payable is currently determined by the Board of Directors.

As of the date of this Prospectus, the Issuer's Board of Directors has not established any benchmark or performance goals to be achieved or met by Named Executive Officers, however, such Named Executive Officers are expected to carry out their duties in an effective and efficient manner so as to advance the business objectives of the Issuer. The satisfactory discharge of such duties is subject to ongoing monitoring by the Issuer's directors.

The Issuer's Named Executive Officer compensation during the most recently completed financial year ended July 31, 2016 was determined and administered by the Issuer's Board of Directors. The Board of Directors was solely responsible for assessing the compensation to be paid to the Issuer's Named Executive Officers and for evaluating their performance.

It is expected that once the Issuer becomes a reporting issuer, base salary will be the principal component of Named Executive Officer compensation. The base salary for each Named Executive Officer will be based on the position held, the related responsibilities and functions performed by the executive and salary ranges for similar positions in comparable companies. Individual and corporate performance will also be taken into account in determining base salary levels.

Another component of Named Executive Officer compensation is the grant of stock options pursuant to the Issuer's Stock Option Plan. The objective of this compensation component is to attract, retain and motivate certain persons of training, experience and leadership as key service providers to the Issuer, including its directors, Named Executive Officers and employees and to advance the interest of the Issuer by providing such persons with additional compensation and the opportunity to participate in the success of the Issuer.

In addition to, or in lieu of, the compensation components described above, payments may be made from time to time to individuals, including Named Executive Officers or directors of the Issuer, or companies they control for the provision of management or consulting services. Such services are paid for by the Issuer at competitive industry rates for work of a similar nature by reputable arm's length services providers.

**Summary Compensation Table**

The following table sets forth the value of the compensation, excluding compensation securities, of the Issuer's directors and Named Executive Officers, for the year ended July 31, 2016 and for the period from incorporation to July 31, 2015:

| Name and principal position | Year | Salary | Share-based awards | Option-based awards | Non-equity incentive plan compensation: Annual incentive plans | Non-equity incentive plan compensation: Long-term incentive plans | Pension value | All other compensation | Total compensation |
|---|---|---|---|---|---|---|---|---|---|
| **Stephen B. Butrenchuk** Chief Executive Officer and Director(1) | 2016 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2015 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| **Robert Coltura** Chief Financial Officer, Director and Former Chief Executive Officer(2) | 2016 | Nil | Nil | Nil | Nil | Nil | Nil | $20,000(3) | $20,000 |
| | 2015 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| **Jerry Minni** Former Chief Financial Officer and Director (4) | 2016 | Nil | Nil | Nil | Nil | Nil | Nil | $8,000(5)<br>$2,700(6) | $10,700 |
| | 2015 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

Notes:
(1) Stephen B. Butrenchuk was appointed Chief Executive Officer on July 7, 2015.
(2) Robert Coltura was appointed Chief Financial Officer and resigned as Chief Executive Officer on July 7, 2016.
(3) Matalia Investments Ltd., a private company controlled by Robert Coltura, provided management and administrative services to the Issuer for a fee of $2,500 per month for the period of December 1, 2015 to July 31, 2016.
(4) Jerry Minni was appointed Chief Financial Officer on December 15, 2014 and resigned on July 7, 2016.
(5) Earls Cove Financial Corp., a private company controlled by Jerry Minni, provided office premises to the Issuer for a fee of $1,000 per month for the period of December 1, 2015 to July 31, 2016.
(6) J.A. Minni & Associates Inc., a private company controlled by Jerry Minni, provided accounting services to the Issuer throughout the financial year ended July 31, 2016.

**Director Compensation Table**

The table below sets out the compensation of directors that are not also Named Executive Officers of the Issuer.

| Name | Fees earned | Share-based awards | Option-based awards | Non-equity incentive plan compensation | Pension value | All other compensation | Total |
|---|---|---|---|---|---|---|---|
| **A. Salman Jamal** Director | Nil | Nil | Nil | Nil | Nil | $20,000(1) | $20,000 |
| **Matthew Coltura** Director | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

Note:
(1) Syndicated Capital Corp., a private company controlled by A. Salman Jamal, provided management and administrative services to the Issuer for a fee of $2,500 per month for the period of December 1, 2015 to July 31, 2016.

**External Management Companies**

Of the Issuer's Named Executive Officers, neither Stephen B. Butrenchuk nor Robert Coltura were or are employees of the Issuer.

As of the date of this Prospectus, the Issuer has not executed any employment, consulting or management agreements with any of its directors, Named Executive Officers or an external management company, however, in the financial year ended July 31, 2016, the Issuer paid $40,000 in management fees to companies controlled by directors of the Issuer, as to $20,000, to Matalia Investments Ltd., a company controlled by Robert Coltura and as to $20,000, to Syndicated Capital Corp., a company controlled by A. Salman Jamal. The services provided by each of Matalia Investments Ltd. and Syndicated Capital Corp. included, but were not limited to, the provision of all day-to-day services required by a non-reporting entity including liaison with the Issuer's accounting and legal representatives, securities regulatory bodies and investment firms, as well as the preparation and dissemination of corporate and market information to the Issuer's shareholders, the review and negotiation of corporate investment opportunities, and such other services as the Board of Directors may request.

**Stock Options and Other Compensation Securities**

Stock options are granted to provide an incentive to the directors, officers, employees and consultants of the Issuer to achieve the longer-term objectives of the Issuer; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Issuer; and to attract and retain persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Issuer. See "Options to Purchase Securities" above for a description of the material terms of the Issuer's Stock Option Plan.

There were no outstanding stock-based awards or share-based awards as at July 31, 2016, however, as at the date of this Prospectus, there are 800,000 outstanding stock options granted to the Issuer's directors and Named Executive Officers. See "Options to Purchase Securities" above.

**Proposed Compensation**

During the next 12 months, the Issuer proposes to pay the following compensation to its Named Executive Officers and directors:

| Name and Principal Position | Salary | All Other Compensation | Total Compensation |
|---|---|---|---|
| **Robert Coltura**<br>Chief Financial Officer | Nil | $30,000[(1)] | $30,000 |

Note:
(1) Matalia Investments Ltd., a private company controlled by Robert Coltura, will provide management and administrative services to the Issuer for a fee of $2,500 per month.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than routine indebtedness for travel and other expense advances, no existing or proposed director, executive officer or senior officer of the Issuer or any associate of any of them, was indebted to the Issuer as at July 31, 2016, or is currently indebted to the Issuer at the date of this Prospectus.

## AUDIT COMMITTEE AND CORPORATE GOVERNANCE

**Audit Committee**

National Instrument 52-110 – *Audit Committees* ("NI 52-110"), NI 41-101 and Form 52-110F1 require the Issuer to disclose certain information relating to the Issuer's audit committee (the "Audit Committee") and its relationship with the Issuer's independent auditors.

*Audit Committee Charter*

The text of the Audit Committee's charter is attached hereto as Schedule "A".

*Composition of Audit Committee*

The members of the Issuer's Audit Committee are set out below:

| | | |
|---|---|---|
| Robert Coltura | Related | Financially literate[(2)] |
| A. Salman Jamal | Independent[(1)] | Financially literate[(2)] |
| Matthew Coltura (Chairman) | Independent[(1)] | Financially literate[(2)] |

Notes:
(1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Issuer, which could, in the view of the Issuer's Board of Directors, reasonably interfere with the exercise of a member's independent judgment.
(2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Issuer's financial statements.

*Relevant Education and Experience*

Each member of the Issuer's present Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

(a) an understanding of the accounting principles used by the Issuer to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

(b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;

(c) 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 Issuer's financial statements or experience actively supervising individuals engaged in such activities; and

(d) an understanding of internal controls and procedures for financial reporting.

Robert Coltura: Mr. Coltura the President of Matalia Investments Ltd. and is a director of several public companies and serves as a member of the audit committee of several reporting issuers and is familiar with the financial reporting requirements applicable to public companies in Canada.

A. Salman Jamal: Mr. Jamal serves as President of Syndicated Capital Corp. and has been an investor relations consultant for several companies. He also has served as a director of several reporting issuers and is familiar with the financial reporting requirements applicable to public companies in Canada.

Matthew Coltura: Mr. Coltura has completed a two year diploma program at Okanagan College, Kelowna and holds a Business Administration Diploma with an accounting option from that institution. Additionally, Mr. Coltura is currently enrolled in the Bachelor of Business Administration program (a four year degree program) offered by Okanagan College and anticipates graduating from such study program with a B.B.A. degree (specializing in Finance) in December, 2016. Mr. Coltura has, since November, 2014, been employed, on a part-time basis, as a service representative by Envision Financial Credit Union (part of First West Credit Union).

See "Directors and Officers" above for further details.

*Audit Committee Oversight*

The Audit Committee was established on September 7, 2016 and will, among other things, make recommendations to the Board of Directors to nominate or compensate an external auditor. As of the date of this Prospectus, the Audit

Committee has not made any such recommendations for the Board to consider.

*Reliance on Certain Exemptions*

At no time since the commencement of the Issuer's most recently completed financial year has the Issuer relied on the exemptions in Sections 2.4, 3.2, 3.4, 3.5, 3.6 or Part 8 of NI 52-110, or an exemption from subsections 3.3(2) of NI 52-110.

*Pre-Approval Policies and Procedures*

The Audit Committee is authorized by the Board of Directors to review the performance of the Issuer's external auditors and approve in advance the provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services engaged by the Issuer. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairman of the Audit Committee deems is necessary and the Chairman will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Committee's consideration and, if thought fit, approval in writing.

*External Auditor Service Fees*

As of the date of this Prospectus, the Issuer has not compensated any external auditors for audit and non-audit related services provided to the Issuer.

*Exemption*

As per Section 223 of the *Business Corporations Act* (British Columbia), the Issuer is not a public company or a financial institution and as such, was not required to establish an Audit Committee at the first annual meeting following incorporation.

**Corporate Governance**

*General*

The Board of Directors believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 - *Corporate Governance Guidelines* provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Issuer. In addition, National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101") prescribes certain disclosure by the Issuer of its corporate governance practices. This disclosure is presented below.

*Board of Directors*

The Board of Directors facilitates its exercise of independent supervision over the Issuer's management through frequent meetings of the Board.

The Board is comprised of four directors, of whom each of A. Salman Jamal and Matthew Coltura are independent for the purposes of NI 58-101. Stephen B. Butrenchuk is a member of the Issuer's management and is not independent as he serves as President and Chief Executive Officer of the Issuer. Robert Coltura is a member of the Issuer's management and is not independent as he serves as Chief Financial Officer and Corporate Secretary of the Issuer.

At this time, the Board of Directors does not have a Chairman. In the absence of a Chairman, and in accordance with the articles of the Issuer, the President of the Company is responsible for residing over all meetings of the directors and shareholders. He is not an independent director, however, the independent directors either have significant experience as directors and officers of publicly traded companies or as members of the financial investment community and, therefore, do not require the guidance of an independent Chairman of the Board in exercising their duties.

Since July 31, 2015, the Board of Directors has not held any meetings. The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. In order to facilitate open and candid discussion among independent directors, directors are encouraged to regularly and independently confer amongst themselves. Additionally, when a matter being considered involves a director, that director does not vote on the matter.

*Directorships*

Certain of the Issuer's directors are also currently directors of other reporting issuers as follows:

| Name | Reporting Issuer |
|---|---|
| Stephen B. Butrenchuk | Anfield Resources Inc.<br>APAC Resources Inc.<br>Goldstar Minerals Inc.<br>Stone Ridge Exploration Corp. |
| Robert Coltura | APAC Resources Inc.<br>Four River Ventures Ltd.<br>GMV Minerals Inc.<br>Montego Resources Inc.<br>Portofino Resources Inc.<br>Stone Ridge Exploration Corp. |
| A. Salman Jamal | None |
| Matthew Coltura | Stone Ridge Exploration Corp. |

*Board Mandate*

The Board of Directors has not adopted a written mandate or code delineating the Board's roles and responsibilities, since it believes it is adequately governed by the requirements of applicable corporate and securities common and statute law which provide that the Board has responsibility for the stewardship of the Issuer. That stewardship includes responsibility for strategic planning, identification of the principal risks of the Issuer’s business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Issuer’s internal control and management information systems.

*Orientation and Continuing Education*

When new directors are appointed they receive orientation, commensurate with their previous experience, on the Issuer’s business, assets and industry and on the responsibilities of directors. Meetings of the Board are sometimes held at the Issuer's offices and, from time to time, are combined with presentations by the Issuer's management to give the directors additional insight into the Issuer's business. In addition, management of the Issuer makes itself available for discussion with all members of the Board.

*Ethical Business Conduct*

The Board of Directors has not adopted a formal code of business conduct and ethics. The Board has found that the fiduciary duties placed on individual directors by the Issuer's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Issuer.

*Nomination of Directors*

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience.

The Board does not have a nominating committee and these functions are currently performed by the Board as a whole, however, if there is a change in the number of directors required by the Issuer, this policy will be reviewed.

*Compensation*

The Board is responsible for determining compensation for the directors of the Issuer to ensure it reflects the responsibilities and risks of being a director of a public company.

*Other Board Committees*

The Board has no committee other than the Audit Committee.

*Assessments*

Due to the minimal size of the Board of Directors, no formal policy has been established to monitor the effectiveness of the directors, the Board and its committees.

## PLAN OF DISTRIBUTION

The Offering consists of 3,500,000 Common Shares at a price of $0.10 per Common Share, to raise gross proceeds of $350,000, and will be conducted through the Agent in the provinces of British Columbia and Alberta.

Pursuant to the Agency Agreement, the Issuer has engaged the Agent as its exclusive agent for the purposes of the Offering. The Offering Price and terms of the Offering were established through negotiation between the Issuer and the Agent, in accordance with the policies of the Exchange. The Agent has agreed to use its best efforts to secure subscriptions for the Common Shares offered pursuant to the Offering in the provinces of British Columbia, and Alberta. This Prospectus qualifies the distribution of the Common Shares to the Subscribers in those jurisdictions. The Agent reserves the right, at no additional cost to the Issuer, to offer selling group participation in the normal course of the brokerage business to selling groups of other licensed dealers, brokers, and investment dealers who may or may not be offered part of the Agent's Commission or Compensation Options derived from this Offering.

The Agent is not obligated to purchase Common Shares in connection with this Offering. The obligations of the Agent under this Offering may be terminated at any time in the Agent's discretion on the basis of its assessment of the state of the financial markets and may also be terminated upon the occurrence of certain other stated events.

The Issuer has agreed (i) to pay the Agent (A) a cash commission equal to 10% of the aggregate Offering Price of the Common Shares sold under the Offering and, if applicable, the Over-Allotment Option; and (B) a cash corporate finance fee of $35,000; and (ii) to issue the Corporate Finance Shares. In addition, upon successful completion of the Offering, the Agent is entitled to receive, as part of its remuneration, Compensation Options entitling the holder thereof to purchase that number of Common Shares equal to 10% of the number of Common Shares issued pursuant to this Offering. The Compensation Options will be exercisable at a price of $0.10 per Common Share for a period of 24 months from the Closing.

The Issuer has granted to the Agent an Over-Allotment Option exercisable, in whole or in part, 30 days following the Closing Date, to sell an additional number of Common Shares equal to 15% of the Offered Common Shares (525,000 Common Shares). The Over-Allotment Option and the Over-Allotment Option Shares are also qualified for distribution under this Prospectus.

Pursuant to NI 41-101 the aggregate number of securities which may be distributed under a prospectus to an Agent as compensation must not exceed 10% of the Common Shares offered pursuant to this Prospectus, which in the case of this Offering (and assuming the exercise of the Over-Allotment Option in full) is 402,500 securities. For the purposes of this Offering, any combination of the following, totalling 402,500 securities, are Qualified Compensation Securities and are qualified for distribution by this Prospectus: (i) up to 150,000 Corporate Finance Shares; and (ii) up to a maximum of an aggregate 252,500 Compensation Options. To the extent that the Agent is entitled to receive securities as compensation exceeding 10% of the Offering and the Over-Allotment Option, those securities exceeding the 10% threshold will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus and will be subject to a hold period in accordance with applicable securities laws.

The Closing is conditional upon the Offering of 3,500,000 Common Shares being sold within 90 days of the issuance of the final receipt for this Prospectus or, if a receipt is issued for an amendment to this Prospectus, within 90 days of the issuance of such receipt and, in any event, not later than 180 days from the date of the receipt for the final Prospectus.

The Issuer has applied to list its Common Shares on the Canadian Securities Exchange. Listing will be subject to the Issuer fulfilling all of the requirements of the Canadian Securities Exchange. Confirmation of the Listing of the Common Shares on the Exchange is a condition of Closing.

The Agency Agreement provides that, upon the occurrence of certain events or at the discretion of the Agent on the basis of its assessment of the state of financial markets, the Agent may terminate the Offering and the obligations of Subscribers to purchase the Common Shares will then cease. The Agent may also terminate the Agency Agreement if a final receipt for the Prospectus is not issued within 120 days from the date of the Agency Agreement.

The Issuer has granted the Agent a right of first refusal in respect of future brokered equity financings of the Issuer for a period of 12 months from the Closing Date.

As at the date of this Prospectus, the Issuer does not have any of its securities listed or quoted, has not applied to list or quote any of its securities and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

Subscriptions for the Common Shares will be received and subject to rejection or allotment in whole or in part by the Issuer and the right is reserved to close the subscription books at any time. Upon rejection of a subscription, the subscription price and the subscription agreement will be returned to the Subscriber forthwith without interest or deduction.

This Prospectus also qualifies the distribution of the 300,000 Common Shares issuable to the Optionors in respect of the Boomerang Property; such Common Shares will be issued in accordance with the schedule set out under the heading "General Development of the Business" above.

## RISK FACTORS

The Issuer is in the business of exploring mineral properties, which is a highly speculative endeavor. A purchase of any of the securities offered hereunder involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities offered hereunder should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective purchasers should evaluate carefully the following risk factors associated with an investment in the Issuer's securities prior to purchasing any of the securities offered hereunder.

### Insufficient Capital

The Issuer does not currently have any revenue producing operations and may, from time to time, report a working capital deficit. To maintain its activities, the Issuer will require additional funds which may be obtained either by the sale of equity capital or by entering into an option or joint venture agreement with a third party providing such funding. There is no assurance that the Issuer will be successful in obtaining such additional financing; failure to do so could result in the loss or substantial dilution of the Issuer's interest in the Boomerang Property. The Issuer's unallocated working capital will not suffice to fund the recommended Phase 2 exploration program on the Boomerang Property and there is no assurance that the Issuer can successfully obtain additional financing to fund such Phase 2 program.

**Financing Risks**

The Issuer has no history of earnings and, due to the nature of its business, there can be no assurance that the Issuer will be profitable. The Issuer has paid no dividends on its Common Shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Issuer is through the sale of its Common Shares. Even if the results of exploration are encouraging, the Issuer may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists on any of its properties. While the Issuer may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there is no assurance that any such funds will be available on terms acceptable to the Issuer, or at all. If available, future equity financing may result in substantial dilution to purchasers under the Offering. At present it is impossible to determine what amounts of additional funds, if any, may be required.

**Limited Operating History**

The Issuer has no history of earnings. There are no known commercial quantities of mineral reserves on the Boomerang Property. The purpose of this Offering is to raise funds to carry out exploration and development on the Boomerang Property with the objective of establishing economic quantities of mineral reserves.

**Resale of Shares**

The continued operation of the Issuer will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Issuer is unable to generate such revenues or obtain such additional financing, any investment in the Issuer may be lost. In such event, the probability of resale of the Common Shares purchased would be diminished.

**Price Volatility of Publicly Traded Securities**

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Issuer in creating revenues, cash flows or earnings. The value of Common Shares distributed hereunder will be affected by such volatility.

Before this Offering, there has been no public market for the Issuer's Common Shares. An active public market for the Common Shares might not develop or be sustained after this Offering. The Offering Price of the Common Shares has been determined by negotiations between the Issuer and representatives of the Agent, and such Offering Price will not necessarily reflect the prevailing market price of the Common Shares following this Offering. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline below the Offering Price to the public.

**Property Interests**

The Issuer does not own the mineral rights pertaining to the Boomerang Property. Rather, it holds an option to acquire a 100% interest. There is no guarantee the Issuer will be able to raise sufficient funding in the future to explore and develop the Boomerang Property so as to maintain its interests therein. If the Issuer loses or abandons its interest in the Boomerang Property, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange. There is also no guarantee that the Exchange will approve the acquisition of any additional properties by the Issuer, whether by way of option or otherwise, should the Issuer wish to acquire any additional properties.

In the event that the Issuer acquires a 100% interest in the Boomerang Property, there is no guarantee that title to the Boomerang Property will not be challenged or impugned. The Issuer's mineral property interests may be subject to prior unregistered agreements or transfers or aboriginal or indigenous land claims or title may be affected by undetected defects. Surveys have not been carried out on any of the Issuer's mineral properties, therefore, in accordance with the laws of the jurisdiction in which such properties are situated; their existence and area could be in doubt. Until competing interests in the mineral lands have been determined, the Issuer can give no assurance as to the validity of title of the Issuer to those lands or the size of such mineral lands.

**First Nations Land Claims**

The Boomerang Property may now or in the future be the subject of aboriginal or indigenous land claims. The legal nature of aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Issuer's ownership interest in the Boomerang Property cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the area in which the Boomerang Property is located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Issuer's activities. Even in the absence of such recognition, the Issuer may at some point be required to negotiate with and seek the approval of holders of aboriginal interests in order to facilitate exploration and development work on the Boomerang Property, there is no assurance that the Issuer will be able to establish a practical working relationship with any First Nations in the area which would allow it to ultimately develop the Boomerang Property.

**Exploration and Development**

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Issuer may be affected by numerous factors which are beyond the control of the Issuer and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Issuer not receiving an adequate return of investment capital.

There is no assurance that the Issuer's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Issuer's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

**Uninsurable Risks**

In the course of exploration, development and production of mineral properties, certain risks and, in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Issuer may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Issuer.

**Permits and Government Regulations**

The future operations of the Issuer may require permits from various federal, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that the Issuer will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on the Boomerang Property. The Issuer currently does not have any permits in place.

**Environmental Laws and Regulations**

Environmental laws and regulations may affect the operations of the Issuer. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be withdrawn temporarily where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Issuer for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations. In all major developments, the Issuer generally relies on recognized designers and development contractors from which the Issuer will, in the first instance, seek indemnities. The Issuer intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards. There is a risk that environmental laws and regulations may become more onerous, making the Issuer's operations more expensive.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Issuer and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

**No Commercial Ore**

The Boomerang Property on which a portion of the proceeds of the Offering is to be expended does not contain any known amounts of commercial ore.

**Competition**

The mining industry is intensely competitive in all its phases and the Issuer competes with other companies that have greater financial resources and technical facilities. Competition could adversely affect the Issuer's ability to acquire suitable properties or prospects in the future.

**Management**

The success of the Issuer is currently largely dependent on the performance of its officers. The loss of the services of these persons will have a materially adverse effect on the Issuer's business and prospects. There is no assurance the Issuer can maintain the services of its officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Issuer and its prospects.

**Fluctuating Mineral Prices**

The Issuer's revenues, if any, are expected to be in large part derived from the extraction and sale of precious and base minerals and metals. Factors beyond the control of the Issuer may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Issuer's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices. In addition, currency fluctuations may affect the cash flow which the Issuer may realize from its operations, since most mineral commodities are sold in the world market in United States dollars.

**Conflicts of Interest**

Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with the Issuer. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the *Business Corporations Act* (British Columbia).

Some of the directors and officers of the Issuer are or may become directors or officers of other companies engaged in other business ventures. In order to avoid the possible conflict of interest which may arise between the directors' duties to the Issuer and their duties to the other companies on whose boards they serve, the directors and officers of the Issuer have agreed to the following:

(a) participation in other business ventures offered to the directors will be allocated between the various companies and on the basis of prudent business judgment and the relative financial abilities and needs of the companies to participate;

(b) no commissions or other extraordinary consideration will be paid to such directors and officers; and

(c) business opportunities formulated by or through other companies in which the directors and officers are involved will not be offered to the Issuer except on the same or better terms than the basis on which they are offered to third party participants.

**Dividends**

The Issuer does not anticipate paying any dividends on its Common Shares in the foreseeable future.

## PROMOTERS

Robert Coltura and A. Salman Jamal are considered to be promoters of the Issuer in that they took the initiative in organizing the Issuer. Robert Coltura holds a total of 1,700,000 (21.80%) of the Issuer's currently issued and outstanding Common Shares. A. Salman Jamal also holds a total of 1,700,000 (21.80%) of the Issuer's currently issued and outstanding Common Shares. See "Principal Shareholders" above for further details.

The named promoters of the Issuer have provided and may continue to provide management and administrative services to the Issuer for monthly fees, as more particularly outlined under the headings "Management's Discussion and Analysis" above and "Interest of Management and Others in Material Transactions" below.

## LEGAL PROCEEDINGS

The Issuer is not a party to any legal proceedings or regulatory actions and is not aware of any such proceedings known to be contemplated.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Matalia Investments Ltd., a private company controlled by Robert Coltura, a director, the Chief Financial Officer and Corporate Secretary of the Issuer, provides management and administrative services to the Issuer for a fee of $2,500 per month. For the financial year ended July 31, 2016, the aggregate amount of $20,000 was paid by the Issuer to Matalia Investments Ltd. for the provision of such services.

Syndicated Capital Corp., a private company controlled by A. Salman Jamal, a director of the Issuer, provided management and administrative services during the financial year ended July 31, 2016 to the Issuer for a fee of $2,500 per month. For the financial year ended July 31, 2016, the aggregate amount of $20,000 was paid by the Issuer to Syndicated Capital Corp. for the provision of such services.

Earls Cove Financial Corp., a private company controlled by Jerry Minni, who acted as a director and the Chief Financial Officer of the Issuer from December 15, 2014 until July 7, 2016, provides office premises to the Issuer. For the financial year ended July 31, 2016, the aggregate amount of $8,000 was paid by the Issuer to Earls Cove Financial Corp. for the provision of such premises.

J.A. Minni & Associates, a private company also controlled by Jerry Minni, provides accounting services to the Issuer. For the financial year ended July 31, 2016, the aggregate amount of $5,223.75 was paid by the Issuer to J.A. Minni & Associates for the provision of such services.

Except as set out above, the directors, senior officers and principal shareholders of the Issuer, a person or company that beneficially owns or controls or directs, directly or indirectly more than 10% of the Common Shares of the Issuer, or any associate or affiliate of the foregoing have had no material interest, direct or indirect, in any transactions in which the Issuer has participated within the three year period prior to the date of this Prospectus, or will have any material interest in any proposed transaction, which has materially affected or will materially affect the Issuer.

## RELATIONSHIP BETWEEN THE ISSUER AND AGENT

The Issuer is not a related party or connected party to the Agent (as such terms are defined in National Instrument 33-105 *Underwriting Conflicts*).

## AUDITORS

The auditor of the Issuer is Manning Elliott LLP, Chartered Accountants, of 11th Floor, 1050 West Pender Street, Vancouver, British Columbia, V6E 3S7.

## REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent of the Issuer is TSX Trust Company, of Suite 2700, 650 West Georgia Street, Vancouver, British Columbia, V6B 4N9.

## MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Issuer since the beginning of the last financial year ended July 31, 2016 or entered into before July 31, 2016 that at are still in effect as of the date hereof:

1. Property Option Agreement made between the Issuer, Craig A. Lynes and Rich River Exploration Ltd., dated December 15, 2014, referred to under "General Development of the Business".

2. Stock Option Plan approved by the Board of Directors on September 7, 2016 referred to under "Options to Purchase Securities".

3. Stock Option Agreements approved by the directors on September 7, 2016 between the Issuer and the directors and officers of the Issuer referred to under "Options to Purchase Securities".

4. Escrow Agreement among the Issuer, TSX Trust Company and certain Principals of the Issuer made as of September 30, 2016 referred to under "Escrowed Shares".

5. Agency Agreement between the Issuer and Haywood Securities Inc. dated for reference ●, referred to under "Plan of Distribution".

A copy of any material contract and the Technical Report may be inspected during the Offering of the Common Shares being offered under this Prospectus and for a period of 30 days thereafter during normal business hours at the Issuer's offices at Suite 200, 551 Howe Street, Vancouver, British Columbia, V6C 2C2. As well, the Technical Report is available for viewing on SEDAR located at: www.sedar.com.

## EXPERTS

Except as disclosed below, no person or company whose profession or business gives authority to a report, valuation, statement or opinion and who is named as having prepared or certified a part of this Prospectus or as having prepared or certified a report or valuation described or included in this Prospectus holds or is to hold any beneficial or registered interest, direct or indirect, in any securities or property of the Issuer or any associate or affiliate of the Issuer.

Certain legal matters related to this Offering will be passed upon on behalf of the Issuer by Lotz & Company and by Miller Thomson LLP on behalf of the Agent. Jonathan Lotz, the principal of Lotz & Company owns 500,000 Common Shares in the capital of the Issuer, which represent 6.4% of the Issuer's issued and outstanding Common Shares as at the date of this Prospectus.

Andris Kikauka, B.Sc., P.Geo., the author of the Technical Report on the Boomerang Property, is independent from the Issuer within the meaning of NI 43-101.

Manning Elliott LLP, Chartered Accountants is the auditor of the Issuer. Manning Elliott LLP has informed the

Issuer that it is independent of the Issuer within the meaning of the rules of professional conduct of the Institute of Chartered Accountants of British Columbia (ICABC).

## OTHER MATERIAL FACTS

There are no other material facts other than as disclosed herein.

## PURCHASERS' STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

Securities legislation in the Provinces of British Columbia and Alberta provides Subscribers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or damages if the prospectus and any amendment contain a misrepresentation or is not delivered to the Subscriber, provided that the remedies for rescission or damages are exercised by the Subscriber within the time limit prescribed by the securities legislation of the Subscriber's province or territory. The Subscriber should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

## FINANCIAL STATEMENTS

Attached as Schedule "B" and forming part of this Prospectus are the audited financial statements of the Issuer for the year ended July 31, 2016 and from incorporation date to July 31, 2015.

## SCHEDULE "A"

## Audit Committee Charter

**CARRARA EXPLORATION CORP.**
**(the "Company")**

**AUDIT COMMITTEE CHARTER**

## 1. Mandate and Purpose of the Committee

The Audit Committee (the "Committee") of the board of directors (the "Board") of Carrara Exploration Corp. (the "Company") is a standing committee of the Board whose primary function is to assist the Board in fulfilling its oversight responsibilities relating to:

(a) the integrity of the Company's financial statements;

(b) the Company's compliance with legal and regulatory requirements, as they relate to the Company's financial statements;

(c) the qualifications, independence and performance of the Company's auditor;

(d) internal controls and disclosure controls;

(e) the performance of the Company's internal audit function;

(f) consideration and approval of certain related party transactions; and

(g) performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

## 2. Authority

The Committee has the authority to:

(a) engage and compensate independent counsel and other advisors as it determines necessary or advisable to carry out its duties; and

(b) communicate directly with the Company's auditor.

The Committee has the authority to delegate to individual members or subcommittees of the Committee.

## 3. Composition and Expertise

The Committee shall be composed of a minimum of three members, each of whom is a director of the Company. The majority of the Committee's members must not be officers or employees of the Company or an affiliate of the Company.

Committee members shall be appointed annually by the Board at the first meeting of the Board following each annual meeting of shareholders. Committee members hold office until the next annual meeting of shareholders or until they are removed by the Board or cease to be directors of the Company.

The Board shall appoint one member of the Committee to act as Chairman of the Committee. If the Chairman of the Committee is absent from any meeting, the Committee shall select one of the other members of the Committee to preside at that meeting.

## 4. Meetings

Any member of the Committee or the auditor may call a meeting of the Committee. The Committee shall meet at least four times per year and as many additional times as the Committee deems necessary to carry out its duties. The Chairman shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and senior management.

Notice of the time and place of every meeting shall be given in writing to each member of the Committee, at least 72 hours (excluding holidays) prior to the time fixed for such meeting. The Company's auditor shall be given notice of every meeting of the Committee and, at the expense of the Company, shall be entitled to attend and be heard thereat. If requested by a member of the Committee, the Company's auditor shall attend every meeting of the Committee held during the term of office of the Company's auditor.

A majority of the Committee who are not officers or employees of the Company or an affiliate of the Company shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. Business may also be transacted by the unanimous written consent resolutions of the members of the Committee, which when so approved shall be deemed to be resolutions passed at a duly called and constituted meeting of the Committee.

The Committee may invite such directors, officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Committee.

The Committee shall meet without management present whenever the Committee deems it appropriate.

The Committee shall appoint a Secretary who need not be a director or officer of the Company. Minutes of the meetings of the Committee shall be recorded and maintained by the Secretary and shall be subsequently presented to the Committee for review and approval.

## 5. Committee and Charter Review

The Committee shall conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter. The Committee shall conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board.

The Committee shall also review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any guidelines recommended by regulators or the Canadian Securities Exchange and shall recommend changes to the Board thereon.

**6. Reporting to the Board**

The Committee shall report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

**7. Duties and Responsibilities**

(a) **Financial Reporting**

The Committee is responsible for reviewing and recommending approval to the Board of the Company's annual and interim financial statements, any auditor's report thereon, MD&A and related news releases, before they are published.

The Committee is also responsible for:

(i) being satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in the preceding paragraph, and for periodically assessing the adequacy of those procedures;

(ii) engaging the Company's auditor to perform a review of the interim financial statements and receiving from the Company's auditor a formal report on the auditor's review of such interim financial statements;

(iii) discussing with management and the Company's auditor the quality of applicable accounting principles and financial reporting standards, not just the acceptability of thereof;

(iv) discussing with management any significant variances between comparative reporting periods; and

(v) in the course of discussion with management and the Company's auditor, identifying problems or areas of concern and ensuring such matters are satisfactorily resolved.

(b) **Auditor**

The Committee is responsible for recommending to the Board:

(i) the auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and

(ii) the compensation of the Company's auditor.

The Company's auditor reports directly to the Committee. The Committee is directly responsible for overseeing the work of the Company's auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the Company's auditor regarding financial reporting.

(c) **Relationship with the Auditor**

The Committee is responsible for reviewing the proposed audit plan and proposed audit fees. The Committee is also responsible for:

(i) establishing effective communication processes with management and the Company's auditor so that it can objectively monitor the quality and effectiveness of the auditor's relationship with management and the Committee;

(ii) receiving and reviewing regular feedback from the auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditor's final report;

(iii) reviewing, at least annually, a report from the auditor on all relationships and engagements for non-audit services that may be reasonably thought to bear on the independence of the auditor; and

(iv) meeting in camera with the auditor whenever the Committee deems it appropriate.

(d) **Accounting Policies**

The Committee is responsible for:

(i) reviewing the Company's accounting policy note to ensure completeness and acceptability with applicable accounting principles and financial reporting standards as part of the approval of the financial statements;

(ii) discussing and reviewing the impact of proposed changes in accounting standards or securities policies or regulations;

(iii) reviewing with management and the auditor any proposed changes in major accounting policies and key estimates and judgments that may be material to financial reporting;

(iv) discussing with management and the auditor the acceptability, degree of aggressiveness/conservatism and quality of underlying accounting policies and key estimates and judgments; and

(v) discussing with management and the auditor the clarity and completeness of the Company's financial disclosures.

(e) **Risk and Uncertainty**

The Committee is responsible for reviewing, as part of its approval of the financial statements:

(i) uncertainty notes and disclosures; and

(ii) MD&A disclosures.

The Committee, in consultation with management, will identify the principal business risks and decide on the Company's "appetite" for risk. The Committee is responsible for reviewing related risk management policies and recommending such policies for approval by the Board. The Committee is then responsible for communicating and assigning to the applicable Board committee such policies for implementation and ongoing monitoring.

The Committee is responsible for requesting the auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are managed or controlled.

(f) **Controls and Control Deviations**

The Committee is responsible for reviewing:

(i) the plan and scope of the annual audit with respect to planned reliance and testing of controls; and

(ii) major points contained in the auditor's management letter resulting from control evaluation and testing.

The Committee is also responsible for receiving reports from management when significant control deviations occur.

(g) **Compliance with Laws and Regulations**

The Committee is responsible for reviewing regular reports from management and others (e.g. auditors) concerning the Company's compliance with financial related laws and regulations, such as:

(i) tax and financial reporting laws and regulations;

(ii) legal withholdings requirements;

(iii) environmental protection laws; and

(iv) other matters for which directors face liability exposure.

(h) **Related Party Transactions**

All transactions between the Company and a related party (each a "related party transaction"), other than transactions entered into in the ordinary course of business, shall be presented to the Committee for consideration.

The term "related party" includes (i) all directors, officers, employees, consultants and their associates (as that term is defined in the *Securities Act* (British Columbia), as well as all entities with common directors, officers, employees and consultants (each "general related parties"), and (ii) all other individuals and entities having beneficial ownership of, or control or direction over, directly or indirectly securities of the Company carrying more than 10% of the voting rights attached to all of the Company's outstanding voting securities (each "10% shareholders").

Related party transactions involving general related parties which are not material to the Company require review and approval by the Committee. Related party transactions that are material to the Company or that involve 10% shareholders require approval by the Board, following review thereof by the Committee and the Committee providing its recommendation thereon to the Board.

## 8. Non-Audit Services

All non-audit services to be provided to the Company or its subsidiary entities by the Company's auditor must be pre-approved by the Committee.

## 9. Submission Systems and Treatment of Complaints

The Committee is responsible for establishing procedures for:

(a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

(b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

The Committee is responsible for reviewing complaints and concerns that are brought to the attention of the Chairman of the Audit Committee and for ensuring that any such complaints and concerns are appropriately addressed. The Committee shall report quarterly to the Board on the status of any complaints or concerns received by the Committee.

## 10. Procedure For Reporting Of Fraud Or Control Weaknesses

Each employee is expected to report situations in which he or she suspects fraud or is aware of any internal control weaknesses. An employee should treat suspected fraud seriously, and ensure that the situation is brought to the attention of the Committee. In addition, weaknesses in the internal control procedures of the Company that may result in errors or omissions in financial information, or that create a risk of potential fraud or loss of the Company's assets, should be brought to the attention of both management and the Committee.

To facilitate the reporting of suspected fraud, it is the policy of Company that the employee (the "whistleblower") has anonymous and direct access to the Chairman of the Audit Committee. Should a new Chairman be appointed prior to the updating of this document, the current Chairman will ensure that the whistleblower is able to reach the new Chairman in a timely manner. In the event that the Chairman of the Audit Committee cannot be reached, the whistleblower should contact the Chairman of the Board.

In addition, it is the policy of the Company that employees concerned about reporting internal control weaknesses directly to management are able to report such weaknesses to the Committee anonymously. In this case, the employee should follow the same procedure detailed above for reporting suspected fraud.

## 11. Hiring Policies

The Committee is responsible for reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditor of the Company.

**SCHEDULE "B"**

**Financial Statements for the Year Ended July 31, 2016**
**and From Incorporation Date to July 31, 2015**

**CARRARA EXPLORATION CORP.**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**JULY 31, 2016 AND**

**FROM INCORPORATION DATE TO JULY 31, 2015**

## INDEPENDENT AUDITORS' REPORT

To the Directors of
Carrara Exploration Corp.

We have audited the accompanying financial statements of Carrara Exploration Corp. which comprise the statements of financial position as at July 31, 2016 and 2015, and the statements of comprehensive loss, changes in equity and cash flows for the year ended and for the period ended from incorporation on December 15, 2014 to July 31, 2015, and the related notes comprising a summary of significant accounting policies and other explanatory information.

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

**Auditors' Responsibility**
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**
In our opinion, the financial statements present fairly, in all material respects, the financial position of Carrara Exploration Corp. as at July 31, 2016 and 2015, and its financial performance and its cash flows for the year ended and for the period ended from incorporation on December 15, 2014 to July 31, 2015, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

**Emphasis of Matter**
Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Carrara Exploration Corp. to continue as a going concern.

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia

• 2016

**CARRARA EXPLORATION CORP.**
**STATEMENTS OF FINANCIAL POSITION**
(Expressed in Canadian dollars)

| | Note | July 31, 2016 | July 31, 2015 |
|---|---|---|---|
| | | $ | $ |
| **ASSETS** | | | |
| CURRENT | | | |
| Cash | | 54,941 | 27,138 |
| Amounts receivable | | 2,622 | 2,220 |
| | | 57,563 | 29,358 |
| EXPLORATION AND EVALUATION ASSET | 5 | 65,391 | 50,391 |
| | | 122,954 | 79,749 |
| **LIABILITIES** | | | |
| CURRENT | | | |
| Accounts payable and accrued liabilities | 7 | 10,439 | - |
| **SHAREHOLDERS' EQUITY** | | | |
| SHARE CAPITAL | 6 | 189,900 | 900 |
| SHARES SUBSCRIPTIONS | 6 | - | 90,000 |
| CONTRIBUTED SURPLUS | | 62,700 | 51,300 |
| DEFICIT | | (140,085) | (62,451) |
| | | 112,515 | 79,749 |
| | | 122,954 | 79,749 |

NATURE OF BUSINESS AND CONTINUING OPERATIONS (Note 1)
COMMITMENT (Note 11)
SUBSEQUENT EVENTS (Note 12)

Approved and authorized for issue on behalf of the Board on XXXX, 2016

*/s/ ""* Director */s/ ""* Director

The accompanying notes are an integral part of these financial statements

**CARRARA EXPLORATION CORP.**
**STATEMENTS OF COMPREHENSIVE LOSS**
(Expressed in Canadian dollars)

| | Note | Year ended July 31, 2016 | Period ended July 31, 2015 |
|---|---|---|---|
| | | $ | $ |
| EXPENSES | | | |
| Consulting | | 1,250 | 2,400 |
| Management fees | 7 | 40,000 | - |
| Office and miscellaneous | | 12,314 | 1,439 |
| Professional fees | | 4,670 | 7,312 |
| Rent | | 8,000 | - |
| Share-based payments | 6(c) | 11,400 | 51,300 |
| NET LOSS AND COMPREHENSIVE LOSS | | 77,634 | 62,451 |
| LOSS PER SHARE – Basic and diluted | | 0.02 | 0.04 |
| WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING | | 3,453,288 | 1,693,973 |

The accompanying notes are an integral part of these financial statements

**CARRARA EXPLORATION CORP.**
**STATEMENTS OF CHANGES IN EQUITY**
(Expressed in Canadian dollars)

| | Common Shares | | | | | |
|---|---|---|---|---|---|---|
| | Number of Shares | Amount | Shares Subscriptions | Contributed Surplus | Deficit | Total |
| | | $ | $ | $ | $ | $ |
| Issued on incorporation | 2,700,000 | 2,700 | - | 51,300 | - | 54,000 |
| Shares to be issued (flow through) | - | - | 25,000 | - | - | 25,000 |
| Shares to be issued | - | - | 65,000 | - | - | 65,000 |
| Share subscriptions receivable | - | (1,800) | - | - | - | (1,800) |
| Net loss for the period | - | - | - | - | (62,451) | (62,451) |
| Balance, July 31, 2015 | 2,700,000 | 900 | 90,000 | 51,300 | (62,451) | 79,749 |
| Shares issued for cash | 1,600,000 | 65,000 | (65,000) | - | - | - |
| Shares issued for cash (flow-through) | 1,250,000 | 25,000 | (25,000) | - | - | - |
| Shares issued for cash | 600,000 | 600 | - | 11,400 | - | 12,000 |
| Shares issued for cash (flow-through) | 750,000 | 15,000 | - | - | - | 15,000 |
| Shares issued for cash | 1,000,000 | 50,000 | - | - | - | 50,000 |
| Shares issued for cash (flow-through) | 500,000 | 25,000 | - | - | - | 25,000 |
| Shares issued for cash | 300,000 | 15,000 | - | - | - | 15,000 |
| Share subscriptions received | - | 900 | - | - | - | 900 |
| Share issue costs | - | (7,500) | - | - | - | (7,500) |
| Net loss for the year | - | - | - | - | (77,634) | (77,634) |
| Balance, July 31, 2016 | 8,700,000 | 189,900 | - | 62,700 | (140,085) | 112,515 |

The accompanying notes are an integral part of these financial statements

**CARRARA EXPLORATION CORP.**
**STATEMENTS OF CASH FLOWS**
(Expressed in Canadian dollars)

| | Year ended July 31, 2016 | Period ended July 31, 2015 |
|---|---|---|
| | $ | $ |
| **CASH PROVIDED BY (USED IN):** | | |
| **OPERATING ACTIVITIES** | | |
| Net loss for the period | (77,634) | (62,451) |
| Item not involving cash: | | |
| Share-based payments | 11,400 | 51,300 |
| Changes in non-cash working capital balances: | | |
| Decrease in amounts receivable | (402) | (2,220) |
| Increase in accounts payable and accrued liabilities | 10,439 | - |
| Cash used in operating activities | (56,197) | (13,371) |
| **INVESTING ACTIVITIES** | | |
| Exploration and evaluation asset expenditures | (15,000) | (50,391) |
| **FINANCING ACTIVITIES** | | |
| Issuance of common shares | 105,600 | 900 |
| Subscription received | 900 | - |
| Share issue costs | (7,500) | - |
| Shares subscriptions | - | 90,000 |
| Cash provided by financing activities | 99,000 | 90,900 |
| INCREASE IN CASH | 27,803 | 27,138 |
| CASH, BEGINNING OF PERIOD | 27,138 | - |
| CASH, END OF PERIOD | 54,941 | 27,138 |
| SUPPLEMENTAL CASH DISCLOSURES | | |
| Interest paid | $ - | $ - |
| Income taxes paid | $ - | $ - |

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS

Carrara Exploration Corp. (“the Company”) was incorporated on December 15, 2014 under the laws of British Columbia. The address of the Company’s corporate office and its principal place of business is 200-551 Howe Street, Vancouver, British Columbia, Canada.

The Company’s principal business activities include the acquisition and exploration of mineral property assets. As at July 31, 2016, the Company had not yet determined whether the Company’s mineral property asset contains ore reserves that are economically recoverable. The recoverability of amount shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company’s ability to continue as a going concern.

The Company had a deficit of $140,085 as at July 31, 2016, which has been funded by the issuance of equity. The Company’s ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give affect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”).

These financial statements were authorized for issue in accordance with a resolution from the Board of Directors on • 2016.

b) Basis of presentation

The financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

c) Cash and cash equivalents

Cash in the statements of financial position is comprised of cash in banks and on hand, and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. As of July 31, 2016, the Company held cash only.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Exploration and evaluation assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units-of-production method over estimated recoverable reserves.

Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavourable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds three years. In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written-down to the estimated recoverable amount.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

e) Share-based payments

Share-based payments to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

Share-based compensation expense relating to deferred share units is accrued over the vesting period of the units based on the quoted market price. As these awards can be settled in cash, the expense and liability are adjusted each reporting period for changes in the underlying share price.

f) Flow-through shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Flow-through shares (continued)

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

g) Foreign currency

Transactions and balances in currencies other than the Canadian dollar, the currency of the primary economic environment in which the Company operates ("the functional currency"), are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange prevailing on the statement of financial position date are recognized in the statement of comprehensive loss.

h) Decommissioning, restoration and similar liabilities

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is immaterial.

i) Loss per share

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

k) Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss (“FVTPL”).

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings. The Company’s cash is classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. At July 31, 2016, the Company has not classified any financial assets as loans and receivables.

Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that are considered other than temporary which are recognized in earnings. At July 31, 2016, the Company has not classified any financial assets as available for sale.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

l) Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized costs using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company’s accounts payable are classified as other financial liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Financial liabilities (continued)

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading and recognized at fair value with changes in fair value recognized in earnings unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in earnings. At July 31, 2016, the Company has not classified any financial liabilities as FVTPL.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

*Significant accounting estimates*

i. the assessment of indications of impairment of the mineral property and related determination of the net realizable value and write-down of the mineral property where applicable;

ii. the measurement of deferred income tax assets and liabilities; and

iii. the inputs used in accounting for share-based payments.

*Significant accounting judgments*

i. the determination of categories of financial assets and financial liabilities; and

ii. the evaluation of the Company's ability to continue as a going concern.

4. NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standards issued, but not yet effective, up to the date of issuance of the Company's financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective.

The following standard will be effective for annual periods beginning on or after August 1, 2016:

**IAS 16 *Property, Plant and Equipment* and IAS 36 *Intangible Assets*** – In May 2014, the IASB issued an amendment to IAS 16 and IAS 36. The amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

New accounting standards effective for annual periods on or after August 1, 2018:

IFRS 9 – *Financial Instruments*

In November 2009, as part of the IASB project to replace IAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9 Financial Instruments, that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013 the standard was revised to add the new general hedge accounting requirements. The standard was finalized in July 2014 and was revised to add a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income (FVOTCI) category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics test.

IFRS 15 – *Revenue from Contracts with Customers*

In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programs, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition.

The extent of the impact of adoption of these standards and interpretations on the financial statements of the Company has not been determined.

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSET

| | Acquisition Costs | Exploration Costs | Total |
|---|---|---|---|
| | $ | $ | $ |
| Balance, December 15, 2014 | - | - | - |
| Other exploration costs | 5,000 | 45,391 | 50,391 |
| Balance, July 31, 2015 | 5,000 | 45,391 | 50,391 |
| Exploration advance | - | 15,000 | 15,000 |
| Balance, July 31, 2016 | 5,000 | 60,391 | 65,391 |

**Boomerang Gold Project**

Pursuant to an option agreement (the “Agreement”) dated December 15, 2014, with Rich River Exploration and Craig A. Lynes, collectively, the “Optionors ”, the Company was granted an option to acquire a 100% undivided interest in the Boomerang Gold Project (the “Property”) near Rhone – Rock Creek area in British Columbia.

In accordance with the Agreement, the Company has the option to acquire a 100% undivided interest in the Property by issuing a total of 800,000 common shares of the Company to the Optionors, making cash payments totaling $105,000, and incurring a total of $400,000 in exploration expenditures as follows:

| | Common Shares | Cash | Exploration Expenditures |
|---|---|---|---|
| | # | $ | $ |
| Upon execution of the Original Agreement (paid) | - | 5,000 | - |
| Upon listing of the Company’s common shares on a Canadian Stock Exchange (the “Listing”) | 300,000 | - | - |
| On or before the first anniversary of the Listing | 100,000 | - | - |
| On or before the second anniversary of the Listing | 100,000 | - | - |
| On or before the third anniversary of the Listing | 100,000 | 20,000 | 100,000 |
| On or before the fourth anniversary of the Listing | 200,000 | 30,000 | 100,000 |
| On or before the fifth anniversary of the Listing | - | 50,000 | 200,000 |
| Total | 800,000 | 105,000 | 400,000 |

The Property is comprised of two mineral claims and a 2.5 kilometre area of influence measured from the outside perimeter of the claims but not including claims already held by third parties.

The Optionors will retain a 3% Net Smelter Returns royalty on the Property. The Company has the right to purchase the first 1% of the royalty $750,000 and the remaining 2% for $1,000,000 at any time prior to the commencement of commercial production.

6. SHARE CAPITAL

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

b) Escrow Shares:

The Company entered into an escrow agreement, whereby common shares will be held in escrow and are scheduled for release at 10% on the listing date and 15% on every six month from date of listing. At July 31, 2016, there were 3,400,000 common shares held in escrow.

c) Issued and Outstanding as at July 31, 2016: 8,700,000 common shares.

For the year ended July 31, 2016, the Company had the following share capital transactions:

(i) The Company issued 1,600,000 common shares and 1,250,000 flow-through shares for cash received during the period ended July 31, 2015.

(ii) The Company issued 600,000 common shares at a price of $0.001 per share for a total of $600. The fair value of the 600,000 common shares was estimated to be $12,000. Accordingly, the Company recorded share-based payments of $11,400 and a corresponding increase to contributed surplus.

(iii) The Company issued 750,000 common shares at a price of $0.02 per share, raising proceeds of $15,000. The common shares were issued on a flow-through basis.

(iv) The Company issued 1,000,000 common shares at a price of $0.05 per share for gross proceeds of $50,000. The Company paid $7,500 in share issuance costs related to the financing and the 500,000 flow-through shares noted (v) below.

(v) The Company issued 500,000 common shares at a price of $0.05 per share, raising proceeds of $25,000. The common shares were issued on a flow-through basis.

(vi) The Company issued 300,000 common shares at a price of $0.05 per share for gross proceeds of $15,000.

As of July 31, 2016, $65,000 in eligible exploration expenditures related to the flow-through shares had been incurred.

For the period ended July 31, 2015, the Company had the following share capital transactions:

(i) The Company issued 2,700,000 common shares at a price of $0.001 per share for a total of $2,700. As of July 31, 2015, the Company received $900 and has a subscriptions receivable of $1,800. Subsequent to the period ended July 31, 2015, the Company received $900. The fair value of the 2,700,000 common shares was estimated to be $54,000. Accordingly, the Company recorded share-based payments of $51,300 and a corresponding increase to contributed surplus.

(ii) The Company received share subscriptions of 1,600,000 common shares at prices of $0.02 and $0.05 for gross proceeds of $65,000. The 1,600,000 common shares were issued subsequently.

(iii) The Company received share subscriptions of $25,000 for the issuance of 1,250,000 flow-through common shares. The flow-through common shares were issued subsequently.

For the purposes of the calculating the tax effect of any premium related to the issuances of the flow-through shares, the Company reviewed recent financings and compared it to determine if there was a premium paid on the shares. As a result of the review the Company did not recognize any premium on the shares.

(Expressed in Canadian dollars)

6. SHARE CAPITAL (CONTINUED)

d) Stock Options:

Subsequent to the year ended July 31, 2016, the Company adopted a Stock Option Plan ('Plan') for directors, officers and employees, consultants of the Company. The Company may grant options to individuals, options are exercisable over periods of up to ten years, as determined by the Board of Directors of the Company, to buy shares of the Company at the fair market value on the date the option is granted. The maximum number of shares which may be issuable under the Plan can not exceed 10% of the total number of issued and outstanding shares on a non-diluted basis.

7. RELATED PARTY BALANCES AND TRANSACTIONS

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

The following amounts are due to related parties and have been included in accounts payable and accrued liabilities:

| | **July 31, 2016** | **July 31, 2015** |
|---|---|---|
| | $ | $ |
| Accounts payable and accrued liabilities | 5,250 | - |

The amounts are due to companies controlled by directors of the Company. The amounts are non-interest bearing, unsecured and are due upon demand.

The Company had the following related party transactions:

| | **Year ended July 31, 2016** | **Year ended July 31, 2015** |
|---|---|---|
| | $ | $ |
| Management fees | 40,000 | - |
| Share-based payments | 11,400 | 51,300 |
| Total | 51,400 | 51,300 |

Management fees and share-based payments were provided by companies owned by two directors of the Company. Key management includes directors and key officers of the Company, including the President, Chief Executive Officer and Chief Financial Officer.

(Expressed in Canadian dollars)

## 8. INCOME TAXES

The Company has losses carried forward of $140,085 available to reduce income taxes in future years which expire between 2035 and 2036.

The Company has not recognized any deferred income tax assets. The Company recognizes deferred income tax assets based on the extent to which it is probable that sufficient taxable income will be realized during the carry forward periods to utilize all deferred tax assets.

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

| | **Year ended July 31, 2016** | **Period ended July 31, 2015** |
|---|---|---|
| Canadian statutory income tax rate | 26% | 26% |
| | $ | $ |
| Income tax recovery at statutory rate | 20,185 | 16,237 |
| Effect of income taxes of: | | |
| Permanent differences | 1,560 | (13,338) |
| Change in deferred tax assets not recognized | (21,745) | (2,899) |
| Deferred income tax recovery | - | - |

The temporary differences that give rise to significant portions of the deferred tax assets not recognized are presented below:

| | **July 31, 2016** | **July 31, 2015** |
|---|---|---|
| | $ | $ |
| Non-capital loss carry forwards | 36,422 | 16,237 |
| Share issue costs | 1,560 | - |
| Deferred tax assets not recognized | (37,982) | (16,237) |
| | - | - |

## 9. MANAGEMENT OF CAPITAL

The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value of Financial Instruments

The Company's financial assets include cash and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at July 31, 2016 are as follows:

| | Fair Value Measurements Using | | | |
|---|---|---|---|---|
| | Quoted Prices in Active Markets For Identical Instruments (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total |
| | $ | $ | $ | $ |
| Cash | 54,941 | - | - | 54,941 |

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at July 31, 2016 because of the demand nature or short-term maturity of these instruments.

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

(i) *Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution.

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

11. COMMITMENT

The Company is committed to certain cash payments, common share issuances and exploration expenditures as described in Note 5.

12. SUBSEQUENT EVENTS

(i) On September 7, 2016, the Company adopted a Stock Option Plan and granted 800,000 stock options to its officers and directors. The options vested on grant date, with exercise price of $0.10 per share for 5 years.

(ii) On September 9, 2016, 900,000 founder's shares were returned to treasury.

(iii) The Company entered into an amended agency agreement with Canaccord Genuity (the "Agent") whereby the Agent has agreed to raise on commercially reasonable efforts up to $350,000 in the initial public offering ("IPO") by the issuance of up to 3,500,000 common shares of the Company at a price of $0.10 per common share.

Pursuant to the terms of the agency agreement, the Company has agreed to pay to the Agent a commission of 10% of the gross proceeds of the IPO. The Company has also agreed to grant to the Agent the options (the "Agent's Options") which will entitle the Agent to purchase up to 10% of the common shares sold under the IPO, at a purchase price that is equal to the price per share offered in the IPO. The Agent Options are exercisable until twenty four (24) months from the Listing Date. In addition, the Company has agreed to pay a corporate finance fee of $50,000, $35,000 payable in cash and $15,000 in common share. In addition, the Company will pay the Agent's legal fees incurred pursuant to the IPO, and any other reasonable expenses of the Agent.

**CERTIFICATE OF CARRARA EXPLORATION CORP.**

Dated: October 4, 2016

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of British Columbia and Alberta.

*"Stephen B. Butrenchuk"*
STEPHEN B. BUTRENCHUK
President and Chief Executive Officer

*"Robert Coltura"*
ROBERT COLTURA
Chief Financial Officer and Corporate Secretary

**ON BEHALF OF THE BOARD OF DIRECTORS OF CARRARA EXPLORATION CORP.**

*"A. Salman Jamal"*
A. SALMAN JAMAL
Director

*"Matthew Coltura"*
MATTHEW COLTURA
Director

**PROMOTERS**

*"Robert Coltura"*
ROBERT COLTURA

*"A. Salman Jamal"*
A. SALMAN JAMAL

## CERTIFICATE OF THE AGENT

Dated: October 4, 2016

To the best of our knowledge, information and belief, this Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of British Columbia and Alberta.

**HAYWOOD SECURITIES INC.**

*"Don Wong"*
DON WONG
Vice President, Investment Banking