AUSTRALIAN GOLDFIELDS LIMITED
(formerly Graphite Energy Corp.)

FORM 2A

LISTING STATEMENT

March 12, 2021

AUSTRALIAN GOLDFIELDS LIMITED.
(formerly Graphite Energy Corp.)

FORM 2A

Listing Statement dated March 12, 2021

TABLE OF CONTENTS

GLOSSARY

Unless otherwise indicated or the context otherwise indicates, the following definitions are used in this Listing Statement. Capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Exchange (defined below) Policies and applicable securities laws. In the event of a conflict between a term defined in this Glossary and a term defined in the Exchange Policies, the Exchange definition will govern.

"**Acquisition Agreement**" means the agreement dated June 16, 2020 among the Issuer, Pilbara Gold Group, and all the shareholders of Pilbara, to acquire a 100% ownership of seven tenements located in five districts in the Pilbara region of Western Australia.

"**BCBCA**" means the *Business Corporations Act* (British Columbia), as amended from time to time including any regulations thereto.

"**Beatons River Property**" or "**Beatons River Project**" means, for the purpose of this Listing Statement, the Issuer's material property which forms part of the Pilbara Gold Properties located in the East Pilbara granite-greenstone terrain of the early to late Archaean Pilbara Craton of north-western Western Australia.

"**Board**" means the board of directors of the Issuer.

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

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

"**IFRS**" means International Financial Reporting Standards.

"**Insider**" means a director, or senior officer of the Issuer, a director or senior officer of a company that is an Insider or subsidiary of the Issuer, or a person that beneficially owns or controls, directly or indirectly, voting common shares carrying more than 10% of the voting rights attached to all outstanding voting common shares of the Issuer.

"**Issuer**" means Australian Goldfields Limited (formerly Graphite Energy Corp.), which was incorporated on October 14, 2016 under the BCBCA under incorporation number BC1093109, and became a reporting issuer in the provinces of British Columbia and Alberta on September 29, 2017, and in Ontario on October 13, 2017.

"**NI 43-101**" means National Instrument 43-101 *Standards of Disclosure of Mineral Projects.*

"**NSR**" means net smelter returns royalty interest.

"**Pilbara**" or "**Pilbara Gold Group"** means Pilbara Gold Group Pty Ltd., an Australian corporation.

"**Pilbara Gold Properties**" comprise four project areas in the Pilbara region of northern Western Australia, in particular: (1) Beatons River Project Area, consisting of two, granted Exploration Licenses (E46/1215 and E46/1280); (2) Cuprite East and West Project Area, consisting of two, granted Exploration Licenses (E45/4918 and E45/5028); (3) Fortuna and Tyche Project Area, consisting of two, granted Exploration Licenses (E46/1278 and E45/5304); and (4) Nortia Project Area, consisting of one granted Exploration License (E46/1277).

"**Pilbara Gold Technical Report**" means the NI 43-101-compliant technical report titled "NI 43-101 Technical Report – Pilbara Gold Projects, Western Australia" dated September 30, 2020 (effective August 13, 2020), prepared by Matthew Stephens, FAIG, B. App.Sc., Senior Consultant Geologist, and Bryan Bourke, Senior Resource Geologist, both of Xplore Resources Pty Ltd. of Brisbane, Queensland, Australia, who are both independent of the Issuer.

"**Principal**" is defined under Part III – Escrowed Securities.

"**Property Package**" means the seven tenements of the Pilbara Gold Properties located in five districts in the Pilbara region of Western Australia.

"**Qualified Person**" or "**QP**" has the meaning ascribed to in NI 43-101.

"**Related Person**" includes, under the CSE policies, (i) directors and officers of the Issuer, (ii) promoters of the Issuer, and (iii) any person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the outstanding common shares of the Issuer.

"**SEDAR**" means System for Electronic Document Analysis and Retrieval, accessible online at www.sedar.com.

"**Share Purchase Agreement**" means the agreement dated August 7, 2020 among the Issuer, Swan Gold and the shareholders of Swan Gold.

"**Swan Gold**" means Swan Gold Ltd., a private British Columbia company that holds, through Swan Gold (Australia) Pty, Ltd., three tenement applications located in the Pilbara region of Western Australia.

"**WA**" otherwise known as Western Australia.

Table 21.1 Units of Measure

Term	Abbreviation
Above mean sea level	AMSL
Acre	Ac
Ampere	A
Annum (year)	a
Billion	B
Billion tonnes	Bt
Billion years ago	Ga
Centimetre	cm
Cubic centimetre	cm^3
Cubic feet per minute	Cfm
Cubic feet per second	ft^3/s
Cubic foot	ft^3
Cubic inch	In^3
Cubic metre	m^3
Cubic yard	yd^3
Coefficients of Variation	CVs
Day	d
Days per week	d/wk
Days per year (annum)	d/a
Dead weight tonnes	DWT
Decibel adjusted	dBa
Decibel	dB
Degree	°
Degrees Celsius	°C
Diameter	ø
Dollar (American)	US$
Dollar (Canadian)	Cdn$
Dry metric ton	Dmt
Foot	Ft
Gallon	gal
Gallons per minute (US)	gpm
Gigajoule	GJ
Gigapascal	GPa
Gigawatt	GW
Gram	g
Grams per litre	g/L
Grams per tonne	g/t
Greater than	>
Hectare (10,000m^2)	ha
Hertz	Hz
Horsepower	hp
Hour	h

Table 21.2 Abbreviations and Acronyms

Term	Abbreviation
Bankable feasibility study	BFS
Department of Indigenous Affairs	DIA
Differential GPS	DGPS
Western Australian Government Department of Minerals and Petroleum	DMP
Memorandum of understanding	MOU
Novo Resources Corp	Novo
Reverse circulation	RC
Rotary air blast	RAB
Magnetics	MAG
Radiometrics	RAD
Multi Spectral Scanner	MSS
Digital Elevation Model	DEM
Hyper Spectral Scanner	HSS
Airborne Electromagnetics	AEM
Gravity	GRAV

1. INTRODUCTION

This listing statement (the "**Listing Statement**") is furnished by and on behalf of the management of the Issuer and provides up-to-date information as of the date of this Listing Statement.

This Listing Statement contains "forward looking statements" or "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information contained herein is provided as of the date of this Listing Statement and the Issuer does not intend, and does not assume any obligation, to update this forward-looking information, except as required by applicable securities law.

Generally, forward-looking information can be identified by the use of forward-looking terminology 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". Technical and scientific information are based on the assumptions and parameters set out herein, in the Pilbara Gold Technical Report and on the opinion of "qualified persons" (as defined in NI 43-101). Forward-looking information is based on opinions, estimates and reasonable assumptions that have been made by the Issuer as at the date of such information and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Issuer to be materially different from those expressed or implied by such forward-looking information, including but not limited to, risks related to: possible changes to the use of proceeds; the impact of general business and economic conditions; mining operations, including risks related to government and environmental regulation, unexpected events and delays during exploration, actual results of current and future exploration activities, conclusions of economic evaluations and changes in project parameters as plans continue to be refined; industry conditions, including fluctuations in the price of precious metals and other metals, fluctuations in foreign exchange rates and fluctuations in interest rates; stock market volatility; competition; community relations; risks, uncertainties and other factors relating to public health crises, including the evolving COVID-19 coronavirus ("**COVID-19**") pandemic and health crisis; as well as those factors discussed in Section 17 *Risk Factors* in this Listing Statement and identified elsewhere in the Technical Report and other disclosure documents of the Issuer filed at www.sedar.com.

Forward-looking information in this Listing Statement includes, among other things, disclosure regarding: the Issuer's future outlook, corporate development and strategy, as well as the information under Section 4.1 - Narrative Description of the Business - Use of Funds.

Forward-looking statements are based on a number of material assumptions, which management of the Issuer believe to be reasonable, including but not limited to: the continuation of exploration and development activities at the Properties, that commodity prices will not experience a material adverse change, there will not be any increase in the severity of the COVID-19 pandemic, and such other assumptions as may be set out herein.

Although the Issuer has attempted to identify important factors that could cause actual actions, events or results to differ materially from those contained in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information.

2. CORPORATE STRUCTURE

Name and Incorporation

The Issuer was incorporated pursuant to the BCBCA on October 14, 2016 under the name "Graphite Energy Corp.". Effective April 30, 2020, the Issuer completed a share consolidation on the basis of one (1) new common share for every ten (10) old common shares held, resulting in the Issuer having 2,816,051 common shares issued and outstanding on a post-consolidated basis.

Upon receiving CSE acceptance for the Issuer to be reinstated as an active issuer, the Board will have effected a name change to "Australian Goldfields Limited" to better reflect the direction of the Issuer's business.

The head office and registered and records office of the Issuer is located at Suite 804, 750 West Pender Street, Vancouver, British Columbia, V6C 2T7.

Inter-corporate Relationships

The Issuer has no subsidiaries.

3. GENERAL DEVELOPMENT OF THE BUSINESS

The Issuer's principal activity is the acquisition and exploration of mineral properties in Australia.

On October 13, 2017, the Issuer commenced trading on the CSE under the symbol, GRE. Details of the Issuer's property interest in the Lac Aux Bouleaux graphite property (the "**Lac Aux Bouleaux Graphite Property**") are disclosed in the Issuer's Form 2A *Listing Statement* dated October 4, 2017 as well as below under *Three Year History - Discontinued Projects*, which property acquisition has since been abandoned. The Issuer has continued to seek new business opportunities and alternative projects of merit. On June 3, 2020, the Issuer became an inactive issuer for failure to meet continued listing requirements and the symbol was changed to GRE.X. The CSE required the Issuer to apply for listing in order to be re-activated.

Pilbara Gold Properties, Australia

On June 16, 2020, the Issuer entered into the Acquisition Agreement with Pilbara and all the shareholders of Pilbara, third party arms' length vendors, to acquire a 100% ownership of the Property Package by way of the purchase of all of the issued and outstanding shares of Pilbara. All rights to iron and diamonds contained on any of the acquisition tenements remain with the original shareholders of Pilbara.

The following is a schedule of security issuances pursuant to the terms of the Acquisition Agreement which will be issued to Pilbara on a pro rata basis:

- 7,500,000 common shares of the Issuer to be issued at a deemed price of $0.20 per common share to acquire 100% ownership of Pilbara, with these shares being subject to a 12-month escrow provision, to be issued on the date of reactivation of the Issuer on the Exchange;
- A finder's fee of 750,000 common shares of the Issuer to be issued to a non-related third party at a deemed price of $0.20 per common share on the date of reactivation of the Issuer on the Exchange;
- On the completion of a drill program of 4,000 meters, an additional 2,500,000 common shares;

- On the announcement of not less than 500,000 ounces of gold within the Property Package, as defined in a resource calculated compliant to NI 43-101 standards, a further 2,500,000 common shares;
- On the announcement of at least 1,000,000 ounces of gold within the Property Package, as defined in a resource calculated compliant to NI 43-101 standards, a further 2,500,000 common shares.

The Acquisition Agreement was subject to the Issuer completing due diligence, completion of the Pilbara Gold Technical Report and receipt of applicable regulatory approvals. The Acquisition Agreement will close concurrently with the reactivation of the Issuer on the Exchange.

Share Purchase Agreement with Swan Gold Ltd.

The Issuer entered into the Share Purchase Agreement on August 7, 2020 with Swan Gold, and the shareholders of Swan Gold, third party arms' length vendors, to acquire 100% of three tenement applications located in the Pilbara region of Western Australia. Swan Gold, is a private British Columbia company that holds the three tenement applications through Swan Gold (Australia) Pty, Ltd. The three tenements are York NorthEast, Warrawoona East and Beatons SouthEast. The acquisition of the tenements would expand the overall holdings of the Issuer and increase its footprint in the Pilbara district.

Pursuant to the Share Purchase Agreement, the Issuer agreed to acquire all of the issued and outstanding common shares of Swan Gold in consideration for the issuance of 7,500,000 common shares to the shareholders of Swan Gold at a deemed price of $0.20 per common share. The consideration shares are subject to the following restrictions on resale: (i) 30 per cent of the consideration shares will be free trading on the date of closing, (ii) 20 per cent of the consideration shares will be subject to resale restrictions for four months, (iii) 20 per cent of the consideration shares will be subject to resale restrictions for eight months, and (iv) the final 20 per cent of the consideration shares will be subject to resale restrictions for 12 months.

An arms' length finder's fee equal to 750,000 common shares at a deemed price of $0.20 per share will be issued in connection with the transaction.

As at the date of this Listing Statement, the Share Purchase Agreement is subject to completion of due diligence; including but not limited to: due diligence on the heritage agreements and tenement applications, satisfying the terms of closing in the Share Purchase Agreement and regulatory approval. The Issuer anticipates the timing of closing, if it occurs at all, will be subsequent to the Issuer's reactivation on the Exchange.

Completion of the Acquisition Agreement and potentially the Share Purchase Agreement will not result in any of the vendors becoming principal shareholders of the Issuer.

The Beatons River Property is the Issuer's material property for the purpose of this Listing Statement and the proposed reactivation of the Issuer on the Exchange. See Section 3 – *General Development of the Business – Three Year History – New Projects* and Section 4 – *Narrative Description of the Business.*

Three Year History - Discontinued Projects

Lac Aux Bouleaux Graphite Property

The Issuer held a right to acquire a 100% interest, subject to a royalty interest to Geomap Exploration, Inc. and Nathan Rotstein, collectively, and a tonnage royalty to Gold Port Resources Ltd. (the "**Vendor**") in 14 mineral claims comprising the Lac Aux Bouleaux Graphite Property. The Issuer's agreement with the Vendor was an arm's length transaction. The Lac Aux Bouleaux Graphite Property is located near the town of Mont-Laurier in Southern Quebec and consists of 14 claims covering an area of 738.12 hectares. The Lac Aux Bouleaux Graphite Property was the sole material property of the Issuer in October 2017 and the Issuer sought to list its common shares on the CSE with the Lac Aux Bouleaux Graphite Property as its qualifying property.

The Lac Aux Bouleaux Graphite Property was optioned by the Issuer through an option agreement dated March 30, 2017 with the Vendor under which, the Issuer can earn 100% interest in the Lac Aux Bouleaux Graphite Property by issuing an aggregate of 5 million common shares, making cash payments of $180,000, and carrying out exploration and development work of $120,000, as follows:

a. Payments of Cdn$60,000 successively on each of April 28, 2017 (payment completed), the date on which the Issuer's common shares would commence trading on the CSE, and 16 months after such initial trading date;
b. The issuance to the Vendor of 5,000,000 common shares, subject to escrow conditions and additional contractual transfer and trading restrictions;
c. The Issuer granting the Vendor a tonnage royalty equal to Cdn$2.00 per tonne of material removed for processing from the Lac Aux Bouleaux Graphite Property; and
d. The Issuer to incur Cdn$120,000 in qualified exploration expenses on the Lac Aux Bouleaux Graphite Property in 2017.

The Vendor was a party to a previous "Purchase Option Agreement" dated for reference March 20, 2015 (the "**Underlying Option Agreement**"), as initially entered into between Codrington Resource Corporation (and subsequently assigned to the Vendor, and amended on March 25, 2017) and Gold Port Resources Ltd. and Nathan Rotstein (collectively, the "**Underlying Property Owner**", pursuant to which the Vendor acquired from the Underlying Property Owner an exclusive option (the "**Underlying Option**") to acquire a 100% legal, beneficial and registerable interest, free and clear of all liens, charges, encumbrances, claims, rights or interests of others, in and to certain mineral property claims comprising the Lac Aux Bouleaux Graphite Property, subject to the NSR.

On November 10, 2017, the Issuer announced that it had commenced Phase I of tis exploration program at the Lac Aux Bouleaux Graphite Property. Phase I of the exploration program was conducted in two stages; the first stage of which comprised compilation and interpretation of all historical geological, geophysical and exploratory drilling data available. The second stage included prospecting, trenching and channel sampling, trench logging, limited geological mapping of the area of historical exploration work and sample assays.

In February 2018, the Issuer signed a drilling contract with George Downing Estate Drilling Ltd. of Abitibi, Quebec, to start drilling at its Lac Aux Bouleaux Graphite Property on or about March 10, 2018. The drilling program was a follow-up to the promising results from the Issuer's recently completed exploration work which confirmed the presence of high grade large flake graphite in the range of 2.20% to 22.30% graphite carbon (Cg) in selected grab samples, as announced in the Issuer's news release of January 15, 2018. In addition to the other geophysical targets, drilling would focus around the old graphite pit area which was the centre of historical exploration work in the late 1950s and early 1980s. The Issuer would provide a drilling program update as soon as logistical arrangements were complete.

Drilling on the Lac Aux Bouleaux Graphite Property commenced in March 2018.

On May 14, 2018, the Issuer announced an update to the exploration developments at the Lac Aux Bouleaux Graphite Property. The Issuer hired InnovExplo of Val d'Or, Quebec, to provide technical assistance and guidance for the re-evaluation of drill core and the further exploration of the project. InnovExplo provided on site, independent technical assistance for the completion of core cutting, core logging and sampling. Supervision at the project site was provided by Lindsay Richan, P.Geo., M.Sc., a registered geologist in Quebec and a Qualified Person under NI 43-101. As per NI 43-101, Exploration Best Practices Guidelines, procedures set in place by the Qualified Person regarding sample collection, preparation and security were followed. Core from all four holes had been cut, samples bagged and prepared for shipment to ALS Geochemistry laboratory in Val d'Or, Quebec, am ISO 2000-certified laboratory for analysis. Upon receipt of results, InnovExplo would provide further recommendations.

In July 2018, the Issuer received the results of the core samples from ALS Geochemistry. Assay results from four drill holes recently completed were received and evaluated by InnovExplo. Interpretation of the results and the whole hole averages were completed and provided to the Issuer by Lindsay Richan, P.Geo. Hole LAB 18-01 averaged 2.01% carbon over 90 metres. Hole LAB 18-02 averaged 2.15% over 50 metres. Hole LAB 18-03 averaged 1.48% over 91.2 metres. Hole LAB 18-03 averaged 7.73% over 9.6 metres. Assay work was completed by ALS.

While some high-grade graphite was encountered in the four drill holes, the entire hole averages fell below expectation. Although no further drilling was planned for the year in this area of the project, its location and geological setting remained promising for future exploration work. Management was reviewing options regarding the further exploration of the project and, in addition, other acquisitions within the sector.

Bouthillier Property

On March 26, 2018, the Issuer announced the signing of a non-binding letter of intent for an option to acquire 100% of the Bouthillier Graphite Property (the "**Bouthillier Property**") located in Quebec from an arm's length vendor, Mr. Luc Lamarche (the "**Vendor**"). The Bouthillier Property consists of 14 mining claims, totalling 830.1 hectares or 8.3 square kilometres, located 20 km east of the Village Maniwaki, Quebec and only 8.7 km northwest of the Timcal Graphite Mine and the Issuer's Lac Aux Bouleaux Graphite Property. In order to exercise the option to acquire a 100% interest in the Bouthillier Property (the "**Option**") the Issuer must complete cash payments, share issuances and exploration expenditures over a two-year period as follows:

Milestone	Cash Payment	Share Issuance	Exploration Expenditures
Signing of a definitive option agreement	$30,000	200,000 common shares	Nil
1st anniversary	$30,000	150,000 common shares	$100,000
2nd anniversary	$30,000	150,000 common shares	$150,000
Total:	$90,000	500,000 common shares	$250,000

Upon the exercise of the Option, the Vendor would be granted a 3% NSR, of which 50% may be repurchased by the Issuer at any time for $1,000,000.

On April 26, 2018, the Issuer announced that it would not pursue a definitive agreement on the Bouthillier Property. Management felt that it was appropriate to await the completion of the evaluation of results from the Lac Aux Bouleaux Graphite Property prior to further acquisitions.

Following the results received from the Lac Aux Bouleaux Graphite Property in July 2018, and the Issuer's decision not to pursue a definitive agreement on the Bouthillier Property, the Issuer reviewed options to determine if further exploration of the Lac Aux Bouleaux Graphite Property was warranted in addition to other options to acquire additional exploration projects, and or, assess new projects of merit.

World Farms Corp.

On May 7, 2019, the Issuer announced that it entered into a letter of intent with World Farms Corp. ("**WFC**") regarding a proposed transaction to acquire all of the issued and outstanding securities of WFC. The Issuer had until June 6, 2019 to conduct due diligence on WFC with a view to negotiating the terms of a definitive agreement.

WFC is a private company that is building a portfolio of low cost, sociable international cannabis assets in countries where the sale of either CBD or cannabis is legal. WFC's current portfolio includes joint ventures in Italy, Croatia, South Africa and Jamaica. Planting of 172 acres of high CBD hemp was under way in Italy and Croatia for harvesting and processing to produce high quality CBD isolate for sale into the European market. WFC has also retrofitted an 87,000 square foot greenhouse with light dep curtains and LED lights for micro propagation of plant starters for the region.

Subject to the execution of a definitive agreement, the Issuer proposed to acquire all of the issued and outstanding common shares of WFC in exchange for common shares of the Issuer (the "**Payment Shares**"). The Payment Shares would be issued to the shareholders of WFC on a pro rata basis on a 1:1 ratio. In addition, all of the outstanding common share purchase warrants of WFC would, subject to the rules of the CSE, be exchanged for common shares purchase warrants of the Issuer based on a 1:1 ratio and on the same economic terms and conditions as previously issued.

On or before the closing of the transaction, it was proposed that WFC complete a non-brokered private placement to raise up to $3,000,000 at a price of $0.30 per security.

The transaction was conditional on a number of factors. It was intended that the Issuer complete a name change and board changes upon completion of the transaction and the resulting entity would carry on the business currently conducted by WFC and would cease to carry on the business currently being conducted by the Issuer.

On June 25, 2019, the Issuer entered into a business combination agreement with WFC pursuant to which the Issuer would acquire all of the issued and outstanding securities of WFC, which constituted a change of business.

On February 10, 2020, the Issuer announced the extension to the business combination agreement whereby WFC would have until February 28, 2020, or such other date as agreed to by the parties, to complete the transaction. As at March 1, 2020, the business combination agreement with WFC had lapsed and the Issuer elected not to provide a further extension under the terms of said agreement. This decision enabled the Issuer to pursue a project of merit.

As at March 1, 2020, the business combination agreement with WFC had lapsed as the Issuer elected not to provide a further extension under the terms of said agreement, and the conditions of closing were not met, effectively resulting in the abandonment of the subject agreement with WFC. As at March 1, 2020, the Issuer has nil interest in and no further obligations in WFC. This decision enabled the Issuer to pursue an alternative project of merit.

Three Year History - New Projects

Pilbara Gold Properties, Australia

On June 16, 2020, the Issuer entered into the Acquisition Agreement with Pilbara and all the shareholders of Pilbara, third party arms' length vendors, to acquire a 100% ownership of the Property Package by way of the purchase of all of the issued and outstanding shares of Pilbara. All rights to iron and diamonds contained on any of the acquisition tenements remain with the original shareholders of Pilbara.

The following is a schedule of security issuances pursuant to the terms of the Acquisition Agreement which will be issued to Pilbara on a pro rata basis:

- 7,500,000 common shares of the Issuer to be issued at a deemed price of $0.20 per common share to acquire 100% ownership of Pilbara, with these shares being subject to a 12-month escrow provision, to be issued on the date of reactivation of the Issuer on the Exchange;
- A finder's fee of 750,000 common shares of the Issuer to be issued to a non-related third party at a deemed price of $0.20 per common share on the date of reactivation of the Issuer on the Exchange;
- On the completion of a drill program of 4,000 meters, an additional 2,500,000 common shares;
- On the announcement of not less than 500,000 ounces of gold within the Property Package, as defined in a resource calculated compliant to NI 43-101 standards, a further 2,500,000 common shares;
- On the announcement of at least 1,000,000 ounces of gold within the Property Package, as defined in a resource calculated compliant to NI 43-101 standards, a further 2,500,000 common shares.

The Acquisition Agreement was subject to the Issuer completing due diligence, completion of the Pilbara Gold Technical Report and receipt of applicable regulatory approvals. The Acquisition Agreement will close concurrently with the reactivation of the Issuer on the Exchange.

Share Purchase Agreement with Swan Gold Ltd.

The Issuer entered into the Share Purchase Agreement on August 7, 2020 with Swan Gold, and the shareholders of Swan Gold, third party arms' length vendors, to acquire 100% of three tenement applications located in the Pilbara region of Western Australia. Swan Gold, is a private British Columbia company that holds the three tenement applications through Swan Gold (Australia) Pty, Ltd. The three tenements are York NorthEast, Warrawoona East and Beatons SouthEast. The acquisition of the tenements would expand the overall holdings of the Issuer and increase its footprint in the Pilbara district.

Pursuant to the Share Purchase Agreement, the Issuer agreed to acquire all of the issued and outstanding common shares of Swan Gold in consideration for the issuance of 7,500,000 common shares to the shareholders of Swan Gold at a deemed price of $0.20 per common share. The consideration shares are subject to the following restrictions on resale: (i) 30 per cent of the consideration shares will be free trading on the date of closing, (ii) 20 per cent of the consideration shares will be subject to resale restrictions for four months, (iii) 20 per cent of the consideration shares will be subject to resale restrictions for eight months, and (iv) the final 20 per cent of the consideration shares will be subject to resale restrictions for 12 months.

An arms' length finder's fee equal to 750,000 common shares at a deemed price of $0.20 per share will be issued in connection with the transaction.

As at the date of this Listing Statement, the Share Purchase Agreement is subject to completion of due diligence; including but not limited to: due diligence on the heritage agreements and tenement applications, satisfying the terms of closing in the Share Purchase Agreement and regulatory approval. The Issuer anticipates the timing of closing, if it occurs at all, will be subsequent to the Issuer's reactivation on the Exchange.

Completion of the Acquisition Agreement and potentially the Share Purchase Agreement will not result in any of the vendors becoming principal shareholders of the Issuer.

Beatons River Project

The Beatons SE project comprises 101.9 square kilometres and is located near the Issuer's Beatons River Project. As a result of this transaction, the Beatons River Project (inclusive of Beatons SE) will total 436 square km. The Beatons River Project is contiguous to Novo's Beatons Creek gold deposit, which hosts a resource of 903,000 ounces gold grading 2.53 grams per tonne. A largely unexplored, major crustal structure runs northwest-southeast through the Beatons SE project and will be the focus of the Issuer's exploration efforts within this licence.

Note: Mineralization on adjacent projects is not indicative of mineralization on the Issuer's project.

York NorthEast Project

The York NorthEast project consists of 102.6 square km of prospective geology, including numerous regional faults intersecting Pilbara Craton greenstone and Cleland supersuite rock units. The southern boundary of the concession lies immediately north of the Lalla Rookh historic gold mining area, which produced 6,532 tonnes of ore for 7,602 ounces of gold in the late 1800s at an average recovered grade of 1.16 ounces per ton Au (or 36.3 g/t Au). The Lalla Rookh West historic mine is located on a northeast-trending structure that continues onto the York NorthEast concession.

The property lies approximately 20 km northeast of Kaiross Minerals Mt. York project, which hosts an inferred mineral resource of 873,000 ounces Au from 19 million tonnes grading 1.3 g/t.

Significantly, greenstone-hosted gold systems worldwide are often characterized by high-grade lodes, with vertical extent of hundreds of metres. Such systems may have a relatively small surface footprint with robust down-dip exploration potential.

Warrawoona East Project

The Warrawoon East project consists of 121.6 square km and encompasses multiple regional faults, which mark the eastern boundary of the Warrawoona greenstone belt. Calidus Resources' Warrawoona project is located three km to the east of the concession and is hosted within the greenstone belt. The global mineral resources for the Calidus Warrawoona project is 1.25 million ounces Au from 21.3 million tonnes at 1.83 g/t. As with the York NorthEast project, the presence of regional structures juxtaposing greenstone rocks of different competency provides for robust exploration targets.

The Issuer is conducting a bench review of all available area data, and will be conducting a site visit to each project area in the immediate future.

Financings

Between October and November 2016, the Issuer was capitalized by completing four private placements, raising a total of $442,450, which funds were used for the acquisition of the Lac Aux Bouleaux Graphite Property, for exploration activities and for general working capital.

On November 2, 2017, the Issuer announced the completion of a non-brokered private placement of 2,000,000 common shares at $0.10 per common share for gross proceeds of $200,000.

On June 12, 2020, the Issuer completed a non-brokered private placement of 6,000,000 common shares at $0.10 per common share for gross proceeds of $600,000. No finder's fees were paid.

On August 17, 2020, the Issuer completed a non-brokered private placement of 13,000,000 units of the Issuer at a price of $0.20 per unit for aggregate gross proceeds of $2,600,000. Each unit consists of one common share and one transferable common share purchase warrant (a "**Warrant**") with each Warrant exercisable to purchase one additional common share of the Issuer at a price of $0.35 per common share for a period of 3 years from the closing date, subject to an acceleration provision whereby if the Issuer's common shares close at or above $0.40 per share for more than 10 consecutive trading days at any time subsequent to four months and one day after the closing date, the holder will have 30 days to exercise or the Warrant will expire. The Issuer paid finder's fees of a total of $82,000 cash and 930,000 finder's warrants. The finder's warrants are non-transferable and exercisable on the same terms as the Warrants issued in the private placement. The net proceeds were used for exploration activities, in particular, the proposed acquisition of the Beatons River, Cuprite West & East, Tyche, Fortuna and Nortia under-explored projects in Western Australia's Pilbara Gold District, as announced on July 16, 2020 and August 19, 2020.

On October 1, 2020, the Issuer completed a non-brokered private placement of 597,014 units of the Issuer at a price of $0.5025 per unit for aggregate gross proceeds of $299,999. Each unit consists of one common share and one transferable Warrant, with each Warrant exercisable to purchase one additional common share of the Issuer at a price of $0.75 per common share for a period of 3 years from the closing date. The net proceeds were used for exploration activities, and for general working capital.

Management of the Issuer does not know of any trends, commitments, events or uncertainties that are expected to materially affect the Issuer's business other than as disclosed herein under Section 17 - *Risk Factors* and Section 4 – *Narrative Description of the Business*.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

4.1 General

The Issuer is an exploration-stage junior mineral exploration company currently engaged in the identification, acquisition and exploration of mineral properties in Australia. The Beatons River Property, which forms part of one of seven tenements under the Pilbara Gold Properties, is the Issuer's material property for the purpose of this Listing Statement and the proposed reactivation of the Issuer on the Exchange. See Section 3 - *General Development of the Business – Three Year History – New Projects – Pilbara Gold Properties, Australia*.

Business Objectives

<u>Acquisition of Pilbara Gold Properties</u>

On June 16, 2020, the Issuer entered into the Acquisition Agreement with Pilbara and all the shareholders of Pilbara, third party arms' length vendors, to acquire a 100% ownership of the Property Package by way of the purchase of all of the issued and outstanding shares of Pilbara. All rights to iron and diamonds contained on any of the acquisition tenements remain with the original shareholders of Pilbara. The Acquisition Agreement was subject to the Issuer completing due diligence, completion of the Pilbara Gold Technical Report and receipt of applicable regulatory approvals. The Acquisition Agreement will close concurrently with the reactivation of the Issuer on the Exchange. Details of the share issuances pursuant to the Acquisition Agreement are noted under Section 3 – *General Development of the Business – Three Year History – New Projects – Pilbara Gold Properties, Australia.*

Share Purchase Agreement with Swan Gold Ltd.

The Issuer entered into the Share Purchase Agreement on August 7, 2020 with Swan Gold, and the shareholders of Swan Gold, third party arms' length vendors, to acquire 100% of three tenement applications located in the Pilbara region of Western Australia. Swan Gold, is a private British Columbia company that holds the three tenement applications through Swan Gold (Australia) Pty, Ltd. The three tenements are York NorthEast, Warrawoona East and Beatons SouthEast. The acquisition of the tenements would expand the overall holdings of the Issuer and increase its footprint in the Pilbara district.

As at the date of this Listing Statement, the Share Purchase Agreement is subject to completion of due diligence; including but not limited to: due diligence on the heritage agreements and tenement applications, satisfying the terms of closing in the Share Purchase Agreement and regulatory approval. The Issuer anticipates the timing of closing, if it occurs at all, will be subsequent to the Issuer's reactivation on the Exchange.

Completion of the Acquisition Agreement and potentially the Share Purchase Agreement will not result in any of the vendors becoming principal shareholders of the Issuer. Details of the terms of the Share Purchase Agreement are noted under Section 3 – *General Development of the Business – Three Year History – New Projects – Share Purchase Agreement with Swan Gold Ltd.*

The Issuer retained Xplore Resources Pty Ltd. ("**Xplore Resources**") of Brisbane, Queensland, Australia to complete an independent NI 43-101 compliant technical report (defined in the Glossary as the "**Pilbara Gold Technical Report**") entitled "NI 43-101 Technical Report – Pilbara Gold Projects, Western Australia" dated September 30, 2020 (effective August 13, 2020), prepared by Matthew Stephens, FAIG, B. App.Sc., Senior Consultant Geologist, and Bryan Bourke, Senior Resource Geologist, both of Xplore Resources, who are both independent of the Issuer.

The Issuer obtained four gold and gold/base metal project areas (seven tenements in all) in the Pilbara region of northern Western Australia as part of the Pilbara Gold Group. The Issuer engaged Xplore Resources to validate all the data provided by the vendors of the four project areas as well as thoroughly interrogate all available open file, government and private exploration and research data relevant to each project area. See Figure 1.1 under Section 4.3 – *Mineral projects – Beatons River Property – Property Description and Location*.

The information in this Listing Statement with respect to the Property Package and, specifically, the Beatons River Property, is derived and extracted from, and based on the assumptions, qualifications and procedures set out in the Pilbara Gold Technical Report. Such assumptions, qualifications and procedures are not fully described in this Listing Statement. The main focus of this Listing Statement is on the Issuer's material property, known as the Beatons River Property. The full text of the Pilbara Gold Technical Report is available for review under the Issuer's profile on SEDAR at www.SEDAR.com and at this link:
https://www.australiangoldfields.com

See Section 4.3 below for further details on the Beatons River Property.

The Pilbara Gold Properties are in the exploration stage. See *Property Description and Location, Use of Proceeds* and Section 4.3 - *Beatons River Property – Exploration Budget*.

Over the past three years, Pilbara focused on the acquisition of tenements in areas deemed geologically prospective for precious metals and base metals. Therefore, the Property Package acquired by Pilbara is at an early stage of evaluation with work limited to desk review of historical data, and a site visit to each project to assess access and infrastructure.

Since January 1, 2018, the commencement of Pilbara's 2018 fiscal year, an aggregate of $138,548 of exploration expenditures has been incurred on the Beatons River Property by Pilbara and subsequently by the Issuer. Pilbara's expenditures have been translated into Canadian dollars using the following exchange rates AUD$0.92807 per CAD$1 for 2018, AUD$0.89024 per CAD$1 for 2019, and AUD$0.9396 per CAD$1 for 2020.

The table below provides the proposed exploration budget generated to cover one year of exploration activities, with due consideration of the minimum expenditure commitments associated with each tenure. The exploration budget is summarized in Table 18.1 and is designed to be reviewed in conjunction with assumptions presented in the Technical report and not after the table under Section 4.3 - *Beatons River Property – Exploration Budget*.

The Issuer expects to accomplish the following objectives in the forthcoming 12-month period:

Item Number:	Proposed Exploration Activity	Table 18.1 Estimated Cost (Cdn$)[1]	Additional Exploration Estimated Cost (Cdn$)[2]	Timeframe
1	Beatons River – Finalise review of data in order to plan specific target areas for exploration to commence.	$30,000	$15,000	February to March 2021
2	Beatons River – Commence exploration by field mapping, rock chip and stream sediment/soil sampling of specific target areas delineated in Item 1.	$60,000	-	March to April 2021
3	Beatons River – Based on the results from Item 2, survey in the areas appropriate for drilling and/or costeaning (trenching).	$20,000	-	April to May 2021
4	Beatons River – Drilling of 6 highest priority areas as defined from Item 3, approximately 150 m deep each for around 1000 m of RC drilling at an all up cost of Cdn$120 per metre drilled.	$120,000	$199,000	May to July 2021
5	Beatons River – Assaying, mineralogical and metallurgical testing and reporting of drilling and bulk samples.	$90,000	-	July to August 2021
6	Beatons River – Final Interpretation and Reporting of Results with Recommendations for Year 2 Budget.	$56,000	-	September to October 2021
7	Beatons River – Finalise review	$20,000	-	October 2021
	Sub-Total – Beatons River	**$396,000**	**$214,000**	
8	Cuprite East and West, Fortuna, Tyche and Nortia - Finalise review of data in order to plan specific target areas for exploration to commence. Cdn$20,000 per area, with the exception of Cuprite East which is set at Cdn$24,000.	$104,000	-	October 2020 to March 2021
	Sub-Total – Cuprite East and West, Fortuna, Tyche and Nortia	**$104,000**	**-**	
	Grand Total	**$500,000**	**$214,000**	

(1) Refer to Table 18.1 below for the assumptions to support the proposed exploration budget presented above.

(2) The additional exploration program that is not encompassed in the Pilbara Technical Report.

Challenges associated with the Issuer's Exploration Program:

The Issuer plans a to utilize airborne and ground techniques for the exploration of precious metals at the tenements. Based on the geology of the area, the Issuer provides the following discussion points on exploration challenges of the program.

Use and Limitations of ASTER

Initially, ASTER (Advanced Spaceborne Thermal Emission and Reflection Radiometer) and LANDSAT (earth satellite imagery) currently being employed in the mineral exploration industry are two sensors that will assist the Issuer to narrow the scope on the initial targets given the large size of the property area, and the lack of available surface data. Processing algorithms allow the identification of areas of interest on the ground, such as alteration zones. The interpretation of the results will vector ground crews to areas identified as being of interest. However, the two sensors are limited from the perspective that the alteration signatures are very broad and are unable to target gold or precious metals, specifically or define or locate specific drill targets.

It may be that the gold target is in the style of a sedimentary gold placer deposit, and that the gold has been washed from much lower grade sub-economic surrounding rocks and concentrated in ancient riverbeds. As such, there is unlikely to be any alteration signature in ASTER on this type of target. The Issuer's use of satellite-imagery is to guide the crew on the ground. In addition, gravity and magnetic surveys will also be employed to better understand the geology within the tenements. Upon identification of zones of conglomerates, ground penetrating radar may also be employed to better define zones of interest.

Impact of the Nugget Effect

Based upon the experience and results from an adjoining operator, the anticipated mineralization target is believed to be paleo placer, nugget gold. If mineralization is identified, it is expected to be widely scattered as visible grains or small nuggets of gold. It is unlikely that drilling identified targets will provide meaningful and accurate information. Placer gold deposits can produce erratic assay results due to the nugget effect. Conventional and even unconventional sampling protocols have reported very low gold grades from a very small bulk sample with very poor recovery. This can present a challenge to accurate mineralization assessment. Large bulk samples will likely be required to assemble a reliable data base of potential mineralization profiles.

To further address this, the Issuer plans on employing the screen metallics or pulp metallic method with the laboratory chosen for assay work. In this method, a 500 gram sample is screeded to 106 microns. The plus fraction is fire assayed for gold and a duplicate assay is performed on the minus fraction. The size fraction weights, coarse and fine fraction gold content and total gold content are then reported. If a hard rock source of the local gold mineralization is identified, it is unlikely that the nugget effect will be an issue.

No First Hand Knowledge of the Property

The Issuer entered into the Acquisition Agreement with Pilbara Gold Group on June 16, 2020, during the global pandemic as declared by the World Health Organization (March 2020). As at the date of this listing statement, given the restrictions on global travel, management of the Issuer has not visited the seven tenements, that are the subject of the Acquisition Agreement, and has no first hand knowledge of the property. In this unique set of circumstances, the Issuer has taken various due diligence measures to verify the tenements, including a title opinion. Moving forward, the Issuer will rely on local expertise to complete the exploration plan as described. Management plan on a site visit to the tenements as soon as international travel to Australia is resumed.

Exploration Budget

The proposed exploration budget is generated to cover one year of exploration activities, with due consideration of the minimum expenditure commitments associated with each tenure. For further reference, refer to the exploration budget in Table 18.1 and the assumptions presented after the table.

The following is a schedule of security issuances pursuant to the terms of the Acquisition Agreement which will be issued to Pilbara on a pro rata basis:

- 7,500,000 common shares of the Issuer to be issued at a deemed price of $0.20 per common share to acquire 100% ownership of Pilbara, with these shares being subject to a 12-month escrow provision, to be issued on the date of reactivation of the Issuer on the Exchange;
- A finder's fee of 750,000 common shares of the Issuer to be issued to a non-related third party at a deemed price of $0.20 per common share on the date of reactivation of the Issuer on the Exchange;
- On the completion of a drill program of 4,000 meters, an additional 2,500,000 common shares;
- On the announcement of not less than 500,000 ounces of gold within the Property Package, as defined in a resource calculated compliant to NI 43-101 standards, a further 2,500,000 common shares;
- On the announcement of at least 1,000,000 ounces of gold within the Property Package, as defined in a resource calculated compliant to NI 43-101 standards, a further 2,500,000 common shares.

The Acquisition Agreement was subject to the Issuer completing due diligence, completion of the Pilbara Gold Technical Report and receipt of applicable regulatory approvals. The Acquisition Agreement will close concurrently with the reactivation of the Issuer on the Exchange.

In the event that the results of the exploration program on the Beatons River Property do not warrant further exploration activity, the Issuer will revise its business plan and objectives, which revisions may include focusing on the other Pilbara Gold Property tenements as described in the Pilbara Gold Technical Report and/or acquiring additional mineral properties or joint ventures with other exploration or mining companies. Such activities may require that the Issuer raise additional capital. There can be no assurance that the Issuer can raise such additional capital if and when required. See Section 17 - *Risk Factors*.

All directors of the Issuer have a history of mining and exploration and it is the intention of the Issuer to remain in the mineral exploration business. It is the current intention of the Issuer to explore or develop the Beatons River Property, and should the property not be viable, the Issuer intends to explore other opportunities to acquire interests in other mineral properties.

Use of Funds

As at February 28, 2021, the Issuer had working capital of $1,995,450. The Issuer raised gross proceeds of $3,499,999 in non-brokered private placements as follows: (i) $600,000 in June 2020; (ii) $2,600,000 in August 2020; and (iii) $299,999 in October 2020, all as previously described under Section 3 – *General Development of the Business – Financings*. The purpose of the raises was to provide sufficient working capital for the proposed acquisition of the Property Package and for exploration activities on the Pilbara Gold Properties going forward. The Issuer believes it will have sufficient working capital to cover the new business to profitability. See Section 17 - *Prior Sales*.

The Issuer estimates that it will require the following funds to conduct its plan of operations over the next twelve months:

Principal Purpose	**Anticipated Amount (Cdn$)**
Exploration costs as set out in the table above	714,000
Operating costs totaling $711,500 for the next 12 months as follows:	
CSE maintenance fees	9,000
Transfer agent fees	9,000
AGM fees	6,000
Management and consulting fees	360,000
Business development and consulting fees	75,000
Advertising and promotion	100,000
Legal and corporate securities administration	60,000
Accounting, bookkeeping and audit fees	30,000
Regulatory filing fees	3,500
Travel	40,000
Office	12,000
Shareholder communications	7,000
Other acquisitions/additional exploration expenditures	350,000
Unallocated working capital(2)	219,950
TOTAL:	**1,995,450**

4.2 Issuers with asset backed securities outstanding

The Issuer does not have any outstanding asset backed securities.

4.3 Mineral projects

BEATONS RIVER PROPERTY

The following information has been excerpted from the Pilbara Gold Technical Report. For the purposes of this Listing Statement, the following information pertains to the Beatons River Property which forms part of the Pilbara Gold Properties. This summary is of a general nature only and is not intended to be complete. All references to figures and tables under this section are to the Pilbara Gold Technical Report. Readers are encouraged to read the Pilbara Gold Technical Report in its entirety which is available for review under the Issuer's profile on SEDAR at www.SEDAR.com and at this direct at this link: https://www.australiangoldfields.com

Property Description and Location

As defined under the Glossary section of this Listing Statement, the Pilbara Gold Properties comprise four project areas listed below in the Pilbara region of northern Western Australia, of which the Beatons River Project area is the material property of the Issuer that is subject to this Listing Statement.

1) **Beatons River Project Area** – consisting of two, granted Exploration Licences (E46/1215 and E46/1280);
2) **Cuprite East and West Project Area –** consisting of two, granted Exploration Licenses (E45/4918 and E45/5028);
3) **Fortuna and Tyche Project Area** – consisting of two, granted Exploration Licenses (E46/1278 and E45/5304); and
4) **Nortia Project Area –** consisting of one granted Exploration Licence (E46/1277).

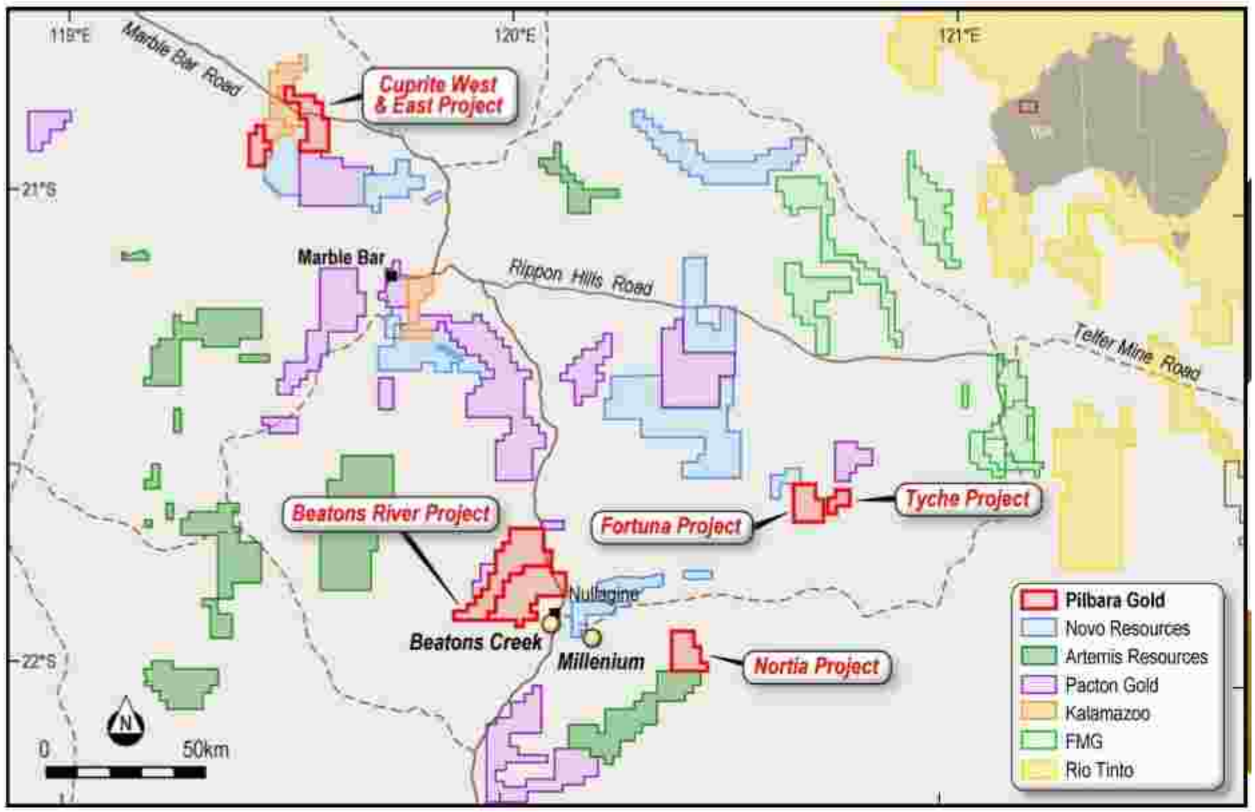

Figure 1.1: Location of Pilbara tenements included in the Pilbara Gold Group acquisition also showing the tenements of major competitors in the same region

Tenement Nos.	Project Name	Date Applied	Date Granted	Expiry Date	Area (Blocks)	Area (Hectares-approx.)	Tenement Ownership
E46/1277	Nortia	17/07/2018	10/3/2020	9/3/2025	19	5,510	Pilbara Gold Group Pty Ltd
E46/1278	Fortuna	17/07/2018	6/7/2020	5/7/2025	18	5,202	Pilbara Gold Group Pty Ltd
E45/5304	Tyche	17/07/2018	5/3/2020	4/3/2025	6	1,734	Pilbara Gold Group Pty Ltd
E46/1215	Beatons River	18/10/2017	29/10/2018	28/10/2023	49	14,161	Great Sandy Pty Ltd
E46/1280	Beatons River	20/07/2017	28/07/2020	27/10/2025	56	16,184	Mineral Edge Pty Ltd
E45/4918	Cuprite East	1/5/2017	27/072020	26/07/2025	24	6,936	Great Sandy Pty Ltd
E45/5028	Cuprite West	3/10/2017	26/07/2020	26/07/2025	10	2,890	Great Sandy Pty Ltd

Table 1.1: Tenement Schedule for Pilbara Gold Group Tenements

The Pilbara is a large, thinly populated area in the north of Western Australia that has a population of about 65,000 (Australian Bureau of Statistics) and includes some of Earth's oldest rock formations. It's well known for its oil, natural gas and iron ore deposits which contribute significantly to Australia's economy.

The region covers an area of 507,896km2 (193,) (including offshore islands), roughly the combined land area of the US States of California and Indiana.

Major gold companies active in the Pilbara region include Novo Resources Corp. ("**Novo**") (TSXV: NVO), International Prospect Ventures Ltd., Artemis Resources Limited, Pacton Gold Inc. ("**Pacton Gold**"), De Grey Mining Limited, Millennium Minerals Limited ("**Millennium Minerals**"), Calidus Resources Limited and Kairos Minerals Ltd.

The most significant, recent gold discoveries in the Pilbara are of the conglomerate hosted gold deposit style which has been compared in part to the Witwatersrand Conglomerate Gold Deposit of South Africa.

The Beatons River Project comprises two contiguous granted tenements E46/1215 and E/461280. Great Sandy Pty Ltd. applied for exploration licence E46/1215 covering 49 blocks for an area of approximately 137km2 on 18th of October 2017 and the tenement was granted on 29th of October 2018 for a term of 5 years.

Mineral Edge Pty Ltd. applied for E46/1280 on the 20th of July 2020 covering 56 blocks for an area of 178km2 and was granted 29th July 2020.

WESTERN AUSTRALIA
Mining Act 1978
Sec. 58; Reg. 64

FORM 21 - ATTACHMENT 1

EXPLORATION LICENCE NO. 46/1215

THIS SECTION MUST BE COMPLETED IN FULL FOR ALL EXPLORATION LICENCE APPLICATIONS

LOCALITY: Nullagine

BLOCK IDENTIFIER (All three sections must be completed)

1:1,000,000 PLAN NAME	PRIMARY NUMBER	GRATICULAR SECTION
HAMERSLEY RANGE	1584	z
HAMERSLEY RANGE	1656	ejkopstu
OAKOVER RIVER	1513	nopqrstuvwxyz
OAKOVER RIVER	1514	lqrsvwx
OAKOVER RIVER	1585	abcdefghjlmnqrstw
OAKOVER RIVER	1586	abc
TOTAL BLOCKS:		49

Figure 4.2: Beatons River tenure (E46/1215) application blocks, all blocks were granted (Government of Western Australia, 2020a)

WESTERN AUSTRALIA
Mining Act 1978
Sec. 58; Reg. 64

FORM 21 - ATTACHMENT 1

EXPLORATION LICENCE NO. 46/1280

THIS SECTION MUST BE COMPLETED IN FULL FOR ALL EXPLORATION LICENCE APPLICATIONS

LOCALITY: NORTH NULLAGINE

BLOCK IDENTIFIER (All three sections must be completed)

1:1,000,000 PLAN NAME	PRIMARY NUMBER	GRATICULAR SECTION
HAMERSLEY RANGE	1512	z
HAMERSLEY RANGE	1584	dejkopstuxy
HAMERSLEY RANGE	1655	pstu
HAMERSLEY RANGE	1656	bcdfghlmnqr
OAKOVER RIVER	1441	lmnopqrstuvwxyz
OAKOVER RIVER	1513	abcdefghjklm
OAKOVER RIVER	1514	af
	TOTAL BLOCKS:	56

Figure 4.3: Beatons River tenure (E46/1280) application blocks, all blocks were granted (Government of Western Australia, 2020a)

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The centre of the Beatons River Project area is 19km to the north-west of the town of Nullagine (population approx. 1700, 2016 Census) along the gravel Marble Bar Road.

Primary access to Nullagine is by road and is located 1,364km north-northeast of Perth, 296km from Port Hedland and 170km from the mining town of Newman (Figure 4.1). A frequent air services connect the town with Port Hedland and Marble Bar.

The project area is near and to the west of the privately-owned Newman to Port Hedland railroad used to transport iron ore. Access within the area is mainly by poor-quality pastoral and mining tracks. The Great Sandy Desert, in the eastern part of the area, is crossed by one company road.

Four-wheel-drive vehicles are essential for most tracks. Existing infrastructure in Nullagine (e.g. airstrips, medical centres, shops, accommodation, etc.) is enough to support an early-stage exploration program.

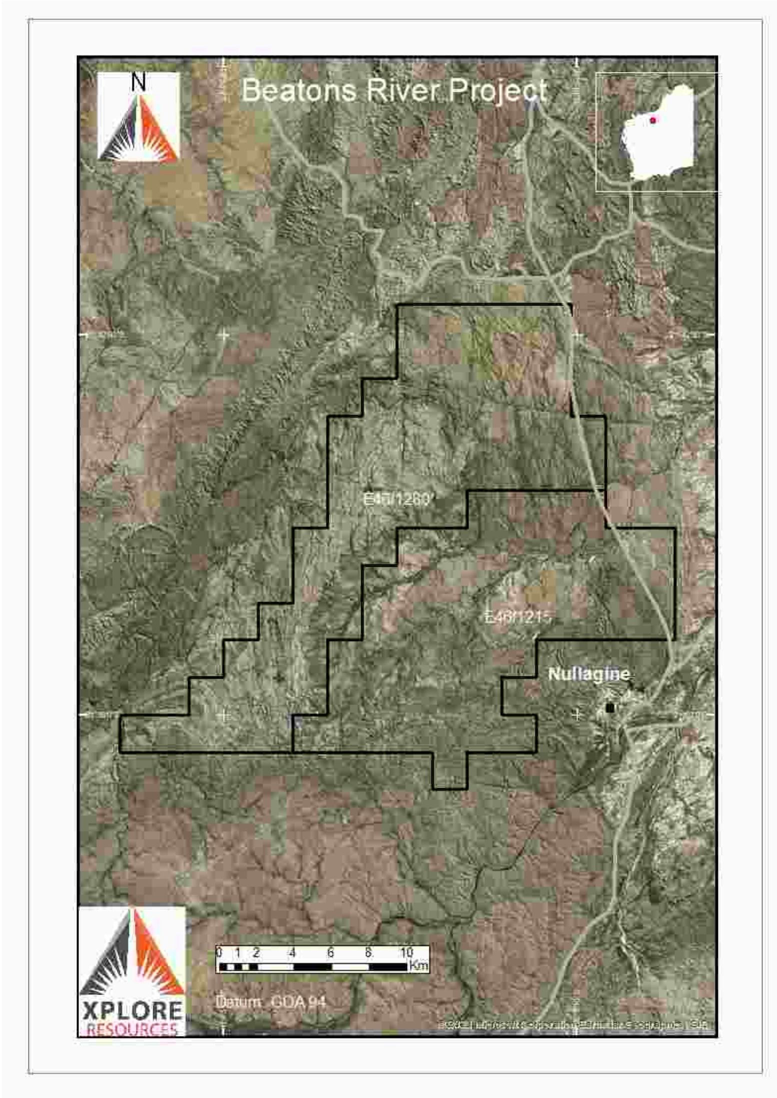

Figure 4.1: Beatons River Project Area Tenements

The East Pilbara region has a hot desert climate (Köppen BWh) characterized by very high summer temperatures and large daytime temperature variations (>13.2°C) throughout the year. December and January are the hottest months with average maximum temperatures above 40°C and record highs over 48°C.

The mean maximum temperatures range from 27°C to 42°C and the mean minimum temperatures from 12.2°C to 26.5°C. The data above was collected from the Marble Bar Station which has been actively working since 2000 (Bureau of Metrology 2020, Figure 5.1).

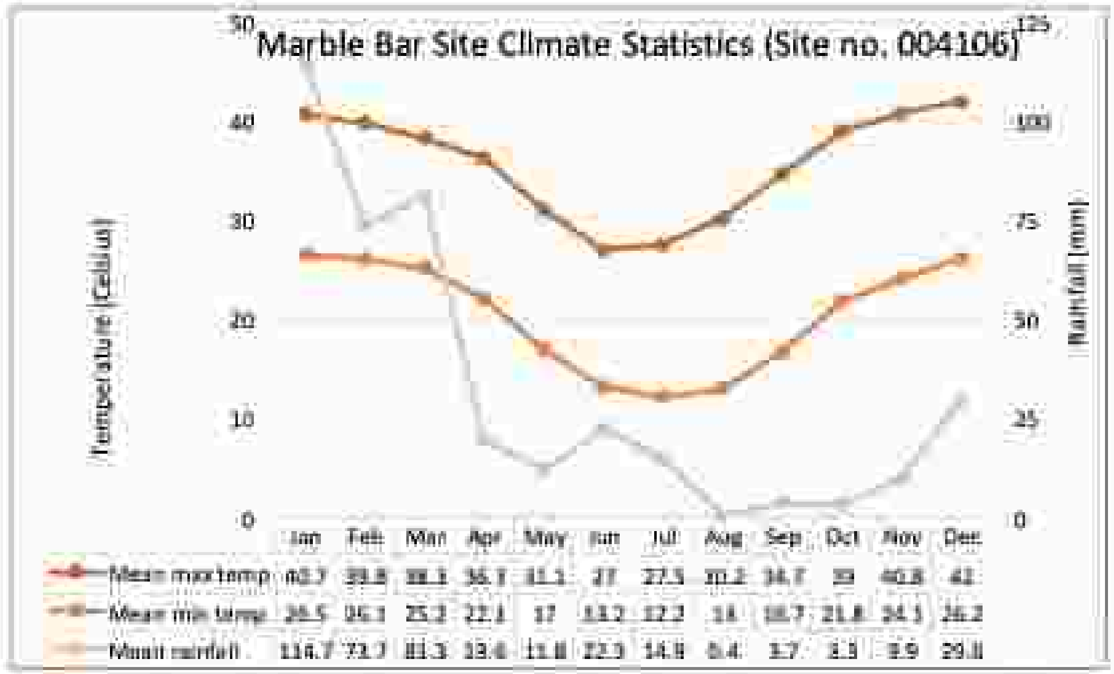

Figure 5.1: Graph of the data from Marble Bar Station (Bureau of Meteorology, 2020a)

The nearest station to the project tenements is the Nullagine Station which was active between 1897 and 2004. According to the data from Nullagine Station, the mean rainfall for the area is 325.7mm per year and occurring over 33.1 days.

The mean maximum temperatures range from 24°C to 39.7°C and the mean minimum temperatures from 7.5°C to 24.2°C. The graph below (Bureau of Metrology 2020 Figure 5.2) represents the data collected between 1897-2004 in Nullagine Station.

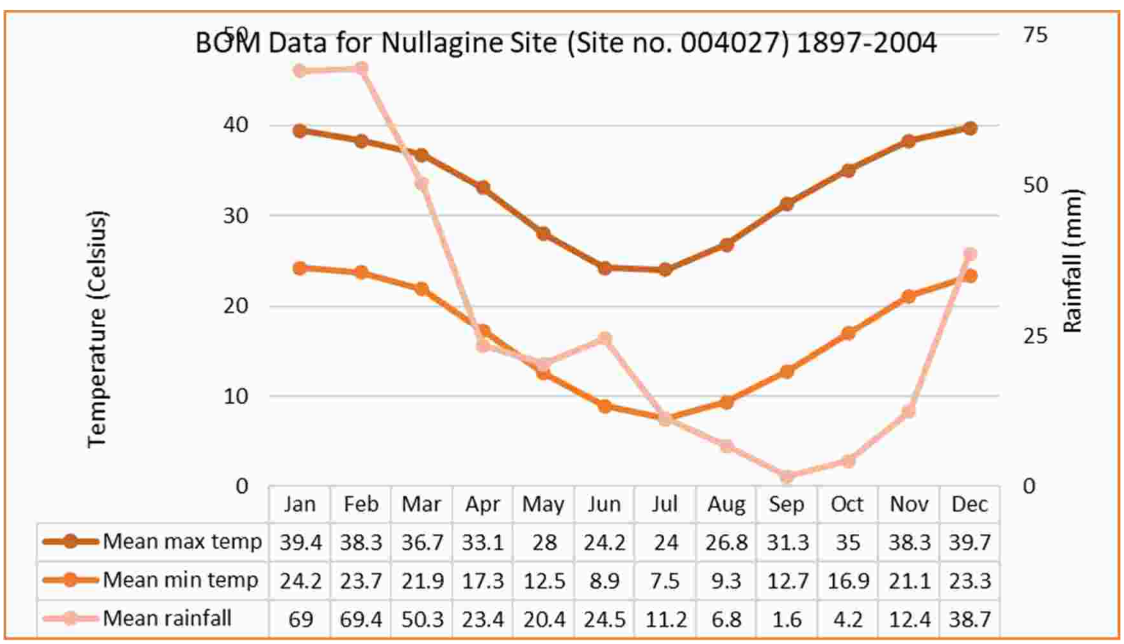

Figure 5.2: Graph of the data from Nullagine Station (Bureau of Meteorology, 2020b)

The East Pilbara region is influenced by both northern (tropical cyclone) and southern (temperate) rainfall systems, which bring rains in the summer and winter months, respectively. However, rainfall in the region is generally light and infrequent.

Nullagine has a mean annual rainfall of 392mm, mostly falling between January and March. Little rain usually falls between July and November, with September and October the driest months. Except for a few isolated pools, creeks are generally dry throughout most of the year, but can rise rapidly and flood large areas after heavy rains (predominantly during the summer months).

Because a high proportion of the rainfall can be from a small number of large storms, flooding near major river and creek systems is not unusual. The Nullagine River is subject to flooding and the town of Nullagine is in a Floodplain Management Area. Considering the remote nature of the project area, field work is generally conducted between late autumn and early spring (April–September), when temperatures and the likelihood of heavy rains are both lowest.

The East Pilbara region has an arid climate, rugged topography and complex geomorphology. The geologic setting of this area results in an alternating terrain, ranging from an irregular landscape of high relief, to steep, uneven, boulder-strewn hill slopes, transitioning into smooth intervening, flat-bottomed valleys (Thorne and Trendall, 2001).

There are a few minor unsealed roads and 4WD tracks in the project area, but vehicular access is generally poor and hampered by the rugged topography. Elevations range from ± 150m to 440m (Figure 5.6) above sea-level in the Beatons River Project area.

Away from the few major rivers with permanent surface pools or shallow groundwater, vegetation is relatively sparse.

The project area is lightly vegetated, with a ubiquitous ground cover of Spinifex grass and scattered shrubs of Hakea, Acacia and Grevillia. Larger trees, including Eucalyptus and Melaleuca species are confined to the immediate vicinity of drainage lines (Thorne and Trendall, 2001).

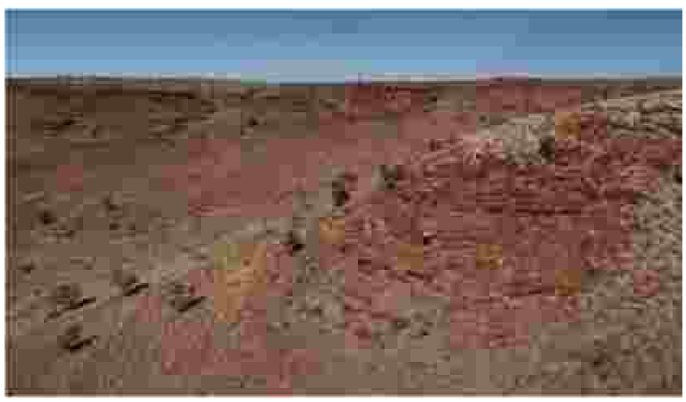

Figure 5.3: Typical landscape of Beatons River Tenure (Richardson 2020)

Figure 5.4: Looking NW along the NE trending ridge through E46/1280 from E46/1215 (Richardson 2020)

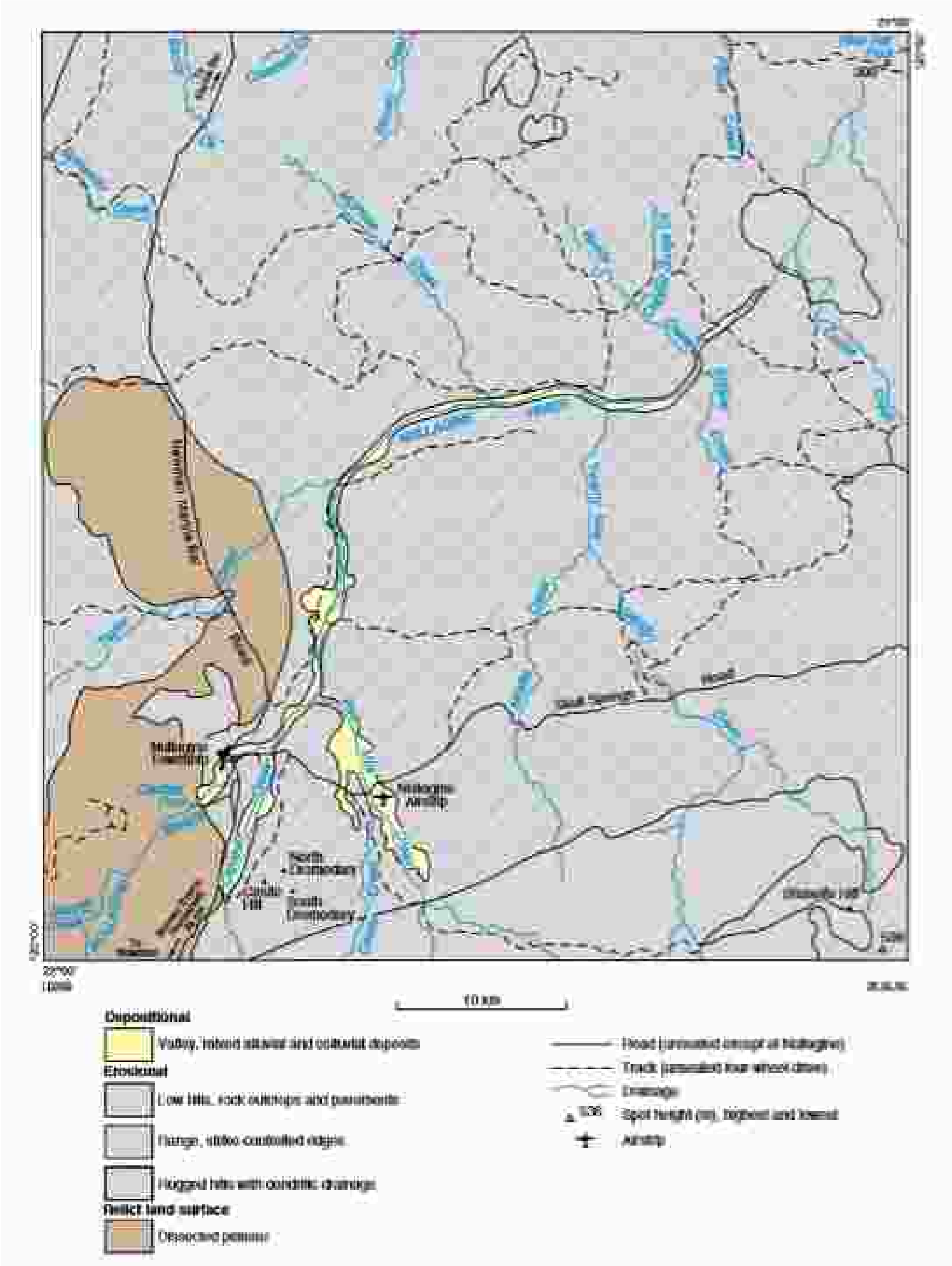

Figure 5.5: Physiography of the Nullagine Region (Source GSWA 2005)

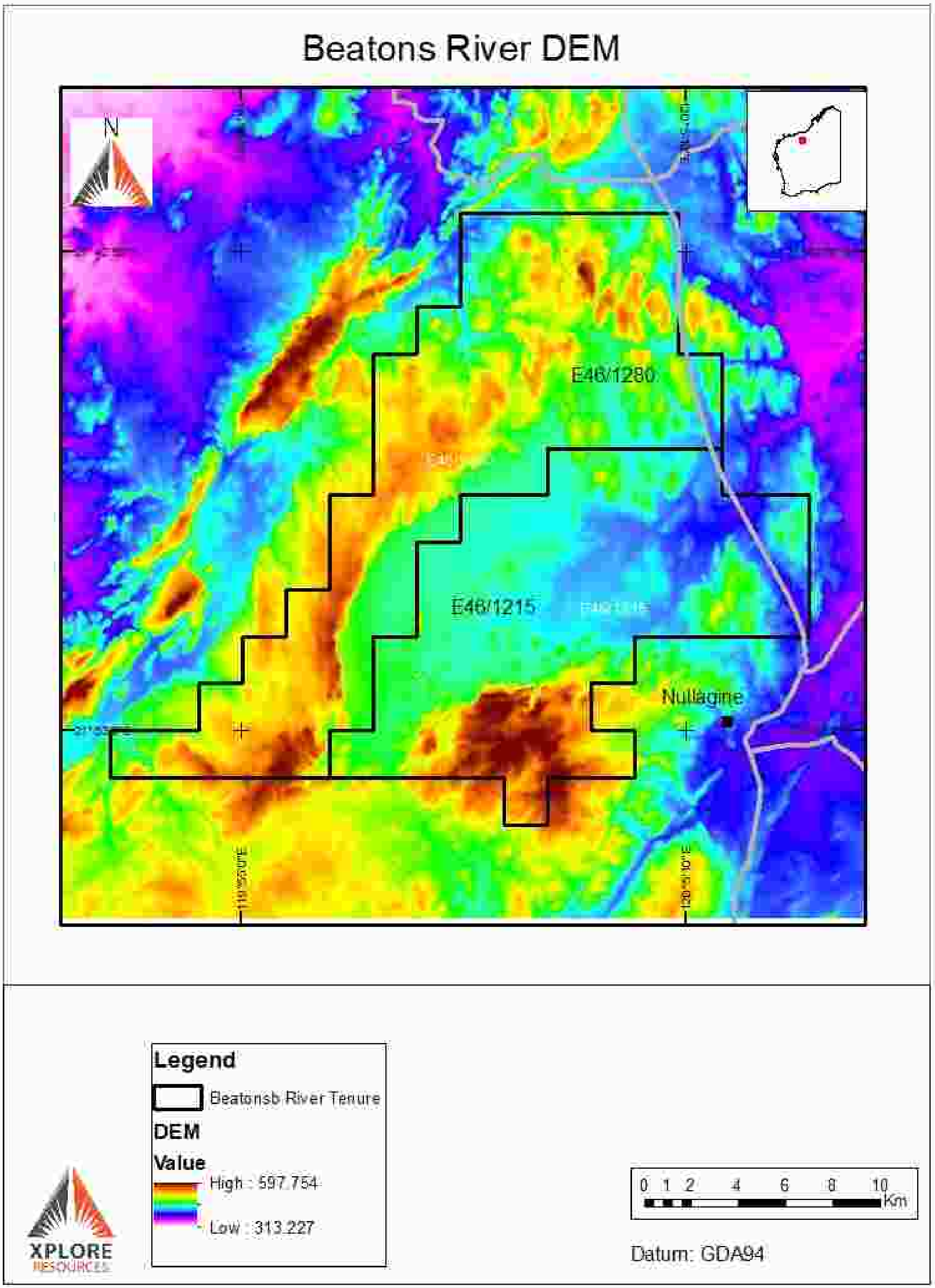

Figure 5.6: DEM of the Beatons River Project (Geoscience Australia ELVIS, 2020)

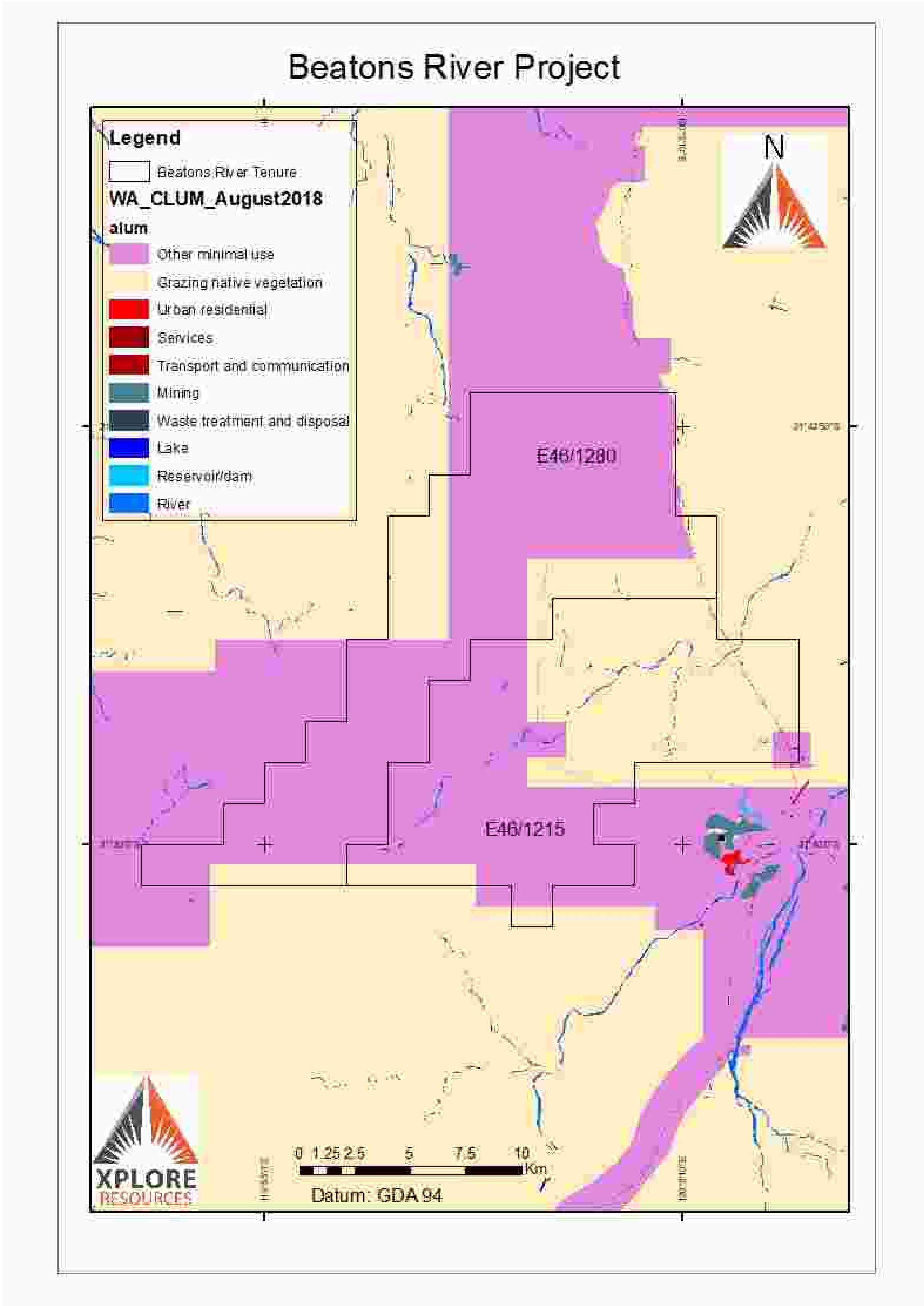

Figure 5.7: Beatons River Tenure Land use map (Department of Agriculture and Water Resources, 2018)

Most of the area has been classified as either 'minimal use' or 'grazing native vegetation' by the Australian Government's Department of Agriculture and Water Resources. These are areas of land that are largely unused or for stock grazing. Figure 5.7 shows the designated land use in the project area.

History

Previous Exploration in the Beatons River Project Area

The Western Australia State Department of Mines, Industry Regulation and Safety geological mapping website (GEOVIEW.WA) was interrogated to obtain the available data for the project area.

Spatial data, including geology, geophysical, geochemical and historical exploration, was also sourced from the Department of Mines, Industry Regulation and Safety Data and Software Centre (Government of Western Australia, 2019c) and viewed in MapInfo Professional for spatial analysis and interpretation.

Further geological studies could expand the area of investigations and increase the volume of data available for review. Data extracted from the GEOVIEW.WA system in the project area includes:

- 144 historic tenements;
- No overlapping tenures;
- 8 exploration drill holes within the current tenures;
- 1000 unique surface geochemistry samples – historical company samples; and
- 119 historical company reports of previous exploration.

The mineral potential of the Pilbara Craton prior to the 1980s had been generally down-played by the minerals industry and as a result the region had been much less extensively explored than many other Archaean cratons throughout the world, including the Yilgarn Craton to the south (Blewett et al., 2000).

In the early years of exploration (1968–1974) uranium, rather than gold, was the primary target. The first exploration programs to target parts of the present Nullagine project area were conducted between 1968 and 1982.

The basis for these programs was interpreted similarities between pyritic conglomerates in the Fortescue Group and auriferous and/or uraniferous Archaean conglomerates in South Africa and Canada. Exploration generally involved initial airborne radiometric surveys, followed by ground radiometrics and rock chip sampling.

In some cases limited shallow drilling programs were also undertaken, the most significant of which were 14 hole diamond (total 1851m) and 11 hole diamond and percussion (total 1291m) drilling programs by Cominco and Esso, respectively, in the Nullagine sub-basin (Carter and Gee, 1988).

The deepest single drill hole in either area during this phase of exploration was a 271m diamond drill hole by Western Mining Corporation in the Shady Well Camp area in the western part of the Nullagine sub-basin (Carter and Gee, 1988).

Results of the early exploration programs suggest uranium in the Hardey Formation principally occurs as fine uraninite grains in thucholite pellets and an uriniferous phase, interpreted to be brannerite, in detrital anatase (Carter and Gee, 1988).

High uranium (> 4000 ppm U_3O_8) and gold (peak value 6 ppm Au) from surface rock chip samples were reported locally (Carter and Gee, 1988). However, assays for drill core intercepts of these horizons revealed much lower concentrations of U_3O_8 (< 500 ppm) and trace amounts of gold.

Table 6.1: Summary Table of Historical Exploration for Beatons River Tenements

Year	Program	Results/Highlights	Company/Leader
1968 - 1982	Various U (+-Au) exploration programs in Fortescue Group, Nullagine sub-basin.	Peak U at 4000 ppm and peak Au at 6 ppm in surface rock chips (attributed to surface enrichment)	Cominco, Esso Aust, Essex Minerals, Otter, Marathon Petroleum
1968 - 1974	U exploration in Hardey Fm, central Nullagine sub-basin. Program included airborne and ground radiometrics and follow up drilling (14 DDH for 1851m)	Uraninite inclusions in carbonaceous pellites in conglomerate matrix. Best result 0.6m@ 425 ppm U3O8	Cominco (Simpson, 1969)
1974	U exploration in Hardey Fm, central Nullagine sub-basin. Program included airborne and ground radiometrics and follow up shallow percussion drilling (11 holes for 1291m)	Holes not deep enough (Farrell and Blake, 1984).Best intercept 1.0m@ 124 ppm U3O8	Esso Australia Ltd (Harrison, 1974)
1978 - 1979	U exploration in Hardey Fm, central Nullagine sub-basin, centred on Beatons Creek area. Program included size analysis of Au from Beatons Creek Conglomerate and older source rocks.	Best results 130 ppm U3O8	Essex Minerals (Wilson, 1979)
1978 - 1981	U exploration in Hardey Fm, central Nullagine sub-basin. Program included 23 core and percussion holes for 1887m.	Uranium mineralised zones thin, low-grade and discontinuous. Best results 0.16m @1085 ppm U3O8 and 0.1m @ 0.5 ppm Au	Otter, Marathon Petroleum
1983 - 1985	Strip mining and treatment of colluvial and alluvial deposits adjacent to hard-rock conglomerate-hosted gold deposits at Beatons Creek. Exploration of the Beatons Creek conglomerate included mapping, rock chip sampling, RC and DC drilling.	Drilling s results established subsurface continuity of historically mined reefs. However, despite a number of significant mineralised intercepts (see below) the hard-rock deposits were considered sub-economic.	Metana Minerals
1983	Beatons Creek drilling WW series DDH: 2 holes 150m & 1066m on M46/11	Best intersection WW1 2m @10.8g/t Au, 1m @7.23g/t Au, 2m @4.83g/t Au WW2 (1066m) results suggest auriferous conglomerates restricted to top 100-200m of >800m thick alluvial fan succession. Unconformable contact with basement at 970m	Metana Minerals
1984-1985	Beatons Creek drilling CDH-series (DDH): 9 holes for 350m on M46/11	Best intersection 2m @ 2.89g/t Au	Metana Minerals
1984	Beatons Creek B series (RC): 77 holes for 1982m on M46/11	Best intersections 1m @14.63g/t Au, 1m @11.0g/t Au and 1m @ 5.12g/t Au	Metana Minerals
1984	District-scale geological mapping and 2 DC holes for 1019m in Hardey Fm to W and SW Nullagine	DDH BCD-2 contained 36m weakly auriferous pyritic conglomerate sandstone at similar stratigraphic level to auriferous conglomerates at Beatons Creek. Au values	AMB-JV Australia Mining/ Bass Strait Oil and Gas

Year	Program	Results/Highlights	Company/Leader
1984	2 DDH for 592m test subsurface continuity of auriferous package beneath Hardey Fm cover, 1km SW of Beatons Creek historic workings	Both hole intersect ca. 200m thick package of pyritic conglomerate with multiple >1mg/t Au intersections. Variability of repeat assays suggests nuggetty gold (max: 33cm@ 144.6g/t Au). Best results in DDH IN3-A 4x 1m@ >6g/t Au	Ivanhoe Gold
1984	Surface and downhole IP (DDH IN2)	Downhole IP delineates main auriferous (pyritic) horizon in DDH IN2. Surface IP defines narrow chargeability anomaly interpreted at 100-150m depth in vicinity of IN3-A but possibly terrane effect.	Scintrex for Ivanhoe Gold
1984	Single DDH for 549m 7km SW of Nullagine	DDH ZD-1 intersected 55m interval of pyritic conglomeratic sandstone at similar stratigraphic level to auriferous conglomerate at Beatons Creek	BC-JV South Eastern Petroleum/ Zanex/ Western Res Projects
1986	2 DDH for 1200m to follow up previous drilling	Both Holes intersected thick auriferous conglomerate package with numerous thin	Minsaco/ Ivanhoe Gold JV
1985 - 1990	Geological mapping and data compilation, costeans, shallow RAB drilling at Beatons Creek	Best RAB result 1m @27.4g/t Au at surface.	Sons of Gwalia
1987 - 1988	Short-lived continuation of alluvial gold mining operations at Beatons Creek		Black Horse Mining
1992 - 1993	DDH for 161.5m in lower Kylena Basalt, upper Hardey Fm	Drill hole did not penetrate to stratigraphic level equivalent to auriferous conglomerate at Beatons Creek	Alkane
1993	Diamond (+-Au) exploration on W limb of Nullagine syncline	Au particles found all 8>40kg loam and stream, sediment samples from area draining probable continuation of auriferous package at Beatons Creek	Ocean Resources
27/03/20 01 to 10/12/2010	Creasy Group Tenements comprising Nullagine Project area are pegged		Mark Creasy
May 2001	Wedgetail acquire significant package of tenements in Nullagine area previously held under option	Tenement package largely based in older Mosquito Creek Belt to the E, but includes M46/10-11 covering historic Au workings at Beatons Creek	Wedgetail Expl
2001	Beatons Creek workings, COM series RAB 21 holes for 420m on M56/9	COM01003 intersected 12-13m @13.73g/t Au and 14-15m @1.9g/t Au in recent alluvium E of historic hard rock workings	Wedgetail Expl
Pre- 2002	Geological compilation, soil sampling on M46/10- 11	JORC compliant inferred resource 1.6Mt @2.15g/t Au (110,000oz) at Beatons Creek M46/10-11 announced to ASX	Wedgetail Expl/Mining
April 2006	Prospecting/rock sampling at Beatons Creek	Best 314g/t Au Grant's Hill results rock chip at workings	Quinton Henningh Newmont
After June 2006	Beatons Creek soil sampling M46/10-11	3sqkm Au in soil anomaly (>150 ppb) defined with peak 6.28g/t Au	Wedgetail Expl Mining

Year	Program	Results/Highlights	Company/Leader
2006 - 2007	Beatons Creek M46/11 RC drilling (20 holes) BCRB0001-BCRB0020	Best result 7m @ 2.88g/t Au, 15m @1.45g/t Au. Results suggest Metana RC drilling underestimated grade and width of reefs	Wedgetail Expl Mining
2007	Beatons Creek M46/11 RAB drilling (173 holes), av 5-40m depth with total depth 5-10m below base of oxidation	Best results BCRC0104 2m @116g/t Au and 6m @4.57g/t Au, BCRB0105 12m @ 7.27g/t Au, BCRB0122 2m @16.1g/t Au, BCRB0128 3m @ 8.65g/t Au, BCRB0130 3m @12.98g/t Au	Wedgetail Expl Mining
2010	In- loop EM surveys on Creasy ground. 4 lines for 14.9km across E margin of sub basin	Section 6.1.2	Quinton Henningh Galliard Resources
November 2010	Millennium Minerals (formerly Wedgetail Mining) announce 25% increase in ore reserve for Nullagine Gold Project	Updated resource 10.45Mt @1.7g/t Au (567,800oz Au). Updated total mineral resource 34.4Mt @1. 13g/t Au (1.247moz Au). *NB. Resources spread across 5 project areas, not including Beatons Creek	Millennium Minerals

Elevated gold and uranium values in rock chip samples where interpreted to reflect near-surface enrichment due to the action of acidic ground waters generated by oxidation of pyritic conglomerates (Carter and Gee, 1988).

During the period 1968 to 1993, gold exploration in the area was carried out by various companies looking for Witwatersrand-style conglomerate gold mineralization hosted within conglomerates of the Hardey Formation. Between 1983 and 1985, Metana Minerals carried out a successful surface mining operation at Nullagine treating alluvial material shedding from the Beaton Creek conglomerates.

From 2001 to the present, the main gold exploration over the area was conducted by the Creasy Group of companies and after 2011, Novo explored the Nullagine area under joint venture with the Creasy Group. Exploration focused on the area of outcropping and well mineralized Beatons Creek conglomerate that occurs just to the south and east of the Beatons River Project tenements.

In 2014, Novo drilled a single deep, exploration, diamond drill hole, ND14 DD-1, to a depth of 963.4m. The hole located just 800m east of the E46/1215 boundary was designed to ascertain the structural and stratigraphic continuity of auriferous conglomerate units to the west of the Beatons Creek Resource.

The hole intersected a number of Hardey Formation marker horizons, most significantly tuffaceous horizons below which occur the auriferous conglomerate equivalents that host the Beatons Creek Resource. A total of 437 samples were assayed for gold by Fire Assay. These assays identified a zone of mineralization containing 7.87m @ 0.22g/t Au from 562.59m, including 1.37m @ 0.64g/t Au from 566.58m.

Novo commented that based on their current understanding of Paleo placer mineralized systems of the Nullagine region that this anomaly was regarded as significant due to the nuggety nature of the mineralisation and the relatively small sample size of half core.

An interim geological interpretation of the hole concluded that these prospective units had been down faulted relative to those at the Beatons Creek Resource. Exploration on the Beatons River Project tenements since 2001 has mainly involved surface geochemical sampling and geological mapping. The geochemical work involved stream, soil and rock sampling but no holes were drilled.

Exploration on the Mineral Edge tenements since 2001 has mainly involved surface geochemical sampling and geological mapping. The geochemical work involved stream, soil and rock sampling. Most geochemical programs returned anomalous gold results but were not regarded as significant enough to warrant a major focused exploration program. The last of the tenements covering the Mineral Edge project was surrendered in 2018.

In addition to gold and iron ore, the Beatons River Project area is well known for its numerous alluvial diamond occurrences. Diamonds were first reported from the area in 1896 with a number of diamonds recovered during alluvial gold mining operations and by diamond explorers between 1989 and 2000.

Geological Setting and Mineralization

Beatons River Project Geology

The Beatons River Project Area (E46/1215 and E46/1280) is located in the East Pilbara granite–greenstone terrain of the Early to Late Archaean Pilbara Craton of north-western Western Australia.

The sub-basins formed on the older granite–greenstone basement during the initial stages of Late Archaean continental rifting and formation of the Late Archaean–Paleoproterozoic Hamersley Basin (Figure 7.7.4).

The Beatons River tenure is centred on an area containing extensive and relatively complete lower Fortescue Group successions, in comparison to other parts of the north Pilbara Craton.

Although up to 50 million years older, the 2.77–2.63 Ga Fortescue Group is commonly compared to the Ventersdorp Supergroup of the Witwatersrand Basin in South Africa, which is similar in both composition and tectono-stratigraphic setting (Figure 7.7.3); Nelson et al., 1992, 1999; Martin et al., 1998; Thorne and Trendall, 2001).

The lowest part of the regional succession is comprised of granitic and greenstone rocks that are between 3.66 and 2.84 Ga; these are moderately to strongly deformed mafic volcanics and intercalated felsic volcanic and sedimentary rocks, which comprise the greenstone sequences, now occupying a series of arcuate synclinorial belts between less deformed complexes void of granitoids; Huston et al., 2001, 2002a).

The granite batholiths are 25km – 110km in diameter, have centres spaced, on average, 60km apart and were largely emplaced prior to 2.92Ga, however some were also intruded by small, highly reduced, post-tectonic, tin-bearing granites between 2.88 Ga and 2.84 Ga. These basement rocks are overlain by four sequences of Archaean sedimentary and volcanic rocks.

From oldest to youngest these sequences are:

- George Creek Group (3.24–3.05 Ga);
- Cleaverville Formation (3.02 Ga);
- De Grey Group (2.99–2.94 Ga); and
- Hamersley Basin succession (Mt Bruce Supergroup) (2.78–2.3 Ga). The Mt Bruce Supergroup consists of the Fortescue and overlying Hamersley groups.

The Mosquito Creek formation which correlates with the De Grey group is interpreted based on geophysical data to extend for at least 20km beneath the Fortescue Group cover and hosts a number of small to moderate sized disseminated, vein- and shear-hosted mesothermal Au deposits, interpreted to have formed at c. 2.90 Ga (Huston et al., 2002a).

Gold eroded from these deposits during the Late Archaean has long been considered a likely source for auriferous placer deposits hosted in the Fortescue Group near Nullagine (Maitland, 1905; Finucane, 1935; Noldart and Wyatt, 1962; Hickman, 1983; Thorne and Trendall, 2001).

Part of the Hammersley Basin succession is the late Archaean (2.77–2.63 Ga) Fortescue Group, a sequence of mafic and felsic volcanics and sedimentary rocks up to 6.5km thick (Thorne and Trendall, 2001; Blake, 1993, 2001) and is exposed over a wide area in the Pilbara Craton.

Regional Geology

Western Australia is comprised of a series of cratons and basins which are host to world-class mineral deposits. WA’s geological framework consists of stable Archean cratonic nuclei that were progressively sutured during the Proterozoic into successively larger cratons and ultimately supercontinents (Figure 7.7.1).

Western Australia started to separate from the remaining mass of Gondwana in the Late Jurassic (160 million years ago), with the western margin separating from India and Africa during the Early Cretaceous (130 million years ago).

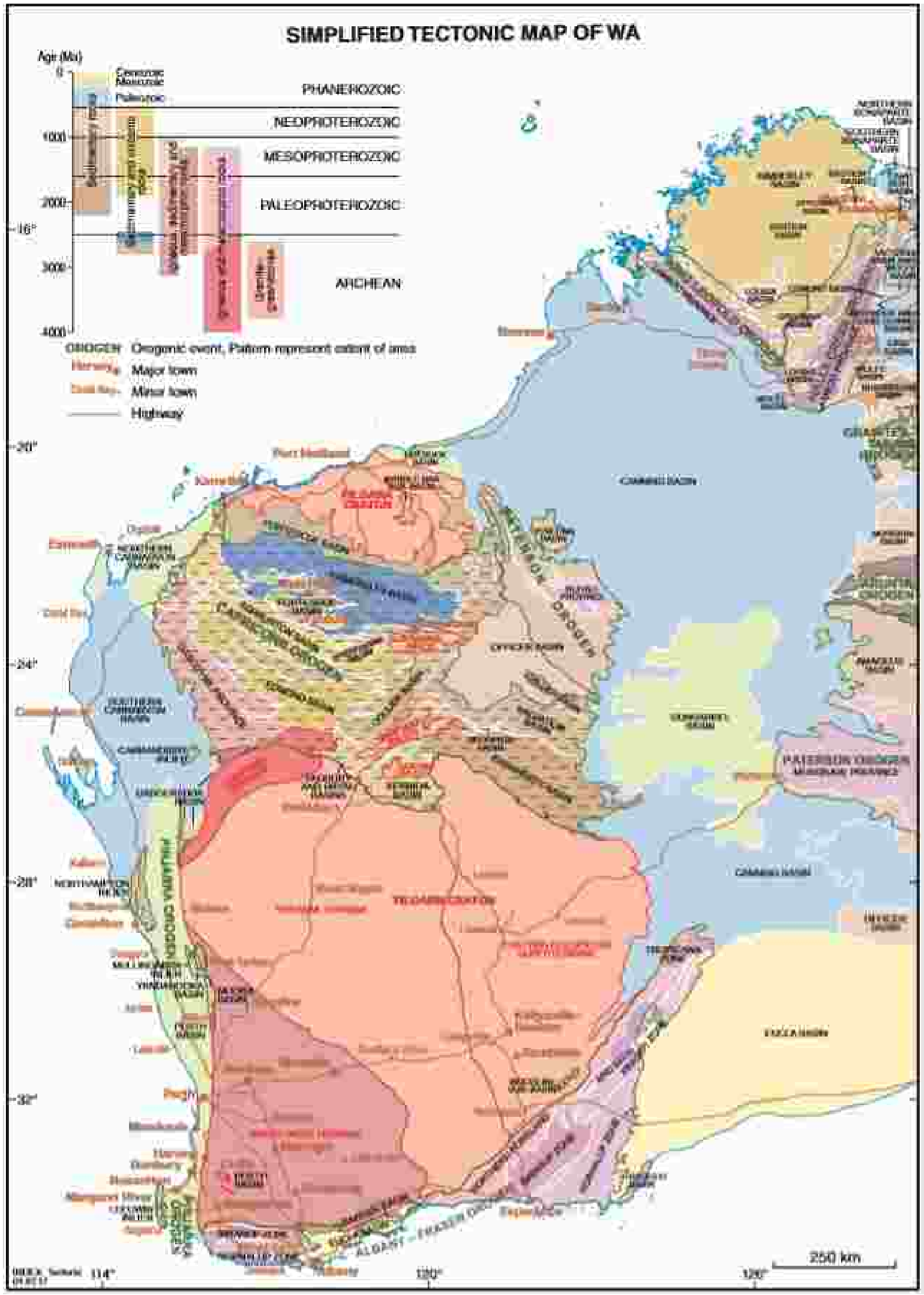

Figure 7.7.1: Simplified Tectonic Map of WA (Geological Survey WA, 2018

A wealth of mineral deposits and petroleum resources formed during the 4.4-billion-year geological history of WA (Geological Survey of Western Australia, 2018). The main tectonic units of Western Australia are displayed in Figure 7.7.1.

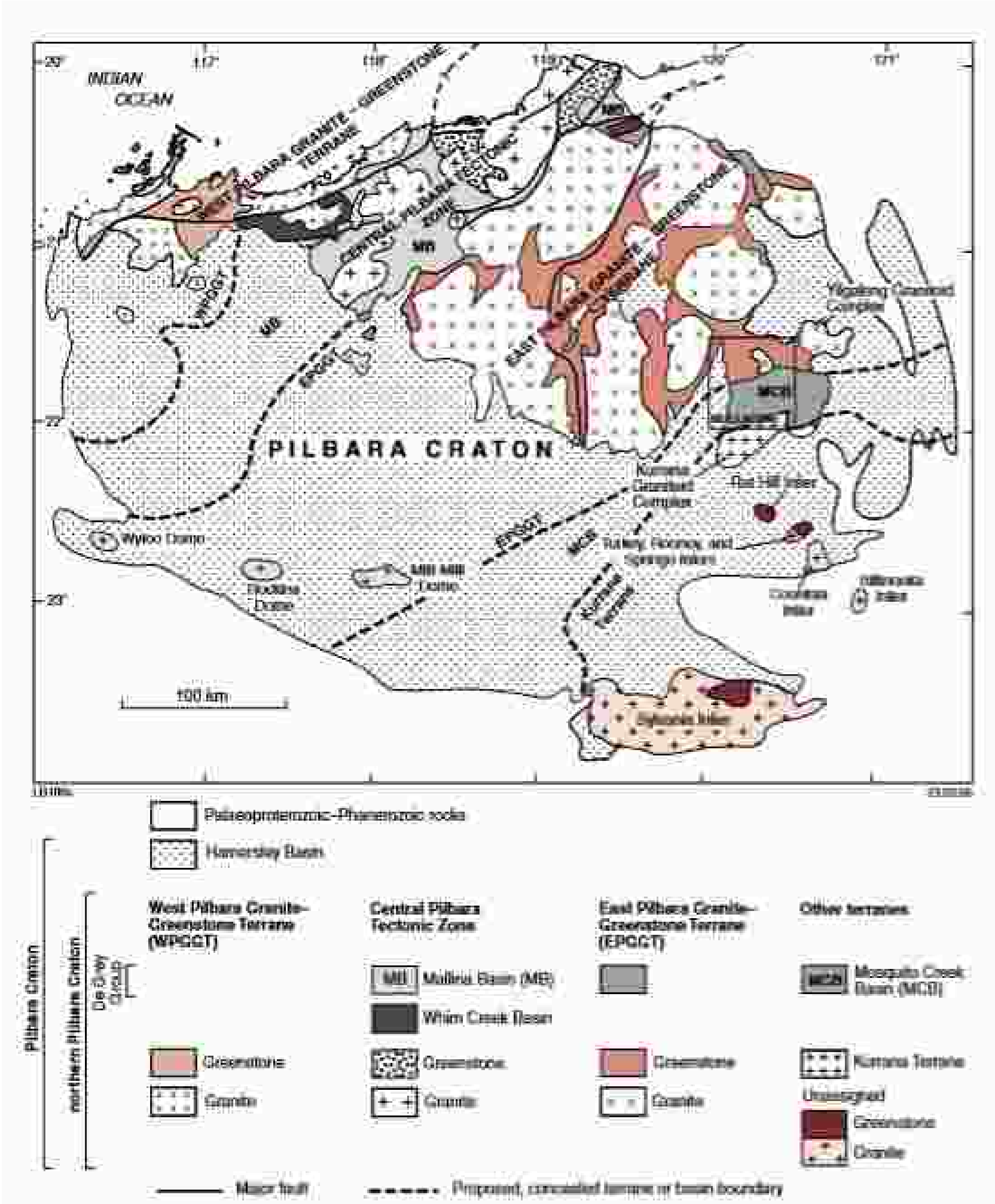

Figure 7.7.2: Regional Geological Setting Nullagine (GSWA 2005)

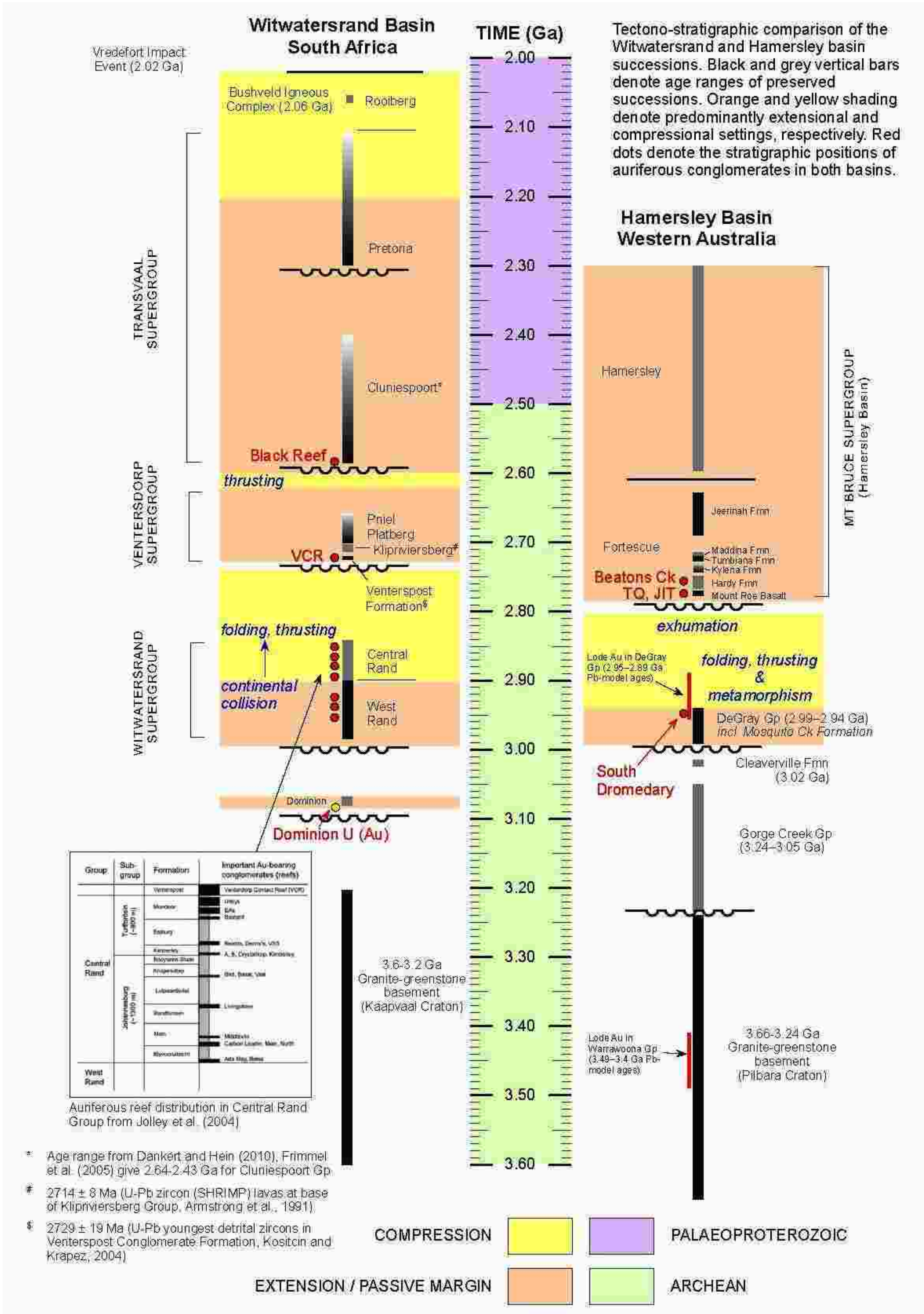

Figure 7.7.3: Comparison between Hammersley Basin and Witwatersrand Basin tectono-stratigraphy (after Nelson et al., 1992, 1999; Martin et al., 1998; Thorne and Trendall, 2001)

Thorne and Trendall (2001) divide the Fortescue Group into four major tectono-stratigraphic units and seven formations. The entire sequence is interpreted to reflect increasing amounts of subsidence in an overall extensional setting. These four units are summarized as follows:

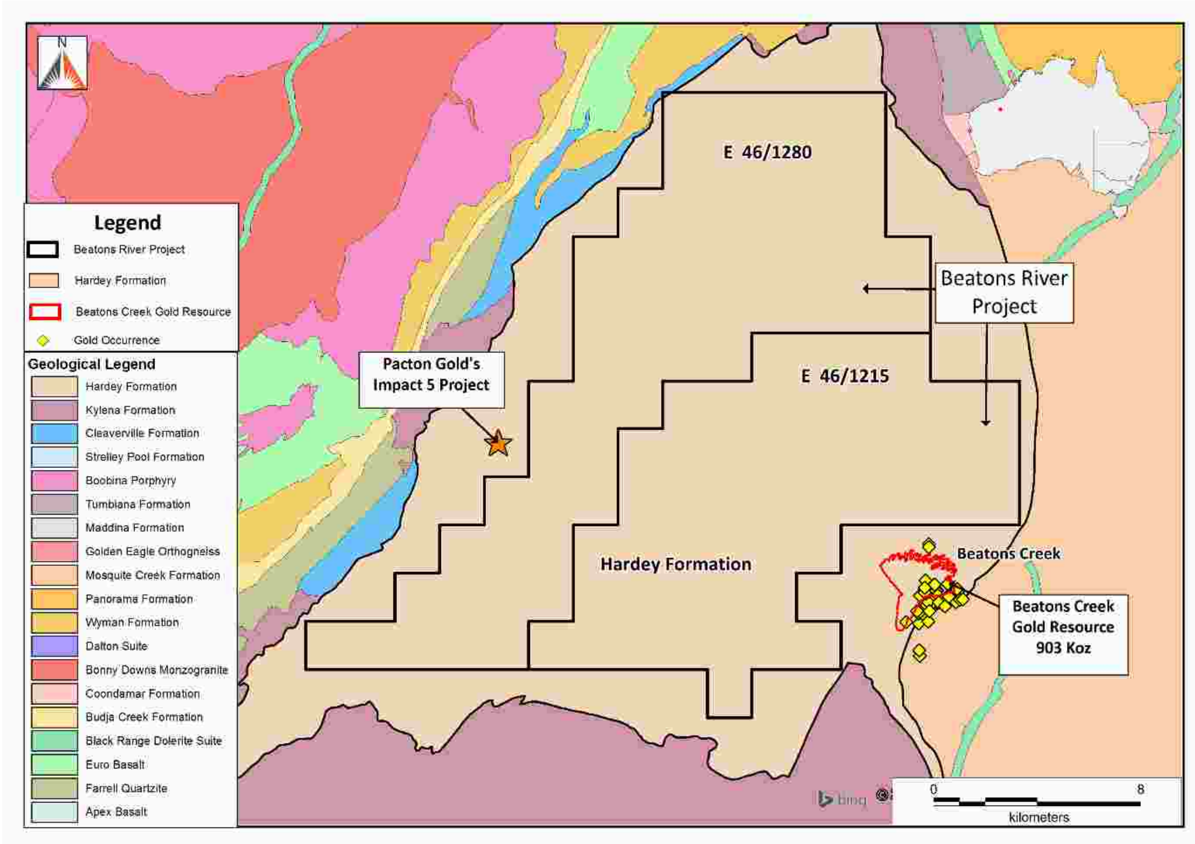

Figure 7.7.4: Local Geology Beatons River (GWSA2020

Unit 1 (basal) – Consists primarily of the ≤2.5km thick Mount Roe Basalt which consists of sub aerial and subaqueous (<2%) basaltic lavas and locally intercalated subaqueous volcaniclastics (<5%). Subaqueous units in the Mount Roe Basalt are interpreted to have been deposited in a lacustrine, rather than marine, setting (Thorne and Trendall, 2001).

Unit 2 – Primarily the Hardey Formation which unconformably overlies Unit 1 and is up to 3km thick and consists of a diverse association of sedimentary, mafic and felsic volcanic rocks (and high-level intrusions), which were deposited in continental to shallow-marine settings. This unit hosts the Gold mineralization at Nullagine and Marble Bar.

Unit 3 consists of the basal Kylena (sub aerial basalt), Tumbiana (marginal to shallow marine sedimentary rocks) and uppermost Maddina (sub aerial basalt) formations. Although deposited in a largely sub aerial environment, Unit 3 marks a widespread coalescence of individual subbasins across the Pilbara craton (Thorne and Trendall, 2001). Where the Fortescue Group directly overlies granitic basement the Kylena (Basalt) Formation is typically the lowermost unit (Figure 7.7.4; Hickman, 1983; Thorne and Trendall, 2001).

Unit 4 – The Jeerinah Formation marked the onset of a major marine transgression across the Hamersley Basin (which continued into deposition of the overlying Hamersley Group). In the north Pilbara Craton, the Jeerinah Formation predominantly consists of argillaceous rocks; however basaltic lavas and volcaniclastic rocks dominate in the south. The Fortescue Group is disconformably overlain by marine sedimentary sequences (shale, banded iron formation and carbonate) of the 2.6 – 2.3 Ga Hamersley Group (Figure 7.7.5).

Blake (2001) and Blake et al. (2004) place the Kylena Basalt, Hardey Formation and Mt Roe Basalt in their Nullagine Supersequence, which is interpreted to reflect initial deposition into fault-controlled rift-basins during the early stages of continental break-up.

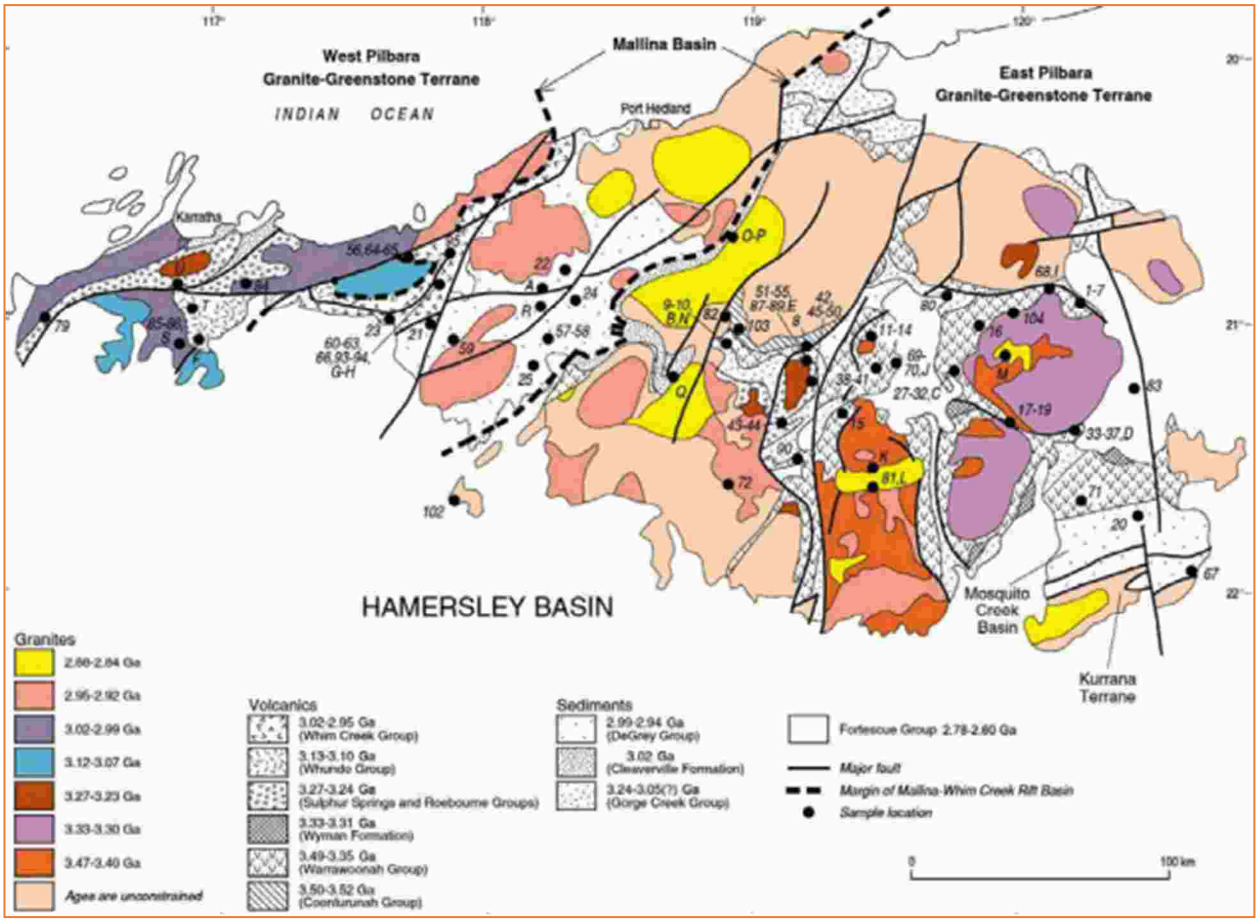

Figure 7.7.5: Summary map showing the age and distribution of the granites, greenstone successions and sedimentary basins in the north Pilbara Craton. (From Huston et al., 2002a)

Overlying Fortescue Group formations are interpreted to have been deposited during a more complex second phase of rifting. Blake (2001) and Blake et al. (2004) assign the Tumbiana Formation and lower part of the Maddina Formation to their Mount Jope (1) Supersequence).

They interpret this succession to record a change to regional subsidence and burial. The upper part of the Maddina Formation and most of the overlying Jeerinah Formation are assigned to the Mount Jope (2) Supersequence (Blake, 2001; Blake et al., 2004).

Local Geological Setting

The Nullagine sub-basin or Nullagine Synclinorium is a >60km long, NNE trending half-graben formed in response to WNW–ESE directed extension during the early stages of continental break-up (Blake, 1984a, b, 1993; Farrell and Blake, 1984; Carter and Gee, 1988; Blake, 2001, Blake et al., 2004).

Widespread mafic dykes of the Black Range Suite (interpreted feeders to the Mount Roe Basalt) mostly trend NNE also implying WNW–ESE-directed extension during lower Fortescue Group deposition (Williams, 1998; Thorne and Trendall, 2001; Blake, 2001; Blake et al., 2004).

The Nullagine sub-basin opens into the Hamersley Basin to the south and is partly bound by syn-depositional normal faults along its eastern margin (Farrell and Blake, 1984, Blake, 1993). Progressively younger Fortescue Group strata on-lap basement rocks towards the south (Farrell and Blake, 1984; Blake 1984a, 1993, 2001).

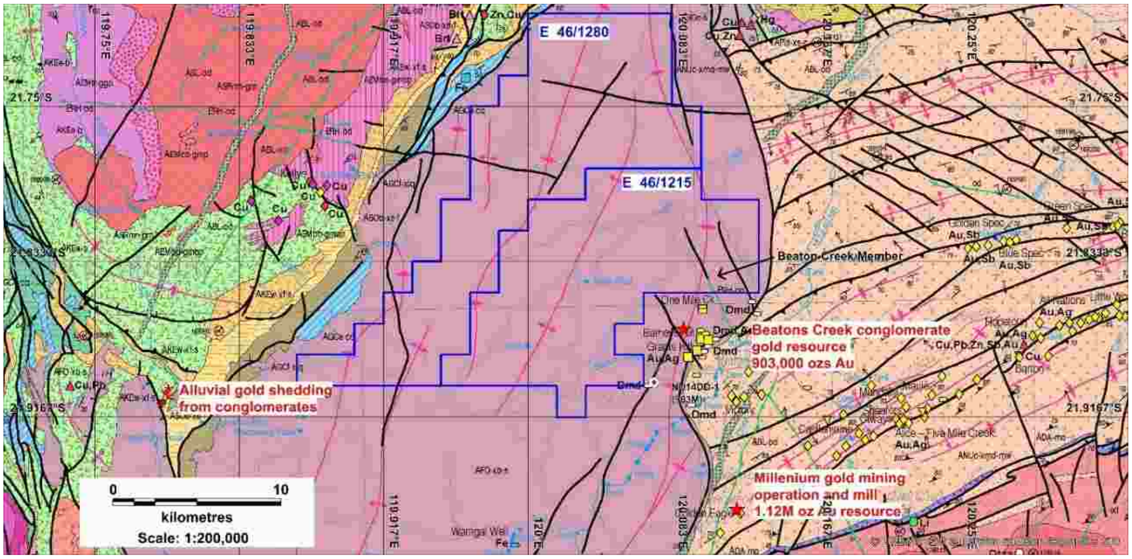

Figure 7.10: Local Geology Beatons River (Government of Western Australia, 2020)

Palaeocurrent data from the Hardey Formation suggests the Nullagine sub-basin drained towards the north during initial basin development (Farrell and Blake, 1984; Blight, 1985).

By contrast, in the south of the Hamersley Basin, westward thickening of the Hardey Formation and westerly-directed palaeocurrents are interpreted by Blight, (1985) to indicate deposition in a broad E–W trending basin that opened towards an ocean in the west.

Greater thicknesses and continuity of Mount Jope and supersequences towards the Hamersley Basin suggest a reversal in net drainage direction along the Nullagine sub-basin occurred during or after deposition of the Kylena (Basalt) Formation.

The Fortescue Group unconformably overlies a wide variety of older Archaean rocks around the perimeter to the Nullagine sub-basin. However, along much of the north-east margin to the sub-basin the Fortescue Group unconformably overlies the Mosquito Creek Formation, which occupies a 30km by 65km ENE trending belt east of the town of Nullagine.

The stratigraphic development of the Fortescue Group in the Nullagine sub-basin is better understood than anywhere else in the Pilbara region, largely due to two decades of mapping, stratigraphic and geochronological studies by T. S. Blake.

The basal unit of the Fortescue Group, the Mount Roe Basalt, is discontinuously exposed in the north and along the north western margin of the Nullagine sub-basin, where it is up to 50m thick (Hick- man, 1979; Blake, 2001).

Although the Mount Roe Basalt is not exposed at surface in the Beatons River Project area it may occur locally at depth beneath the Hardey Formation cover.

In the Nullagine sub-basin, the Hardey Formation either unconformably overlies the Mount Roe Basalt or older Archaean basement and consists of up to 1,700m of mostly terrigenous clastic sedimentary rocks deposited in braided fluvial, lacustrine and alluvial fan settings (Blake, 1993; Blake et al., 2004).

In the north of the project area, the base of the Hardey Formation is intruded by the up to 1,500m thick, 2,766 ± 2 Ma dacitic Spinaway Porphyry (Blake et al., 2004).

The upper contact of the Spinaway Porphyry is erosional, however, the Hardey Formation sandstones immediately above this contact are intruded by rhyolite of identical age to the Spinaway Porphyry indicating the time-break across the unconformity was small (Blake et al., 2004). Blake (2001) subdivides the Hardey Formation above the Spinaway Porphyry in the Nullagine sub-basin into two unconformable packages, P3 and P4.

Auriferous conglomerates exposed in the Beatons Creek area near Nullagine occur in Package P4 of the Fortescue Group (Blake, 2001; Blake et al., 2004, i.e. Taylor Creek Sequence Unit 3b), not at the base of the Hardey Formation as stated in some earlier Mines Department and Geological Survey reports (e.g. Hickman, 1983).

A felsic tuff near the base of a relatively well stratified sequence immediately overlying the auriferous conglomerates (± 300m below the top of P4) is dated 2752 ± 5 Ma (U-Pb zircon, Blake et al.,2004) and provides a minimum age constraint on their formation.

Mineralization at Novo's Beatons Creek Project occurs in multiple, narrow stacked conglomeritic reef horizons, interbedded with poorly and barren conglomerate sequences, with lateral extents ranging up to 2.5km for mineralization.

Gold occurs as fine grains, larger flakes and rounded particles up to several millimetres across (Finucane, 1935; Ivanhoe Gold Pty Ltd, 1984; Menzies, undated report) within the matrix of mineralized conglomerates and is closely associated with detrital pyrite and authigenic nodules (2–65mm in diameter), which are locally referred to as "buck shot" pyrite.

Beatons River tenements E46/1215 and E46/1280 are underlain by the Hardey Formation sitting unconformably on the underlying Spinaway Porphyry (Bamboo Creek Member) outcropping to the north. Overall, the succession dips gently to the southwest and the rocks young from the northeast to southwest.

The Beaton Creek Member strikes into E46/1215 just over 2km north of Novo's Beaton Creek Project and covers some 8km2 in outcrop within the tenement. Other conglomerate units were mapped within the two tenements.

Mineralization

Gold-bearing conglomerates have been identified at several stratigraphic levels in the Fortescue Group within the Marble Bar and Nullagine sub-basins.

In the Marble Bar sub-basin, auriferous conglomerates occur at the base of the group (Tassy Queen mine, Just-in-time mines, Contact Creek area) and in the lower part of the Hardey Formation (Virgin Creek and Glen Herring areas). In the Nullagine sub-basin, auriferous conglomerates at Beatons Creek occur in the (mid to) upper Hardey Formation.

Although they have not yet been shown to be auriferous, weakly uraniferous pyritic conglomerates that occur in the thick (upper Hardey Formation) siliciclastic sequences preserved in the Pear Creek and Limestone Well/Glen Herring centroclines (Marble Bar sub-basin; Carter and Gee, 1988) may be time-equivalent to the auriferous conglomerates at Beatons Creek (e.g. Blake, 1993; Thorne and Trendall, 2001).

Despite differences in stratigraphic position and depositional setting, the internal characteristics of gold-bearing conglomerates in the Fortescue Group are relatively similar. The known deposits are hosted by poorly-sorted, generally clast-supported, polymictic, pyritic pebble to boulder conglomerates.

Additionally, at Beatons Creek, gold is also hosted by rare poorly-sorted, matrix-supported auriferous conglomerates and finer grained, moderately well sorted, conglomerates with high proportions of quartzose clasts (i.e. "quartz" pebble conglomerates, Ivanhoe Gold Pty Ltd, 1984; Menzies Gold NL, undated report).

The auriferous conglomerates variously occur as:

(i) thin topographic-hollow or palaeochannel fill;
(ii) laterally extensive braided fluvial or sheet-wash deposits; and
(iii) stacked horizons in thick, laterally-extensive alluvial fan sequences.

To date, all known gold occurrences in the Nullagine and Marble Bar sub-basins occur in areas at or close to the preserved basin margins. Gold in the deposits occurs as fine grains and larger flakes and rounded particles up to several millimetres across in the conglomerate matrix (Finucane, 1935; Ivanhoe Gold Pty Ltd, 1984; Menzies Gold NL, undated report).

“Rounded and water worn” nuggets up to several ounces in weight were reportedly recovered from conglomerates at the Just-in-time palaeoplacer, near Marble Bar (Noldart and Wyatt, 1962). Clasts of vein quartz, where present, are interpreted to be barren (e.g. Finucane, 1935).

Gold is invariably associated with concentrations of pyrite (or Fe-oxides and/or dissolution cavities after pyrite in weathered rocks) in the conglomerate matrix (Maitland, 1905; Finucane, 1935, 1938). Mineralised horizons at Beatons Creek typically contain at least a few percent pyrite scattered through the conglomerate matrix. Pyrite is generally more abundant in coarser grained parts of the conglomerate beds.

Beatons Creek denser concentrations of pyrite, locally forming up to 40% of the rock matrix over intervals up to 20 cm wide, occur at the base of beds (Ivanhoe Gold Pty Ltd, 1984; Menzies, undated report to Ivanhoe Gold).

An association between gold and conglomerates containing higher proportions of chert clasts has also been reported at Beatons Creek (Menzies, undated report to Ivanhoe Gold). In fresh rocks, pyrite occurs as small variably rounded, subhedral to anhedral crystals <2mm diameter and rounded clasts or “nodules” 2–65mm in diameter.

The latter type, generally termed “buckshot” pyrite, is commonly abundant in the richest portions of auriferous horizons at Beatons Creek (Maitland, 1905; Finucane, 1935). Early reports for the Beatons Creek goldfield indicate that, in strongly weathered material, gold commonly occurred as discontinuous linings to ellipsoidal cavities formed by the dissolution of buckshot pyrite grains (Maitland, 1905; Finucane, 1935).

Finucane (1935) suggested the buckshot pyrite nodules at Beatons Creek may be marcasite-replaced slate pebbles. Conglomerates exposed in the area of historic workings at Beatons Creek are commonly moderately to strongly kaolinized (alteration affects lithic clasts and argillaceous matrix material) and locally this occurs along grossly stratabound zones.

It is not clear whether this is a result of modern weathering (e.g. acidity generated by pyrite dissolution), local interaction with acidic ground waters during deposition of the sequence or some other event. By virtue of more extensive historic mine workings and previous exploration in the Beatons Creek area, more information is known, or can be deduced, about the nature of gold mineralisation in this area than elsewhere in the project areas.

The distribution of historic workings provides some insight into the lateral continuity of individual reefs. In the Grants Hill area, closely spaced workings along a single 1–3m thick conglomerate layer extend for several hundred metres along strike.

Long sections using previous drilling results suggest reefs occur in approximately the same stratigraphic position over distances in excess of 500m, with some near the top of the auriferous conglomerate package potentially continuous for over 2.5km along strike.

Deposit Types

<u>Gold Deposits of the Witwatersrand Basin</u>

Palaeoplacer Model for the Witwatersrand Basin Gold Deposits

The primary gold-bearing clastic sedimentary rocks that make up the gold deposits of the Late Archaean Witwatersrand Basin, referred to as conglomerate, were deposited in ancient rivers, streams and oceans. Subsequent physical and chemical processes over time introduced gold into the "reefs" that are mined in South Africa (Figure 8.1).

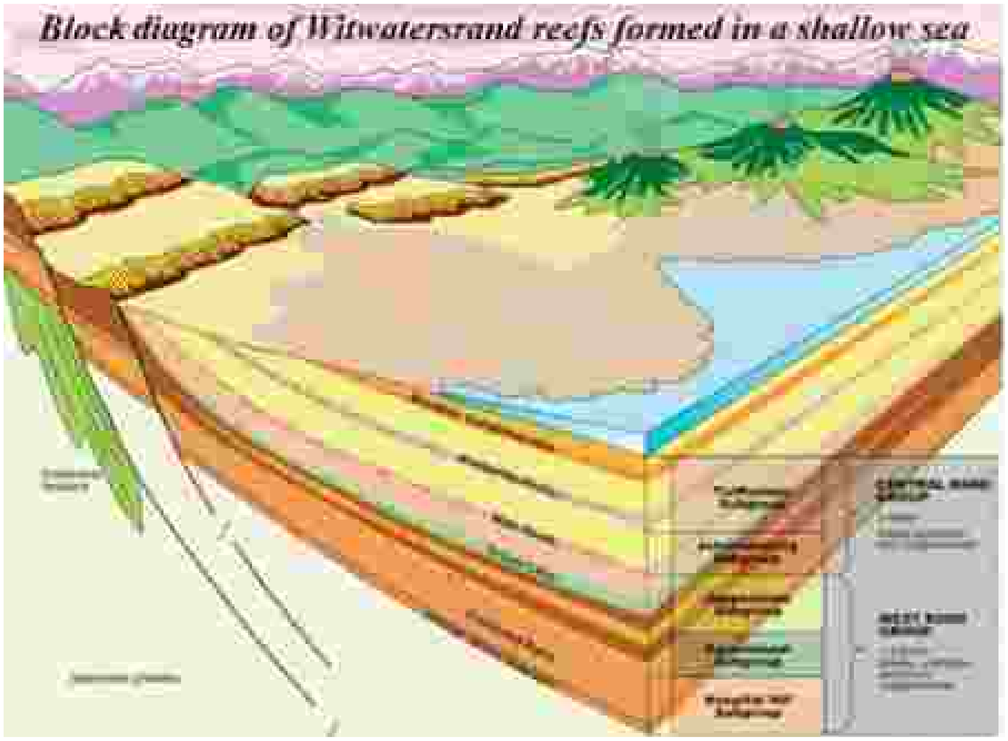

Figure 8.1: Block diagram of Witwatersrand Reefs (J Taylor's Gold, Energy and Tech Stocks, Miningstocks.com July 11, 2014)

Although there is still no consensus on how and when the Witwatersrand gold deposits formed most geologists who have studied the Witwatersrand Basin are persuaded by the strong sedimentological controls on gold distribution and so favour palaeoplacer models for gold deposition.

The palaeoplacer process or fossilized placer deposit i.e. the unconsolidated deposits originally formed at the surface by running water then later buried to sufficient depth to lithify the sediment into solid sedimentary rock.

Original placer mineralization was formed by gravity separation during a sedimentary process before they were buried to become a palaeoplacer deposit.

Other Models for the Witwatersrand Deposits

The following section contains excerpts from a July 2014 radio interview done with Dr. Quinton Henningh, CEO of Novo:

"The two main theories advanced by geologists for the origin of that massive gold deposit do not explain the enormity of that deposit. The two prevailing mainstream ideas about the origin of the Witwatersrand are the following:

- *A palaeoplacer process or fossilized placer deposit i.e. the unconsolidated deposits originally formed at the surface by running water then later buried to sufficient depth to lithify the sediment into solid sedimentary rock. Original placer mineralization was formed by gravity separation during a sedimentary process before they were buried to become a palaeoplacer deposit; and*

- *A hydrothermal process in which gold was introduced into the conglomerate rocks by hot, gold-bearing fluids long after they were deposited by streams and rivers.*

However, these theories do not satisfactorily explain the deposition of so much gold in one place. Neither known examples on earth explained by either process comes even close to the enormous size of the Witwatersrand Deposit.

Furthermore, gold particles typically found in the Wits are very fine grained, often less than 0.05mm in diameter. Small particles such as that would be dispersed in a high-energy stream environment, rather than being consolidated as they are in that famous South African deposit."

Observations by Dr. Henningh in lab work noticed thin layers of carbonaceous material that hosts high grades of gold in thin reefs known as leaders. Given the very small particles of gold hosted within this carbon material, the theory is that the Witwatersrand Deposit may have logically been a precipitation event in which huge amounts of gold were drawn out of the water by the layers of carbon at the bottom of a shallow, relatively tranquil sea.

Comparisons with Project Areas

Dr. Henningh stated that until recently, not many geologists would have believed that the Pilbara would likely host any gold deposit let alone a major one similar in some characteristics to the Witwatersrand Deposit.

He noticed that the rocks of the Hamersley Basin share many similarities with those of the Witwatersrand Basin. Studies done on drill core from Novo's Beatons Creek Conglomerate Gold Project in the Pilbara generated two observations relating to the style of mineralisation.

The first was that small amounts of gersdorffite (a nickle arsenic sulphide) are sometimes present in these gold bearing conglomerates and secondly, detrital particles of carbonaceous material (kerogen) were recovered with U bearing minerals commonly rim these particles.

The presence of kerogen and gersdorffite is ubiquitous in gold ores from the Witwatersrand Basin in South Africa.

More than 1.6 billion ounces of gold have been mined from the conglomerate beds (gold reefs) of the Witwatersrand Basin (worth approximately 3 trillion USD today). This equates to approximately half of all the gold mined throughout history.

Despite not being identical, there are strong similarities in the geological developments of the Witwatersrand Basin/Kaapvaal Craton and Hamersley Basin/Pilbara Craton (Figure 8.2).

The Archaean granite-greenstone basement is similar in age and composition in both areas, although older greenstone sequences also occur in the east of the Pilbara Craton.

In both regions, the greenstone belts host numerous small mesothermal (vein-hosted/lode-type) gold deposits formed prior to deposition of the Witwatersrand and Hamersley Basin successions (e.g. Frimmel et al., 2005; Huston et al., 2002a).

Previous workers (e.g. Nelson et al., 1999; Thorne and Trendall, 2001) have noted similarities in the composition and tectonic setting of the Ventersdorp Supergroup (Witwatersrand Basin) and Fortescue group (Hamersley basin). Both sequences contain voluminous basaltic andesite lavas interspersed with terrestrial to shallow marine sedimentary rocks and lesser felsic volcanics and/or high-level intrusions.

Commonly described as continental flood basalts, the mafic lavas were more likely emplaced in continental rift settings (Thorne and Trendall, 2001; Frimmel et al., 2005). Although the Fortescue succession is up to 50 million years older than the Ventersdorp Supergroup both were deposited after protracted depositional hiatuses (>100 m.y.), during which compressional deformation, metamorphism and exhumation of older rocks occurred.

Furthermore, deposition of the Fortescue Group and Ventersdorp Supergroup sequences were both followed by major marine transgression events, involving deposition of thick sequences of chemical sediments (carbonate, banded iron formation) and lesser marine clastics (i.e. Cluniespoort Group, Kaapvaal Craton and Hamersley Group, Pilbara Craton, Figure 8.2).

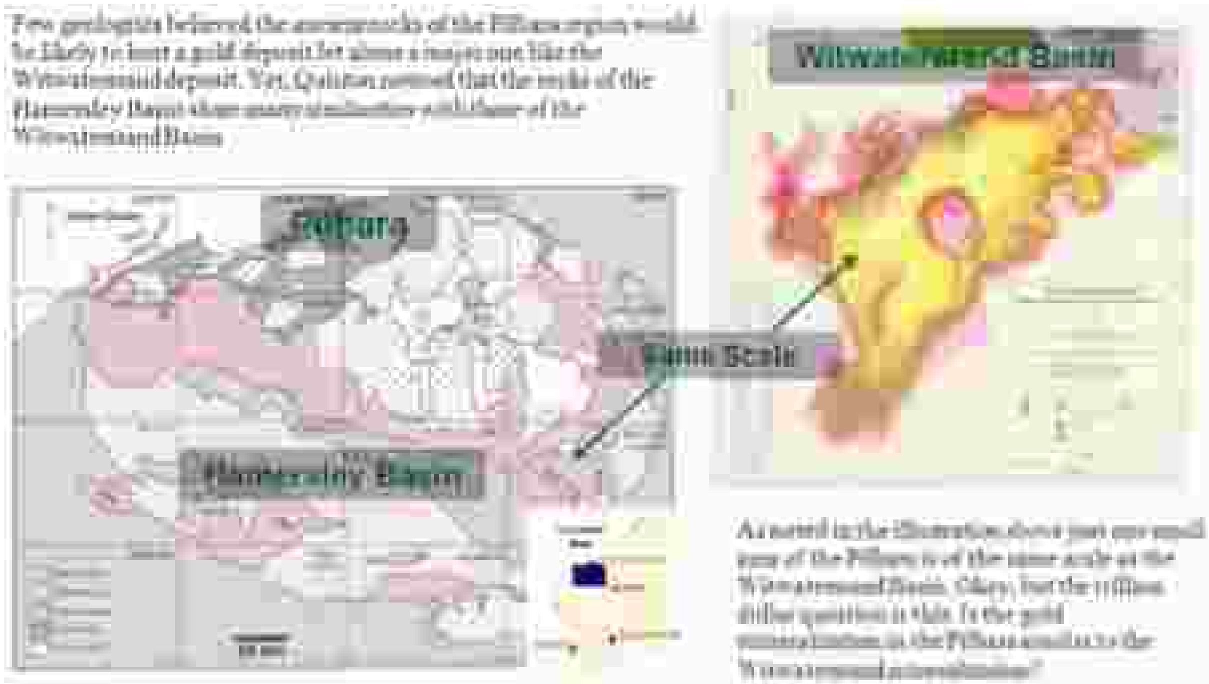

Figure 8.2: Comparisons between the Witwatersrand and the Pilbara (Henningh 2014)

Exploration

As the Issuer is in the process of recently taking ownership of the four Project Areas from the Pilbara Gold Group, as at the date of the Pilbara Gold Technical Report, there has been no recent exploration work done by the Issuer.

Exploration by all previous explorers has been detailed under the History section noted above.

Mineralization

Detailed mapping, rock chip, soil and stream sediment sampling were undertaken in 2008 across the Beatons Creek Gold Project and also within the historical BC Iron Limited tenement E46/524 an area which now is covered by E46/1215 (Merhi 2009). Mapping was completed by Shango Solutions (Handley 2009, independent consultants).

Mapping of the Beatons Creek Gold Project resulted in a stratigraphic subdivision of the Beatons Creek Member. The stratigraphic subdivision was also used to map the Beatons Creek Member which outcrops within E46/1215.

Therefore, there is a direct correlation between the units in the mine stratigraphy and outcropping Beatons Creek Member within E46/1215.

A combination of stream sediment and rock chip sampling and mapping identifies horizons of economic interest such as sub-unit BC6, which contains the previously mined historical units A and B from the Beatons Creek Deposit.

The western portion of the Beaton's Creek Formation within E46/1215 is characterised by an approximate 50m thick conglomerate succession comprising lower small cobble (SC) to large cobble (LC) conglomerates overlain by very large pebble (VLP) to SC conglomerates.

Mineralisation increases upwards in the succession and is best developed in two laterally extensive cobble horizons containing scattered boulders. The lower cobble boulder horizons are potentially the stratigraphic equivalents of the A and B Horizons at the Beatons Creek Project tenure.

A review by Tim Blake (2019) of E46/1215 clearly defined two prospective and extensive unconformities within E46/1215. These gold prospective unconformities appear to be poorly tested by previous explorers.

Further exploration is now required to assess the unconformities by detailed mapping, rock chip sampling and most importantly, soil sampling. The target will be auriferous conglomerates that may have developed along the unconformities.

Pacton's Impact 5 tenement is located approximately 17km northwest of Novo's Beatons Creek project and lies on the western edge of the Hardey formation plateau and is contiguous with the Beatons River Project's E46/1280. Pacton has stated that they have established a stratigraphic equivalency between the exposed Impact 5 western plateau edge and the productive stratigraphy at Beatons Creek (Pacton, 2020).

Moreover, the Hardey formation within the Impact 5 tenement is intensely fractured with steep dipping faults and multiple networks of low displacement shears that collectively form a pervasive fracture network. The initial Impact 5 exploration program will consist of surface prospecting along the Hardey plateau's western edge and along dissected drainages.

A specific 70m thick stratigraphic interval will be investigated on the basis that it is interpreted to correlate with the Beatons Creek gold-bearing stratigraphy. Additionally, the intense fracture network will be sampled on surface, in drainages and along the western Hardey plateau edge (Pacton, 2020).

Previous mapping and geochemical sampling within the southern margins of E46/1215 have delineated an area with elevated gold and prospective outcropping conglomerate units with a direct correlation to the mineralised conglomerate units within the Beaton's Creek Gold Project. Historical diamond exploration sampling has also shown the presence of visual gold within the tenure area.

The source of this alluvial gold is yet to be explained.

Beatons River Project Area Geochemistry

The Beatons River tenements are surrounded and covered by a significant amount of historical geochemistry data including rock chips, stream sediments and bulk stream sediments completed by exploration companies, largely in the pursuit of uranium, gold and diamond mineralisation (Figure 9.1).

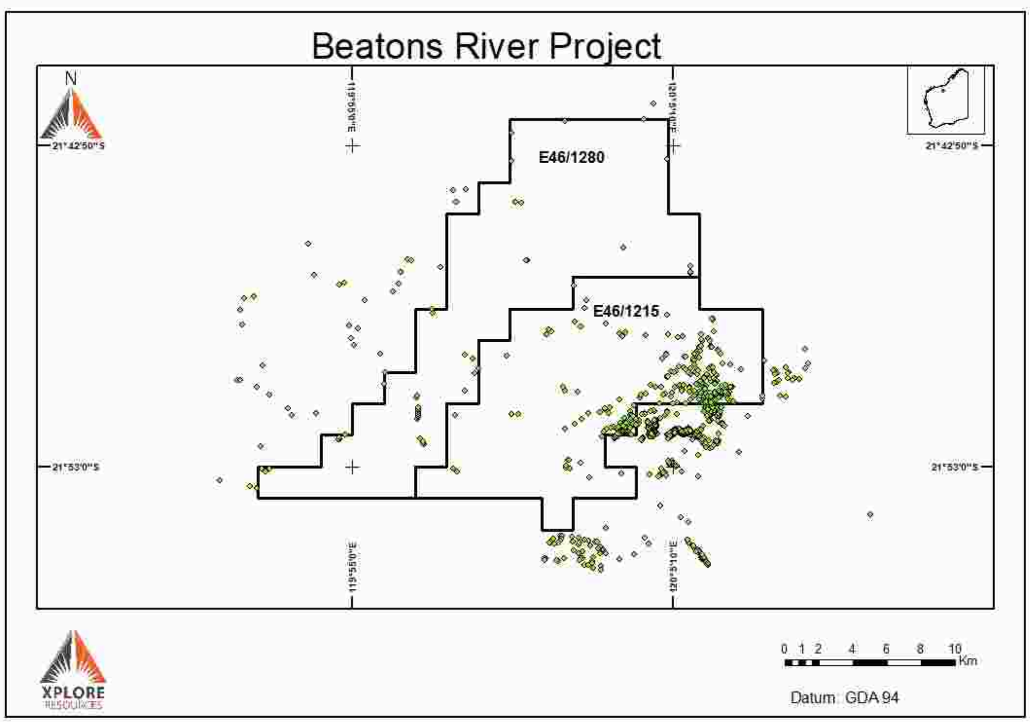

Figure 9.1: Beatons River Tenure showing Regional Historical Company Surface Sample Geochemistry Samples (Government of Western Australia, 2019a)

Figure 9.2 summarizes gold results that were the by-product of a major diamond exploration effort by several companies including Randolph Resources Pty Ltd., Perilya Mines N. L., Alkane Exploration Ltd., Ocean Resources Pty Ltd. and West Australian Metals N. L. during 1987 to 1997. The gold was visual gold only and the samples were never assayed for gold.

Various types of material were sampled during the diamond exploration programs including hand-collected loam, stream sediment, minor rock samples and bulk stream sediment samples which were collected by machine. Hand-collected stream sediment and loam samples ranged in weight from 15–70+ kg.

The bulk stream sediment samples each comprised about 12m^3 of sediment that were concentrated in the field to about 100–200 kg each. Field samples were processed in diamond laboratories to the smallest heavy mineral concentrates practically possible.

All or part of each concentrate was observed for diamonds, diamond indicator minerals and other heavy minerals. Gold, being a heavy mineral, was found in many of the exploration stream sediment samples.

Gold was recorded either as “trace” or as individual grains, mostly in the less than 0.5mm size fractions. The gold recovered represents a very small part of each sample but cannot be quantified accurately as a percentage. Results should be interpreted as either gold present or gold not present.

The gold recovered represents a very small part of each sample but cannot be quantified accurately as a percentage. Results should be interpreted as either gold present or gold not present (Blake 2018).

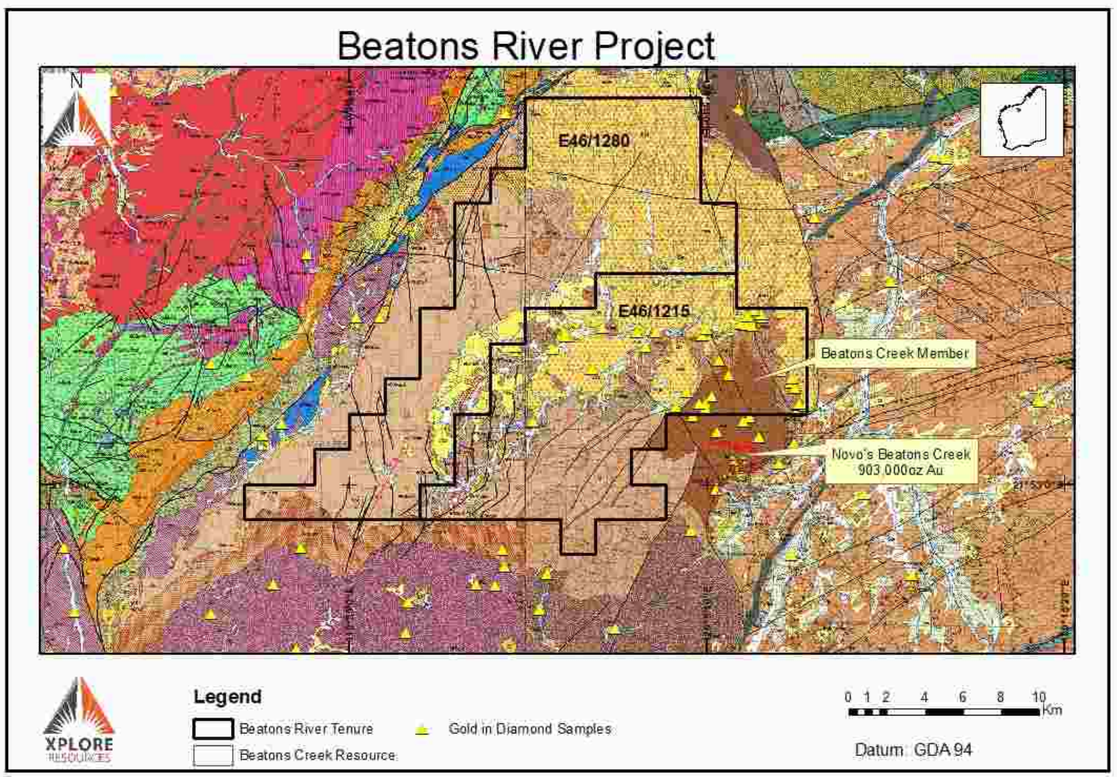

Figure 9.2: Visible Gold recovered in historical, diamond sample programs

Figure 9.3 shows the locations of diamond heavy mineral samples within E46/1215 and E46/1280 and surrounding areas.

Many gold occurrences are associated spatially with the Beatons Creek Conglomerate and finer-grainer stratigraphic equivalents.

There are other gold occurrences northwest and north of the Beatons Creek Conglomerate and finer-grainer stratigraphic equivalents and the origin of this gold is unknown.

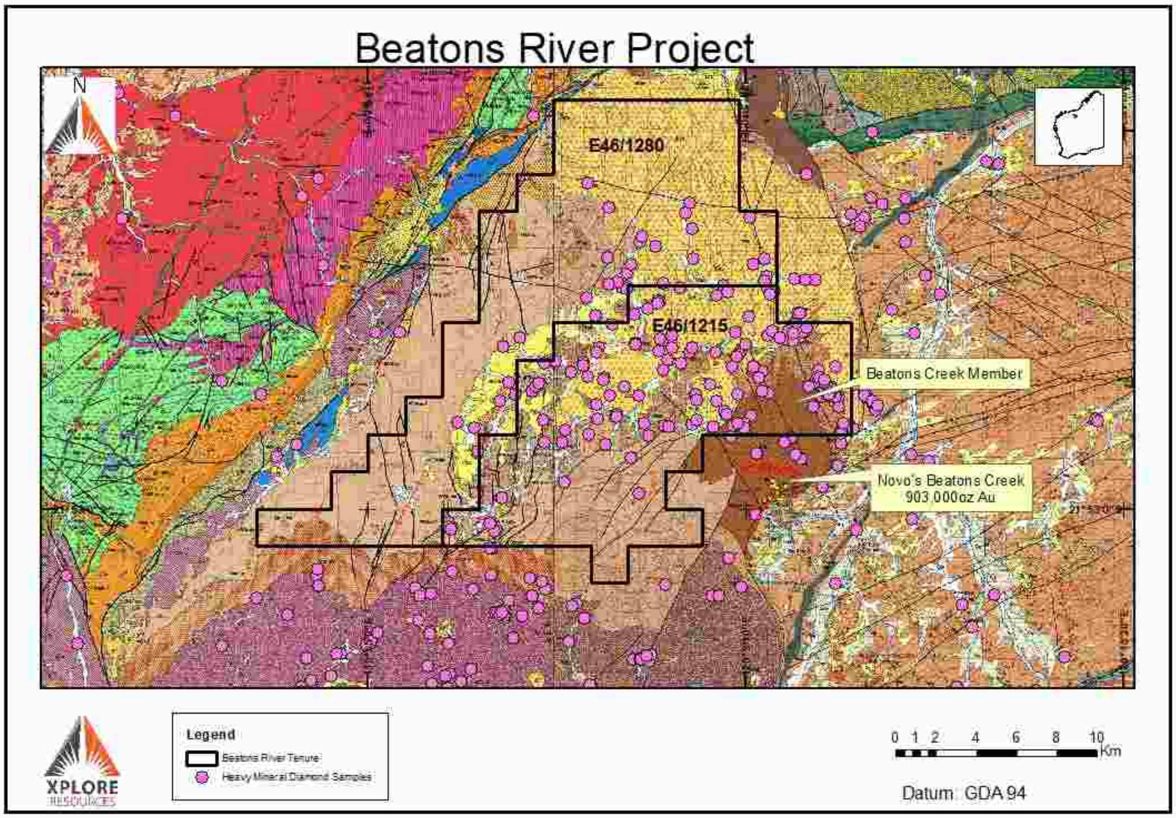

Figure 9.3: Heavy mineral samples taken for diamond exploration

BC Iron Pty Ltd. / Vaalbara JV undertook stream sediment sampling and rock chip within historical tenement E46/524 during 2007-2008. A total of 6 BLEG ("bulk leach extractable gold") samples, 386 stream sediment samples and 104 rock samples were collected throughout the tenement area which lies within the current tenement of E46/1215.

Some of these samples were collected over the outcropping Beatons Creek Conglomerate. The BLEG and stream sediment sampling identified significant gold anomalism with peaks of 1637ppb Au in the southwest and central southern portion of the Beatons Creek Member. Scattered gold anomalism was also reported throughout the remainder of the Beatons Creek Member (Figure 9.4).

As part of the Vaalbara JV detailed mapping and rock chip sampling was undertaken over the outcropping Beatons Creek Conglomerate area above.

Mapping utilised 1:10 000 and 1:20 000 aerial photographs and resulted in the definition of a stratigraphic subdivision of the Beatons Creek Member.

A total of 42 rock chip samples were taken across the area and analysed for major and trace elements, including gold.

Combination of the analytical results with the mapping identifies horizons of economic interest such as sub-unit BC6, which contains the previously mined A and B Horizons. Best rock chip assay was 1.24g/t Au. Above back-ground concentrations of As, Bi, Sb, Se and Te are also encountered from the rock chip sampling.

These need to be investigated further.

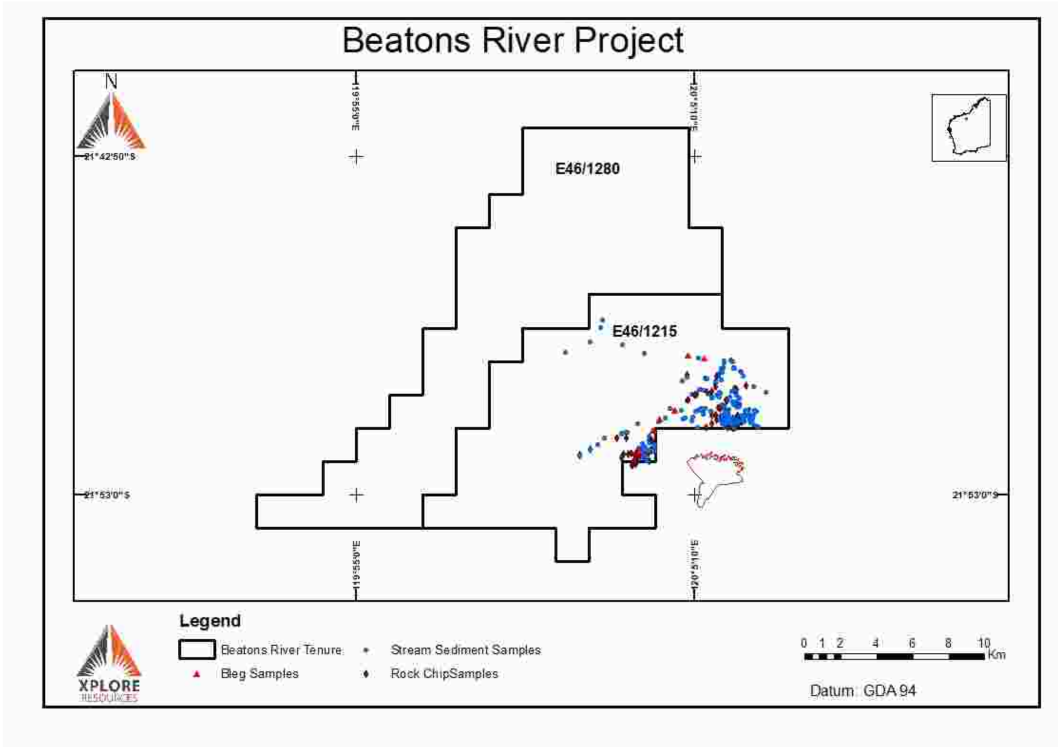

Figure 9.4: Beatons River Surface samples by Vaalbara JV

Beatons River Project Geophysics

Most of the project area is covered by sediments of the Hardy Formation and shows little geophysical signature. There is a NW trending dolerite dyke cutting through E46/1215 into E46/1280.

There is a magnetic high that occupies approximately the top half of E46/1280 and has base metal mineral occurrences (MINDEX) rimming the margins of the magnetic high. These mineral occurrences have been recorded in MINDEX as mostly copper with minor zinc. There is no drilling data in the Government database.

The underlying geology of this portion of E46/1280 is the Bamboo Creek Member of the Hardy Formation. The Bamboo Creek Member consists of Rhyolite, rhyodacite and dacite in flows and subvolcanic intrusions; alkali feldspar and quartz phenocrysts; volcanic breccia, welded ignimbrite, with accretionary lapilli; resedimented pyroclastic deposits.

The geology however does not explain the magnetic high and further investigation is warranted.

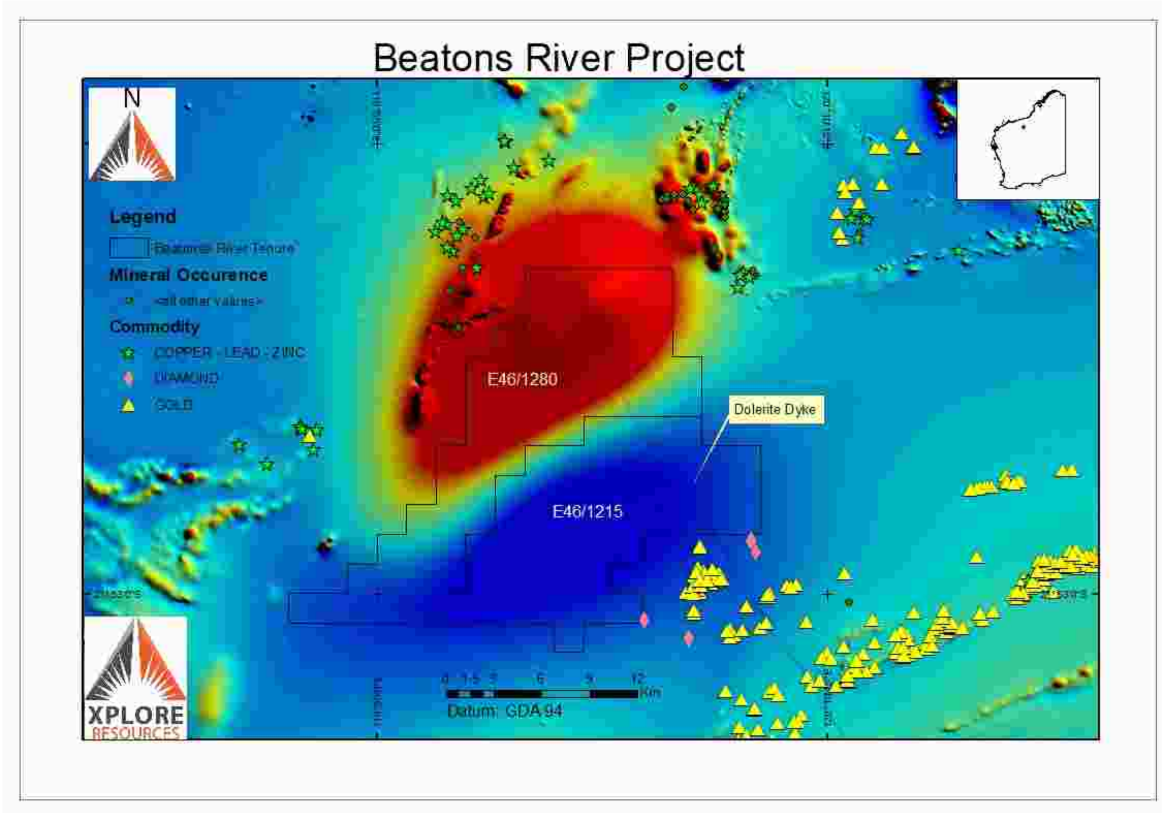

Figure 9.13: Magnetics over Beatons River showing MINDEX mineral occurrences

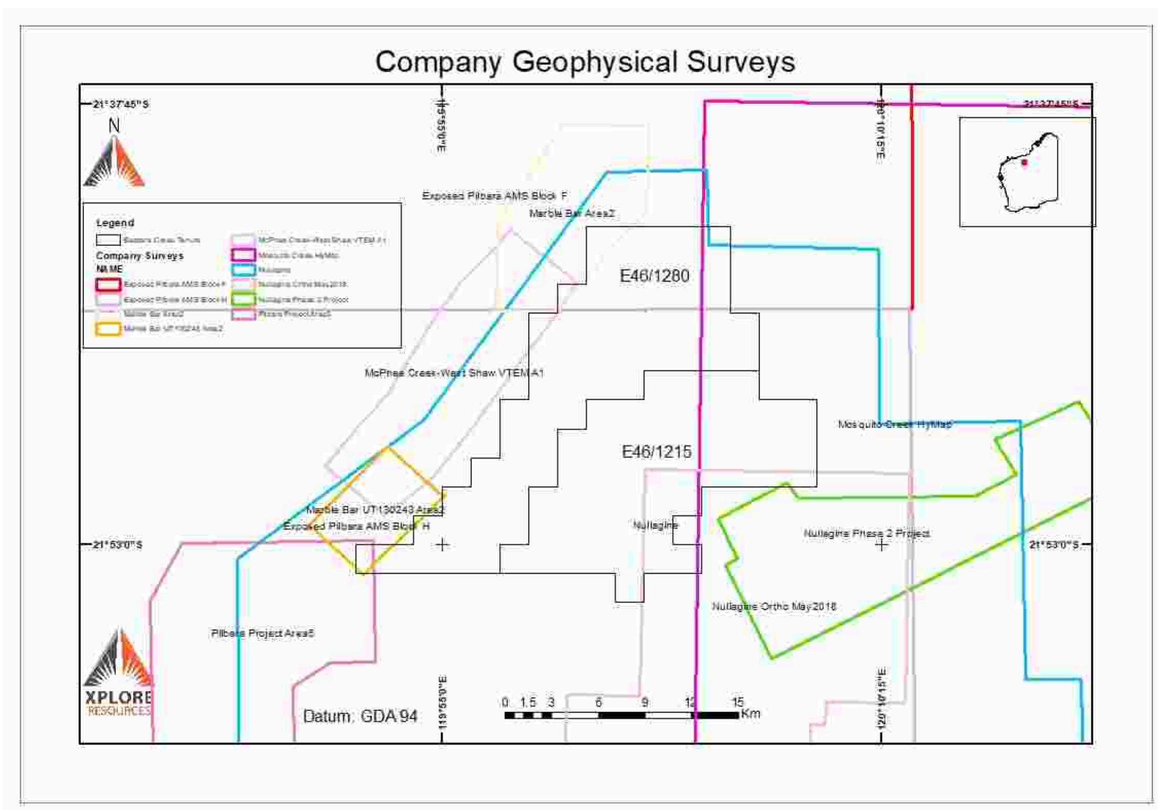

Figure 9.14: Company geophysical surveys over Beatons River tenure (E46/1215-1280)
(Government of Western Australia, 2020)

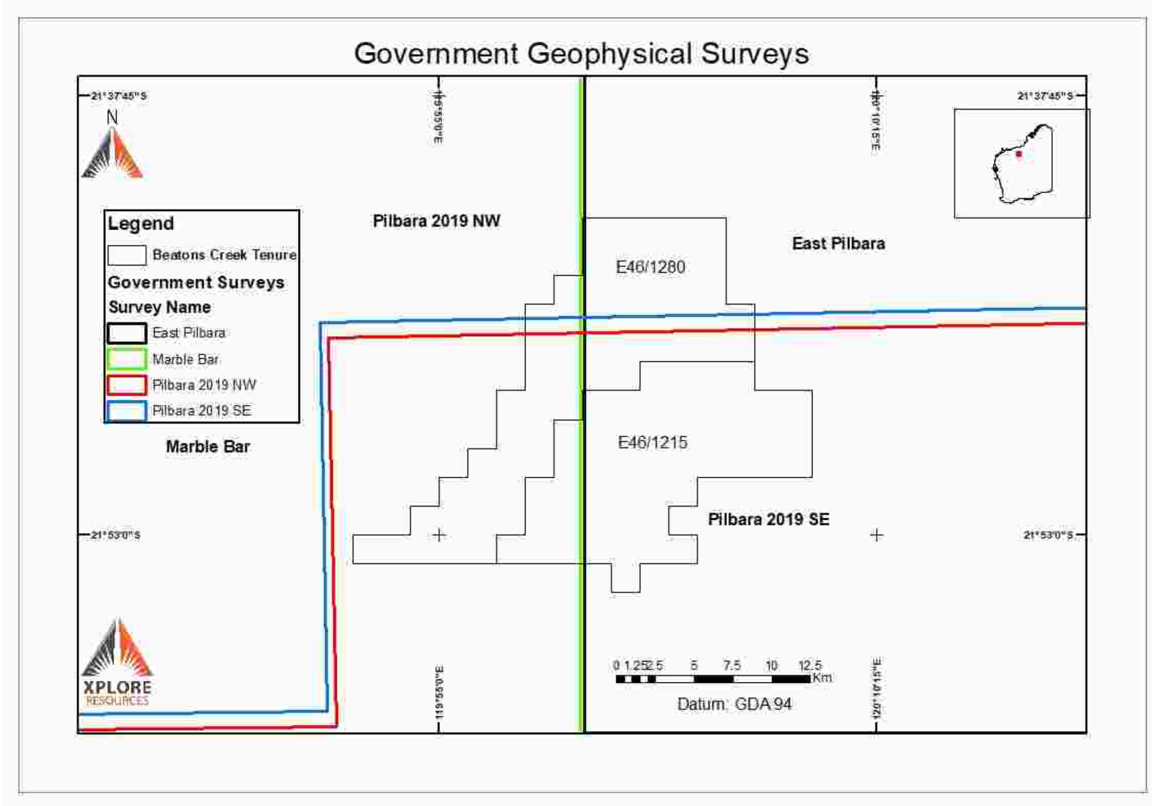

Figure 9.15: Government geophysical surveys over the Beatons River Tenure (E46/1215-1280) (Government of Western Australia, 2020)

Table 9.5: Company Geophysical Surveys that are crossing the Beatons River Tenure (Government of Western Australia, 2020)

Name	Status	Custodian	Methods	Size_Km	Release	Company	Contractor
Exposed Pilbara AMS Block F	multi - client	Western Geospectral	MSS	-9999	1/01/2100	Stockdale Prospecting Ltd	Kevron
Exposed Pilbara AMS Block H	multi - client	Western Geospectral	MSS	-9999	1/01/2100	Stockdale Prospecting Ltd	Kevron
Nullagine Phase 2 Project	multi - client	UTS Geophysics	MAG RAD DEM	5686	1/01/2100	Wedgetail Exploration NL	UTS Geophysics
Mosquito Creek HyMap	open file	GSWA	HSS	1620	3/10/2011	Northwest Resources Ltd	HyVista Corporation Pty Ltd
Nullagine Ortho May2018	confidential	Novo Resources Corp	ORT DEM	-9999	19/06/2023	Novo Resources Corp	Aerometrex
Pilbara Project Area5	confidential	Vaalbara Resources Pty Ltd	MAG RAD DEM	3469	24/11/2023	Vaalbara Resources Pty Ltd	MAGSPEC Airborne Surveys

Name	Status	Custodian	Methods	Size_Km	Release	Company	Contractor
McPhee Creek-West Shaw VTEM A1	confidential	Atlas Iron Limited	AEM MAG DEM	120	17/03/2024	Atlas Iron Limited	UTS Geophysics
Nullagine	open file	GSWA	MAG RAD	18600	31/08/2017	Alkane Exploration NL	Kevron
Marble Bar Area2	open file	GSWA	MAG RAD DEM	1665	19/09/2017	Atlas Iron Limited	UTS Geophysics
Marble Bar UT130243 Area2	open file	GSWA	MAG RAD DEM	668	21/09/2018	Atlas Iron Pty Ltd	UTS Geophysics

Table 9.6: Government Geophysical Surveys that are crossing the Beatons River Tenure (Government of Western Australia, 2020)

Name	Status	Custodian	Methods	Sizekm²	Release	Company	Contractor
Marble Bar	government	Geoscience Australia	MAG RAD DEM	44690	1/10/1996	Geoscience Australia	Australian Geological Survey Organisation
East Pilbara	government	Geoscience Australia	MAG RAD DEM	33500	10/12/1996	Geoscience Australia/GSWA	Kevron
Pilbara 2019 NW	open file	GSWA	GRA DEM	58573	4/07/2019	GSWA	Sander Geophysics Limited
Pilbara 2019 SE	open file	GSWA	GRA DEM	11172	4/07/2019	GSWA	Sander Geophysics Limited

Drilling

Beatons River Project Area Drillholes

There has been limited drilling within the current tenure (Figure 10.1) with many holes drilled to the east and south of the tenure on known gold deposits such as Beatons Creek and Millennium Minerals Nullagine Project.

In 1984 Australis Mining NL drilled two stratigraphic diamond holes BD-1 (319m) and BD-2 (700m) targeting placer gold mineralisation in the Hardey Formation which was thought to be derived from the auriferous Mosquito Creek Formation, the mid-fan facies being the prime exploration target similar to gold mineralisation at Beatons Creek (Proximal fan). However no significant gold mineralisation was intersected.

During 2015 Nullagine Gold Pty Ltd. drilled five Reverse Circulation drill holes (BC15-01 to BC15-05) exploring for auriferous conglomerates similar to the Beatons Creek Conglomerate, holes were drilled to a maximum depth of 126m in dead tenement E46/524 currently covered by E46/1215, no significant gold results were returned.

However, the holes were drilled to the west of the outcropping Beatons Creek Conglomerate within E46/1215. One diamond drill hole 09BCID-1 was drilled on the southern edge of the current E46/1215 (92.6m) targeting conglomeratic gold mineralisation like Beatons Creek mineralisation.

No significant results were recorded. Although pyritic conglomerates were intersected. The hole may not have been deep enough and further interpretation of the stratigraphy intersected is recommended.

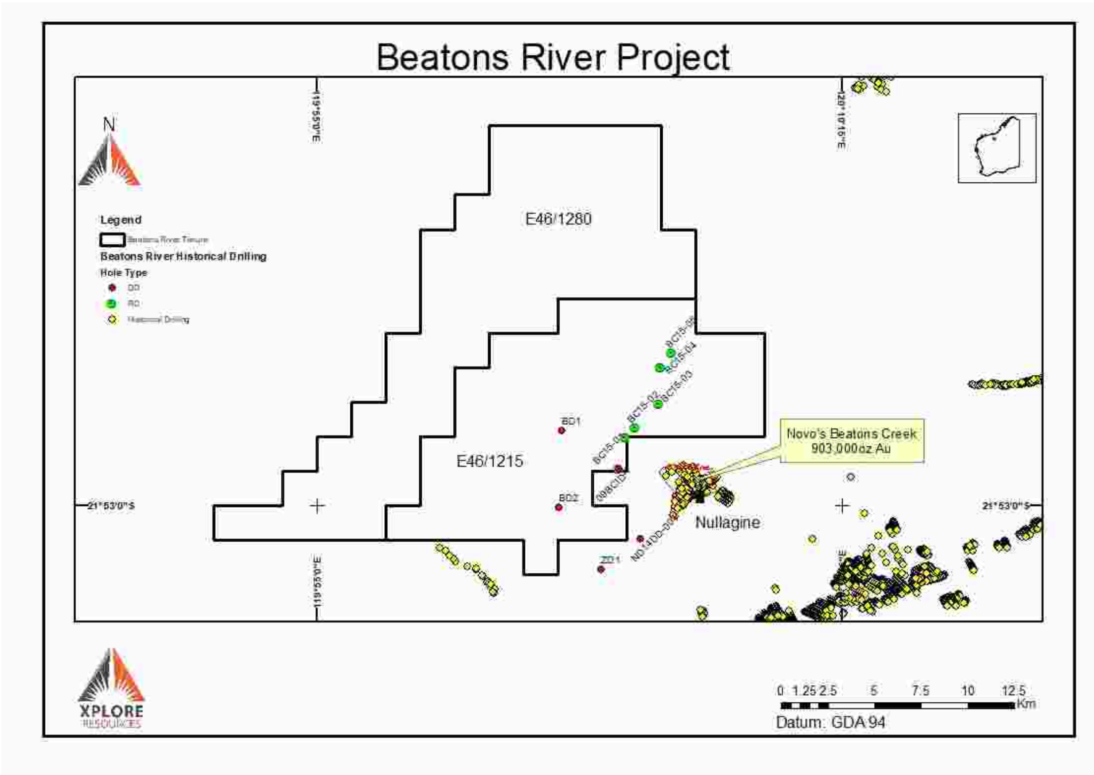

Figure 10.1: Drill Hole Location Beatons River Tenure and surrounds

Sample Preparation, Analyses and Security

This section details the methods used in sample preparation, analyses and security. As the new holder of the Property Package, the Issuer has not had an opportunity yet to take their own samples such as stream sediment, rock chip, soil, costean or drilling samples.

Costeaning is the process by which miners seek to discover metallic lodes. It consists in sinking small pits through the superficial deposits to the solid rock, and then driving from one pit to another across the direction of the vein, in such manner as to cross all the veins between the two pits.

As for all of the historical sampling that was done by other, unrelated companies over the years, there is little to no information recorded on how sample preparation, analyses and security were executed during the period of their own respective sampling and reporting.

To put this in a proper context, some background on the methods used in Australian States and Territories by each respective Mines Department on the recording and storage of historical, exploration data is warranted here.

In the case for all the respective State and Territory Mines Departments, there is mandatory, yearly reporting of all exploration activities conducted on every tenure whether it's mineral, coal or oil and gas.

This annual report data is submitted by each tenure holder and kept in a confidential status until that company relinquishes part or all of the tenement.

Once that data is off the confidential status, it becomes part of the public domain ("**Open File Data**") and can be accessed, viewed and downloaded via each Mines Department's digital portal by any interested party.

Since the digital age of reporting came into effect more or less in the late 90s, all records were submitted electronically but prior to that, all records were submitted via hard copy. In order to have all data readily accessible in digital format, all the hard copy data had to be digitised.

As a result of this digitisation process, some older, hard copy records from the 1950s to the 1980s were in very poor condition and coupled with the inevitable misplacement and loss of physical data in a few cases, the available Open File Data is not quite 100% complete.

Furthermore, given the cyclical boom and bust periods throughout the last 50 years in the Australian exploration and mining industries, the amount of data submitted yearly can vary significantly and during boom times, Mines Departments have struggled to vet each and every submission into their respective systems.

As a consequence of this, some companies inadvertently did not submit all of their exploration data. This only has significance where sample data was assayed but the original lab data was not submitted and/or there were samples assayed but not recorded at all.

Where this has relevance in sample data preparation, analyses and security is the fact that in general mineral exploration reporting throughout Australia, including Western Australia, it is not compulsory to describe these three topics in any detail within the confines of regular annual reporting.

Consequently, the comprehensive research and checking that has been done for the compilation of the Pilbara Gold Technical Report has found very little record of how these three topics were covered by each of the historic tenure holders.

It is a recommendation from the Pilbara Gold Technical Report that the Pilbara Gold Group ensure that they not only meet their statutory obligations in reporting once they commence exploration work but also keep detailed records on sample preparation, analyses and security.

This will ensure future technical reporting, especially for public release, will comply with industry standards for the reporting of sampling techniques and security.

Data Verification

As previously stated, the Issuer has not had an opportunity yet to take their own samples such as stream sediment, rock chip, soil, costean or drilling samples.

The data verification process involved in the compilation of the Pilbara Gold Technical Report was solely based on the interrogation of all publicly available Open File Data from historical records pertaining to the companies who have held tenure intersecting or in close proximity to the current Property Package now held by the Pilbara Gold Group.

Data verification involves the checking of all relevant quantitative and qualitative records associated with historical exploration programs. The type of data to be verified includes:

- Assay data – preferably from an independent, certified analytical laboratory where acknowledged and accredited QA/QS is performed.

- Locational data – co-ordinate data from either surveyed location and/or locations recorded by GPS or DGPS (Differential Global Positioning by Satellite).

- Lineal, areal or 3D measurements – this includes the measurement downhole by the sampling in intervals from drilling data e.g. a record of 3.5m @ 6.7g/t Au or an aerial measurement pertaining to a two dimensional area e.g. 1.5 square kilometres or a 3D measurement such as a volume or mass recorded in cubic metres and/or metric tons (tonnes) respectively.

- Orientation or directional data – this usually pertains to drilling where such parameters as dip, dip direction or azimuth and geotechnical data measured and recorded from oriented diamond drilling core.

- Qualitative data – this task is performed by reviewing the relevance of the descriptions and interpretations recorded in relation to the data highlighted or promoted by previous tenure holders.

Adjectives such as *significant, highly significant, high, very high, anomalous, very anomalous* and terms like *up to* and *as high as* can be sometimes misleading or even unwarranted and may need to be rephrased to better represent the significance of individual or group results or even the overall prospectivity of a project.

The workload for the task of data verification was delegated to experienced, senior geologists, each with 30+ years' experience, to do the data validation of each respective tenement.

This process involved checking each individual statement of assay results pertaining to exploration sampling carried out on historical tenure that either intersected or was in close proximity to the current tenure and cross referencing those reported assay results against recorded assay result data from an independent, certified analytical laboratory.

Wherever possible, historical sampling data with co-ordinates and assay data and any other descriptive data was uploaded to GIS software, in this exercise MapInfo was utilised, after the data had been validated by a senior geologist.

Subsequent maps and plans (or cross sections, long sections) are then generated for validation as well as the general interpretation of each plot of data and its relevance to the overall understanding of the mineralisation and geology of the areas of interest explored.

Mineral Processing and Metallurgical Testing

As there are no resources or reserves within any of the four Project Areas, there is no data to be included in this section. However, the Beatons River Project Area has the potential to host conglomerate gold mineralisation in the same style and form as that currently being mined from the neighbouring Beatons Creek Gold Project held by Novo.

The other three Project Areas do not have enough data to warrant any discussion until more is known about the type of mineralisation and metallurgical properties of mineralisation styles.

Therefore, it would be appropriate to briefly discuss the Mineral Processing and Metallurgical Testing work that has been done to date on the Beatons Creek Gold Project by Novo.

The following excerpts are from Novo's 2019 NI 43-101 Report entitled *"Mineral Resources Update, Beatons Creek Conglomerate Gold Project, Pilbara Region, Western Australia"*:

"A significant quantity of gold recovery test work exists on Beatons Creek oxide material but it is difficult to collate the data into a single congruent dataset with comparable recovery results due to the various different test methods (Arrowsmith, Parker and Dominy, 2019). A typical overall recovery would be 94.6% with a gravity recovery of about 67.3% for the pre 2018 bulk sample results".

"The initial 42 results are encouraging and support the historical test data. The weighted average overall gold recovered to the gravity concentrate and leached from the gravity tail was 97.3%, with 58.3% recovered to the gravity concentrate."

"Petrographic and mineralogical analyses completed on samples of fresh drill core provide insight into the gold size, mineral association and deportment (Arrowsmith, Parker and Dominy, 2019). Key findings of the mineralogical analyses that provide some confidence that high gold extractions can be achieved from the Beatons Creek fresh mineralisation are:

- *Gold is present mainly as native gold from 1 μm to 1,000 μm in size.*
- *A significant proportion of the gold reports to the +150 μm fraction (high gravity recovery can be expected).*
- *The majority of the gold is liberated (free milling) and high leach recovery can be expected."*

"Mineralogical assessments of the Beatons Creek fresh mineralisation showed a strong association with gersdorffite, a nickel arsenic sulphide, as well as gold associated with chalcopyrite and grains of carbon. The six HQ diamond drill holes that have been used for metallurgical test work are located at Grants Hill (M1 and M2 reefs) and South Hill (CH1 and CH2 reefs) (Arrowsmith, Parker and Dominy, 2019)."

"All intersections are in fresh (sulphide) mineralisation within the open pit shell. Samples were selected from drill core stored in trays by identifying the true reef width based on buck shot pyrite geological markers (gold is associated with detrital pyrite (2mm to 65mm in diameter) resulting in true reef widths of 0.57m to 1.68m."

"A minimum mining width of 1m was applied and a minimum sample interval length of 1m was selected for those samples with a true reef width <1m. In addition, internal dilution from below the footwall and above the hanging wall was included in the selected interval length."

"Each set of three reef intersections were then blended to form four master composites (for each reef: M1, M2, CH1 and CH2) for recovery test work ranging from 50.6 kg to 66.5 kg. The following test work was undertaken:

- *Head grade of master composite;*
- *Three-stage GRG test work (on master composite);*
- *Kinetic leach testing (on tails); and*
- *Diagnostic testing (on tails)."*

*"Comminution test work shows that the Beatons Creek fresh material is competent with an average Bond ball mill work index for Grants Hill of 18.8 kWh/t. SMC test data indicates that the Beatons Creek fresh mineralisation is moderately competent with an average A*b of 47.8 and a range of 38.0 (hard) to 56.6 (soft)."*

"Test work also shows that the Beatons Creek fresh mineralisation is abrasive with an average of 0.26 (similar to the oxide material). The weighted average head grade for the M1 and M2 composites were 5.46g/t Au and 4.35g/t Au respectively, which compares well to the assayed head grade of 5.39g/t Au for M1 and 4.85g/t Au for M2."

"Geochemical analysis on the Grants Hill composites indicates elevated levels (levels greater than three times the geochemical abundance index) of arsenic, mercury and antimony. Size by assay results indicate that the majority of the gold is in the +150 µm fraction, with 87.3% and 87.9% of the gold in the M1 and M2 composites residing in the coarsest fraction."

"The kinetic leach results for the Grants Hill composites indicates relatively fast leach kinetics with a minor impact of grind size on leach extraction. The average 24 hour leach extraction for all six tests (regardless of grind size) was 93.3%.

The results indicate a slight reduction in the gold concentration in solution over the leach profile and therefore the potential for pre-robbing cannot be ruled out."

"The diagnostic leach data on the gravity tails for the two Grants Hill composites indicates that the majority of the gold is cyanide soluble with 80% and 87.2% extracted at a low cyanide concentration for M1 and M2 composites respectively."

"Additional gold was extracted under more intense cyanidation suggesting that overall recovery from cyanidation for these two composites could be as high as to 92% to 93%. The remainder of the gold sample was not readily cyanide recoverable due to it being occluded, locked in silicates, refractory or sulphide solid solution gold."

Mineral Resource Estimates

There have been no mineral reserve and/or mineral resource estimates done for any of the four Project Areas.

However, Mineral Resource Estimates for the neighbouring deposits to the Beatons River Project Area, namely Novo's Beatons Creek Gold Project, Pacton Gold's Impact 5 Gold Project and Millennium Minerals' Nullagine Gold Project are included as follows:

Beatons River Project Area – Adjacent Properties

The Beatons Creek Gold Project, near the town of Nullagine in Western Australia, is one of Novo Pilbara Palaeoplacer gold projects and is directly adjacent to the Beatons River Project tenements discussed in the Pilbara Gold Technical Report.

At Beatons Creek, Novo is exploring for gold-bearing conglomerates within the Hardey Formation, part of the Fortescue Group, a thick sequence of ancient sedimentary and volcanic rocks. Historic mines near the town of Nullagine exploited pyritic gold-bearing reefs as early as the late 1800's. Otherwise, the area has seen only limited modern exploration.

Through a 100% interest in certain tenements and a joint venture agreement with the Creasy Group on others (70% Novo, 30% Creasy Group), Novo is undertaking systematic exploration for gold-bearing reefs across this approximately 160 square kilometre project, employing large diameter diamond drilling, 50 kg costean sampling and approximately 2 tonne bulk sampling to progress resource definition work.

An updated Mineral Resource estimate for the Beatons Creek gold project has resulted in an Indicated Mineral Resource of 457,000 oz Au and an Inferred Mineral Resource of 446,000 oz Au for a total 903,000oz Au at 2.53g/t Au (Novo 2019, Table 15.1).

Table 15.1: Total Mineral Resources open pit and underground

Classification	Cut-off Grade (g/t Au)	Tonnes	Grade (g/t Au)	Ounces Troy Au
Indicated	0.50	6,645,000	2.1	457,000
Inferred	0.50, 3.5	4,295,000	3.2	446,000

Source: Novo Resources Corp NI 43-101 Technical Report 2019

The Nullagine Gold Project of Millennium Minerals is in the Pilbara region of Western Australia, approximately 185km north of Newman. Gold production from the Nullagine Project is sourced from six mining centres established over a +40km strike length.

The project is approximately 10km south from the Beatons River Project.

The Nullagine Project deposits are structurally controlled, sediment-hosted, lode-style gold deposits. They are all situated in the Mosquito Creek Basin that consists predominantly of Archean aged, turbidite sequences of sandstones, siltstones, shales and conglomerates.

The mineralisation was interpreted on cross-sections and modelled in three-dimensions using a 0.5g/t Au cut-off grade for open pits and a 2.0g/t Au cut-off grade for mineralisation that is planned to be mined using underground methods (Millennium 2018).

Following the implementation of a new mining strategy and aggressive exploration campaigns throughout 2017 and 2018, gold production has increased from an historical average of approximately 80,000 ounces per annum to a current production run-rate of 90 -100,000 ounces per annum.

Production from Nullagine has traditionally been sourced from open pits, however mining commenced at the Issuer's first-ever underground mine at Bartons in late 2018 and a second underground mine was scheduled to be developed at Golden Gate in late 2019.

Exploration is focused on delivering higher-grade ore sources that will increase head grade and reduce operating costs Ore is processed at the 2Mtpa Golden Eagle CIL ore treatment plant, with the ore delivered from multiple ore sources to a 150,000 tonne capacity stockpile where a front end loader re-handles the ore into a ROM (run-of-mine) crusher feed bin.

Separate smaller stockpiles account for varying material hardness and grade, allowing for blending and process optimisation. A two-stage expansion of the Golden Eagle plant is currently underway to accommodate the treatment of sulphide ore.

Table 15.2: December 2018 Mineral Resource Estimate by Resource Category
(Source Millennium Minerals (ASX: MOY)

Mineral Resource Category	Million Tonnes	Grade (g/t Au)	Thousand Ounces
Measured	5.69	1.6	287.6
Indicated	9.19	1.5	461.6
Inferred	7.97	1.6	410
Total	**22.85**	**1.6**	**1,159.1**

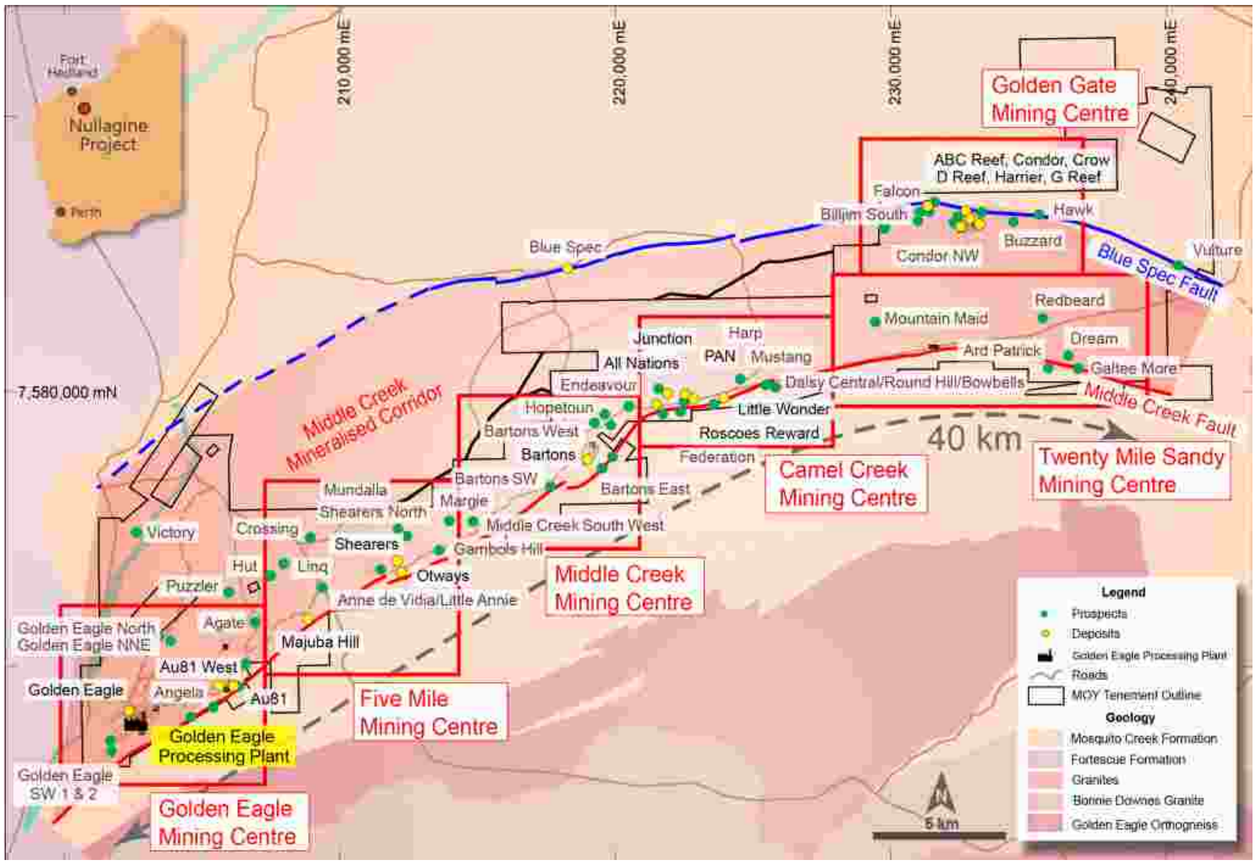

Figure 15.1: Millennium Minerals Operations Nullagine

Pacton Gold has acquired approximately 1,126km² of strategic conglomerate hosting exploration properties in the Pilbara. Their total land portfolio has now increased to approximately 2,227km², which equates to approximately an 18.6% increase in holdings when compared to the size of Novo's land holdings, of approximately 12,000km².

Previous exploration indicates at least 90km of prospective Fortescue Group conglomerates occurring at or near-surface on its granted licenses, to the west and east of Marble Bar as well as close to the Beatons Creek gold deposit (Novo) near Nullagine.

Pacton's Impact 5 tenement is located approximately 17km northwest of Novo's Beatons Creek project and lies on the western edge of the Hardey formation plateau and is contiguous with the Beatons River Project's E46/1280 (Figure 15.2).

Pacton has stated that they have established a stratigraphic equivalency between the exposed Impact 5 western plateau edge and the productive stratigraphy at Beatons Creek.

Moreover, the Hardey Formation within the Impact 5 tenement is intensely fractured with steep dipping faults and multiple networks of low displacement shears that collectively form a pervasive fracture network. The initial Impact 5 exploration program will consist of surface prospecting along the Hardey plateau's western edge and along dissected drainages.

A specific 70m thick stratigraphic interval will be investigated on the basis that it is interpreted to correlate with the Beatons Creek gold-bearing stratigraphy. Additionally, the intense fracture network will be sampled on surface, in drainages and along the western Hardey plateau edge.

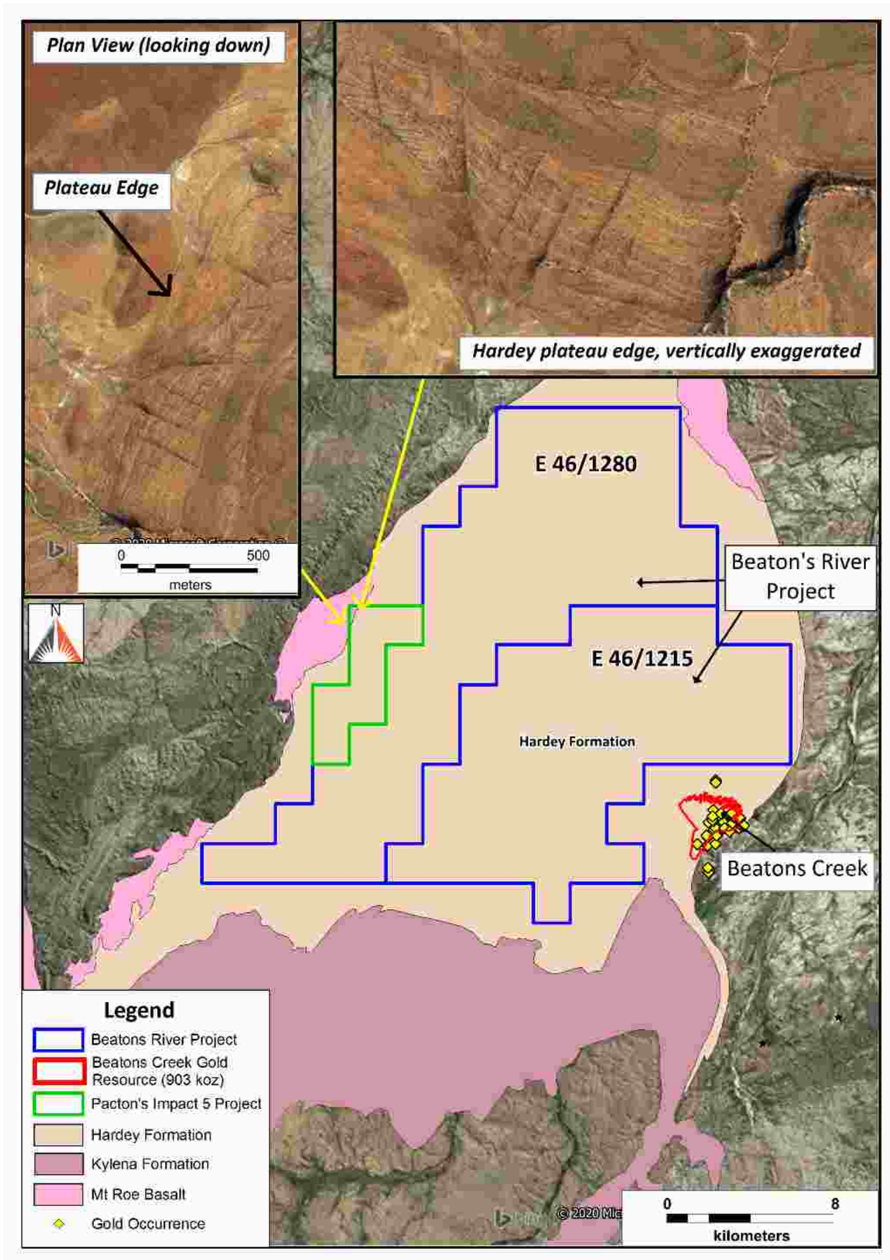

Figure 15.2: Pacton Gold Impact 5 Tenure adjoining Beatons River's E46/1280

The global demand for gold continues to grow buoyed on by a strong gold price (circa $1935 USD/oz as at late August, 2020). Nullagine is part of the Pilbara premier gold province and has attracted many junior exploration companies including several Canadian-based companies. There are three listed companies working near the Beatons River Project:

• Novo Group (TSX-V: NVO);
• Pacton Gold (TSX-V:PAC); and
• Millennium Minerals (ASX: MOY).

Table 15.3: Novo Resources Group (TSX-V: NVO), Key ASX Announcements

Key Announcements	Key Points	Date
Novo Signs Binding Terms Sheet with Mark Creasy and Consolidates 2,900km² of Prospective Pilbara Tenure	acquisition of Creasy Group's residual interest in 20 tenements acquisition of 100% ownership in 55 tenements acquisition of a 70% interest in 3 tenements	15-Jun-2020
Encouraging results Beatons Creek fines	Testing of sub-6mm fractions of Beatons Creek conglomerate gold mineralization has yielded results exceeding our expectations	09-April-2020
Mechanical Sorting Tests Result in Significant Upgrades at Novo's Beatons Creek Project	has recently conducted laboratory-scale mechanical sorting tests on Beaton's Creek bulk sample material	29-Jan-2020
announce it is planning mechanical sorting test work on multi-tonne samples of gold-bearing conglomerate from its Beatons Creek project	Mechanical sorting of small particles of gold is seen as a potentially important breakthrough for Novo and its various nuggety gold projects throughout its large land holdings across the Pilbara.	26-Nov-2019
environmental approvals for mining the Beatons Creek conglomerate gold project	have been granted. Additionally, the final mining lease required to complete the Project, M46/532, has now been granted. All necessary tenure and Native Title agreements are now in place.	14-May-2019
Novo - Beatons Creek - NI43-101 2019	updated Mineral Resource estimate, Indicated Mineral Resource of 457,000 oz Au and an Inferred Mineral Resource of 446,000 oz Au	13-May-2019

Table 15.4: Pacton Gold (TVX-V: PAC), Key ASX Announcements

Key Announcements	Key Points	Date
Finalized initial 2019 exploration plans for three of its Pilbara orogenic and conglomerate gold projects in Western Australia.	Nullagine (Beaton's Creek) area Hardey formation conglomerate and fracture sampling. Most of tenements also contain the unconformably overlying, horizontal Fortescue Group gold-bearing Mount Roe and Hardey conglomerates.	24 Jan 2019
Pacton Gold Becomes 3rd Largest Land Holder in Australia's Pilbara Gold Rush and Significantly Expands its Gold-Bearing Conglomerate Portfolio	Acquisition of ~1,126km² of strategic conglomerate hosting exploration properties. Pilbara total land portfolio now increased to approximately 2,227km². Equates to ~18.6% increase in holdings when compared to the size of Novo Resources Corp. (TSXV: NVO) land holdings, of approximately 12,000km².	22 May 2018

Table 15.5: Millennium Minerals (ASX: MOY), Key ASX Announcements

Key Announcements	Key Points	Date
Millennium Minerals Delisted from ASX	ASX has decided that the company will be removed from the official list of the ASX Limited.	26-May-2020
Outstanding new high grade drill results at Golden Gate	Confirm the potential for next underground mine Results include D Reef 16m@7.06g/t Au ABC Reef 10m@5.06g/t AU	29-Jan-2020
Mill on track to develop major new high grade mining operation at Golden Gate	Mine development set to commence Q2 2019 Underpinning a strong uplift in head grade at Nullagine	06-March2019
More outstanding high grade drill results from Golden Gate	Mine development imminent Results include 10m@9.84g/t Au 5m@18.82g/t Au	17-April-2019
First gold delivered from sulphide ore at Nullagine	Stage 1 sulphide plant expansion delivers first gold production	26-June-2020

Exploration and Development

The Issuer is acquiring an inventory of early stage exploration projects located in the Pilbara District of Western Australia. The first phase of exploration will involve historical data review followed by field visits to select properties. The field visit will outline and define target areas for field sampling and mapping. Pending results of the first phase, an initial drill program of select targets will be undertaken to test the extent of any potential mineralization identified in the field.

Other Relevant Data and Information

Due to the COVID-19 pandemic occurring during the compilation of the Pilbara Gold Technical Report, the lead author was not able to travel interstate from Queensland to Western Australia due to state and federal travel restrictions in Australia.

As a consequence of this, Xplore Resources managed to engage a Western Australian based Geologist, whom can act as a Qualified Person to complete site visit under the instructions and guidelines set out by the lead author.

In August 2020, Bryan Bourke, Resource Consultant Geologist and Nicholas Hoad, Field Assistant, carried out a five-day field reconnaissance of seven (7) tenements located in the East Pilbara region of Western Australia. An excerpt from their report is reproduced in part below.

Five tenements, Nortia – E46/1277, Fortuna – E46/1278, Tyche – E45/5304 and Beatons River E46/1215 and E46/1280 are located to the east and immediately adjacent to the Nullagine town site.

Two tenements are located to the NW of the Marble Bar town site, Cuprite East – E45/4918 and Cuprite West – E45/5028, are located about 60km to the NW of Marble Bar.

The reconnaissance involved visiting and traversing in part the tenements, establishing the mapped geology and locating access routes into each of the areas.

The field reconnaissance of the project tenements was carried out from the 7th to the 11th August 2020 primarily to locate access to each of the areas, confirm the regional geology and record any sites of any previous exploration activity or areas of prospectivity.

Table 16.1: Tenement Schedule for Pilbara Tenements

Tenement Nos.	Project Name	Date Applied	Date Granted	Expiry Date	Area (Blocks)	Area (Hectares-approx.)	Tenement Ownership
E46/1277	Nortia	17/07/2018	10/3/2020	9/3/2025	19	5,510	Pilbara Gold Group Pty Ltd
E46/1278	Fortuna	17/07/2018	6/7/2020	5/7/2025	18	5,202	Pilbara Gold Group Pty Ltd
E45/5304	Tyche	17/07/2018	5/3/2020	4/3/2025	6	1,734	Pilbara Gold Group Pty Ltd
E46/1215	Beatons River	18/10/2017	29/10/2018	28/10/2023	49	14,161	Great Sandy Pty Ltd
E46/1280	Beatons River	20/07/2017	28/07/2020	27/10/2025	56	16,184	Mineral Edge Pty Ltd
E45/4918	Cuprite East	1/5/2017	27/072020	26/07/2025	24	6,936	Great Sandy Pty Ltd
E45/5028	Cuprite West	3/10/2017	26/07/2020	26/07/2025	10	2,890	Great Sandy Pty Ltd

Beatons River, Nullagine – E46/1215 and E46/1280

The two tenements comprising the Beatons River Project, E64/1215 and E46/1280, are adjacent to each other and are located in close proximity to the Nullagine town site.

The Novo gold project tenements border tenement E46/1215 to the south.

Both the Beatons River tenements are granted and together comprise 105 Blocks or approximately 30,345 hectares. The Nullagine – Marble Bar road traverses through both tenements along their eastern boundaries however throughout the tenements there are very few access tracks.

The physiography of the tenements varies from rugged hills with dendritic drainage, flat alluvial plain areas and severely dissected plateau. The southern areas of the tenements which are of exploration interest fall into of the latter category of the dissected plateau.

The Novo Beatons Creek Gold Project has targeted the gold mineralisation with the Beatons Creek conglomerate member of the Hardey Sandstone Formation which is part of the Fortescue Group.

The geology of the two tenements comprises units of the Hardey Sandstone Formation with the northern part of the tenements comprising extensive areas of porphyritic rhyodacite of the Beaton Creek.

The only track located to access the tenements was an E-W orientated station track approximately 10km to the north of Nullagine off the Marble Bar road – 201355mE / 7585183mN.

This track was traversed for 10-12km across tenement E46/1215 however no evident tracks leading to the south of the tenement were located. A second traverse was undertaken within the Novo area in the south to gain access to the tenements, but the area is rugged and difficult to navigate.

The western tenement E46/1280 was not traversed during the field reconnaissance.

The QPs are not aware of any other relevant data, information or explanation that would make the Pilbara Gold Technical Report misleading.

Xplore Resources has completed the Pilbara Gold Technical Report based on the reliance upon data and information provided by the Pilbara Gold Group Pty Ltd, Mineral Edge Pty Ltd. and Great Sandy Pty Ltd. as well as Open File Data from the Western Australian Government's WAMEX (Western Australian Minerals Exploration) system and publicly available government and private research relevant to each of the project areas.

All sources of data and information were validated in as much detail as possible.

In addition, given that the Beatons River tenements are adjacent to Novo's Beatons Creek tenure and that the lithologies that host mineralisation continue into the Beatons River tenure, referrals/excerpts were taken from Novo's publicly available information, including their three NI 43 -101 reports on Beatons Creek dated 2103, 2015 and 2019.

Interpretation and Conclusions

Beatons River Project Area

Detailed mapping, rock chip, soil and stream sediment sampling were undertaken in 2008 across the Beatons Creek Gold Project and also within the historical BC Iron Limited tenement E46/524 an area which now is covered by E46/1215 (Merhi 2009). Mapping was completed by Shango Solutions (Handley 2009, independent consultants).

Mapping of the Beatons Creek Gold Project resulted in a stratigraphic subdivision of the Beatons Creek Member. The stratigraphic subdivision was also used to map the Beatons Creek Member which outcrops within E46/1215.

Therefore, there is a direct correlation between the units in the mine stratigraphy and outcropping Beatons Creek Member within E46/1215.

A combination of stream sediment and rock chip sampling and mapping identifies horizons of economic interest such as sub-unit BC6, which contains the previously mined historical units A and B from the Beatons Creek Deposit.

The western portion of the Beaton's Creek Formation within E46/1215 is characterised by an approximate 50m thick conglomerate succession comprising lower small cobble (SC) to large cobble (LC) conglomerates overlain by very large pebble (VLP) to SC conglomerates.

Mineralisation increases upwards in the succession and is best developed in two laterally extensive cobble horizons containing scattered boulders. The lower cobble boulder horizons are potentially the stratigraphic equivalents of the A and B Horizons at the Beatons Creek Project tenure.

Figure 17.1: Left Outcropping Boulder conglomerate mapped unit BC6, E46/1215 (Handley, 2009), Right-Outcropping Boulder conglomerate Beatons Creek (Novo, 2020)

Figure 17.2: Left- Oxidised Buckshot pyrite (black spots) E46/1215 (Handley, 2009), Right- Oxidised Buck shot pyrite Beatons Creek Project (Novo, 2020)

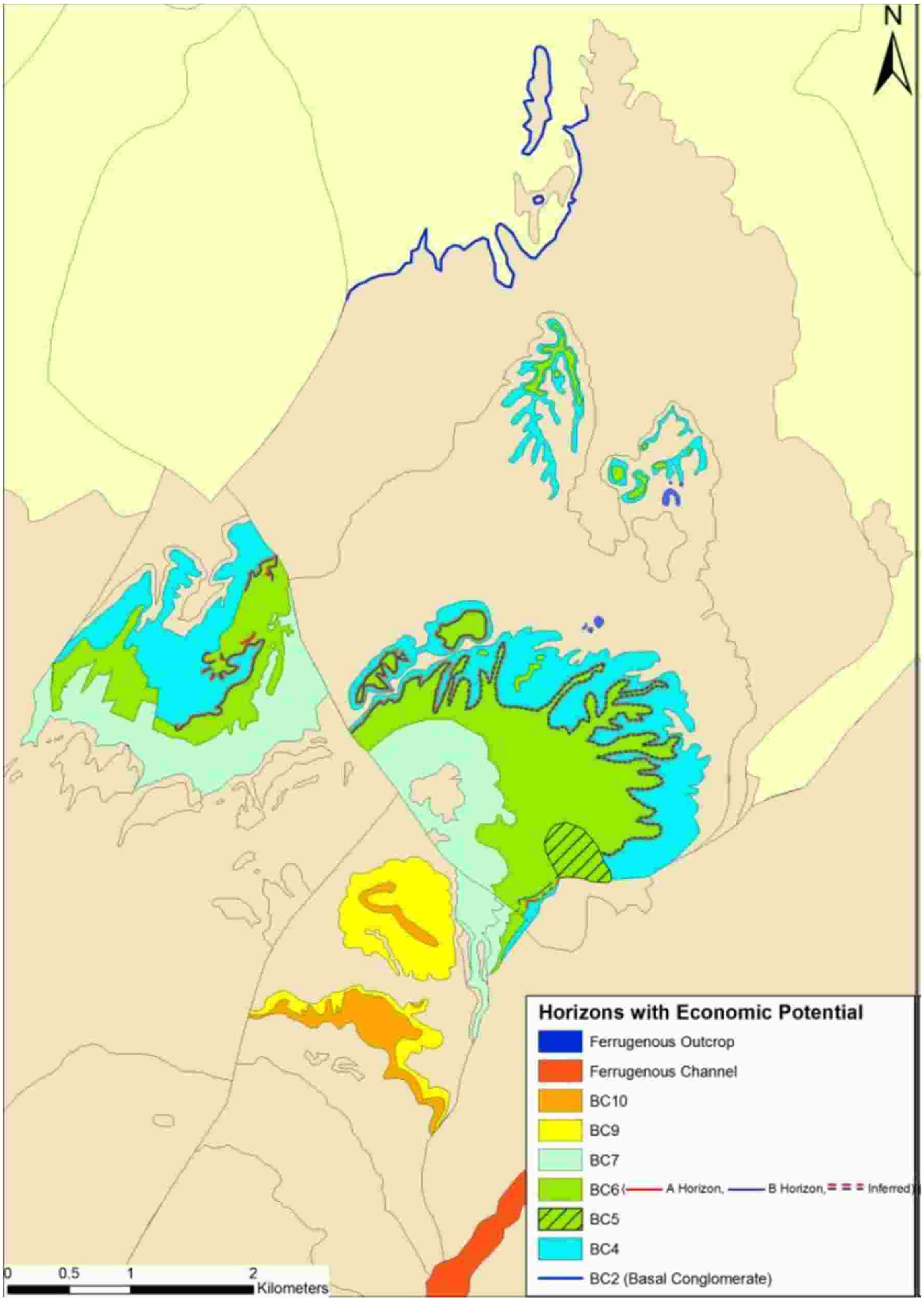

Figure 17.3: Mapping of Beatons Creek Member (Handley, 2009; Mehri, 2009) Modified by Xplore Resources

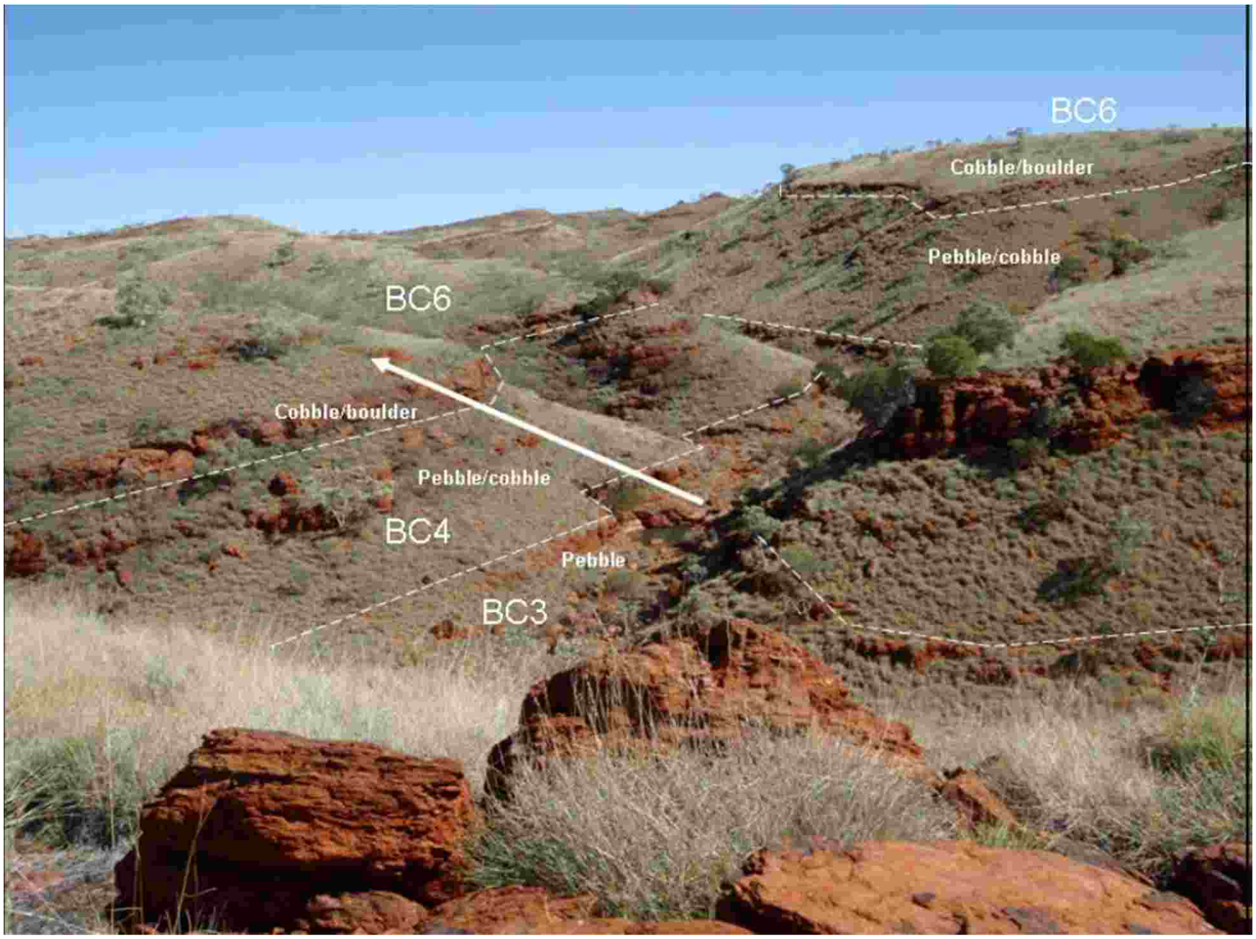

**Figure 17.4: Deeply incised creek on the western rim of the Wedgetail highlands.
Arrow indicates direction of upward coarsening E46/1215 (Handley 2009)**

A review by Tim Blake (2019) of E46/1215 clearly defined two prospective and extensive unconformities within E46/1215. These gold prospective unconformities appear to be poorly tested by previous explorers.

Further exploration is now required to assess the unconformities by mapping, rock sampling and most importantly, soil sampling. The target will be auriferous conglomerates that may have developed along the unconformities.

Pacton's Impact 5 tenement is located approximately 17km northwest of Novo's Beatons Creek project and lies on the western edge of the Hardey formation plateau and is contiguous with the Beatons River Project's E46/1280. Pacton has stated that they have established a stratigraphic equivalency between the exposed Impact 5 western plateau edge and the productive stratigraphy at Beatons Creek (Pacton, 2020).

Moreover, the Hardey formation within the Impact 5 tenement is intensely fractured with steep dipping faults and multiple networks of low displacement shears that collectively form a pervasive fracture network. The initial Impact 5 exploration program will consist of surface prospecting along the Hardey plateau's western edge and along dissected drainages.

A specific 70m thick stratigraphic interval will be investigated on the basis that it is interpreted to correlate with the Beatons Creek gold-bearing stratigraphy. Additionally, the intense fracture network will be sampled on surface, in drainages and along the western Hardey plateau edge (Pacton, 2020).

Previous mapping and geochemical sampling within the southern margins of E46/1215 have delineated an area with elevated gold and prospective outcropping conglomerate units with a direct correlation to the mineralised conglomerate units within the Beaton's Creek Gold Project. Historical diamond exploration sampling has also shown the presence of visual gold within the tenure area.

The source of this alluvial gold is yet to be explained.

Recommendations

The review of the available data suggests that the Beatons River Project tenure (E46/1215 and E46/1280) area is prospective for gold mineralisation.

In order to confirm the resource potential of the gold mineralisation, there are several key recommendations that should be adhered to:

1. A database should be constructed to host all boreholes and geochemical samples from within tenure and peer deposits, with as much data encoded into the database from a variety of sources (ASX reports, core shed data, Open File Data/publicly available reports, etc.).

2. A thorough review of earlier ASX announcements with cataloguing of all notable results from previous tenement holders should be added to the database.

3. All publicly available geophysical data (Open File Data and purchased) over the tenure should be reviewed to identify any exploration targets/focus areas within the tenure as this desktop study has primarily focused on gold, however other significant mineralisation has been noted within and near tenure.

4. All geophysical data should be reviewed and interpreted by a specialist consultant, familiar with the mineralisation style and local area.

5. Once the geophysical data should be reviewed and interpreted, further geophysical surveys should be considered to provide additional target information on the subsurface.

6. The near tenure drill core located in the Perth GSWA repository should be reviewed for lithology, key mineralisation target units as well as review the hy-logger scanner results of identified drillholes.

7. A site visit with the purpose of:

    a. Reconnaissance across the entire project for conglomerate outcrop;

    b. Investigation for outcrop over the areas of anomalous stream and rock chip geochemistry; and

    c. Surface sampling of any conglomerate, subcrop or float: rock chip, soil, etc;

8. Potential follow up with Aircore or RC drilling across anomalous corridors.

9. Potential follow up with Aircore, RC or Diamond core drilling when completing a more detailed assessment of anomalous drilling results and

10. In depth mapping of surface and drilling sampling results based on mineralisation targets.

<u>Exploration Budget</u>

The proposed exploration budget is generated to cover one year of exploration activities, with due consideration of the minimum expenditure commitments associated with each tenure. The exploration budget is summarized in Table 18.1 and is designed to be reviewed in conjunction with assumptions presented after the table.

Table 18.1 Proposed Budget covering the next year of activities for the Pilbara Gold project areas in Canadian Dollars

Item Number:	Proposed Exploration Activity	Estimated Cost (Cdn$)
1	Beatons River – Finalise review of data in order to plan specific target areas for exploration to commence.	$30,000
2	Beatons River – Commence exploration by field mapping, rock chip and stream sediment/soil sampling of specific target areas delineated in Item 1.	$60,000
3	Beatons River – Based on the results from Item 2, survey in the areas appropriate for drilling and/or costeaning (trenching).	$20,000
4	Beatons River – Drilling of 6 highest priority areas as defined from Item 3, approximately 150 m deep each for around 1000 m of RC drilling at an all up cost of Cdn$120 per metre drilled.	$120,000
5	Beatons River – Assaying, mineralogical and metallurgical testing and reporting of drilling and bulk samples.	$90,000
6	Beatons River – Final Interpretation and Reporting of Results with Recommendations for Year 2 Budget.	$56,000
7	Beatons River – Finalise review	$20,000
	Sub-Total – Beatons River	**$396,000**
8	Cuprite East and West, Fortuna, Tyche and Nortia - Finalise review of data in order to plan specific target areas for exploration to commence. Cdn$20,000 per area, with the exception of Cuprite East which is set at Cdn$24,000.	$104,000
	Sub-Total – Cuprite East and West, Fortuna, Tyche and Nortia	**$104,000**
	Grand Total	**$500,000**

The Issuer has expanded the budget provided in table 18.1. For information on this expanded budget, please refer to Section 4.3 - *Beatons River Property – Exploration Budget* on page 12 of this Listing Statement.

Assumptions to support the proposed exploration budget presented in Table 18.1:

1. Given that the Beatons River Project has the highest prospectivity and potential of the 4 Project Areas, the bulk of the first year's exploration budget, approximately 79%, will be spent on the Beatons River Project.

2. The proposed budget is designed to generate exploration results in the quickest possible time in order to maximise continual market interest in the projects.

3. A more detailed exploration programme for Beatons River is presented in Items 1 through to 7, with the anticipated time to complete Item 1 from date of approval to be approximately two weeks.

4. The anticipated time required to complete Item 2 for Beatons River, including incorporation of assay results from the initial sampling done in the field programme outlined in Item 2 would be approximately five to six weeks from the commencement of fieldwork activities onsite.

5. The logistics and set up lead time for the drilling in Item 4 for Beatons River would be mostly done in Item 3. The actual drilling time would be approximately seven to ten days, from when the drill rig has arrived onsite.

6. The costeaning or trenching stage in Item 5 could be executed in parallel to the drilling and would take approximately the same time as the drilling to complete.

7. The assaying, mineralogical and metallurgical testing and reporting stage of the drilling and bulk samples would take approximately three to five weeks depending on laboratory turn-around times and availability, once the samples have arrived at the certified testing laboratory.

8. The final interpretation and reporting of all the results, including the recommendations for year 2 budget, should be completed within approximately two to four weeks.

9. The balance of funds is then allocated to the other tenures at Cdn$20,000 per tenure, with the exception of the Cuprite East tenure which was higher at Cdn$24,000 in order to accommodate the minimum exploration tenure requirements on a per tenure basis.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 Annual Information

The following selected financial information is subject to the detailed information contained in the audited financial statements of the Issuer and notes thereto for the year ended June 30, 2020.

June 30, 2020 ($)	
Total assets	163,122
Total liabilities	132,564
Shareholders' equity	30,558
Total long-term debt	$Nil
Total revenue	$Nil
Net income/loss	(261,002)
Net loss per share (basic and diluted)	(0.08)
Common shares outstanding	8,816,051

5.2 Quarterly Information

Quarter Ended	Total Revenues $	Net Loss $	Loss per Share (Basic and Diluted) ($)
December 31, 2020	Nil	352,375	(0.02)
September 30, 2020	Nil	(1,519,197)	(0.10)
June 30, 2020	Nil	(48,147)	(0.02)
March 31, 2020	Nil	(55,476)	(0.02)
December 31, 2019	Nil	(58,591)	(0.02)
September 30, 2019	Nil	(98,788)	(0.03)
June 30, 2019	Nil	(642,081)	(0.22)
March 31, 2019	Nil	(142,217)	(0.05)

5.3 Dividends

There are no restrictions that could prevent the Issuer from paying dividends. The Issuer has not declared nor paid dividends on its common shares and, given the Issuer's stage of development, it has no present intention of paying, nor has it the ability to pay, dividends on its common shares.

5.4 Foreign GAAP

Not applicable.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

The Issuer's Management's Discussion and Analysis of the Issuer for the year ended June 30, 2020 is attached hereto as Appendix "B", and forms an integral part of this Listing Statement, and should be read in conjunction with the Issuer's financial statements and notes thereto for the corresponding time period.

7. MARKET FOR SECURITIES

The Issuer's common shares are currently listed on the CSE under the trading symbol, GRE.X. On June 4, 2020, the Issuer was designated an inactive issuer on the CSE.

8. CONSOLIDATED CAPITALIZATION

The following table summarizes the outstanding share capital as at the dates noted. There is no outstanding loan capital.

Description of Security	Number Authorized to be Issued	Outstanding as at June 30, 2020	Outstanding as at the date of this Listing Statement(1)
Common shares prior to the share issuances pursuant to the Acquisition Agreement	unlimited	8,816,051	22,413,065
Common shares issued pursuant to the Acquisition Agreement	unlimited	N/A	7,500,000(2)
Common shares issued pursuant to finder's fee in connection with Acquisition Agreement	unlimited	N/A	750,000(2)
Stock options	10% of issued and outstanding	Nil	2,100,000
Warrants	N/A	Nil	14,527,014

(1) As at the date of this Listing Statement, the Share Purchase Agreement is subject to completion of due diligence; including but not limited to: due diligence on the heritage agreements and tenement applications, satisfying the terms of closing in the Share Purchase Agreement and regulatory approval. The Issuer anticipates the timing of closing, if it occurs at all, will be subsequent to the Issuer's reactivation on the Exchange.

(2) The Acquisition Agreement was subject to the Issuer completing due diligence, including completion of the Pilbara Gold Technical Report and receiving applicable regulatory approvals. The Acquisition Agreement will close concurrently with the reactivation of the Issuer on the Exchange.

9. OPTIONS TO PURCHASE SECURITIES

As at the date of this Listing Statement, the following incentive stock options to purchase securities of the Issuer were outstanding:

Category of Option Holder	Number of Option Holders	Number of Stock Options	Exercise Price ($)	Grant Date	Expiry Date
Executive officers and past executive officers of the Issuer	2	750,000	0.66	August 21, 2020	August 21, 2025
Directors and past directors of the Issuer who are not noted in executive officers above	1	250,000	0.66	August 21, 2020	August 21, 2025
Consultants	8	1,100,000	0.66	August 21, 2020	August 21, 2025
TOTAL:		**2,100,000**			

Stock Option Plan

On October 28, 2020, the Board approved the adoption of a new stock option plan (the "**Plan**") and was subsequently approved by the shareholders of the Issuer at the annual general and special meeting of the Issuer held on December

29, 2020. The Plan is a 10% maximum rolling plan. Stock options granted under the Plan are not exercisable for a period longer than 10 years and the exercise price must be paid in full upon exercise of the stock options.

The Board is of the view that the Plan provides the Issuer with the flexibility to attract and maintain the services of directors, executives, employees and other service providers in compensation with other companies in the industry.

The Plan is subject to the following restrictions:

(a) The Issuer must not grant an option to a director, employee, consultant, or consultant company (the "**Service Provider**") in any 12-month period that exceeds 5% of the outstanding common shares of the Issuer, unless the Issuer has obtained approval by a majority of the Disinterested Shareholders (defined below) of the Issuer;

(b) The aggregate number of stock options granted to a Service Provider conducting investor relations activities in any 12 month period must not exceed 2% of the outstanding shares calculated at the date of the grant, without prior regulatory approval;

(c) The Issuer must not grant a stock option to a Consultant in any 12 month period that exceeds 2% of the outstanding shares calculated at the date of the grant of the stock option;

(d) The aggregate number of common shares reserved for issuance under stock options granted to Insiders (defined below) must not exceed 10% of the outstanding shares (in the event that the Plan is amended to reserve for issuance more than 10% of the outstanding shares) unless the Issuer has obtained Disinterested Shareholder Approval to do so;

(e) The number of optioned shares issued to Insiders in any 12 month period must not exceed 10% of the outstanding shares (in the event that the Plan is amended to reserve for issuance more than 10% of the outstanding shares) unless the Issuer has obtained Disinterested Shareholder Approval to do so;

(f) The issuance to any one Optionee within a 12 month period of a number of common shares must not exceed 5% of outstanding shares unless the Issuer has obtained Disinterested Shareholder Approval to do so;

(g) The terms of a stock option may not be amended once issued. If a stock option is cancelled prior to its expiry date, the Issuer must post notice of the cancellation and shall not grant new stock options to the same person until 30 days have elapsed from the date of cancellation; and

(h) The Issuer may implement such procedures and conditions as the Board deems appropriate with respect to withholding and remitting taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law.

Definitions

"**Disinterested Shareholder Approval**" means the approval by a majority of the votes cast by all shareholders of the Issuer at an annual meeting of the shareholders of the Issuer excluding votes attached to listed common shares beneficially owned by Insiders (defined below) of the Issuer and Associates (as defined in the British Columbia *Securities Act*) of Insiders.

An "**Insider**" is a director, or senior officer of the Issuer, a director or senior officer of a company that is an Insider or subsidiary of the Issuer, or a person that beneficially owns or controls, directly or indirectly, voting common shares carrying more than 10% of the voting rights attached to all outstanding voting common shares of the Issuer.

Material Terms of the Plan

The following is a summary of the material terms of the Plan:

(a) persons who are Service Providers to the Issuer or its affiliates, or who are providing services to the Issuer or its affiliates, are eligible to receive grants of stock options under the Plan;

(b) all stock options granted under the Plan expire on a date not later than 10 years after the issuance of such stock options. However, should the expiry date for a stock option fall within a trading Blackout Period (as defined in the Plan, generally meaning circumstances where sensitive negotiations or other like information is not yet public), within 9 business days following the expiration of a Blackout Period;

(c) for stock options granted to Service Providers, the Issuer must ensure that the proposed Optionee is a bona fide Service Provider of the Issuer or its affiliates;

(d) a stock option granted to any Service Provider will expire within 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the option), after the date the Optionee ceases to be employed by or provide services to the Issuer, but only to the extent that such option was vested at the date the Optionee ceased to be so employed by or to provide services to the Issuer;

(e) if an Optionee dies, any vested stock options held by him or her at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such stock options;

(f) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's stock options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;

(g) the Issuer must not grant stock options with an exercise price lower than the greater of the closing market prices of the underlying securities on (i) the trading day prior to the date of grant of the stock options; and (ii) the date of grant of the stock options;

(h) the terms of a stock option may not be amended once issued. If a stock option is cancelled prior to its expiry date, the Issuer must post notice of the cancellation and shall not grant new stock options to the same person until 30 days have elapsed from the date of cancellation;

(i) vesting of stock options shall be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Issuer or its affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Issuer or its affiliates during the vesting period; or (ii) the Service Provider remaining as a Director of the Issuer or its affiliates during the vesting period;

(j) in the event of a take over bid being made to the shareholders generally, immediately upon receipt of the notice of the take over bid, the Issuer shall notify each Optionee currently holding any stock options, of the full particulars of the take over bid, and all outstanding stock options may be immediately exercised in whole or in part by the Optionee, subject to vesting requirements and regulatory approval; and

(k) the Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Plan with respect to all Plan shares in respect of stock options which have not yet been granted under the Plan.

10. DESCRIPTION OF THE SECURITIES

10.1 Common Shares

The authorized capital of the Issuer consists of an unlimited number of common shares without par value. All common shares rank equally as to voting, and there are no special preference, conversion or redemption rights attached to any of the common shares.

As at the date of this Listing Statement, there were 22,413,065 common shares issued and outstanding. As at the date of reactivation of the Issuer on the Exchange, following the issuance of an aggregate of 8,250,000 common shares pursuant to the Acquisition Agreement, including the finder's fee of 750,000 common shares, there will be 30,663,065 common shares issued and outstanding. All of the issued common shares are/and will be fully paid and non-assessable.

The holders of common shares are entitled to receive notice of and attend all meetings of the shareholders of the Issuer and are entitled to one vote in respect of each common share held at such meetings. In the event of liquidation, dissolution or winding-up of the Issuer, the holders of common shares are entitled to share ratably the remaining assets of the Issuer.

The holders of the common shares will be entitled to receive, on a pro rata basis, such dividends on the common shares, if any, as and when declared by the Board of the Issuer, at its discretion from funds legally available therefore.

10.2 Debt securities

Debt securities will not be listed for trading on the Exchange.

10.4 Other securities

No securities other than the common shares of the Issuer will be listed for trading on the Exchange.

10.5 Modification of terms

All of the attributes of the common shares of the Issuer are disclosed in Section 10.1.

10.6 Other attributes

Other than as described under Section 10.1 above, there are no other rights attaching to the common shares of the Issuer.

10.7 Prior Sales

The following table lists the prices at which securities of the same class as the securities to be listed have been sold within the 12 months before the date of the Listing Statement, or are to be sold, by the Issuer or any Related Person and the number of securities of the class sold or to be sold at each price:

Date Issued(1)	Number of Common Shares	Issue Price Per Common Shares ($)	Aggregate Issue Price ($)	Reason for Issuance
June 12, 2020	6,000,000	0.10	600,000	Private Placement
August 17, 2020	13,000,000(2)	0.20	2,600,000	Private Placement
October 1, 2020	597,014(3)	0.5025	299,999	Private Placement
Issued on reactivation of the Issuer on the Exchange	7,500,000	0.20	1,500,000	Pilbara Gold Share Exchange Agreement
Issued on reactivation of the Issuer on the Exchange	750,000	0.20	150,000	Finder's Fee

(1) On April 30, 2019, the Issuer completed a 10:1 share consolidation of the issued and outstanding common shares and commenced trading on a consolidated basis on this date. There were no security issuances in the 2019 year.

(2) On August 17, 2020, the Issuer completed a non-brokered private placement of 13,000,000 units at a price of $0.20 per unit. Each unit consists of one common share and one transferable Warrant, with each Warrant exercisable to purchase one additional common share of the Issuer at a price of $0.35 per common share for a period of 3 years from the closing date, subject to an acceleration provision whereby if the Issuer's common shares close at or above $0.40 per share for more than 10 consecutive trading days at any time subsequent to four months and one day after the closing date, the holder will have 30 days to exercise or the Warrant will expire. Only the common shares of the Issuer are listed for trading on the CSE.

(3) On October 1, 2020, the Issuer completed a non-brokered private placement of 597,014 units at a price of $0.5025 per unit. Each unit consists of one common share and one transferable Warrant, with each Warrant exercisable to purchase one additional common share of the Issuer at a price of $0.75 per common share for a period of 3 years from the closing date. Only the common shares of the Issuer are listed for trading on the CSE.

10.8 Stock Exchange Price

The following table sets out the market price range and trading volumes of the common shares of the Issuer on the CSE for the periods indicated:

Period	High ($)	Low ($)	Volume
Quarter ended:			
March 31, 2019	0.090	0.25	953,742
June 30, 2019(2)(3)	1.35	0.040	308,185
September 30, 2019(3)	(3)	(3)	(3)
December 31, 2019(3)	(3)	(3)	(3)
March 31, 2020(3)	(3)	(3)	(3)
June 30, 2020(2)(3)(4)	(3)	(3)	(3)
September 30, 2020(2)(3)(4)	1.35	0.28	1,024,751
December 31, 2020(2)(3)(4)	0.95	0.215	1,838,767
January 31, 2021(2)(3)(4)	0.49	0.20	2,082,326
February 28, 2021(2)(3)(4)	0.245	0.185	2,262,141
March 1 to 11, 2021(2)(3)(4)	0.29	0.175	449,616

(1) On October 13, 2017, the Issuer commenced trading on the CSE under the symbol, GRE.

(2) On April 30, 2019, the Issuer completed a 10:1 share consolidation of the issued and outstanding common shares and commenced trading on a consolidated basis on this date.

(3) Following the news release dated June 26, 2019 where the Issuer announced the entering into of a definitive agreement with World Farms Corp., the Issuer's common shares were halted from trading in June 2019, pending completion of the transaction and on March 31, 2020, the Issuer announced the termination of the definitive agreement.

(4) Effective June 4, 2020, the Issuer became an inactive issuer and its trading symbol was changed to GRE.X, and the Issuer resumed trading.

11. ESCROWED SECURITIES

As at the date of this Listing Statement, there were no common shares subject to escrow outstanding.

12. PRINCIPAL SHAREHOLDERS

As at the date of this Listing Statement, and as at the date of reactivation of the Issuer on the Exchange, to the knowledge of the directors and executive officers of the Issuer, no persons beneficially owned or will beneficially own directly or indirectly, or exercise control or direction over, voting securities carrying more than 10% of the voting rights attached to the voting securities of the Issuer.

13 DIRECTORS AND OFFICERS

13.1 Particulars of Directors and Officers

As at the date of this Listing Statement, the directors and management of the Issuer consists of the following persons:

Name, Municipality of Residence, and Positions and Offices Held with the Issuer	Principal Occupation Within the Last 5 Years (1)	Number and Percentage of Securities of Each Class of Voting Securities of the Issuer Beneficially Owned or Controlled, or Directed, Directly or Indirectly(2)(3)
Adrian Hobkirk(5) Washington, USA *President, CEO and Director*	Business Executive; President and CEO of the Issuer, since April 2018. President, CEO and director of Lithium South Development Corporation (formerly NRG Metals Inc.), since October 2004; President, CEO and director of Gold Port Corporation (formerly Corsurex Resource Corp.) since November 2016.	603,000 (2.69%)(3) (1.97%)(4)
Teresa M. Cherry British Columbia, Canada *CFO, Corporate Secretary and Director*	Chartered Professional Accountant and Certified General Accountant; self-employed management consultant providing management and accounting consulting services to public companies since 2018, and accountant of a private company servicing junior public companies since 2009.	600,000(6) (2.68%)(3) (1.96%)(4)
Christopher P. Cherry(5) British Columbia, Canada *Director*	Chartered Professional Accountant and Chartered Accountant; self-employed management consultant providing management and accounting consulting services to public companies, since 2007.	600,000(7) (2.68%)(3) 1.96(%)(4)
William (Bill) Feyerabend(5) Prescott, Arizona, USA *Director*	Certified Professional Geologist since 2007.	Nil (0.00%)(3) (0.00%)(4)

(1) See Section 13.11 - *Management* for full biographies and occupation/employment history.

(2) Unless otherwise indicated, each Director and/or Officer has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years. The number of common shares beneficially owned by the above officers and directors, directly or indirectly, is based on information furnished by themselves.

(3) Percentage calculation based on 22,413,065 common shares issued and outstanding as at the date of this Listing Statement.

(4) Percentage calculation based on 30,663,065 common shares issued and outstanding as at the date of reactivation of the Issuer on the Exchange.

(5) Member of the Audit Committee of the Issuer.

(6) These common shares are held through CTC Consulting Ltd., a company owned and operated by Teresa M. Cherry.

(7) These common shares are held through Cherry Consulting Ltd., a company owned and operated by Christopher P. Cherry.

13.2 Terms of Office

Director	Positions	Period Served Since
Adrian Hobkirk	President, CEO, Director	April 4, 2018
Teresa M. Cherry	CFO, Director Corporate Secretary	March 5, 2018 September 30, 2018
Christopher P. Cherry	Director	April 4, 2018
William (Bill) Feyerabend	Director	November 10, 2020

The term of office of each of the current directors expires at the next annual general meeting of the shareholders of the Issuer. Each of the directors noted above will be re-elected as directors to hold office until the next annual meeting of shareholders or until their successors are appointed.

13.3 Directors and Officers Common Share Ownership

As at the date of this Listing Statement, and as at the date of reactivation of the Issuer on the Exchange, the directors and officers of the Issuer hold, and will hold, as a group, 1,803,000 common shares representing 8.0% of the issued and outstanding common shares of the Issuer as at date of this Listing Statement, and 5.8% thereof on the date of reactivation of the Issuer on the Exchange.

13.4 Board Committees of the Issuer

As at the date of this Listing Statement, the Issuer has an Audit Committee comprised of Adrian Hobkirk, Christopher P. Cherry (Audit Committee Chair) and William (Bill) Feyerabend. Adrian Hobkirk is an executive officer of the Issuer and, therefore, is considered a non-independent member of the Audit Committee pursuant to National Instrument 52-110 *Audit Committees* ("**NI 52-110**"), and Christopher P. Cherry and William (Bill) Feyerabend, directors of the Issuer, are considered independent members of the Audit Committee.

13.5 Other Occupations

See the table under Section 13.1 above.

13.6 Cease Trade Orders or Bankruptcies

Other than as disclosed below, to the knowledge of the Issuer, no director, officer or promoter of the Issuer, or a security holder holding sufficient securities of the Issuer to affect materially the control of the Issuer is, or within 10 years before the date of this Listing Statement has been, a director or officer of any other Issuer that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order, or an order that denied the other Issuer access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days;

(b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the Issuer being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

(c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(d) 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.

Adrian Hobkirk, the President, CEO and a director of the Issuer, is the President, CEO and a director of Lithium South Development Corporation (formerly NRG Metals Inc.) ("**LIS**"). Christopher P. Cherry, a director of the Issuer, is the CFO and director of LIS. On June 9, 2020, at the request of management, LIS submitted an application to the BCSC for a management cease trade order (the "**MCTO**") for the postponement of filing its audited financial statements, management's discussion & analysis ("**MD&A**") and related certifications (the "**Audited Financial Materials**") for the year ended December 31, 2019 and its interim financial statements, MD&A and related certifications for the quarter ended March 31, 2020. On July 16, 2020, the BCSC issued a revocation order for LIS and the MCTO was lifted.

Mr. Hobkirk is the President, CEO and a director of Gold Port Corporation (formerly Corsurex Resource Corp.) ("**GPO**"). Christopher P. Cherry is the CFO and a director of GPO. William (Bill) Feyerabend is a director of GPO. On June 16, 2020, the BCSC issued an MCTO against GPO and its insiders for failure to file its Audited Financial Materials for the year ended December 31, 2019. On July 21, 2020, the BCSC issued a further CTO against GPO for failure to file its Audited Financial Materials for the year ended December 31, 2019. On July 22, 2020, the CSE suspended GPO from trading. On August 31, 2020, GPO filed the Audited Financial Materials and on September 2, 2020, the BCSC issued a revocation order and the CTO was lifted. GPO was reinstated for trading on the CSE on September 3, 2020.

Christopher P. Cherry, a director of the Issuer, was a former director and/or officer of Wolfeye Resource Corp. (now Lexagene Holdings Inc.) ("**Lexagene**"). On August 7, 2013, the BCSC issued a CTO against Lexagene and its insiders for failure to file Audited Financial Materials for the year ended March 31, 2013. On August 8, 2013, trading in Lexagene's common shares was suspended by the TSX Venture Exchange (the "**TSXV**") for failure to file the Audited Financial Materials for the year ended March 31, 2013. On September 26, 2013, Lexagene filed the Audited Financial Materials and the CTO was lifted. Lexagene applied to the TSXV to lift the trading suspension and, after satisfying all of the conditions of the TSXV, the suspension was lifted and trading in Lexagene's common shares recommenced on October 30, 2013.

Christopher P. Cherry was former CFO of Carbon Streaming Corporation (formerly Mexivada Mining Corp.) ("**Carbon Streaming**"). On October 31, 2011, the BCSC issued an MCTO against Carbon Streaming and its insiders for failure to file the Audited Financial Materials for the year ended June 30, 2011. On November 24, 2011, the BCSC issued a revocation order and the MCTO was lifted. On October 31, 2012, the BCSC issued an MCTO against Carbon Streaming and its insiders for failure to file the Audited Financial Materials for the year ended June 30, 2012. On November 19, 2012, the BCSC issued a CTO against Carbon Streaming for failure to file the Audited Financial Materials for the year ended June 30, 2012. On November 21, 2012, the Ontario Securities Commission issued a CTO and on December 3, 2012, the revocation order was issued and CTO was lifted. On March 5, 2013, the Alberta Securities Commission issued a CTO. Mr. Cherry ceased to be involved as CFO with Carbon Streaming as at May 2013.

Christopher P. Cherry was a former director and officer of 1040426 BC Ltd., 1040433 BC Ltd., 1040440 BC Ltd., 1040442 BC Ltd. and Genix Pharmaceutical Corp., companies that are reporting issuers in the provinces of British Columbia and Alberta. On December 2, 2016, the BCSC issued a CTO against these companies, their directors, officers and insiders for failure to file the Audited Financial Materials for the year ended July 31, 2016. The BCSC also issued deficiency notices to each of 1040440 BC Ltd. and Genix Pharmaceutical Corp. for failure to file the Audited Financial Materials for the first quarter ended October 31, 2016. On May 23, 2017, the BCSC issued revocation orders for each of 1040426 BC Ltd., 1040433 BC Ltd. and 1040442 BC Ltd. (now Zenith Exploration Inc.) and the CTOs were lifted. On September 20, 2017, the BCSC issued a revocation order for 1040440 BC Ltd. and the CTO was lifted. On April 13, 2018, the BCSC issued a revocation order for Genix Pharmaceutical Corp. and the CTO was lifted.

Christopher P. Cherry was former CFO and a director of 1040436 BC Ltd. ("**1040436**"). On February 3, 2017, the BCSC issued a CTO against 1040436 for failure to file the Audited Financial Materials for the year ended September 30, 2016. The CTO remains in effect.

Christopher P. Cherry is the CFO of NetCents Technology Inc. ("**NetCents**"). On February 26, 2020, at the request of management, NetCents submitted an application to the BCSC for an MCTO for the postponement of filing its Audited Financial Materials for the year ended October 31, 2019. The subject MCTO was issued on March 2, 2020 and on June 17, 2020, the BCSC issued a revocation order for NetCents and the MCTO was lifted. On March 2, 2020, the BCSC issued a CTO against NetCents, Christopher P. Cherry and Clayton Moore for failure to file Audited Financial Materials for the year ended October 31, 2019. On June 17, 2020, the BCSC issued a revocation order and the CTO was lifted.

Christopher P. Cherry was former CFO of Wellstar Energy Corp. ("**Wellstar**"). On May 31, 2016, the BCSC issued an MCTO against Wellstar and its insiders for failure to file the Audited Financial Materials for the year ended January 31, 2016. On July 16, 2016, the BCSC issued a revocation order and the MCTO was lifted. On March 24, 2017, Wellstar was placed into receivership, appointing Grant Thornton as trustee. As a result of the receivership, Mr. Cherry ceased to be CFO of Wellstar and resigned as a director in March 2017.

Christopher P. Cherry was former CFO of WPD Pharmaceuticals Inc. ("**WPD**"). On June 16, 2020, the BCSC issued an MCTO against WPD and its insiders for failure to file the Audited Financial Materials for the year ended December 31, 2019. On July 31, 2020, the BCSC issued a revocation order and the MCTO was lifted.

Christopher P. Cherry was former CFO of High Hampton Holdings Corp. ("**High Hampton**"). On January 18, 2016, the BCSC issued a CTO against High Hampton for failure to file the Audited Financial Materials for the year ended December 31, 2019. On April 5, 2016, the BCSC issued a revocation order and the CTO was lifted.

13.7 Penalties or Sanctions

To the knowledge of the Issuer, none of the Issuer's directors, officers or principal shareholders are, or have been, subject to (a) any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

13.9 Personal Bankruptcies

To the knowledge of the Issuer, none of the Issuer's directors, officers or principal shareholders, or any personal holding company of such persons, has, within the last 10 years, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his, her or its assets.

13.10 Conflicts of Interest

To the best of the Issuer's knowledge, there are no known existing or potential conflicts of interest between the Issuer and its directors and officers except as described below:

Certain of the directors and officers serve as directors and/or officers of other companies or may, directly or indirectly, provide consulting services to 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 or their duties as a service provider to the Issuer. Certain of the directors of the Issuer may also have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Issuer may participate, the directors of the Issuer may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a Board meeting, a director who has such a conflict will abstain from voting for or against the approval of such a participation or such terms. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of the Province of British Columbia, the directors of the Issuer are required to act honestly, in good faith and in the best interests of the Issuer. In determining whether or not the Issuer will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Issuer may be exposed and its financial position at that time.

13.11 Management

Adrian Hobkirk – President, CEO and Director – Age 61

Adrian Hobkirk has been the President, CEO and a director of the Issuer since April 4, 2018. Mr. Hobkirk has over 25 years of experience in the mining and venture capital industry, beginning with Norgold Resources in 1990, which was ultimately purchased by BEMA Gold. Mr. Hobkirk has been involved in Guyana for over twenty years and founded Gold Port Corporation (formerly Corsurex Resource Corp. and Gold Port Resources Ltd.) to develop the Groete Gold Copper Deposit in 2006. He has worked in many countries including Canada, Mongolia, Venezuela, Guyana, Argentina, Chile, Colombia, the United States and Mexico. He has been involved in mineral exploration and technology ventures, and has extensive public company experience. Mr. Hobkirk has been President, CEO and a director of Lithium South Development Corporation (formerly NRG Metals Inc.) (TSXV:LIS) since October 20, 2004 and President, CEO and a director of Gold Port Corporation since November 18, 2016. He holds a BA in Economics from Simon Fraser University. Mr. Hobkirk is an independent consultant and devotes approximately 50% of his time to the Issuer. Mr. Hobkirk has not entered into a non-competition or non-disclosure agreement with the Issuer.

Teresa M. Cherry, CPA, CGA – CFO, Corporate Secretary and Director – Age 41

Teresa M. Cherry has been the CFO and a director of the Issuer since March 5, 2018, and Corporate Secretary since September 30, 2018. Ms. Cherry acts as Controller, CFO and Corporate Secretary for several public companies in the oil and gas, mining and resource industries. She obtained her CPA, CGA from Certified General Accountants Association of British Columbia and Chartered Professional Accountants of British Columbia in September 2014. She obtained her Bachelor of Business Administration degree and Integrated Management Studies diploma from B.C. Institute of Technology, March 2010 and May 2002, respectively. Ms. Cherry has been CFO and Secretary for American Biofuels Inc. (TSXV:ABS) since November 2014, CFO of Anquiro Ventures Ltd. (TSXV:AQRP) since June 2017, and Accountant/Controller for a private company servicing junior public companies since November 2009. Ms. Cherry is an independent consultant and devotes approximately 30% of her time to the Issuer. Ms. Cherry has not entered into a non-competition or non-disclosure agreement with the Issuer.

Christopher P. Cherry, CPA, CA – Director – Age 42

Christopher P. Cherry has been a director of the Issuer since April 4, 2018. Mr. Cherry has over 20 years of corporate accounting and audit experience. Mr. Cherry has extensive corporate experience and has held senior level positions for several public mining companies including director, CFO, and Corporate Secretary. Mr. Cherry has been CFO of Lithium South Development Corporation (formerly NRG Metals Inc.) since November 26, 2014 and a director since December 22, 2017. He has been CFO and director of Gold Port Corporation (formerly Corsurex Resource Corp. and Gold Port Resources Ltd.) since November 18, 2016. Mr. Cherry is a Chartered Professional Accountant, having completed his Chartered Accountant designation in February 2009 and his Certified General Accountant in 2004. In his former experience as an auditor, he held positions with KPMG and Davidson and Co. LLP in Vancouver, where he gained experience as an auditor for junior public companies, and an IPO specialist. Mr. Cherry is an independent consultant of the Issuer and devotes approximately 25% of his time to the Issuer. Mr. Cherry has not entered into a non-competition or non-disclosure agreement with the Issuer.

William (Bill) Feyerabend – Director – Age 73

William (Bill) Feyerabend has over 35 years of experience in mineral exploration in twelve countries. He has worked at every level from prospect evaluation to regional exploration to discovery and development of major gold deposits. He was part of the discovery to production of the million ounce Mesquite gold mine in California and the multi-million ounce Chimney Creek (now Twin Creeks) mine in Nevada. Mr. Feyerabend also served as Project Manager for one of the largest gold mines in the world, the large Brisas Gold Mine in Venezuela. Mr. Feyerabend is very familiar with the Groete Gold Copper Deposit held by Gold Port Corporation, having supervised exploration on site at the project in 2012.

Mr. Feyerabend has been a Certified Professional Geologist since 2007 and has authored technical reports on gold projects in five countries. In addition to gold, he also has been part of the discovery of industrial minerals, base metal and lithium brine deposits. Most recently he helped bring Flagstaff Minerals' Kingman Project (Arizona) through permitting and drilling. He is a 1972 graduate of the University of Southern California with a B. Sc. Geology degree. Mr. Feyerabend is an independent consultant of the Issuer and devotes approximately 25% of his time to the Issuer. Mr. Feyerabend has not entered into a non-competition or non-disclosure agreement with the Issuer.

14. CAPITALIZATION

14.1 Issued Capital

Public Float

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
Total outstanding (A)	30,663,065	47,290,079	100.00%	100.00%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	1,878,000	2,878,000	6.12%	6.09%
Total Public Float (A-B)	28,785,065	44,412,079	93.88%	93.91%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	14,197,014	29,724,028	46.30%	62.85%
Total Tradeable Float (A-C)	16,466,051	17,566,051	53.70%	37.15%

Public Securityholders (Registered)

Class of Security **Size of Holding**	**Number of holders**	**Total number of securities**(1)
1 – 99 securities	3	101
100 – 499 securities	5	770
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	88	15,932,194
TOTAL:	**96**	**15,933,065**

(1) The above information obtained from Computershare's registered shareholders' list as at September 30, 2020. In addition, the total number of securities held for 5,000 or more securities combines securities that were issued in private placement that closed on October 1, 2020.

Public Securityholders (Beneficial)

Class of Security **Size of Holding**	**Number of holders**	**Total number of securities**(1)
1 – 99 securities	194	7,358
100 – 499 securities	172	34,564
500 – 999 securities	39	24,851
1,000 – 1,999 securities	32	41,121
2,000 – 2,999 securities	7	16,675
3,000 – 3,999 securities	7	24,178
4,000 – 4,999 securities	5	21,688
5,000 or more securities	7	96,242
TOTAL:	**463**	**266,677**

(1) The above information was obtained from Broadridge's Canadian NOBO list dated September 10, 2019.

Non-Public Securityholders (Registered)

Class of Security **Size of Holding**	**Number of holders**	**Total number of securities**
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	4	6,480,000
TOTAL:	**4**	**6,480,000**

14.2 Convertible Securities

Description of Security (include conversion / exercise terms, including conversion / exercise price)	**Number of convertible / exchangeable securities outstanding**	**Number of listed securities issuable upon conversion / exercise**
Warrants issued on August 17, 2020, exercisable at a price of $0.35/common share until August 17, 2023(1).	13,000,000	13,000,000
Finder's warrants issued on August 17, 2020, exercisable at a price of $0.35/common share until August 17, 2023(1).	930,000	930,000
Warrants issued on October 1, 2020, exercisable at a price of $0.75/common share until October 1, 2023.	597,014	597,014
Subtotal Warrants:	**14,527,014**	**14,527,014**
Stock options granted on August 21, 2020, exercisable into common shares at a price of $0.66 per common share until August 21, 2025.	2,100,000	2,100,000
Subtotal stock options:	**2,100,000**	**2,100,000**
TOTAL:	**16,627,014**	**16,627,014**

(1) Expires on the earlier of (a) August 17, 2023, and (b) provided that in the event that the closing price of the Issuer's common shares on the CSE (or such other exchange on which the Issuer's shares may become traded) is $0.40 per share or greater during any ten (10) consecutive trading day period at any time subsequent to four months and one day after the closing date, the Warrants will expire at 4:00 p.m. (Vancouver time) on the 30th day after the date on which the Issuer provides notice of such accelerated expiry to the holder.

15. EXECUTIVE COMPENSATION

The Issuer's executive compensation is disclosed in the Issuer's management information circular dated November 24, 2020, which was filed on SEDAR on December 4, 2020 at www.sedar.com.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or executive officer of the Issuer, and no associate of any such person, (a) is, or at any time since the beginning of the most recently completed financial year of the Issuer has been, indebted to the Issuer or any of its subsidiaries, or (b) has or had indebtedness to another entity at any time since the beginning of the most recently completed financial year which is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Issuer or any of its subsidiaries.

17. RISK FACTORS

An investment in the Issuer is highly speculative in nature, 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. An investment in the Issuer 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.

In addition to the other information presented in this Listing Statement, prospective investors should carefully consider the following risk factors in evaluating an investment in the Issuer.

Global financial conditions may impact the Issuer

In recent years, global financial markets have experienced increased volatility and global financial conditions have been subject to increased instability, resulting in a profound impact on the global economy. Many industries, including the mining sector, are impacted by these market conditions. Some of the key impacts of financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. These factors may impact the ability of the Issuer to obtain equity or debt financing and, if available, to obtain such financing on terms favourable to the Issuer. If these increased levels of volatility and market instability continue, the Issuer's operations and planned growth could be adversely impacted and the trading price of the securities of the Issuer may be adversely affected.

Public health crises, including the COVID-19 pandemic may material adversely affect the Issuer

The COVID-19 outbreak was declared a pandemic by the World Health Organization on March 11, 2020. Although the Issuer has not experienced a significant impact on its business to date, the outbreak and the response of various governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and financial markets worldwide, including the Issuer's operations and the operations of the companies in which the Issuer has invested. Restrictions on travel and the limited ability to have meetings with personnel, vendors and service providers is expected to have an adverse effect on the Issuer's operations. The scale and duration of these developments remain uncertain as at the date of this Listing Statement, but they may have an impact on the Issuer's future cashflows.

The risks to the Issuer's business associated with COVID-19 include, without limitation, risks related to breach of material contracts, employee health, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, prolonged restrictive measures put in place in order to control the pandemic and future outbreaks or other adverse public health developments globally and other factors that will depend on future developments beyond the Issuer's control, which may have a material and adverse effect on the Issuer's business, financial condition and results of operations. In addition, the Issuer may experience business interruptions as a result of suspended or reduced operations at the Pilbara Gold Properties, relating to the COVID-19 outbreak or such other events that are beyond the control of the Issuer, which could in turn have a material adverse impact on the Issuer's business, operating results, financial condition and the market for its securities. As at the date of this Listing Statement, the occurrence of any further business disruptions and the financial impact of the COVID-19 outbreak cannot be reasonably estimated and it is unknown how the Issuer may be affected if the COVID-19 pandemic persists for an extended period of time.

The Issuer is an early stage company

The Issuer has only recently commenced operations and has no operating earnings. The likelihood of success of the Issuer must be considered in light of the problems, expenses and difficulties, complications and delays frequently encountered in connection with the establishment of any business. The Issuer has limited financial resources and there is no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfil its obligations under applicable agreement. There can be no assurance that the Issuer will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the property interest of the Issuer with the possible dilution or loss of such interest. Further, revenues, financings and profits, if any, will depend upon various factors, including the success, if any, of exploration programs and general market conditions for natural resources. There is no assurance that the Issuer can operated profitably or that it will successfully implement its plans.

Dependence on future financing

The further development and exploration of the Beatons River Property depends upon the Issuer's ability to obtain financing through equity financing, joint ventures, debt financing, or other means. There is no assurance that the Issuer will be successful in obtaining required financing as and when needed. Volatile markets for precious and base metals may make it difficult or impossible for the Issuer to obtain equity financing or debt financing on favourable terms or at all. Failure to obtain additional financing on a timely basis may cause the Issuer to postpone its exploration and development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its operations.

Specifically, additional funds will be required should the Issuer decide to carry out further exploration work on the Beatons River Property. There is no assurance that the Issuer will be able to raise additional funds.

The Issuer operates at a loss and may never generate a profit

The Issuer operates at a loss and there is no assurance that the Issuer will ever be profitable. The Issuer had a negative operating cash flow since its founding and will continue to for the foreseeable future. The Issuer cannot predict when it will reach positive operating cash flow.

Significant resources are required to conduct mining exploration activities

Mining exploration requires ready access to mining equipment such as drills, and crews to operate that equipment. There can be no assurance that such resources will be available to the Issuer on a timely basis or at a reasonable cost. Failure to obtain these resources when needed may result in delays in the Issuer's exploration programs.

Increased costs as a public company

As a public company, the Issuer is subject to the reporting requirements and rules and regulations under the applicable Canadian securities laws and rules of any stock exchange on which the Issuer's securities may be listed from time to time. Additional or new regulatory requirements may be adopted in the future. The requirements of existing and potential future rules and regulations will increase the Issuer's legal, accounting and financial compliance costs, make some activities more difficult, time-consuming or costly and may also place undue strain on its personnel, systems and resources, which could adversely affect its business and financial condition.

The Issuer's prospects are subject to the inherent volatility of metal prices

The mining industry is intensely competitive and there is no assurance that, even if commercial quantities of a mineral resource are discovered, a profitable market will exist for the sale of the same. There can be no assurance that metal prices will be such that the Issuer's properties can be mined at a profit. Factors beyond the control of the Issuer may affect the marketability of any minerals discovered. Metal prices are subject to volatile price changes from a variety of factors including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of, and demand for, the Issuer's principal products and exploration targets, gold and copper, is affected by various factors, including political events, economic conditions and production costs.

Base metal prices are volatile and may be lower than expected

The Issuer's profitability and long-term viability depend, in large part, upon the market price of gold. Metal prices fluctuate widely and are affected by numerous factors beyond the Issuer's control, including global and regional supply and demand for industrial products containing metals generally; changes in global or regional investment or consumption patterns; increased production due to new mine developments and improved mining and production methods; decreased production due to mine closures; interest rates and interest rate expectation; expectations with respect to the rate of inflation or deflation; currency rate fluctuations; availability and costs of metal substitutes; global or regional political or economic conditions; and sales by central banks, holders, speculators and other producers of metals in response to any of the above factors.

Currency fluctuations

Currency fluctuations may affect the Issuer's capital costs and the costs that the Issuer incurs at its operations. Gold is sold throughout the world based principally on a United States dollar price, but most of the Issuer's operating and capital expenses are incurred in Australian and Canadian dollars. Changes in these foreign currencies could materially and adversely affect the Issuer's profitability, results of operations and financial position.

Operations during mining cycle peaks are more expensive

During times of increased demand for metals and minerals, price increases may encourage expanded mining exploration, development and construction activities. These increased activities may result in escalating demand for and cost of contract exploration, development and construction services and equipment. Increased demand for and cost of services and equipment could cause exploration, development and construction costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, and increased potential for scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project exploration, development or construction costs, result in project delays, or increase operating costs.

Reclamation costs

In the context of environmental permits, including the approval of reclamation plans, the Issuer must comply with standards, laws and regulations that may entail costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the regulatory authority. The reclamation liability on any of the Issuer's properties will be calculated based on current laws and regulations and the expected future costs to be incurred in reclaiming, restoring and closing its exploration or operating mine sites. The Issuer may incur costs associated with reclamation activities, which may materially exceed the provisions established by the Issuer for the activities. In addition, possible additional future regulatory requirements may require additional reclamation requirements creating uncertainties related to future reclamation costs. Should the Issuer be unable to post required financial assurance related to an environmental remediation obligation, the Issuer might be prohibited from starting planned operations or enter into interim compliance measures pending completion of the required remedy, which could have a material adverse effect. Furthermore, changes to the amount of financial assurance that the Issuer is required to post, as well as the nature of the collateral to be provided, could significantly increase the Issuer's costs, making the maintenance and development of new mines less economically feasible.

Uncertainty in global markets and economic conditions

There remains considerable volatility in global markets and economic conditions together with the volatility in the price of gold. This continues to generate uncertainty for the mining sector worldwide and there has been a decrease in access to capital for exploration and development activities. The Issuer has and will continue to rely on the capital markets for necessary capital expenditures. As a result, the business, financial condition and operations of the Issuer could be adversely affected by: (i) continued disruption and volatility in financial markets; (ii) continued capital and liquidity concerns regarding financial institutions generally and hindering the Issuer's counterparties specifically; (iii) limitations resulting from governmental action in an effort to stabilize or provide additional regulation of the financial system; or (iv) recessionary conditions that are deeper or last longer than currently anticipated.

Resource exploration and development is highly speculative

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 that are beyond the control of the Issuer and that 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 minerals and environmental protection, the combination of which factors may result in the Issuer not receiving an adequate return of investment capital. The Properties are in the exploration stage only and is without a known body of commercial ore. Development of the Properties would follow only if favourable exploration results are obtained.

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. 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.

The Issuer's proposed operations will require access to adequate infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, terrorism, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Issuer's operations, financial condition and results of operations.

Construction and development of mines

The success of construction projects and the development of any mines by the Issuer is subject to a number of factors including the availability and performance of engineering and construction contractors, mining contractors, suppliers and consultants, the receipt of required governmental approvals and permits in connection with the construction of mining and processing facilities, and the conduct of mining operations (including environmental permits), among other operational elements. Any delay in the performance of any one or more of the contractors, suppliers, consultants or other persons on which the Issuer is dependent in connection with its construction activities, a delay in or failure to receive the required governmental approvals and permits in a timely manner or on reasonable terms, or a delay in or failure in connection with the completion and successful operation of the operational elements of a mine could delay or prevent the planned construction and start-up of any mines. There can be no assurance that current or future construction and start-up plans implemented by the Issuer will be successful, that the Issuer will be able to obtain sufficient funds to finance construction and start-up activities, that personnel and equipment will be available in a timely manner or on reasonable terms to successfully complete construction projects, that the Issuer will be able to obtain all necessary governmental approvals and permits or that the construction, start-up and ongoing operating costs associated with the development of new mines will not be significantly higher than anticipated by the Issuer. Any of the foregoing factors could adversely impact the operations and financial condition of the Issuer.

The requirements for the production and processing of materials may be affected by, among other things, technological changes, equipment failure, the accuracy of assumptions regarding ground conditions, physical and metallurgical characteristics of ores and the accuracy of the estimated costs and rates of mining and processing. Mining, processing and development activities depend on adequate infrastructure. Reliable roads, bridges and power and water supply are important determinants that affect capital, processing and operating costs. Successful initiation of a processing plant will depend, among other things, on sufficient electricity and water supply, sufficient tailings storage facilities, compliance with existing permits, success in obtaining and complying with further additional environmental and other permitting requirements and on the timing of production, none of which can be assured. Any of the foregoing risks may materially delay and adversely impact the Issuer's financial condition and results of operations.

Commercial viability of a new mine or development project is predicated on many factors. Mineral resources projected by technical assessments performed on the projects may not be realized, and the level of future metal prices needed to ensure commercial viability may not materialize. Consequently, there is a risk that the start-up of any mine and development project may be subject to write-down and/or closure as they may not be commercially viable.

Permitting and license risks

In the ordinary course of business, the Issuer will be required to obtain and renew governmental licences or permits for the operation and expansion of the Beatons River Project or for the development, construction and commencement of mining at any of the Issuer's Pilbara Gold Properties, including the Beatons River Project. Obtaining or renewing the necessary governmental licences or permits is a complex and time-consuming process involving numerous jurisdictions involving public hearings and costly permitting and other legal undertakings on the part of the Issuer.

In Australia, as with many jurisdictions, there are various federal, state and local laws governing land, power and water use, the protection of the environment, development, occupational health and safety, waste disposal and appropriate handling of toxic substances. Such operations and exploration activities are also subject to substantial regulation under these laws by governmental agencies and require the Issuer to obtain permits from various governmental agencies.

Exploration generally requires one form of permit while development and production operations require additional permits. There can be no assurance that all permits which the Issuer may require for future exploration or development will be obtainable at all or on reasonable terms. In addition, future changes in applicable laws or regulations could result in changes in legal requirements or in the terms of existing permits applicable to the Issuer or its properties. This could have a negative effect on the Issuer's exploration activities or the Issuer's ability to develop its properties.

The duration and success of the Issuer's efforts to obtain and renew licences or permits are contingent upon many variables not within the Issuer's control, including the interpretation of applicable requirements implemented by the licensing authority. The Issuer may not be able (and no assurances can be given with respect to its ability) to obtain or renew licences or permits that are necessary to operations at the Issuer's property interests, including, without limitation, an exploitation or operations licence, or the cost to obtain or renew licences or permits may exceed what the Issuer believes can be recovered from its property interests if they are put into production. Any unexpected refusals of required licences or permits or delays or costs associated with the licensing or permitting process could prevent or delay the development or impede the operation of a mine, which could adversely impact the Issuer's operations and profitability.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or other remedial actions.

While the Issuer can foresee no reason why it may not receive all necessary permits, there can be no assurance that all permits which the Issuer may require for future exploration or possible future development will be obtainable at all or on reasonable terms. The Issuer also cannot be certain what conditions will be attached to such permits and licences or whether the Issuer will be able to fulfil such conditions. Further, any additional future laws and regulations, changes to existing laws and regulations (including, but not restricted to, the imposition of higher licence fees, mining royalties or taxes) or more stringent enforcement or restrictive interpretation of current laws and regulations by governmental authorities, or of rulings or clearances obtained from such governmental authorities, could cause additional expenditure (including capital expenditure) to be incurred or impose restrictions on, or suspensions of, the Issuer's operations and cause delays in the development of its properties. Moreover, these laws and regulations may allow governmental authorities and private parties to bring lawsuits based upon damage to or destruction of properties and injury to persons resulting from the environmental, health and safety impacts of the Issuer's past and current operations, and could lead to the imposition of substantial fines, penalties or other civil or criminal sanctions. The occurrence of any of these factors may have a material adverse effect on the Issuer's business, results of operations and financial condition and the price of the Issuer's common shares.

Acquisitions and integration

From time to time, the Issuer examines opportunities to acquire additional assets and businesses. Any acquisition that the Issuer may choose to complete may be of a significant size, may change the scale of the Issuer's business and operations, and may expose the Issuer to new geographic, political, operating, financial and geological risks. The Issuer's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Issuer. Any acquisitions would be accompanied by risks. For example, there may be a significant change in commodity prices after the Issuer has committed to complete the transaction and established the purchase price or exchange ratio; a material ore body may prove to be below expectations; the Issuer may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt the Issuer's ongoing business and its relationships with employees, customers, suppliers and contractors; and the acquired business or assets may have unknown liabilities which may be significant. In the event that the Issuer chooses to raise debt capital to finance any such acquisition, the Issuer's leverage will be increased. If the Issuer chooses to use equity as consideration for such acquisition, existing shareholders may experience dilution. Alternatively, the Issuer may choose to finance any such acquisition with its existing resources. There can be no assurance that the Issuer would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Speculative nature of the exploration of natural resource properties

While the discovery of a commercially viable ore body may result in substantial rewards, few mineral properties that are explored are ultimately developed into producing mines. There is no assurance that any of the claims the Issuer will explore or acquire will contain commercially exploitable reserves of minerals. Exploration for natural resources is a speculative venture involving substantial risk. Even a combination of careful evaluation, experience and knowledge may not eliminate such risk. Hazards such as unusual or unexpected geological formations, formation pressures, fires, power outages, labour disruptions, flooding, cave-ins, landslides and the inability of the Issuer to obtain suitable machinery, equipment or labour are all risks involved with the conduct of exploration programs and the operation of mines. While appropriate precautions to mitigate these risks have been taken or are planned to be taken, operations are subject to hazards such as equipment failure or failure of structures which may result in environmental pollution and consequent liability. Even though the Issuer intends to maintain liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable or the Issuer might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Issuer could incur significant costs that could have a material adverse effect upon its financial condition.

Uncertainty in the estimation of mineral resources and mineral reserves

Mineral resources that are not mineral reserves do not have demonstrated economic viability. At present, the tenements held by the Issuer do not contain any resources and there is no guarantee they will in the future. The figures for mineral resources contained in documents incorporated by reference in this Prospectus are estimates only and no assurance can be given that these will ever be upgraded to higher categories of mineral resources or mineral reserves. Even if mineral reserves are established in the future, there is no assurance that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that mineral reserves will be mined or processed profitably. Actual mineral reserves may not conform to geological, metallurgical or other expectations, and the volume and grade of ore recovered may differ from estimated levels. There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond the Issuer’s control. Such estimation is a subjective process, and the accuracy of any mineral resource or mineral reserve estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies or the processing of new or different ore grades, may cause the mining operation to be unprofitable in any particular accounting period. In addition, there can be no assurance that gold recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. Lower market prices, increased production costs, reduced recovery rates and other factors may result in a revision of mineral reserve estimates from time to time or may render mineral reserves uneconomic to exploit. Mineral reserve data is not indicative of future results of operations. If the Issuer’s actual mineral resources (or mineral reserves if ever established in the future) are less than current estimates or if the Issuer fails to develop its mineral resource base through the realization of identified mineralized potential, its results of operations or financial condition may be materially and adversely affected. Evaluation of mineral resources occurs from time to time and estimates of mineral resources (and mineral reserves if ever established in the future) may change depending on further geological interpretation, drilling results and metal prices, which could have a negative effect on the Issuer’s operations. The category of inferred mineral resource is the least reliable mineral resource category and is subject to the most variability. Due to the uncertainty which may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to an indicated or measured mineral resource category as a result of continued exploration. There is no certainty that any mineral resources (or mineral reserves, if any) identified on any of the Issuer’s properties will in fact be realized or will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. Until a deposit is actually mined and processed, the quantity of mineral resources (or mineral reserves, if any) and grade must be considered as estimates only and the Issuer may ultimately never realize production on any of its properties.

Government regulation

The Issuer’s business, mining operations and exploration and development activities are subject to extensive federal, territorial and local laws and regulations governing exploration, development, production, exports, taxes, labour standards, waste disposal, protection of the environment, reclamation, historic and cultural resource preservation, mine safety and occupational health, control of toxic substances, reporting and other matters. Although the Issuer believes that its exploration activities are currently carried out in accordance with all applicable rules and regulations, new rules and regulations may be enacted and existing rules and regulations may be applied in a manner that could limit or curtail production or development of the Issuer’s properties. Amendments to current laws and regulations governing the operations and activities of the Issuer or more stringent implementation thereof could have a material adverse effect on the Issuer’s business, financial condition and results of operations.

Title to the Beatons River Project may be disputed

There is no guarantee that title to the Beatons River Property will not be challenged or impugned. The Issuer's claims may be subject to prior unregistered agreements or transfers and title may be affected by unidentified or unknown defects. The Issuer has conducted an investigation on the title of the Beatons River Property to confirm that there are no claims or agreements that could affect its title to its mineral tenure or surface rights. There is no guarantee that such title will not be challenged or impaired. If title to the Issuer's Beatons River Property is disputed, it may result in the Issuer paying substantial costs to settle the dispute or clear title and could result in the loss of the property, which events may affect the economic viability of the Issuer. Title insurance generally is not available for mineral tenure or surface rights and the Issuer's ability to ensure that it has obtained secure claim to title may be constrained.

Aboriginal Claims

The Beatons River Property may be subject to Aboriginal claims. Accordingly, there can be no guarantee that there will not be delays in project approval, unexpected interruptions in project progress, requirements for Aboriginal consent, cancellation of permits and licenses, or additional costs to advance the Issuer's projects. In order to facilitate further development, mine permitting and the commencement of mining activities, the Issuer may deem it necessary and prudent to obtain the cooperation and approval of Aboriginal communities situated in the area of the Beatons River Property. Any cooperation and approval may be predicated on the Issuer's commitment to take measures to limit the adverse impacts on Aboriginal rights and ensuring that some of the economic benefits of the construction and mining activity will be enjoyed by Aboriginal communities situated in the area of the Beatons River Property. There can be no guarantee that any of the Issuer's efforts to secure such cooperation or approval would be successful or that other assertions of Aboriginal rights and title, or claims of insufficient consultation or accommodation, will not create delays in project approval or unexpected interruptions in project progress, requirements for Aboriginal consent, cancellation of permits and licenses, or result in additional costs to advance.

Native title and aboriginal heritage

Native title claims and Aboriginal heritage issues may affect the ability of the Issuer to pursue exploration, development and mining on Australian properties. The resolution of native title and Aboriginal heritage issues is an integral part of exploration and mining operations in Australia and the Issuer is committed to managing any issues that may arise effectively. However, in view of the inherent legal and factual uncertainties relating to such issues, no assurance can be given that material adverse consequences will not arise. Native title claims and Aboriginal heritage issues may affect the ability of the Issuer to pursue exploration, development and mining activities on the Issuer's properties, including but not limited to the Beatons River Project.

Social and environmental activism can negatively impact exploration, development and mining activities

There is an increasing level of public concern relating to the effects of mining on the natural landscape, on communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("**NGOs**") who oppose resource development can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. While the Issuer seeks to operate in a socially responsible manner and believes it has good relationships with local communities in the regions in which it operates, NGOs or local community organizations could direct adverse publicity against and/or disrupt the operations of the Issuer in respect of one or more of its properties, regardless of its successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Issuer has an interest or the Issuer's operations specifically. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Issuer or its relationships with the communities in which it operates, which could have a material adverse effect on the Issuer's business, financial condition, results of operations, cash flows or prospects.

Compliance with environmental regulations can be costly

The Issuer's exploration operations at the Beatons River Project are subject to environmental regulation. Regulations cover, among other things, water quality standards, land reclamation, the generation, transportation, storage and disposal of hazardous waste, the construction and operation of tailings dams, and general health and safety matters. There is no assurance that the Issuer has been or will at all times be in full compliance with all environmental laws and regulations or hold, and be in full compliance with, all required environmental and health and safety approvals and permits. The potential costs and delays associated with compliance with such laws, regulations, approvals and permits could prevent the Issuer from economically operating or proceeding with the further exploration of the Beatons River Project, and any non-compliance with such laws, regulations, approvals and permits could result in a material adverse effect on the Issuer's business, financial condition, results of operations, cash flows or prospects.

Environmental approvals and permits are currently, and may in the future be, required in connection with the Issuer's current and planned operations. To the extent such environmental approvals and permits are required and not obtained, the Issuer's plans and the operation of mines may be curtailed or it may be prohibited from proceeding with planned exploration or development of additional mineral properties. Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

There is no assurance that any future changes in environmental regulations will not adversely affect the Issuer's operations. Changes in government regulations have the potential to significantly increase compliance costs and thus reduce the profitability of current or future operations.

Environmental hazards may also exist on the properties on which the Issuer holds interests that are unknown to the Issuer at present and that have been caused by previous or existing owners or operators of the properties and for which the Issuer may be liable for remediation. Parties engaged in mining operations, including the Issuer, may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable environmental laws or regulations, regardless of whether the Issuer actually caused the loss or damage. The costs of such compensation, fines or penalties could have a material adverse effect on the Issuer's business, financial condition, results of operations, cash flows or prospects.

Previous work on the Beatons River and Pilbara Gold Properties may give rise to environmental liabilities

There can be no assurance that historic (prior to the Issuer's ownership) activities on the Beatons River Project and the Pilbara Gold Properties was conducted in full compliance with the various government and environmental regulations required under the Australian mining regime. To the extent that any of the activities were not in compliance with applicable environmental laws, regulations and permitting requirements, enforcement actions thereunder, including orders of regulatory or judicial authorities, may be taken against the Issuer as a result of its interest in the Beatons River Project and the Pilbara Gold Properties. Any such actions or orders may cause increases in expenses, capital expenditures or production costs or reduction in levels of production, or require abandonment or delays.

Nature and climate conditions

The Issuer has properties located in Western Australia, Australia. Typically, the Western Australian's tropical wet season is from the end of November to the end of March. During the wet season, the properties may be subject to unpredictable weather conditions such as cyclones, heavy rains, strong winds and flash flooding. The Issuer has undertaken several steps to minimize the effects of the wet season on its operations including planning exploration and mining activities around the wet season. Nonetheless, no assurance can be given that the unpredictable weather conditions will not adversely affect exploration activities. In particular, bulk sampling and exploration activities may be suspended due to poor ground conditions.

Joint ventures

The Issuer is and will be subject to the risks normally associated with the conduct of joint ventures, which include disagreements as to how to develop, operate and finance a project, inequality of bargaining power, incompatible strategic and economic objectives and possible litigation between the participants regarding joint venture matters. These matters may have an adverse effect on the Issuer's ability to realize the full economic benefits of its interest in the property that is the subject of a joint venture, which could affect its results of operations and financial condition as well as the price of its common shares.

Insurance and uninsured risks

The Issuer's business is subject to a number of risks and hazards generally, including: adverse environmental conditions; industrial accidents; unusual or unexpected geological conditions; ground failures; changes in the regulatory environment; and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties, personal injury or death, environmental damage to the Issuer's properties or the properties of others, monetary losses and possible legal liability.

The businesses and properties of the Issuer are insured against loss or damage, subject to a number of limitations and qualifications. Such insurance will not cover all the potential risks associated with an exploration company's operations. The Issuer may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration is not generally available to the Issuer or to other companies in the exploration industry on acceptable terms. The Issuer might also become subject to liability for pollution or other hazards that it may not be insured against or that the Issuer may elect not to insure against because of premium costs or other reasons. The Issuer may suffer a material adverse effect on its business, results of operations, and financial position if it incurs a material loss related to any significant event that is not covered, or adequately covered, by its insurance policies.

Exploration and mining tenements may be subject to forefeiture

The Australian title registration system provides for application for forfeiture of exploration and mining licences where there is, or has been, non-compliance with the prescribed royalties, rents or expenditure conditions. Forfeiture may occur in one of a number of ways. A third party may file a plaint (an application for forfeiture) with the mining warden, who may (in the case of prospecting or miscellaneous licences) elect to forfeit the tenement or impose a fine not exceeding AUD$10,000 for non-compliance with expenditure conditions and not exceeding AUD$50,000 in any other case, or (in the case of exploration licences, mining and general purpose leases) make a recommendation to the Minister for Mines and Petroleum; Energy; Industrial Relations (the "**Minister**") for or against forfeiture.

In the latter case, the Minister may decide to forfeit the tenement, impose a fine not exceeding AUD$50,000 per tenement, or impose no penalty. A tenement may not be forfeited or recommended for forfeiture unless non-compliance is of sufficient gravity to justify forfeiture. Alternatively, the Minister may himself institute forfeiture measures where non-compliance has occurred (or impose a fine not exceeding AUD$50,000 per tenement which, if unpaid, results in deemed forfeiture).

The Issuer's ability to develop commercially marketable ore depends on variables that are unknown at this time

At present, the Beatons River tenements do not contain a known and defined mineral resource. The grade of any ore ultimately mined from a mineral deposit may differ from that produced from drilling results. Production volumes and costs can be affected by such factors as the proximity and capacity of processing facilities, permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. Short-term factors relating to ore reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on the results of operations. Moreover, there can be no assurance that mineral recoveries achieved in small scale laboratory tests will be replicated under production scale conditions. Although precautions to minimize risks will be taken, processing operations are subject to hazards such as equipment failure or failure of tailings impoundment facilities, which may result in environmental pollution and consequent liability.

Competition

The mining industry is intensely competitive. The Issuer competes with other mining companies, many of which have greater resources and experience. Competition in the mining industry is primarily for: (i) properties which can be developed and can produce economically; (ii) the technical expertise to find, develop, and operate such properties; (iii) labour to operate such properties; and (iv) capital to fund such properties. Such competition may result in the Issuer being unable to acquire desired properties, to recruit or retain qualified employees and consultants or to acquire the capital necessary to fund its operations and develop its properties. The Issuer's inability to compete with other mining companies for these resources could have a material adverse effect on the Issuer's business, financial condition, results of operations, cash flows or prospects.

Enforcement of civil liabilities against foreign persons

Substantially all of the Issuer's assets are located outside of Canada and certain of the directors, officers, personnel, consultants and experts of the Issuer are incorporated, organized or reside outside of Canada. In the event a dispute arises in such foreign jurisdictions, the Issuer may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of courts in Canada. Similarly, given that a substantial portion of the Issuer's assets, directors and management personnel are located outside of Canada, shareholders may have difficulty collecting from the Issuer or enforcing any judgments obtained in the Canadian courts and predicated on the civil liability provisions of Canadian securities legislation or other laws of Canada against foreign persons of the Issuer, even if such persons have appointed an agent for service of process in Canada.

Conflicts of interest

Certain of the directors and officers of the Issuer also serve as directors and/or officers of other companies involved in natural resource exploration and development and, consequently, there exists the possibility for such directors and officers to be in a position of conflict. The Issuer expects that any decision made by any of such directors and officers involving the Issuer will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Issuer and its shareholders, but there can be no assurance in this regard. In addition, each of the Issuer's directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest or which are governed by the procedures set forth in the BCBCA and any other applicable law.

Information technology

The Issuer is reliant on the continuous and uninterrupted operations of its information technology ("**IT**") systems. User access and security of all IT systems are critical elements to the operations of the Issuer. The Issuer's operations depend, in part, on how well the Issuer and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, hacking, computer viruses, vandalism and theft. The Issuer's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any IT failure pertaining to availability, access or system security could result in disruption for personnel and could adversely affect the reputation, operations or financial performance of the Issuer.

The Issuer's IT systems could be compromised by unauthorized parties attempting to extract business sensitive, confidential or personal information, corrupting information or disrupting business processes or by inadvertent or intentional actions on the part of the Issuer's employees or vendors. A cyber security incident resulting in a security breach or failure to identify a security threat, could disrupt business and could result in the loss of business sensitive, confidential or personal information or other assets, as well as litigation, regulatory enforcement, violation of privacy and security laws and regulations and remediation costs.

Although, to date, the Issuer has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that it will not incur such losses in the future. The Issuer's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Issuer may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Contractual risk

The Issuer's exploration activities are carried out by contractors who may not perform their work in a timely, cost-effective and efficient manner, resulting in program delays or negative program outcomes. Any delays or cost-overruns related to the Issuer's work program, or a negative program outcome, could have a materially adverse consequence on the economic viability of placing a property into production and a property's return on capital.

Infrastructure

Exploration, development and processing activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supplies are important elements of infrastructure, which affect access, capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these could prevent or delay exploration or development of the Beatons River Project. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploration or development of the Beatons River Project will be commenced or completed on a timely basis, if at all. Furthermore, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of necessary infrastructure could adversely affect the Issuer's operations.

Force majeure

The Issuer's projects now or in the future may be adversely affected by risks outside the control of the Issuer, including the price of metals on world markets, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

The Issuer may be subject to costly legal proceedings

The Issuer may be subject to regulatory investigations, civil claims, lawsuits and other proceedings in the ordinary course of its business. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in regulatory actions and litigation, the difficulty of predicting decisions of regulators, judges and juries and the possibility that decisions may be reversed on appeal. Defense and settlement costs of legal disputes can be substantial, even with claims that have no merit. Management is committed to conducting business in an ethical and responsible manner, which it believes will reduce the risk of legal disputes. However, if the Issuer is subject to legal disputes, there can be no assurances that these matters will not have a material adverse effect on the Issuer's business, financial condition, results of operations, cash flows or prospects.

Dependence on key management personnel

The success of the Issuer is currently largely dependent on the performance of the Board and senior management. The loss of the services of these persons will have a materially adverse effect on the Issuer's business and prospects. The Issuer's ability to manage its operating, development, exploration and financing activities will depend in large part on the efforts of these individuals. As the Issuer's business grows, it will require additional key financial, administrative, mining, marketing and public relations personnel as well as additional staff for operations. The Issuer faces intense competition for qualified personnel, and there can be no assurance that the Issuer will be able to attract and retain such personnel. The loss of the services of one or more key employees or consultants or the failure to attract and retain new personnel could have a material adverse effect on the Issuer's ability to manage and expand the Issuer's business.

Some of the Issuer's directors have significant involvement in other companies in the same sector

Certain of the directors of the Issuer serve as directors of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Issuer may participate, the directors of the Issuer may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a Board meeting, a director who has such a conflict will abstain from voting for or against the approval of such a participation or such terms. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of the Province of British Columbia, the directors of the Issuer are required to act honestly, in good faith and in the best interests of the Issuer. In determining whether or not the Issuer will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Issuer may be exposed and its financial position at that time.

Dependence on principal exploration stage projects

The operations of the Issuer are currently dependent upon the Beatons River Project, which may never develop into commercially viable ore bodies, which would have a material adverse effect on the Issuer's potential mineral resource production, profitability, financial performance and results of operation.

Market price of securities

Over the last several years, junior securities markets have experienced a high level of price and volume volatility, and the market price of securities of many resource companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Factors unrelated to the financial performance or prospects of the Issuer include macroeconomic developments locally and globally and market perceptions of the attractiveness of particular industries. There can be no assurance that continued fluctuations in mineral prices will not occur.

As a result of any of these factors, the market price of the securities of the Issuer at any given point in time may not accurately reflect the Issuer's long-term value. In the past, following periods of volatility in the market price of a company's securities, shareholders have instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial cost and diversion of management attention and resources, which could significantly harm profitability and the reputation of the Issuer.

The value of the common shares may be significantly diluted

If the Issuer raises additional funds through the sale of common shares, shareholders may have their investment further diluted.

The Issuer has not paid any dividends and does not anticipate doing so in the foreseeable future

The Issuer has not paid any dividends since incorporation and does not anticipate declaring any dividends on the common shares in the foreseeable future. The directors of the Issuer will determine if and when dividends should be declared and paid in the future based on the Issuer's financial position at the relevant time.

18. PROMOTERS

Adrian Hobkirk, the President, CEO and a director of the Issuer, is the promoter of the Issuer. Mr. Hobkirk has ownership and control of 603,000 common shares, representing 2.68% of the issued and outstanding shares of the Issuer as of the date of this Listing Statement, and 1.97% of the issued and outstanding shares of the Issuer on the date of reactivation of the Issuer on the Exchange. Mr. Hobkirk does not beneficially own, directly or indirectly, or exercise control over, any voting or equity securities in any subsidiaries of the Issuer.

No asset was acquired within the two years before the date of the Listing Statement or thereafter, or is to be acquired, by the Issuer or by a subsidiary of the Issuer from Mr. Hobkirk.

For further information regarding Adrian Hobkirk, please refer to Section 13 *Directors and Officers* and Section 15 *Executive Compensation*.

19. LEGAL PROCEEDINGS

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

The Issuer is not aware of any (a) penalties or sanctions imposed against the Issuer by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date hereof; (b) other penalties or sanctions imposed by a court or regulatory body against the Issuer necessary to contain full, true and plain disclosure of all material facts relating to the securities being listed; or (c) settlement agreements the Issuer entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date hereof.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Issuer, no (a) director or executive officer of the Issuer, (b) person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10 percent of any class or series of outstanding voting securities of the Issuer, or (c) associate or affiliate of any of the persons or companies referred to in (a) or (b) above has or had any material interest, direct or indirect, in any transaction within the three years before the date of this Listing Statement, or in any proposed transaction, that has materially affected or will materially affect the Issuer or a subsidiary of the Issuer.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

The auditor of the Issuer is Dale Matheson Carr-Hilton LaBonte, LLP, Chartered Professional Accountants, of Suite 1500, 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1.

The registrar and transfer agent for the common shares of the Issuer is Computershare Investor Services Inc. of 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, V6C 3B9.

22. MATERIAL CONTRACTS

The Issuer entered into the following material contracts within the two years before the date of this Listing Statement:

1. Business combination agreement dated June 25, 2019 among the Issuer, World Farms Corp. and 1213615 BC Inc. (see Section 3 – *General Development of the Business – Three Year History – Discontinued Projects – World Farms Corp.*).

2. Acquisition Agreement with Pilbara and its shareholders (see (i) Section 3 – *General Development of the Business – Three Year History – New Projects – Pilbara Gold Properties, Australia,* and (ii) Section 4.1 – *Narrative Description of the Business – General – Business Objectives – Acquisition of Pilbara Gold Properties*).

3. Share Purchase Agreement with Swan Gold and its shareholders (see (i) Section 3 – *General Development of the Business – Three Year History – New Projects – Share Purchase Agreement with Swan Gold Ltd.,* and (ii) Section 4.1 – *Narrative Description of the Business – General – Business Objectives – Share Purchase Agreement with Swan Gold Ltd.*).

Copies of these material agreements are available on SEDAR under the Issuer's profile at www.sedar.com.

23. INTEREST OF EXPERTS

23.1 Names of Experts

Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, prepared the auditor's report for the Issuer's audited financial statements, attached hereto as Appendix "A".

Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, the Issuer's auditor, is independent in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

Matthew Stephens, Senior Consultant Geologist, and Bryan Bourke, Consultant Geologist, both of Xplore Resources Pty Ltd. of Brisbane, Queensland, Australia, who authored the Pilbara Gold Technical Report, are both independent Qualified Persons under NI 43 101.

23.2 Interest of Experts

No person or corporation whose profession or business gives authority to a statement made by the person or corporation and who is named as having prepared or certified a part of this Listing Statement or as having prepared or certified a report or valuation described or included in this Listing Statement holds any beneficial interest, direct or indirect, in any securities or property of the Issuer or a Related Person to the Issuer.

24. OTHER MATERIAL FACTS

There are no material facts about the Issuer and its securities not disclosed in this Listing Statement.

25. FINANCIAL STATEMENTS

The audited financial statements for the year ended June 30, 2020, together with the MD&A, are attached hereto as Appendices "A" and "B", respectively.

The interim financial statements for the period ended December 31, 2020, together with the MD&A, are attached hereto as Appendices "C" and "D", respectively.

APPENDIX "A"

Graphite Energy Corp.

Financial Statements

June 30, 2020

(Expressed in Canadian Dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Graphite Energy Corp.

Opinion

We have audited the financial statements of Graphite Energy Corp. (the “Company”), which comprise the statements of financial position as at June 30, 2020 and 2019 and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that the Company accumulated deficit of $2,181,857 as at June 30, 2020. This condition, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

September 21, 2020

Graphite Energy Corp.
Statements of Financial Position
(Expressed in Canadian dollars)

	Notes	June 30, 2020 -$-	June 30, 2019 -$-
ASSETS			
Current assets			
Cash		141,836	1,764
GST Receivable		11,167	13,365
Prepaid expenses		10,119	-
TOTAL ASSETS		**163,122**	**15,129**
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	4	132,564	318,595
TOTAL LIABILITIES		**132,564**	**318,595**
SHAREHOLDERS' EQUITY			
Share capital	5	2,212,415	1,617,389
Deficit		(2,181,857)	(1,920,855)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)		**30,558**	**(303,466)**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		**163,122**	**15,129**

Nature of operations and going concern (Note 1)
Proposed transaction (Note 8)
Subsequent events (Note 10)

Approved and authorized on behalf of the Board on September 21, 2020:

"Teresa Cherry" Director *"Adrian F.C. Hobkirk"* Director

The accompanying notes are an integral part of these financial statements

Graphite Energy Corp.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Notes	June 30, 2020 - $ -	June 30, 2019 - $ -
EXPENSES			
Consulting		2,301	-
Management and directors fees	6	215,680	252,687
Miscellaneous		-	3,613
Office and administration		2,170	13,345
Professional fees		14,093	17,319
Regulatory and filing fees		11,716	11,277
Shareholder communications		-	1,419
Transfer agent fees		13,981	9,296
Travel and related fees		1,061	1,279
Total expenses		(261,002)	(310,235)
Other items			
Gain on debt forgiveness		-	41,785
Impairment of exploration and evaluation asset	3	-	(643,411)
Foreign exchange gain (loss)		-	463
Net and comprehensive loss		**(261,002)**	**(911,398)**
Basic and diluted loss per share		**(0.08)**	**(0.32)**
Weighted average shares outstanding		**3,111,941**	**2,816,051**

The accompanying notes are an integral part of these financial statements

Graphite Energy Corp.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Note	Share capital			
		Number of shares	**Amount - $ -**	**Deficit - $ -**	**Total - $ -**
Balance at June 30, 2018		**2,816,051**	**1,617,389**	**(1,009,457)**	**607,932**
Net and comprehensive loss for the year		-	-	(911,398)	(911,398)
Balance at June 30, 2019		**2,816,051**	**1,617,389**	**(1,920,855)**	**(303,466)**
Shares issued for private placement (net)	5	6,000,000	595,026	-	595,026
Net and comprehensive loss for the year		-	-	(261,002)	(261,002)
Balance at June 30, 2020		**8,816,051**	**2,212,415**	**(2,181,857)**	**30,558**

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

Graphite Energy Corp.
Statements of Cash Flows
(Expressed in Canadian dollars)

	June 30, 2020 $	June 30, 2019 $
Operating activities		
Loss for the year	(261,002)	(911,398)
Items not affecting cash:		
Impairment of exploration and evaluation assets	-	643,411
Gain on debt forgiveness	-	(41,785)
Net change in non-cash working capital items:		
GST receivable	2,198	(2,396)
Prepaid expenses	(10,119)	10,834
Accounts payable and accrued liabilities	(6,031)	155,827
Net cash flows used in operating activities	(274,954)	(145,506)
Financing activities		
Shares issued, net of share issuance cost	415,026	-
Net cash flows provided by financing activities	415,026	-
Change in cash	140,072	(45,506)
Cash, beginning	1,764	147,269
Cash, ending	**141,836**	**1,764**

During the year ended June 30, 2020, the Company issued shares to settle $180,000 of debt.

During the year ended June 30, 2019, the Company had no non-cash transactions.

The accompanying notes are an integral part of these financial statements

1. Nature of operations and going concern

Graphite Energy Corp. (the "Company") was incorporated on October 14, 2016 under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada. The Company's shares are listed on the Canadian Security Exchange ("CSE"). During the year ended June 30, 2019, the Company completed a 10 for 1 share consolidation. All references to the number of shares and per share amounts have retroactively restated to reflect the consolidation.

The head office, principal address and registered records office of the Company is located at 750 West Pender Street, Suite 804, Vancouver, British Columbia, Canada, V6C 2T7.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At June 30, 2020, the Company had not achieved profitable operations, had an accumulated deficit of $2,181,857 and expects to incur further losses in the development of its business, all of which indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its mineral property exploration activities and its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus ("COVID-19"). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations, cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in 2020/2021.

2. Statement of compliance with International Financial Reporting Standards and basis of preparation

These financial statements were authorized for issue on September 21, 2020, by the directors of the Company.

Statement of compliance with International Financial Reporting Standards

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

The accounting policies applied in preparation of these financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended June 30, 2019, except for the following:

2. Statement of compliance with International Financial Reporting Standards and basis of preparation (cont'd)

Changes in accounting policies

The following is the Company's new accounting policy for leases under IFRS 16:

IFRS 16, *Leases*

In January 2016, the IASB issued IFRS 16, Leases which replaces IAS 17, Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019. The Company currently has no leases.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a material impact on the Company's financial statements other than note disclosure. The Company has not early adopted these revised standards.

Basis of preparation

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. These financial statements are presented in Canadian dollars unless otherwise noted.

Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with IFRS 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 the reported revenues and expenses during this year.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the valuation of share-based payments and recognition of deferred tax amounts.

2. Statement of compliance with International Financial Reporting Standards and basis of preparation (cont'd)

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

i) Going concern
The Company's ability to execute its strategy by funding future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as, expectations of future events that are believed to be reasonable under the circumstances.

ii) Impairment of assets
Economic recoverability and probability of future benefits of exploration and evaluation assets. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

iii) Exploration and evaluation expenditures
The application of the Company's accounting policy for exploration and evaluation expenditures capitalized requires judgment in determining which expenditures are recognized as exploration and evaluation assets and applying the policy consistently. In making this determination, the Company considers the degree to which the expenditure can be associated with finding specific mineral resources.

iv) Deferred taxes
Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that probable that future taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax assets and unused tax losses can be utilized.

v) Share-Based Compensation
The Company uses the fair value method of valuing compensation expense associated with the Company's share-based compensation plan. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant.

Foreign currency translation
The functional currency of the Company is measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Canadian dollars which is the Company's functional and presentation currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary assets and liabilities are translated at the period end exchange rate. Non-monetary assets and liabilities measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary assets and liabilities measured at fair value are reported at the exchange rate at the date when fair values were determined.

2. Statement of compliance with International Financial Reporting Standards and basis of preparation (cont'd)

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of loss and comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exploration and evaluation assets

Exploration and evaluation expenditures relating to mineral properties include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, or (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of 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 corresponding amount is recorded to reserves. The fair value of options is determined using the Black–Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Vesting is determined by the Board of Directors.

2. Statement of compliance with International Financial Reporting Standards and basis of preparation (cont'd)

Financial instruments
The following is the Company's accounting policy for financial instruments under IFRS 9:

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

Financial assets/liabilities	Classification
Cash	FVTPL
Trade payables	Amortized cost

(ii) Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

2. Statement of compliance with International Financial Reporting Standards and basis of preparation (cont'd)

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Impairment of assets
The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of loss and comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2. Statement of compliance with International Financial Reporting Standards and basis of preparation (cont'd)

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and short-term highly liquid investments and bank overdrafts.

Income taxes

Current income tax:

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

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

Deferred income tax:

Deferred tax is accounted for using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not recognized for temporary differences related to the initial recognition of the assets or liabilities that affect neither accounting nor taxable profit nor investments in subsidiaries, associates and interests in joint ventures to the extent it is probable that they will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner and expected date of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date. A deferred tax asset is recognized only to the extent that it is probable that future taxable amounts will be available against which the asset can be utilized.

Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercise were used to acquire common shares at the average market price during the reporting period.

(Expressed in Canadian dollars)

2. Statement of compliance with International Financial Reporting Standards and basis of preparation (cont'd)

Restoration and environmental obligations

The Company recognizes liabilities for legal and constructive obligations associated with the retirement of exploration and evaluation assets. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in the regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The increase in the provision due to the passage of time is recognized as interest expense.

The Company did not have any restoration provisions at June 30, 2020 and 2019.

3. Exploration and evaluation asset

Lac Aux Bouleaux Graphite Project – Quebec, Canada

On December 20, 2016, and amended March 30, 2017 and September 11, 2017, the Company entered into a purchase option agreement ("agreement") with Gold Port Resources Ltd ("GPRL") to earn a 100% interest in the Lac Aux Bouleaux Graphite Project ("LAB Project"). The LAB Project is a contiguous set of 14 claims located in the Province of Quebec. To earn its interest in the project, the Company must pay GPRL $60,000 (paid), a second payment of $60,000 (paid) on the closing date (the date on which the shares of the Company trade on a stock exchange) and a final payment of $60,000 (not paid) six months from the closing date. Additionally, the Company must issue 5,000,000 common shares (issued) upon signing of the agreement, which shall be subject to a one-year trading restriction from the closing date in addition to any trading restrictions imposed by the British Columbia Securities Commission.

During the year ended June 30, 2019, the Company returned the property to GPRL and fully impaired the property.

4. Trade payables and accrued liabilities

	June 30, 2020 -$-	**June 30, 2019 -$-**
Trade payables	100,429	78,851
Amounts due to related parties (Note 6)	22,660	226,144
Accrued liabilities	9,475	13,600
Total	**132,564**	**318,595**

(Expressed in Canadian dollars)

5. Share capital and reserves

Authorized share capital

An unlimited number of common shares without par value.

Issued share capital

As at the year ended June 30, 2020 there were 8,816,051 (2019 – 2,816,051) issued and fully paid common shares.

On June 12, 2020, the Company closed a private placement issuing 6,000,000 common shares at a price of $0.10 per share for gross proceeds of $600,000.

During the year ended June 30, 2019, there were no share capital transactions.

Warrants

During the years ended June 30, 2020 and 2019, there were no transactions involving warrants.

The following table summarizes information about the warrant transactions during the period ended June 30, 2020 and year ended June 30, 2019:

	Warrants	
	Number of warrants	**Weighted average exercise price - $ -**
Outstanding, June 30, 2018	**3,175**	**2.00**
Expired	(3,175)	2.00
Outstanding, June 30, 2019 and 2020	**-**	**-**

Stock options

The Board has approved a Stock Option Plan, designed for selected employees, officers, directors, consultants and contractors, to incentivize such individuals to contribute toward the Company's long-term goals, and to encourage such individuals to acquire shares as long-term investments. The Stock Option Plan is administered by the Board and authorizes the issuance of stock options not to exceed a total of 10% of the number of shares issued and outstanding from time to time. The terms of any award are determined by the Board, provided that no options may be granted at less than the fair market value of shares as of the date of the grant. The maximum term of the options is ten years.

As at June 30, 2020 and June 30, 2019, the Company had no options outstanding.

(Expressed in Canadian dollars)

6. Related party transactions

Balances

The following amounts due to related parties are included in trade payables and accrued liabilities (Note 4) and have arisen from the unpaid portion of certain fees disclosed below as well as amounts owing for expense reimbursements. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

	June 30, 2020 - $ -	June 30, 2019 - $ -
Companies controlled by directors and an officer of the Company	21,894	146,000
Directors and officer of the Company	766	80,144
	22,660	226,144

Transactions

During the year ended June 30, 2020, the Company incurred management fees of $80,680 (2019 - $67,687) to the CEO of the Company and director fees of $75,000 (2019 - $75,000) to a company controlled by a director of the Company. The Company also incurred consulting and professional fees of $60,000 (2019 - $110,000) with a company controlled by the CFO of the Company, and settled $180,000 of debt with an officer and director of the Company and a significant shareholder of the Company.

7. Financial risk and capital management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is summarized as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts at a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk is assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to necessary levels of equity funding. Liquidity risk is assessed as high.

7. Financial risk and capital management (cont'd)

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. As at June 30, 2020, the Company had no financial liabilities denominated in a foreign currency. As at June 30, 2020, the Company has financial assets denominated in the US Dollar, which will be affected by changes in the exchange rate between the Canadian Dollar and the US Dollar.

If the Canadian dollar changes by one percent against the US Dollar, with all other variables held constant, the impact on the Company's foreign denominated financial instruments would result in a nominal change in profit or loss.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risks.

Capital Management

The Company's policy is, if permitted by market conditions, to maintain a strong capital base so as to support investor and creditor confidence and support future development of the business. The capital structure of the Company consists of equity, comprising share capital and reserves net of accumulated deficit. The Company is not subject to any externally imposed capital requirements and there were no changes to the Company's capital management for the year ended June 30, 2020.

Fair value

The Company's financial instruments consist of cash and trade payables. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these investments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash is measured at fair value using Level 1 inputs.

8. Proposed transaction

On June 17, 2020 the Company entered into an into an agreement with third party arms' length vendors (the "Vendors") to acquire (the "acquisition") a 100% ownership in a company that owns certain tenements for gold mineralization in Western Australia, whereby, the Company will have all base and precious metal mineral rights except for diamonds and iron ore which remain with the Vendors.

(Expressed in Canadian dollars)

8. Proposed transaction (cont'd)

Pursuant to the agreement, the Company will make the following common share issuances to the Vendors on a pro rata basis:

- 7,500,000 common shares to acquire 100% ownership of the company;
- On the completion of a drill program of 4,000 meters, an additional 2,500,000 common shares;
- On the announcement of not less than 500,000 ounces of gold within the property package, as defined in a resource calculated compliant to NI 43-101 standards a further 2,500,000 common shares; and
- On the announcement of at least 1,000,000 ounces of gold within the property package, as defined in a resource calculated compliant to NI 43-101 standards a further 2,500,000 common shares.

The acquisition is subject to the Company completing a due diligence program including an initial 43-101 report on the project as well as receiving applicable regulatory approvals. The Company is paying a finder's fee of 750,000 common shares on the completion of the transaction to a non-related third party.

9. Income Tax

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

	June 30, 2020 -$-	June 30, 2019 -$-
Net loss	(261,002)	(911,398)
Statutory tax rate	27%	27%
Expected income tax recovery	(70,471)	(246,077)
Other	(12,183)	-
Change in unrecognized deductible temporary differences	82,654	256,158
Effect of change in tax rate	-	(10,080)
Total income tax recovery	-	-

The significant components of the Company's deferred tax assets and liabilities are as follows:

	June 30, 2020 -$-	June 30, 2019 -$-
Unrecognized deferred tax assets:		
Share issue costs	1,074	196
Non-capital losses	426,100	501,786
Resource pool	173,722	16,261
Total unrecognized deferred tax assets	600,896	518,242

10. Subsequent Events

Subsequent to the year ended June 30, 2020 the Company completed the following:

- A non-brokered private placement financing of 13,000,000 units at a price of $0.20 per unit for gross proceeds of $2,600,000. Each Unit is comprised of one common share and one transferable common share purchase warrant. Each Warrant allows the holder to purchase one additional common share of the Company at a price of $0.35 per share for a period of three years from the date of closing of the Private Placement. The Warrants are subject to an acceleration provision, whereby if the Company's shares close at or above $0.40 per share for more than 10 consecutive trading days, the holder will have 30 days from that date to exercise the warrant or it will expire. The Company paid finder's fees totaling $82,000 and 930,000 finder's warrants in connection to the private placement. The Finder's Warrants are non-transferable and exercisable on the same terms as the Warrants issued in the Private Placement.

- Entered into an agreement to acquire 100% of the issued and outstanding shares Swan Gold Ltd., a private British Columbia Company, that holds, through Swan Gold (Australia) Pty Ltd. certain gold focused tenement applications called "York NE", "Warrawoona E" and "Beatons SE" in the Pilbara region, Western Australia. In consideration for the acquisition of Swan Gold Ltd., the Company will issue a total of 7,500,000 common shares to the shareholders of Swan Gold Ltd. (the "Consideration Shares"). The Consideration Shares will be subject to the following restrictions on resale:
    i. 30% of the Consideration Shares will be free trading on the date of closing,
    ii. 20% of the Consideration Shares will be subject to resale restrictions for four months,
    iii. 20% of the Consideration Shares will be subject to resale restrictions for eight months,
    iv. the final 20% of the Consideration Shares will be subject to resale restrictions for twelve months.

  The Company will pay a finder's fee equal to 750,000 shares in connection with the transaction. The transaction is at arms-length and will not result in the creation of a control position. The transaction is subject to receiving approval from applicable regulatory authorities.

- On August 21, 2020, granted incentive stock options to purchase a total of 2,100,000 common shares at an exercise price of $0.66 per share for a period of five years to certain directors, consultants and advisory board members in accordance with the provisions of its stock option plan.

- On July 16, 2020, the Company announced it was proposing to change the name of the Company to Australian Goldfields.

APPENDIX "B"

Graphite Energy Corp.

Management Discussion and Analysis

For the years ended
June 30, 2020

INTRODUCTORY COMMENT

Graphite Energy Corp. (the "Company") was incorporated on October 14, 2016 under the laws of the Province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada.

The head office, principal address and registered records office of the Company is located at 750 West Pender Street, Suite 804, Vancouver, British Columbia, Canada, V6C 2T7.

This Management Discussion and Analysis ("MD&A") is dated September 21, 2020 and discloses specified information up to that date. This MD&A should be read in conjunction with the Company's audited financial statements for the year ended June 30, 2020, which are prepared in accordance with International Financial Reporting Standards as issued by the IASB.

The Company has initially adopted IFRS 16 Leases from July 1, 2019. The effect of initially applying this standard did not have a material impact on the Corporation's financial statements. A number of other new standards are also effective from July 1, 2019 but they also did not have a material impact on the Corporation's financial statements (Note 2 to the Financial Statements).

Throughout this report we refer from time to time to "Graphite Energy", "the Company", "we", "us", "our" or "its". All these terms are used in respect of Graphite Energy Corp. which is the reporting issuer in this document. ***We recommend that readers consult the "Cautionary Statement" on the last page of this report.***

CORPORATE HIGHLIGHTS

During the prior year, the Company entered into a business combination agreement dated June 25, 2019 (the "Definitive Agreement") with World Farms Corp. ("WFC"), a company that owns a portfolio of international cannabis assets. On March 31, 2020, the Company announced the termination of the agreement, by electing not to provide a further extension under the terms of the combination agreement.

During the year ended June 30, 2020, the Company closed a non-brokered private placement financing issuing 6,000,000 common shares at a price of $0.10 per share for gross proceeds of $600,000.

During the year ended June 30, 2020, on June 17, 2020 the Company entered into an into an agreement with Pilbara Gold Group PTY Ltd ("Pilbara"), to acquire all of the outstanding shares of Pilbara in exchange for shares in the Company. Pilbara controls certain tenements for gold mineralization in the Pilbara District of Western Australia. Under the terms of the acquisition, the Company will have all base and precious metal mineral rights except for diamonds and iron ore which will be assigned to the current shareholders of Pilbara on a pro-rata basis.

Pursuant to the agreement, the Company will make the following common share issuances to the shareholders of Pilbara on a pro rata basis:

- i) 7,500,000 common shares to acquire 100% ownership of the target company. These shares will be subject to an escrow provision over a 12-month period;
- ii) On the completion of a drill program of 4,000 meters, an additional 2,500,000 common shares;
- iii) On the announcement of not less than 500,000 ounces of gold within the property package, as defined in a resource calculated compliant to NI 43-101 standards a further 2,500,000 common shares;
- iv) On the announcement of at least 1,000,000 ounces of gold within the property package, as defined in a resource calculated compliant to NI 43-101 standards a further 2,500,000 common shares.

The acquisition is subject to the Company completing a due diligence program including an initial 43-101 report on the project as well as receiving applicable regulatory approvals. The Company is paying a finder's fee of 750,000 common shares on the completion of the transaction to a nonrelated third party.

Upon closing the next steps will be geological review and field sampling to identify drill targets.

Subsequent to the year ended June 30, 2020, the Company entered into an agreement to acquire 100% of the issued and outstanding shares of Swan Gold Ltd. ("Swan Gold"), a private British Columbia Company, that holds, through Swan Gold (Australia) Pty Ltd. certain significant gold focused tenement applications called "York NE", "Warrawoona E" and "Beatons SE" in the Pilbara region, Western Australia. In consideration for the acquisition of Swan Gold Ltd., the Company will issue a total of 7,500,000 common shares to the shareholders of Swan Gold Ltd. (the "Consideration Shares"). The Consideration Shares will be subject to the following restrictions on resale:

i) 30% of the Consideration Shares will be free trading on the date of closing,
ii) 20% of the Consideration Shares will be subject to resale restrictions for four months,
iii) 20% of the Consideration Shares will be subject to resale restrictions for eight months,
iv) the final 20% of the Consideration Shares will be subject to resale restrictions for twelve months.

The Company will pay a finder's fee equal to 750,000 shares in connection with the transaction. The transaction is at arms-length and will not result in the creation of a control position. The transaction is subject to receiving approval from applicable regulatory authorities.

Subsequent to the year ended June 30, 2020, the Company completed a non-brokered private placement financing of 13,000,000 units at a price of $0.20 per unit for gross proceeds of $2,600,000. Each Unit is comprised of one common share and one transferable common share purchase warrant. Each Warrant allows the holder to purchase one additional common share of the Company at a price of $0.35 per share for a period of three years from the date of closing of the Private Placement. The Warrants are subject to an acceleration provision, whereby if the Company's shares close at or above $0.40 per share for more than 10 consecutive trading days, the holder will have 30 days from that date to exercise the warrant or it will expire. The Company paid finder's fees totaling $82,000 and 930,000 finder's warrants in connection to the private placement. The Finder's Warrants are non-transferable and exercisable on the same terms as the Warrants issued in the Private Placement.

PROJECT SUMMARY

Pilbara – Australia
In connection to an acquisition agreement with Pilbara, the Company will acquire Pilbara's tenement holdings upon closing.

Pilbara holds five distinct project tenements in the following areas:

- Beatons River comprised of 355 square kilometers adjoins the Beatons Creek Project currently being developed for gold production by Novo Resources Corp. The gold target is conglomerate hosted.
- Cuprite West and East is located 50 kilometers west of Marble Bar, and is comprised of 109 square kilometers. The mineral target is massive sulphide gold mineralization.
- Tyche and Fortuna Projects which are two non-contiguous tenements that cover two stratigraphic units of the Fortescue Group which comprise the Hardey and Kylena Formations. The gold target is conglomerate gold hosted in the Hardey Formation.
- Nortia Project hosts the Dalton Suite in the center of the tenement, which holds the potential for ultramaphic shear hosted gold mineralization.

Subsequent to the year ended June 30, 2020, in connection to an acquisition agreement with Swan Gold Ltd., the Company will acquire additional tenements in the Pilbara region upon closing.

Swan Gold holds gold focused tenement projects called "York NE", "Warrawoona E" and "Beatons SE" in the Pilbara region, Western Australia.

Lac Aux Bouleaux Graphite Project – Quebec, Canada
Historically, the Company entered into a purchase option agreement ("agreement") with Gold Port Resources Ltd ("GPRL") to earn a 100% interest in the Lac Aux Bouleaux Graphite Project ("LAB Project"). During the year ended June 30, 2019, as a result of the Company's intention to change its business, the Company has disposed of the property, turning it back over to GPRL.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2020, the Company had current assets of $163,122 (June 30, 2019 - $15,129) and current liabilities of $132,563 (June 30, 2019 - $318,595). Working capital at June 30, 2020 is $30,558 compared to $303,466 deficit at June 30, 2019.

Shareholders equity at June 30, 2020 was $30,558 compared to $303,466 deficiency at June 30, 2019.

During the year ended June 30, 2020, the Company closed a non-brokered private placement financing issuing 6,000,000 common shares at a price of $0.10 per share for gross proceeds of $600,000. As at the year ended June 30, 2020 there were 8,816,051 (2019 – 2,816,051) issued and fully paid common shares.

The Company will need to continue raising additional capital to the investigation of potential new projects of merit and for general working capital purposes. As a public company, the evaluation by the investment community and individual investors will determine the outcome of any financing in the public market.

Subsequent to the year ended June 30, 2020, the Company completed a non-brokered private placement financing of 13,000,000 units at a price of $0.20 per unit for gross proceeds of $2,600,000. Each Unit is comprised of one common share and one transferable common share purchase warrant. Each Warrant allows the holder to purchase one additional common share of the Company at a price of $0.35 per share for a period of three years from the date of closing of the Private Placement. The Warrants are subject to an acceleration provision, whereby if the Company's shares close at or above $0.40 per share for more than 10 consecutive trading days, the holder will have 30 days from that date to exercise the warrant or it will expire. The Company paid finder's fees totaling $82,000 and 930,000 finder's warrants in connection to the private placement. The Finder's Warrants are non-transferable and exercisable on the same terms as the Warrants issued in the Private Placement.

Subsequent to the year ended June 30, 2020, on August 21, 2020, the Company granted incentive stock options to purchase a total of 2,100,000 common shares at an exercise price of $0.66 per share for a period of five years to certain directors, consultants and advisory board members in accordance with the provisions of its stock option plan.

RESULTS OF OPERATIONS

For the year ended June 30, 2020, the Company recorded a net loss of $261,002 (2019 - $911,398) and had a cumulative deficit of $2,181,857 (2019 - $1,920,855).

SELECTED ANNUAL INFORMATION

The following table provides a brief summary of the Company's financial operations for the prior three fiscal years. For more detailed information, refer to the financial statements for the year then ended.

	June 30, 2020 -$-	June 30, 2019 -$-	June 30, 2018 -$-
Total assets	163,122	15,129	748,449
Non-current assets	-	-	579,376
Working capital (deficit)	30,558	(303,466)	(37,279)
Long-term liabilities	-	-	-
Shareholders' equity (deficiency)	30,558	(303,466)	607,932
Net loss	(261,002)	(911,398)	(839,047)
Net loss per share	(0.08)	(0.32)	(0.35)

* **Period from October 14, 2016**

SUMMARY OF QUARTERLY FINANCIAL INFORMATION

The following is a summary of selected financial information compiled from the quarterly unaudited financial statements for the eight quarters ended June 30, 2020.

	Jun. 30, 2020 -$-	Mar. 31, 2020 -$-	Dec 31, 2019 -$-	Sep. 30, 2019 -$-
Revenue	-	-	-	-
Total assets	163,122	2,099	2,511	4,922
Working capital (deficit)	30,558	(516,321)	(460,845)	(402,254)
Long-term liabilities	-	-	-	-
Shareholders' equity	30,558	(516,321)	(460,845)	(402,254)
Net loss	(48,147)	(55,476)	(58,591)	(98,788)
Net loss per share	(0.02)	(0.02)	(0.02)	(0.03)
	Jun. 30, 2019 -$-	**Mar. 31, 2019 -$-**	**Dec 31, 2018 -$-**	**Sep. 30, 2018 -$-**
Revenue	-	-	-	-
Total assets	15,129	687,173	696,920	708,720
Working capital (deficit)	(303,466)	(305,625)	(103,409)	(37,279)
Long-term liabilities	-	-	-	-
Shareholders' equity (deficiency)	(303,466)	337,785	480,001	546,131
Net loss	(642,081)	(142,217)	(65,300)	(61,800)
Net loss per share	(0.22)	(0.05)	(0.02)	(0.03)

Discussion

The operating results of junior exploration companies are capable of demonstrating wide variations from period to period. Other than the factors leading to certain costs discussed above in the section "Results of Operations", management of the Company does not believe that meaningful information about the Company's operations can be derived from an analysis of quarterly fluctuations.

The main categories causing significant variance in the eight quarters ended June 30, 2020 are described further herein. During the period ended June 30, 2019, the Company incurred a loss on disposition of exploration and evaluation assets in the period then ended of $601,626. The variance in loss on disposition of exploration and evaluation assets is due to the Company's intention to change its businesses by entering into a definitive agreement with World Farms Corp., and it's negotiations with GPRL with respect to the final payment of $60,000, the Company disposed of the property, turning it back to GPRL in the period then ended. Management fees in the period ended September 30, 2019, and March 31, 2019 increased as a result of management contracts.

The three months ended June 30, 2020 and 2019:

For the three months ended June 30, 2020, the Company had a net loss of $48,147 (2019 - $642,081). The main categories of variance in the comparative periods include the loss on disposition of exploration and evaluation assets in the prior period of $nil (2019 - $601,626) an increase in management fees to $50,680 (2019 - $20,678) and a decrease regulatory fees to $7,722 recovery (2019 - $2,302).

The variance in loss on disposition of exploration and evaluation assets is due to the Company's intention to change its businesses, and it's negotiations with GPRL, the Company disposed of the property, turning it back to GPRL in the prior period. Management fees in the current period increased as a result of utilization of services in the period and timing of transaction related activities and the decrease in regulatory fees in the current period is due to a recovery of previously expended fees recovered on termination of the WFC transaction.

The years ended June 30, 2020 and 2019:

For the years ended June 30, 2020, the Company had a net loss of $261,002 (2019 - $911,398). The main categories of variance in the comparative periods include the loss on disposition of exploration and evaluation assets in the prior period of $nil (2019 - $643,411), a gain on debt forgiveness of $nil (2019 - $41,785), a decrease in office administration costs to $2,170 (2019 - $13,345), and a decrease in management fees to $215,680 (2019 - $252,687).

The variance in loss on disposition of exploration and evaluation assets is due to the Company's intention to change its businesses, and it's negotiations with GPRL, the Company disposed of the property, turning it back to GPRL in the prior year. In the prior year the Company recognized a gain on debt forgiveness as a result of negotiation with the vendor whereas there were no similar transactions in the current year. Management fees decreased in the current year as a result of utilization of services in the year and timing of transaction related activities in the current and prior year. Office and administrative fees are commensurate with usage of services.

TRANSACTIONS WITH RELATED PARTIES

Related party balances

The following amounts due to related parties are included in trade payables and accrued liabilities (Note 4) and have arisen from the unpaid portion of certain fees disclosed below as well as amounts owing for expense reimbursements. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

	June 30, 2020 - $ -	**June 30, 2019 - $ -**
Companies controlled by current and former directors and officers of the Company	21,894	146,000
Directors and officer of the Company	766	80,144
	22,660	226,144

Transactions

During the year ended June 30, 2020, the Company incurred management fees of $80,680 (2019 - $67,687) to the CEO of the Company and director fees of $75,000 (2019 - $75,000) to a company controlled by a director of the Company. The Company also incurred consulting and professional fees of $60,000 (2019 - $110,000) with a company controlled by the CFO of the Company, and settled $180,000 of debt with an officer and director of the Company and a significant shareholder of the Company.

As at June 30, 2020, the following parties are Directors and or Officers of the Company:

- Adrian Hobkirk, CEO, President, and Director
- Teresa Cherry, CFO, and Director
- Chris Cherry, Director

OFF BALANCE SHEET ARRANGEMENTS

There are no off- balance sheet arrangements.

PROPOSED TRANSACTIONS

On June 17, 2020 the Company entered into an into an agreement with third party arms' length vendors (the "Vendors") to acquire (the "acquisition") a 100% ownership in a company that controls certain tenements for gold mineralization in Western Australia, whereby, the Company will have all base and precious metal mineral rights except for diamonds and iron ore which remain with the Vendors.

Pursuant to the agreement, the Company will make the following common share issuances to the Vendors on a pro rata basis:

- 7,500,000 common shares to acquire 100% ownership of the target company. These shares will be subject to an escrow provision over a 12-month period;
- On the completion of a drill program of 4,000 meters, an additional 2,500,000 common shares;
- On the announcement of not less than 500,000 ounces of gold within the property package, as defined in a resource calculated compliant to NI 43-101 standards a further 2,500,000 common shares;
- On the announcement of at least 1,000,000 ounces of gold within the property package, as defined in a resource calculated compliant to NI 43-101 standards a further 2,500,000 common shares.

The acquisition is subject to the Company completing a due diligence program including an initial 43-101 report on the project as well as receiving applicable regulatory approvals. The Company is paying a finder's fee of 750,000 common shares on the completion of the transaction to a non-related third party.

During the prior year, the Company entered into a business combination agreement dated June 25, 2019 (the "Definitive Agreement") with World Farms Corp. ("WFC"), a company that owns a portfolio of international cannabis assets. On March 31, 2020, the Company announced the termination of the agreement, by electing not to provide a further extension under the terms of the combination agreement.

Subsequent to the year ended June 30, 2020 the Company entered into an agreement to acquire 100% of the issued and outstanding shares Swan Gold Ltd., a private British Columbia Company, that holds, through Swan Gold (Australia) Pty Ltd. certain significant gold focused tenement applications called "York NE", "Warrawoona E" and "Beatons SE" in the Pilbara region, Western Australia. In consideration for the acquisition of Swan Gold Ltd., the Company will issue a total of 7,500,000 common shares to the shareholders of Swan Gold Ltd. (the "Consideration Shares"). The Consideration Shares will be subject to the following restrictions on resale:

- 30% of the Consideration Shares will be free trading on the date of closing,
- 20% of the Consideration Shares will be subject to resale restrictions for four months,
- 20% of the Consideration Shares will be subject to resale restrictions for eight months,
- the final 20% of the Consideration Shares will be subject to resale restrictions for twelve months.

The Company will pay a finder's fee equal to 750,000 shares in connection with the transaction. The transaction is at arms-length and will not result in the creation of a control position. The transaction is subject to receiving approval from applicable regulatory authorities.

FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is summarized as follows:

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts at a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk is assessed as low.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to necessary levels of equity funding.

Foreign exchange risk
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. As at June 30, 2020, the Company had minimal financial assets or no liabilities denominated in a foreign currency and foreign exchange risk is assessed as low.

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risks.

Capital Management
The Company's policy is, if permitted by market conditions, to maintain a strong capital base so as to support investor and creditor confidence and support future development of the business. The capital structure of the Company consists of equity, comprising share capital and reserves net of accumulated deficit. The Company is not subject to any externally imposed capital requirements.

Fair value
The Company's financial instruments consist of cash, trade payables and amounts due to related parties. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these investments.
Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash is measured at fair value using Level 1 inputs.

RISKS RELATED TO THE COMPANY'S BUSINESS

Overview

Resource exploration is a speculative business and involves a high degree of risk. There is a significant probability that the expenditures made by the Company in the exploring of its property will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis for further development of a property. Capital expenditures to attain commercial production stage are also very substantial.

The following sets out the principal risks to face by the Company.

Exploration Risk. The Company is seeking mineral deposits on exploration projects where there are not yet established commercial quantities. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons, or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company's planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities.

Market Risks. The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change both in short term time horizons and longer-term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities. See "Share Price Volatility and Price Fluctuations" below.

Commodity Price Risks. The Company's exploration projects seek graphite. An adverse change in this commodity's price, or in investors' beliefs about trends in this price, could have a material adverse outcome on the Company and its securities.

Aboriginal Accommodation Risks. Aboriginal title claims and rights to consultation and accommodation may affect our existing operations as well as potential development projects. Governments in many jurisdictions must consult with aboriginal peoples with respect to grants of mineral rights and the issuance or amendment of project authorizations. Consultation and other rights of aboriginal people may require accommodations, including undertakings regarding employment and other matters in impact and benefit agreements. This may affect our ability to assure within a reasonable time frame effective mineral titles in these jurisdictions, including in some parts of Canada in which aboriginal title is claimed, and may affect the timetable and costs of exploration and, if warranted, development of mineral properties in these jurisdictions. The risk of unforeseen aboriginal title claims also could affect existing exploration activities as well as potential development projects and possible future acquisitions. These legal requirements may affect our ability to expand or transfer existing projects or acquire possible new projects.

Financing Risks. Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon either selling equity in the capital markets or obtaining funding partnerships with third parties to provide financing for its continuing substantial exploration budgets. While the Company has been successful in obtaining financing from the capital markets for its projects recently, there can be no assurance that the capital markets will support providing the financing needed to continue its exploration programs on favorable terms, or at all. Restrictions on the Company's ability to finance could have a material adverse outcome on the Company and its securities.

Share Price Volatility and Price Fluctuations. In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies like the Company, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that these price fluctuations and volatility will not continue to occur.

Competition. Significant and increasing competition exists for the limited number of mineral property acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

Environmental and Other Regulatory Requirements. The current or future operations of the Company, including development activities and commencement of production on its property, requires permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required to commence production on its property will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the property in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at its property on terms which enable operations to be conducted at economically justifiable costs.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or extraction operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

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 Company and cause increases in capital expenditures or production costs or reduction in levels of production at its property or abandonment or delays in development of new mineral exploration properties.

To the best of the Company's knowledge, it is currently operating in compliance with all applicable environmental regulations.

History of Net Losses; Accumulated Deficit; Lack of Revenue from Operations. The Company has incurred net losses to date. Its deficit as of June 30, 2020 is $2,181,858. The Company has not yet had any ongoing revenue from the exploration activities on its property, nor has the Company yet determined that commercial development is warranted on its property. Even if the Company commences development of its property, the Company may continue to incur losses. There is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

Uninsured Risks. The Company may become subject to liability for pollution, fire, explosion and other risks against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. A finding of liability against the Company in such circumstances would have a material effect on the Company's financial position.

Cyber Security Risks. As the Corporation continues to increase its dependence on information technologies to conduct its operations, the risks associated with cyber security also increase. The Corporation relies on management information systems and computer control systems. Business and supply chain disruptions, plant and utility outages and information technology system and network disruptions due to cyber-attacks could seriously harm its operations and materially adversely affect its operation results, Cyber security risks include attacks on information technology and infrastructure by hackers, damage or loss of information due to viruses, the unintended disclosure of confidential information, the issue or loss of control over computer control systems, and breaches due to employee error. The Corporation's exposure to cyber security risks includes exposure through third parties on whose systems it places significant reliance for the conduct of its business. The Corporation has implemented security procedures and measures in order to protect its systems and information from being vulnerable to cyber-attacks. The Corporation believes these measures and procedures are appropriate. To date, it has not experienced any material impact from cyber security events. However, it may not have the resources or technical sophistication to anticipate, prevent, or recover from rapidly evolving types of cyber-attacks. Compromises to its information and control systems could have severe financial and other business implications

OTHER MD&A DISCLOSURE REQUIREMENTS

Information Available on SEDAR

As specified by National Instrument 51-102, Graphite advises readers of this MD&A that important additional information about the Company is available on the SEDAR website http://www.sedar.com/

Disclosure by Venture Issuer Without Significant Revenue

An analysis of the material components of the Company's general and administrative expenses is disclosed in the financial statements to which this MD&A relates. An analysis of the material components of the exploration and evaluation asset of the Company's mineral property is disclosed in Note 3 to the financial statements.

Outstanding Share Data

As at the June 30, 2020 there were 8,816,051 common shares issued and outstanding. As at the current date there are 21,816,051 common shares issued and outstanding.

As at June 30, 2020 there were nil warrants outstanding. As at the current date there are 13,000,000 warrants outstanding and 930,000 finders warrants outstanding.

As at June 30, 2020 there were nil stock options outstanding. As at the current date there are 2,100,000 stock options outstanding.

As at the date of this report and the current date there are no special warrants outstanding.

Vancouver, British Columbia September 21, 2020

We recommend that users of this report read the below Cautionary Statements.

Cautionary Statements

This document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration plans, future possible exercise of warrants and our other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation (i) estimates of exploration investment and scope of exploration programs, and (ii) estimates of stock-based compensation expense. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change except as required by law. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks. Readers are advised not to place undue reliance on forward-looking statements.

APPENDIX “C”

Graphite Energy Corp.

Condensed Interim Financial Statements

Six Month Period ended December 31, 2020

(Unaudited)

(Expressed in Canadian Dollars)

Unaudited Interim Financial Statements

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company (as hereinafter defined) discloses that its auditors have not reviewed the unaudited condensed interim financial statements for the period ended December 31, 2020.

Graphite Energy Corp.
Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars - Unaudited)

	Notes	December 31, 2020 -$-	June 30, 2020 -$-
ASSETS			
Current assets			
Cash		2,241,946	141,836
Receivables	3	27,894	11,167
Prepaid expenses	3	10,500	10,119
TOTAL ASSETS		**2,280,340**	**163,122**
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	4	158,266	132,564
TOTAL LIABILITIES		**158,266**	**132,564**
SHAREHOLDERS' EQUITY			
Share capital	5	4,485,456	2,212,415
Reserve	5	1,690,047	-
Deficit		(4,053,429)	(2,181,857)
TOTAL SHAREHOLDERS' EQUITY		**2,122,074**	**30,558**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**2,280,340**	**163,122**

Nature of operations and going concern (Note 1)
Proposed transactions (Note 8)

Approved and authorized on behalf of the Board on February 24, 2021:

"Teresa Cherry" Director *"Adrian F.C. Hobkirk"* Director

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

Graphite Energy Corp.
Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars - Unaudited)

		Three months ended		Six months ended	
		December 31, 2020	**December 31, 2019**	**December 31, 2020**	**December 31, 2019**
	Notes	**- $ -**	**- $ -**	**- $ -**	**- $ -**
EXPENSES					
Business advisory		64,910	-	100,219	-
Consulting, management and directors fees	6	171,758	45,000	271,933	120,000
Office and administration		3,130	245	4,654	4,910
Professional fees		28,415	3,125	67,176	8,375
Project investigation		62,782	-	221,632	-
Regulatory and filing fees		7,348	8,820	8,901	13,513
Stock-based compensation	5, 6	-	-	1,163,137	-
Transfer agent and filing fees		13,177	1,401	17,568	10,581
Travel and related		855	-	855	-
Website		-	-	15,497	-
Total expenses		(352,375)	(58,591)	(1,871,572)	(157,379)
Net loss and comprehensive loss		**(352,375)**	**(58,591)**	**(1,871,572)**	**(157,379)**
Basic and diluted loss per share		**(0.02)**	**(0.02)**	**(0.10)**	**(0.06)**
Weighted average shares outstanding		**22,406,576**	**2,816,051**	**18,720,009**	**2,816,051**

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

Graphite Energy Corp.
Condensed Interim Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian dollars - Unaudited)

		Share capital				
	Note	Number of shares	Amount - $ -	Reserve - $ -	Deficit - $ -	Total - $ -
Balance at June 30, 2019		**2,816,051**	**1,617,389**	**-**	**(1,920,855)**	**(303,466)**
Net and comprehensive loss for the period		-	-	-	(157,379)	(157,379)
Balance at December 31, 2019		**2,816,051**	**1,617,389**	**-**	**(2,078,234)**	**(460,845)**
Balance at June 30, 2020		**8,816,051**	**2,212,415**	**-**	**(2,181,857)**	**30,558**
Shares issued for private placement (net)	5	13,597,014	2,799,951	-	-	2,799,951
Share issue costs – finders warrants	5	-	(526,910)	526,910	-	-
Stock based compensation - options	5	-	-	1,163,137	-	1,163,137
Net and comprehensive loss for the period		-	-	-	(1,871,572)	(1,871,572)
Balance at December 31, 2020		**22,413,065**	**4,485,456**	**1,690,047**	**(4,053,429)**	**2,122,074**

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

Graphite Energy Corp.
Condensed Interim Statement of Cash Flows
(Expressed in Canadian dollars - Unaudited)

	December 31, 2020 $	December 31, 2019 $
Operating activities		
Loss for the period	(1,871,572)	(157,379)
Items not affecting cash:		
Share-based payment	1,163,137	-
Net change in non-cash working capital items:		
Receivables	(16,727)	12,198
Prepaid expenses	(381)	-
Accounts payable and accrued liabilities	25,702	144,760
Net cash flows used in operating activities	(699,841)	(421)
Financing activities		
Shares issued net of share issuance cost	2,799,951	-
Net cash flows provided by financing activities	2,799,951	-
Change in cash during period	2,100,110	(421)
Cash, beginning	141,836	1,764
Cash, ending	2,241,946	**1,343**

During the period ended December 31, 2020 in connection to a private placement, the Company issued 930,000 finders warrants, valued at $526,910.

During the period ended December 31, 2019, the Company had no non-cash transactions.

The accompanying notes are an integral part of these financial statements

1. Nature of operations and going concern

Graphite Energy Corp. (the "Company") was incorporated on October 14, 2016 under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada. The Company's shares are listed on the Canadian Security Exchange ("CSE").

The head office and principal address and registered records office of the Company is located at 789 West Pender Street, Suite 1510, Vancouver, British Columbia, Canada, V6C 1H2.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At December 31, 2020, the Company had not achieved profitable operations, had an accumulated deficit of $4,053,429, had not advanced its mineral property to commercial production and expects to incur further losses in the development of its business, all of which indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its mineral property exploration activities and its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus ("COVID-19"). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations, cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in 2020/2021.

2. Statement of compliance with International Financial Reporting Standards and basis of preparation

These financial statements were authorized for issue on February 24, 2021, by the directors of the Company.

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

The accounting policies applied in preparation of these financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended June 30, 2020.

2. Statement of compliance with International Financial Reporting Standards and basis of preparation (cont'd)

Basis of preparation

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. These financial statements are presented in Canadian dollars unless otherwise noted. Certain comparative figures may have been reclassified to conform to the current year's presentation.

Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with IFRS 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 the reported revenues and expenses during this year.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the valuation of share-based payments and recognition of deferred tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

i) Going concern

The Company's ability to execute its strategy by funding future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as, expectations of future events that are believed to be reasonable under the circumstances.

ii) Impairment of assets

Economic recoverability and probability of future benefits of exploration and evaluation assets. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

iii) Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures capitalized requires judgment in determining which expenditures are recognized as exploration and evaluation assets and applying the policy consistently. In making this determination, the Company considers the degree to which the expenditure can be associated with finding specific mineral resources.

2. Statement of compliance with International Financial Reporting Standards and basis of preparation (cont'd)

***Significant accounting judgments, estimates and* assumptions** *(cont'd)*

iv) Deferred taxes

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that probable that future taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax assets and unused tax losses can be utilized.

v) Share-Based Compensation

The Company uses the fair value method of valuing compensation expense associated with the Company's share-based compensation plan. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant.

Foreign currency translation

The functional currency of the Company is measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Canadian dollars which is the Company's functional and presentation currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary assets and liabilities are translated at the period end exchange rate. Non-monetary assets and liabilities measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary assets and liabilities measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of loss and comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exploration and evaluation assets

Exploration and evaluation expenditures relating to mineral properties include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, or (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

2. Statement of compliance with International Financial Reporting Standards and basis of preparation (cont'd)

Exploration and evaluation assets *(cont'd)*
Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Share-based payments
Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of 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 corresponding amount is recorded to reserves. The fair value of options is determined using the Black–Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Vesting is determined by the Board of Directors.

Financial instruments
The following is the Company's accounting policy for financial instruments under IFRS 9:

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

Financial assets/liabilities	Classification
Cash	FVTPL
Trade payables	Amortized cost

2. Statement of compliance with International Financial Reporting Standards and basis of preparation (cont'd)

Financial instruments *(cont'd)*
(ii) Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

2. Statement of compliance with International Financial Reporting Standards and basis of preparation (cont'd)

Financial instruments *(cont'd)*

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Impairment of assets

The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of loss and comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Cash

Cash includes cash on hand and deposits held at call with banks.

Income taxes

Current income tax:

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

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

2. Statement of compliance with International Financial Reporting Standards and basis of preparation (cont'd)

Income taxes

Deferred income tax:

Deferred tax is accounted for using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not recognized for temporary differences related to the initial recognition of the assets or liabilities that affect neither accounting nor taxable profit nor investments in subsidiaries, associates and interests in joint ventures to the extent it is probable that they will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner and expected date of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date. A deferred tax asset is recognized only to the extent that it is probable that future taxable amounts will be available against which the asset can be utilized.

Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercise were used to acquire common shares at the average market price during the reporting period.

Restoration and environmental obligations

The Company recognizes liabilities for legal and constructive obligations associated with the retirement of exploration and evaluation assets. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in the regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The increase in the provision due to the passage of time is recognized as interest expense.

The Company did not have any restoration provisions at December 31, 2020 and June 30, 2020.

Leases

In January 2016, the IASB issued IFRS 16, Leases which replaces IAS 17, Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019. The Company currently has no leases.

(Expressed in Canadian dollars - Unaudited)

2. Statement of compliance with International Financial Reporting Standards and basis of preparation (cont'd)

Changes in accounting standards

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a material impact on the Company's financial statements other than note disclosure. The Company has not early adopted these revised standards.

3. Receivables

The balance in receivables at December 31, 2020 of $27,894 (June 30, 2020 - $11,167) consists of government tax credits receivable.

4. Trade payables and accrued liabilities

	December 31, 2020 -$-	June 30, 2020 -$-
Trade payables	150,476	100,429
Amounts due to related parties (Note 6)	1,440	22,660
Accrued liabilities	6,350	9,475
Total	**158,266**	**132,564**

5. Share capital and reserves

Authorized share capital

An unlimited number of common shares without par value.

Issued share capital

As at the period ended December 31, 2020, there are 22,413,065 (June 30, 2020 – 8,816,051) issued and fully paid common shares.

On August 17, 2020, the Company closed a private place financing issuing 13,000,000 units at a price of $0.20 per unit for gross proceeds of $2,600,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant allows the holder to purchase one common share of the Company at a price of $0.35 per share for a period of three years from the date of closing of the private placement. The warrants are subject to an acceleration provision, whereby if the Company's shares close at or above $0.40 per Share for more than 10 consecutive trading days, the holder will have 30 days from that date to exercise the warrant or it will expire.

In connection to this private placement, the Company paid finder's fees totaling $82,000 and issued 930,000 finder's warrants (valued at $526,910). In addition, the Company incurred other issuance expenses of $18,049. The Finder's warrants are non-transferable and exercisable on the same terms as the warrants issued in the private placement.

(Expressed in Canadian dollars - Unaudited)

5. Share capital and reserves (cont'd)

On October 1, 2020 the Company closed a non-brokered private placement issuing 597,014 units (the "Units"), at a price of $0.5025 per Unit for gross proceeds of $300,000. Each Unit is comprised of one common share and one transferable common share purchase warrant. Each warrant allows the holder to purchase one common share of the Company at a price of $0.75 per share for a period of three years from the date of closing of the private placement.

Warrants

The following table summarizes information about the warrant transactions during the period ended December 31, 2020 and year ended June 30, 2020:

	Number of warrants	Weighted average exercise price - $ -
Outstanding, June 30, 2019 and 2020	**-**	**-**
Issued	14,527,014	0.37
Outstanding, December 31, 2020	**14,527,014**	**-**

Expiry Date	Exercise Price	Number of Warrants
August 18, 2023*	0.35	13,930,000
October 2, 2023	0.75	597,014

**The warrants are subject to an acceleration provision, whereby if the Company's Shares close at or above $0.40 per Share for more than 10 consecutive trading days, the holder will have 30 days from that date to exercise the warrant or it will expire.*

Stock options

The Board has approved a Stock Option Plan, designed for selected employees, officers, directors, consultants and contractors, to incentivize such individuals to contribute toward the Company's long-term goals, and to encourage such individuals to acquire shares as long-term investments. The Stock Option Plan is administered by the Board and authorizes the issuance of stock options not to exceed a total of 10% of the number of shares issued and outstanding from time to time. The terms of any award are determined by the Board, provided that no options may be granted at less than the fair market value of shares as of the date of the grant. The maximum term of the options is ten years.

During the period ended December 31, 2020, the Company granted incentive stock options to purchase a total of 2,100,000 common shares at an exercise price of $0.66 per share for a period of five years to certain directors, consultants and advisory board members in accordance with the provisions of its stock option plan. The fair value of the options granted during the period is $1,163,137, based on the Black-Scholes option pricing model, using a risk-free interest rate of 0.36%, expected life of 5 years, volatility of 125%, and 0% dividend and forfeiture rates.

(Expressed in Canadian dollars - Unaudited)

5. Share capital and reserves (cont'd)

The following table summarizes information about the stock options during the period ended December 31, 2020 and year ended June 30, 2020:

	Options	
	Number of options	**Weighted average exercise price - $ -**
Outstanding, June 30, 2019 and 2020	**-**	**-**
Issued	2,100,000	0.66
Outstanding, December 31, 2020	**2,100,000**	**-**

Expiry Date	Exercise Price	Number of Options
August 21, 2025	0.66	2,100,000

As at December 31, 2020, the options had a weighted average life of 4.64 years.

Reserve

The share-based payment and warrant reserves records items recognized as share-based compensation expense until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

During the period ended December 31, 2020, the Company recorded $1,163,137 to reserves in connection to stock options issued and $526,910 in connection to finder warrants in connection to the private placement financing during the period.

6. Related party transactions

Balances

The following amounts due to related parties are included in trade payables and accrued liabilities (Note 4) and have arisen from the unpaid portion of certain fees disclosed below as well as amounts owing for expense reimbursements. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

	December 31, 2020 - $ -	**June 30, 2020 - $ -**
Companies controlled by directors and/or an officer of the Company	1,440	21,894
Director and/or officer of the Company	-	766
	1,440	22,660

6. Related party transactions (cont'd)

Transactions

During the period ended December 31, 2020, the Company incurred management fees of $105,543 (2019 - $45,000) to the CEO of the Company, director fees of $80,000 (2019 - $45,000) to a company controlled by a director of the Company, consulting and geological fees of $8,231 to a company controlled by a director of the Company and consulting fees of $80,000 (2019 - $30,000) with a company controlled by the CFO of the Company. The Company also incurred $553,875 in share-based payments to directors and officers of the Company during the six months ended December 31, 2020.

7. Financial risk and capital management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is summarized as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts at a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk is assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to necessary levels of equity funding. Liquidity risk is assessed as high.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. As at December 31 2020, the Company has financial assets denominated in the US Dollar, which will be affected by changes in the exchange rate between the Canadian Dollar and the US Dollar.

If the Canadian dollar changes by one percent against the US Dollar, with all other variables held constant, the impact on the Company's foreign denominated financial instruments would result in a nominal change in profit or loss.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risks.

7. Financial risk and capital management (cont'd)

Capital Management

The Company's policy is, if permitted by market conditions, to maintain a strong capital base so as to support investor and creditor confidence and support future development of the business. The capital structure of the Company consists of equity, comprising share capital and reserves net of accumulated deficit. The Company is not subject to any externally imposed capital requirements and there were no changes to the Company's capital management for the period ended December 31, 2020.

Fair value

The Company's financial instruments consist of cash, trade payables and amounts due to related parties. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these investments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash is measured at fair value using Level 1 inputs.

8. Proposed transactions

Pilbara Gold Group Pty Ltd. ("Pilbara")

On June 17, 2020 the Company entered into an into an agreement with third party arms' length vendors (the "Vendors"), to acquire (the "acquisition") a 100% ownership in Pilbara that controls certain tenements for gold mineralization in Western Australia, whereby, the Company will have all base and precious metal mineral rights except for diamonds and iron ore which remain with the Vendors.

Pursuant to the agreement, the Company will make the following common share issuances to the Vendors on a pro rata basis:

- 7,500,000 common shares to acquire 100% ownership of Pilbara. These shares will be subject to an escrow provision over a 12-month period;
- On the completion of a drill program of 4,000 meters, an additional 2,500,000 common shares;
- On the announcement of not less than 500,000 ounces of gold within the property package, as defined in a resource calculated compliant to NI 43-101 standards a further 2,500,000 common shares;
- On the announcement of at least 1,000,000 ounces of gold within the property package, as defined in a resource calculated compliant to NI 43-101 standards a further 2,500,000 common shares.

The acquisition is subject to the Company completing a due diligence program including an initial 43-101 report on the project as well as receiving applicable regulatory approvals. The Company is paying a finder's fee of 750,000 common shares on the completion of the transaction to a non-related third party.

8. Proposed transactions (cont'd)

Swan Gold Ltd. ("Swan")

On August 7, 2020, the Company entered into an agreement to acquire 100% of the issued and outstanding shares of Swan, a private British Columbia Company, that holds, through Swan Gold (Australia) Pty Ltd. certain gold focused tenement applications called "York NE", "Warrawoona E" and "Beatons SE" in the Pilbara region, Western Australia. In consideration for the acquisition of Swan, the Company will issue a total of 7,500,000 common shares to the shareholders of Swan (the "Consideration Shares").

The Consideration Shares will be subject to the following restrictions on resale:

i. 30% of the Consideration Shares will be free trading on the date of closing,
ii. 20% of the Consideration Shares will be subject to resale restrictions for four months,
iii. 20% of the Consideration Shares will be subject to resale restrictions for eight months,
iv. the final 20% of the Consideration Shares will be subject to resale restrictions for twelve months.

The Company will pay a finder's fee equal to 750,000 shares to a non-related third party in connection with the transaction. The transaction is at arms-length and will not result in the creation of a control position. The transaction is subject to completion of due diligence including but not limited to, due diligence on the heritage agreements and tenement application, and subject to the terms of closing in the agreement and regulatory approval.

APPENDIX “D”

Graphite Energy Corp.

Management Discussion and Analysis

For the six months ended December 31, 2020

INTRODUCTORY COMMENT

Graphite Energy Corp. (the "Company") was incorporated on October 14, 2016 under the laws of the Province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada.

The head office, principal address and registered records office of the Company is located at 750 West Pender Street, Suite 804, Vancouver, British Columbia, Canada, V6C 2T7.

This Management Discussion and Analysis ("MD&A") is dated February 24, 2021 and discloses specified information up to that date. This MD&A should be read in conjunction with the Company's financial statements for the period ended December 31, 2020, and the audited financial statements for the year ended June 30, 2020, which are prepared in accordance with International Financial Reporting Standards as issued by the IASB.

The accounting policies applied in preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended June 30, 2020. A number of other new standards are also effective from July 1, 2020 but they also did not have a material impact on the Corporation's financial statements (Note 2 to the Financial Statements).

Throughout this report we refer from time to time to "Graphite Energy", "the Company", "we", "us", "our" or "its". All these terms are used in respect of Graphite Energy Corp. which is the reporting issuer in this document. ***We recommend that readers consult the "Cautionary Statement" on the last page of this report.***

CORPORATE HIGHLIGHTS

During the period ended December 31, 2020, the Company entered into an agreement to acquire 100% of the issued and outstanding shares of Swan Gold Ltd. ("Swan Gold"), a private British Columbia Company, that holds, through Swan Gold (Australia) Pty Ltd. certain significant gold focused tenement applications called "York NE", "Warrawoona E" and "Beatons SE" in the Pilbara region, Western Australia.

In consideration for the acquisition of Swan Gold Ltd., the Company will issue a total of 7,500,000 common shares to the shareholders of Swan Gold Ltd. (the "Consideration Shares"). The Consideration Shares will be subject to the following restrictions on resale:

i) 30% of the Consideration Shares will be free trading on the date of closing,
ii) 20% of the Consideration Shares will be subject to resale restrictions for four months,
iii) 20% of the Consideration Shares will be subject to resale restrictions for eight months,
iv) the final 20% of the Consideration Shares will be subject to resale restrictions for twelve months.

The Company will pay a finder's fee equal to 750,000 shares in connection with the transaction. The transaction is at arms-length and will not result in the creation of a control position. The transaction is subject to completion of due diligence including but not limited to, due diligence on the heritage agreements and tenement application, and subject to the terms of closing in the agreement and regulatory approval. The Company anticipates the timing of closing, if it occurs at all, will be subsequent to the Company's reactivation on the Exchange.

During the period ended December 31, 2020, the Company completed a non-brokered private placement financing of 13,000,000 units at a price of $0.20 per unit for gross proceeds of $2,600,000. Each Unit is comprised of one common share and one transferable common share purchase warrant. Each Warrant allows the holder to purchase one additional common share of the Company at a price of $0.35 per share for a period of three years from the date of closing of the Private Placement. The Warrants are subject to an acceleration provision, whereby if the Company's shares close at or above $0.40 per share for more than 10 consecutive trading days, the holder will have 30 days from that date to exercise the warrant or it will expire. In connection to this private placement, the Company paid finder's fees totaling $82,000 and issued 930,000 finder's warrants (valued at $526,910). In addition, the Company incurred other issuance expenses of $18,049. The Finder's warrants are non-transferable and exercisable on the same terms as the warrants issued in the private placement.

During the period ended December 31, 2020, the Company completed a non-brokered private placement issuing 597,014 units (the "Units"), at a price of $0.5025 per Unit for gross proceeds of $300,000. Each Unit is comprised of one common share and one transferable common share purchase warrant. Each warrant allows the holder to purchase one common share of the Company at a price of $0.75 per share for a period of three years from the date of closing of the private placement.

During the year ended June 30, 2020, the Company closed a non-brokered private placement financing issuing 6,000,000 common shares at a price of $0.10 per share for gross proceeds of $600,000.

During the year ended June 30, 2020, on June 17, 2020 the Company entered into an into an agreement with Pilbara Gold Group PTY Ltd ("Pilbara"), to acquire all of the outstanding shares of Pilbara in exchange for shares in the Company. Pilbara controls certain tenements for gold mineralization in the Pilbara District of Western Australia. Under the terms of the acquisition, the Company will have all base and precious metal mineral rights except for diamonds and iron ore which will be assigned to the current shareholders of Pilbara on a pro-rata basis.

Pursuant to the agreement, the Company will make the following common share issuances to the shareholders of Pilbara on a pro rata basis:

i) 7,500,000 common shares to acquire 100% ownership of the target company. These shares will be subject to an escrow provision over a 12-month period;
ii) On the completion of a drill program of 4,000 meters, an additional 2,500,000 common shares;
iii) On the announcement of not less than 500,000 ounces of gold within the property package, as defined in a resource calculated compliant to NI 43-101 standards a further 2,500,000 common shares;
iv) On the announcement of at least 1,000,000 ounces of gold within the property package, as defined in a resource calculated compliant to NI 43-101 standards a further 2,500,000 common shares.

The acquisition is subject to the completion of due diligence, including completion of the Pilbara Gold Technical Report and receiving applicable regulatory approvals. The transaction will close concurrent with the reactivation of its listing on the Canadian Securities Exchange ("the Exchange") and on receipt of regulatory approval. The Company is paying a finder's fee of 750,000 common shares on the completion of the transaction to a nonrelated third party.

Pilbara – Australia

The Pilbara is a large, thinly populated area in the north of Western Australia that has a population of about 65,000 (Australian Bureau of Statistics) and includes some of Earth's oldest rock formations. It's well known for its oil, natural gas and iron ore deposits which contribute significantly to Australia's economy.

The region covers an area of 507,896km2 (193,826mi2) (including offshore islands), roughly the combined land area of the US States of California and Indiana.

Major gold companies active in the Pilbara include Novo Resources Corp, International Prospect Ventures, Artemis Resources, Pacton Gold, De Grey Mining Limited, Millennium Minerals Limited, Calidus Resources Limited and Kairos Minerals.

The most significant, recent gold discoveries in the Pilbara are of the conglomerate hosted gold deposit style which has been compared in part to the Witwatersrand Conglomerate Gold Deposit of South Africa. The Pilbara Gold tenements are strategically located in the area of known mineral discoveries.

In connection to an acquisition agreement with Pilbara, the Company will acquire 100% of Pilbara's tenement holdings upon closing.

Pilbara holds five distinct project tenements in the following areas:

- Beatons River comprised of 355 square kilometers adjoins the Beatons Creek Project currently being developed for gold production by Novo Resources Corp. The gold target is conglomerate hosted.
- Cuprite West and East is located 50 kilometers west of Marble Bar, and is comprised of 109 square kilometers. The mineral target is massive sulphide gold mineralization.
- Tyche and Fortuna Projects which are two non-contiguous tenements that cover two stratigraphic units of the Fortescue Group which comprise the Hardey and Kylena Formations. The gold target is conglomerate gold hosted in the Hardey Formation.
- Nortia Project hosts the Dalton Suite in the center of the tenement, which holds the potential for ultramaphic shear hosted gold mineralization.

During the period ended December 31, 2020, the Company entered into an acquisition agreement with Swan Gold Ltd., which will significantly expand the total Company tenement holdings in Pilbara, Western Australia. Swan Gold holds gold focused tenement projects called "York NE", "Warrawoona E" and "Beatons SE" in the Pilbara region, Western Australia. The agreement is subject to completion of due diligence including but not limited to, due diligence on the heritage agreements and tenement application, subject to the terms of closing of the agreement and regulatory approval. The Company anticipates the timing of closing, if it occurs at all, will be subsequent to the Company's reactivation on the Exchange.

During the period ended December 31, 2020, the Company retained independent firm Xplore Resources Pty Ltd. of Bisbane, Australia, to conduct a project review, desktop study, historical geological review and site visit with the intention of completing a National Policy 43-101 Technical Report on the Pilbara Gold tenements.

A site visit by geological staff was conducted to each tenement area, to confirm access roads and geological formations and features present. As a result, a technical report titled NI 43-101 Technical Report Pilbara Gold Projects, Western Australia was prepared by Xplore Resources Pty Ltd., of Brisbane, Queensland, Australia and was authorized by Matthew Stephens, Senior Consultant Geologist, who is a Qualified Person under NI 43-101, and Bryan Bourke, a Resource Consultant Geologist. The report recommends further evaluation of the Pilbara Gold tenement package.

In period ended December 31, 2020, the Company retained geological staff based in Perth, Australia, to conduct a more detailed site visit. The five-day site visit was completed during the first week of December. The evaluation confirmed the outcrop of the Beaton's Creek Conglomerate within the project area. A significant area of outcrop was mapped and photographed. Due to the cemented nature of the outcropping zone, it was decided that mechanical sampling was warranted. In addition, The Company has engaged Perry Remote Sensing LLC of Denver, Colorado, to complete a LANDSAT and ASTER program. The satellite imaging results will be utilized to better guide ground personnel to identify targets.

The Company has applied for the necessary permits to allow heavy equipment to be used for the sampling program.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2020, the Company had current assets of $2,280,340 (June 30, 2020 - $163,122) and current liabilities of $158,266 (June 30, 2020 - $132,564). Working capital at December 31, 2020 is $2,122,074 compared to $30,558 at June 30, 2020.

Shareholders equity at December 31, 2020 was $2,122,074 compared to $30,558 at June 30, 2020.

During the period ended December 31, 2020, the Company completed a non-brokered private placement financing of 13,000,000 units at a price of $0.20 per unit for gross proceeds of $2,600,000. Each Unit is comprised of one common share and one transferable common share purchase warrant. Each Warrant allows the holder to purchase one additional common share of the Company at a price of $0.35 per share for a period of three years from the date of closing of the Private Placement. The Warrants are subject to an acceleration provision, whereby if the Company's shares close at or above $0.40 per share for more than 10 consecutive trading days, the holder will have 30 days from that date to exercise the warrant or it will expire.

In connection to this private placement, the Company paid finder's fees totaling $82,000 and issued 930,000 finder's warrants (valued at $526,910). In addition, the Company incurred other issuance expenses of $18,049. The Finder's warrants are non-transferable and exercisable on the same terms as the warrants issued in the private placement.

During the period ended December 31, 2020, the Company completed a non-brokered private placement issuing 597,014 units (the "Units"), at a price of $0.5025 per Unit for gross proceeds of $300,000. Each Unit is comprised of one common share and one transferable common share purchase warrant. Each warrant allows the holder to purchase one common share of the Company at a price of $0.75 per share for a period of three years from the date of closing of the private placement.

During the period ended December 31, 2020, the Company granted incentive stock options to purchase a total of 2,100,000 common shares (June 30, 2020 – nil) at an exercise price of $0.66 per share for a period of five years to certain directors, consultants and advisory board members in accordance with the provisions of its stock option plan. The fair value of the options granted during the period is $1,163,137, based on the Black-Scholes option pricing model, using a risk-free interest rate of 0.36%, expected life of 5 years, volatility of 125%, and 0% dividend and forfeiture rates. The weighted average fair value per option was $0.55 and the weighted average exercise price is $0.66 per share.

During the year ended June 30, 2020, the Company closed a non-brokered private placement financing issuing 6,000,000 common shares at a price of $0.10 per share for gross proceeds of $600,000. As at the year ended June 30, 2020 there were 8,816,051 (2019 – 2,816,051) issued and fully paid common shares.

The Company will need to continue raising additional capital to the investigation of potential new projects of merit and for general working capital purposes. As a public company, the evaluation by the investment community and individual investors will determine the outcome of any financing in the public market.

Results Of Operations

For the six months ended December 31, 2020, the Company recorded a net loss of $1,871,572 (December 31, 2019 - $157,379) and had a cumulative deficit of $4,053,429 (June 30, 2020 - $2,181,857).

Selected Annual Information

The following table provides a brief summary of the Company's financial operations for the prior three fiscal years. For more detailed information, refer to the financial statements for the year then ended.

	June 30, 2020 -$-	**June 30, 2019 -$-**	**June 30, 2018 -$-**
Total assets	163,122	15,129	748,449
Non-current assets	-	-	579,376
Working capital (deficit)	30,558	(303,466)	(37,279)
Long-term liabilities	-	-	-
Shareholders' equity (deficiency)	30,558	(303,466)	607,932
Net loss	(261,002)	(911,398)	(839,047)
Net loss per share	(0.08)	(0.32)	(0.35)

Summary of Quarterly Financial Information

The following is a summary of selected financial information compiled from the quarterly unaudited financial statements for the eight quarters ended December 31, 2020.

	Dec. 31, 2020 -$-	Sep. 30, 2020 -$-	Jun. 30, 2020 -$-	Mar. 31, 2020 -$-
Revenue	-	-	-	-
Total assets	2,280,340	2,352,340	163,122	2,099
Working capital (deficit)	2,122,074	2,174,449	30,558	(516,321)
Long-term liabilities	-	-	-	-
Shareholders' equity	2,122,074	2,174,449	30,558	(516,321)
Net loss	(352,375)	(1,519,197)	(48,147)	(55,476)
Net loss per share	(0.02)	(0.10)	(0.02)	(0.02)

	Dec 31, 2019 -$-	Sep. 30, 2019 -$-	Jun. 30, 2019 -$-	Mar. 31, 2019 -$-
Revenue	-	-	-	-
Total assets	2,511	4,922	15,129	687,173
Working capital (deficit)	(460,845)	(402,254)	(303,466)	(305,625)
Long-term liabilities	-	-	-	-
Shareholders' equity (deficiency)	(460,845)	(402,254)	(303,466)	337,785
Net loss	(58,591)	(98,788)	(642,081)	(142,217)
Net loss per share	(0.02)	(0.03)	(0.22)	(0.05)

Discussion

The operating results of junior exploration companies are capable of demonstrating wide variations from period to period. Other than the factors leading to certain costs discussed above in the section "Results of Operations", management of the Company does not believe that meaningful information about the Company's operations can be derived from an analysis of quarterly fluctuations.

The main categories causing significant variance in the eight quarters ended December 31, 2020 are described further herein.

During the period ended June 30, 2019, the Company incurred a loss on disposition of exploration and evaluation assets in the period then ended of $601,626. The variance in loss on disposition of exploration and evaluation assets is due to the disposal of the LAB property, turning it back to GPRL in the period then ended. Consulting, management, and directors fees in the period ended September 30, 2019, and March 31, 2019 increased as a result of utilization of services and related contracts and in December 31, 2020 in part with the additional director.

In the periods ended December 31, 2020, September 30, 2020 and June 30, 2020, the Company completed private placement financings, as further described in liquidity and capital resources above, contributing to the variance in total assets, working capital, shareholders' equity, and net loss per share in the periods then ended. In addition, there were increases in the following items of variance in the periods indicated as follows: September 30, 2020 - stock-based compensation expense recorded in connection to options issued in the amount of $1,163,137, September 30, 2020 and December 31, 2020 - project investigation expense increases of $158,850 and $62,782 respectively mainly in connection to the proposed transactions in Australia, September 30, 2020 and December 31, 2020 – increases in professional fees of $38,761 and $28,415 respectively mainly due to expenses incurred in costs of services utilized in connection to the reactivation of its listing on the CSE.

The three months ended December 31, 2020 and 2019:

For the three months ended December 31, 2020, the Company had a net loss of $352,375 (2019 - $58,591). The main categories of variance in connection to the Company's proposed transactions in the current period include the increases in business advisory expense of $64,910 (2019 - $nil), project investigation expense of $62,782 (2019 - $nil), and professional fees of $28,415 ($2019 - $3,125). The increases in these categories of expenditure are commensurate with the additional services and work requirements of progressing with the due diligence and regulatory requirements of the proposed transactions, in addition, consulting, management and directors fees increased to $171,758 (2019 – $45,000) based on the level of activity of the Company, the utilization of services and related contracts.

The six months ended December 31, 2020 and 2019:

For the six months ended December 31, 2020, the Company had a net loss of $1,871,572 (2019 - $157,379). The main categories of variance in connection to the Company's proposed transactions in the current period include the increases in business advisory expense of $100,219 (2019 - $nil), project investigation expense of $221,632 (2019 - $nil), professional fees of $67,176 (2019 - $8,375), and website expenses of $15,497 (2019 - $nil). The increases in these categories of expenditure are commensurate with the additional services and work requirements of progressing with the due diligence and regulatory requirements of the proposed transactions, in addition, consulting, management and directors fees increased to $271,933 (2019 – $120,000) based on the level of activity of the Company, the utilization of services and related contracts.

TRANSACTIONS WITH RELATED PARTIES

Related party balances

The following amounts due to related parties are included in trade payables and accrued liabilities (Note 4) and have arisen from the unpaid portion of certain fees disclosed below as well as amounts owing for expense reimbursements. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

	December 31, 2020 - $ -	June 30, 2020 - $ -
Companies controlled by current and former directors and officers of the Company	1,440	21,894
Directors and officer of the Company	-	766
	1,440	22,660

Transactions

During the period ended December 31, 2020, the Company incurred management fees of $105,543 (2019 - $45,000) to the CEO of the Company, director fees of $80,000 (2019 - $45,000) to a company controlled by a director of the Company, consulting and geological fees of $8,231 to a company controlled by a director of the Company and consulting fees of $80,000 (2019 - $30,000) with a company controlled by the CFO of the Company. The Company also incurred $553,875 in share-based payments to directors and officers of the Company during the six months ended December 31, 2020.

As at December 31, 2020, the following parties are Directors and or Officers of the Company:

- Adrian Hobkirk, CEO, President, and Director
- Teresa Cherry, CFO, and Director
- Chris Cherry, Director
- William (Bill) Feyerabend, Director, appointed November 10, 2020

OFF BALANCE SHEET ARRANGEMENTS

There are no off- balance sheet arrangements.

PROPOSED TRANSACTIONS

Pilbara Gold Pty

On June 17, 2020 the Company entered into an into an agreement, with third party arms' length vendors (the "Vendors"), to acquire (the "acquisition") a 100% ownership in a company that controls certain tenements for gold mineralization in Western Australia, whereby, the Company will have all base and precious metal mineral rights except for diamonds and iron ore which remain with the Vendors.

Pursuant to the agreement, the Company will make the following common share issuances to the Vendors on a pro rata basis:

- 7,500,000 common shares to acquire 100% ownership of the target company. These shares will be subject to an escrow provision over a 12-month period;
- On the completion of a drill program of 4,000 meters, an additional 2,500,000 common shares;
- On the announcement of not less than 500,000 ounces of gold within the property package, as defined in a resource calculated compliant to NI 43-101 standards a further 2,500,000 common shares;
- On the announcement of at least 1,000,000 ounces of gold within the property package, as defined in a resource calculated compliant to NI 43-101 standards a further 2,500,000 common shares.

The acquisition is subject to the completion of due diligence, including completion of the Pilbara Gold Technical Report and receiving applicable regulatory approvals. The transaction will close concurrent with the reactivation of the listing on the Exchange and on receipt of regulatory approval. The Company is paying a finder's fee of 750,000 common shares on the completion of the transaction to a non-related third party.

Swan Gold

During the period ended December 31, 2020, the Company entered into an agreement to acquire 100% of the issued and outstanding shares Swan Gold Ltd., a private British Columbia Company, that holds, through Swan Gold (Australia) Pty Ltd. certain significant gold focused tenement applications called "York NE", "Warrawoona E" and "Beatons SE" in the Pilbara region, Western Australia. In consideration for the acquisition of Swan Gold Ltd., the Company will issue a total of 7,500,000 common shares to the shareholders of Swan Gold Ltd. (the "Consideration Shares").

The Consideration Shares will be subject to the following restrictions on resale:

i. 30% of the Consideration Shares will be free trading on the date of closing,
ii. 20% of the Consideration Shares will be subject to resale restrictions for four months,
iii. 20% of the Consideration Shares will be subject to resale restrictions for eight months,
iv. the final 20% of the Consideration Shares will be subject to resale restrictions for twelve months.

The Company will pay a finder's fee equal to 750,000 shares in connection with the transaction. The transaction is at arms-length and will not result in the creation of a control position. The transaction is subject to completion of due diligence including but not limited to, due diligence on the heritage agreements and tenement application, subject to the terms of closing in the agreement and regulatory approval. The Issuer anticipates the timing of closing, if it occurs at all, will be subsequent to the Company's reactivation on the Exchange.

FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is summarized as follows:

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts at a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk is assessed as low.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to necessary levels of equity funding.

Foreign exchange risk
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. As at December 31, 2020, the Company had minimal financial assets or no liabilities denominated in a foreign currency and foreign exchange risk is assessed as low.

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risks.

Capital Management
The Company's policy is, if permitted by market conditions, to maintain a strong capital base so as to support investor and creditor confidence and support future development of the business. The capital structure of the Company consists of equity, comprising share capital and reserves net of accumulated deficit. The Company is not subject to any externally imposed capital requirements.

Fair value
The Company's financial instruments consist of cash, trade payables and amounts due to related parties. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these investments.
Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash is measured at fair value using Level 1 inputs.

Risks Related to the Company's Business

Overview

Resource exploration is a speculative business and involves a high degree of risk. There is a significant probability that the expenditures made by the Company in the exploring of its property will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis for further development of a property. Capital expenditures to attain commercial production stage are also very substantial.

The following sets out the principal risks to face by the Company.

Exploration Risk. The Company is seeking mineral deposits on exploration projects where there are not yet established commercial quantities. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons, or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company's planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities.

Market Risks. The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change both in short term time horizons and longer-term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities. See "Share Price Volatility and Price Fluctuations" below.

Commodity Price Risks. The Company's exploration projects seek graphite. An adverse change in this commodity's price, or in investors' beliefs about trends in this price, could have a material adverse outcome on the Company and its securities.

Aboriginal Accommodation Risks. Aboriginal title claims and rights to consultation and accommodation may affect our existing operations as well as potential development projects. Governments in many jurisdictions must consult with aboriginal peoples with respect to grants of mineral rights and the issuance or amendment of project authorizations. Consultation and other rights of aboriginal people may require accommodations, including undertakings regarding employment and other matters in impact and benefit agreements. This may affect our ability to assure within a reasonable time frame effective mineral titles in these jurisdictions, including in some parts of Canada in which aboriginal title is claimed, and may affect the timetable and costs of exploration and, if warranted, development of mineral properties in these jurisdictions. The risk of unforeseen aboriginal title claims also could affect existing exploration activities as well as potential development projects and possible future acquisitions. These legal requirements may affect our ability to expand or transfer existing projects or acquire possible new projects.

Financing Risks. Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon either selling equity in the capital markets or obtaining funding partnerships with third parties to provide financing for its continuing substantial exploration budgets. While the Company has been successful in obtaining financing from the capital markets for its projects recently, there can be no assurance that the capital markets will support providing the financing needed to continue its exploration programs on favorable terms, or at all. Restrictions on the Company's ability to finance could have a material adverse outcome on the Company and its securities.

Share Price Volatility and Price Fluctuations. In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies like the Company, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that these price fluctuations and volatility will not continue to occur.

Competition. Significant and increasing competition exists for the limited number of mineral property acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

Environmental and Other Regulatory Requirements. The current or future operations of the Company, including development activities and commencement of production on its property, requires permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required to commence production on its property will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the property in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at its property on terms which enable operations to be conducted at economically justifiable costs.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or extraction operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

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 Company and cause increases in capital expenditures or production costs or reduction in levels of production at its property or abandonment or delays in development of new mineral exploration properties.

To the best of the Company's knowledge, it is currently operating in compliance with all applicable environmental regulations.

History of Net Losses; Accumulated Deficit; Lack of Revenue from Operations. The Company has incurred net losses to date. Its deficit as of December 31, 2020 is $4,053,429. The Company has not yet had any ongoing revenue from the exploration activities on its property, nor has the Company yet determined that commercial development is warranted on its property. Even if the Company commences development of its property, the Company may continue to incur losses. There is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

Uninsured Risks. The Company may become subject to liability for pollution, fire, explosion and other risks against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. A finding of liability against the Company in such circumstances would have a material effect on the Company’s financial position.

Cyber Security Risks. As the Corporation continues to increase its dependence on information technologies to conduct its operations, the risks associated with cyber security also increase. The Corporation relies on management information systems and computer control systems. Business and supply chain disruptions, plant and utility outages and information technology system and network disruptions due to cyber-attacks could seriously harm its operations and materially adversely affect its operation results, Cyber security risks include attacks on information technology and infrastructure by hackers, damage or loss of information due to viruses, the unintended disclosure of confidential information, the issue or loss of control over computer control systems, and breaches due to employee error. The Corporation's exposure to cyber security risks includes exposure through third parties on whose systems it places significant reliance for the conduct of its business. The Corporation has implemented security procedures and measures in order to protect its systems and information from being vulnerable to cyber-attacks. The Corporation believes these measures and procedures are appropriate. To date, it has not experienced any material impact from cyber security events. However, it may not have the resources or technical sophistication to anticipate, prevent, or recover from rapidly evolving types of cyber-attacks. Compromises to its information and control systems could have severe financial and other business implications

OTHER MD&A DISCLOSURE REQUIREMENTS

Information Available on SEDAR

As specified by National Instrument 51-102, Graphite advises readers of this MD&A that important additional information about the Company is available on the SEDAR website http://www.sedar.com/

Disclosure by Venture Issuer Without Significant Revenue

An analysis of the material components of the Company's general and administrative expenses is disclosed in the financial statements to which this MD&A relates. An analysis of the material components of the exploration and evaluation asset of the Company's mineral property is disclosed in Note 3 to the financial statements.

Outstanding Share Data

As at the December 31, 2020 and the current date, there were 22,413,065 common shares issued and outstanding.

As at December 31, 2020 and the current date, there were 13,597,014 warrants outstanding and 930,000 finders warrants outstanding.

As at December 31, 2020 and the current date, there were 2,100,000 stock options outstanding.

As at the date of this report and the current date there are no special warrants outstanding.

Vancouver, British Columbia February 24, 2020

We recommend that users of this report read the below Cautionary Statements.

Cautionary Statements

This document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration plans, future possible exercise of warrants and our other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation (i) estimates of exploration investment and scope of exploration programs, and (ii) estimates of stock-based compensation expense. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change except as required by law. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks. Readers are advised not to place undue reliance on forward-looking statements.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, Australian Goldfields Limited (formerly Graphite Energy Corp.), hereby applies for the reactivation of listing of the above-mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to Australian Goldfields Limited (formerly Graphite Energy Corp.) It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia, this 12th day of March, 2021.

"Adrian Hobkirk"	*"Teresa M. Cherry"*
Adrian Hobkirk, CEO	Teresa M. Cherry, CFO
"Christopher P. Cherry"	*"William (Bill) Feyerabend"*
Christopher P. Cherry, Director	William (Bill) Feyerabend, Director
"Adrian Hobkirk"	
Adrian Hobkirk, Promoter	