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## PROSPECTUS

Initial Public Offering

August 9, 2017

### LEGION METALS CORP.

**3,000,000 Common Shares for \$300,000 (Minimum Offering)**

**5,000,000 Common Shares for \$500,000 (Maximum Offering)**

**Price: \$0.10 per Common Share**

This prospectus (the “**Prospectus**”) qualifies an offering (the “**Offering**”) to the public of common shares (the “**Offered Shares**”) of Legion Metals Corp. (“**Legion**” or the “**Company**”) at a price of \$0.10 per share. The minimum size of the Offering is 3,000,000 Offered Shares for gross proceeds of \$300,000, and the maximum size of the Offering is 5,000,000 Offered Shares for gross proceeds of \$500,000. The Offering is being made pursuant to the terms of an agency agreement dated August 9, 2017 (the “**Agency Agreement**”) between the Company and Echelon Wealth Partners Inc. (the “**Agent**”).

	<u>Price to the Public</u>	<u>Agent’s Commission</u> <sup>(1)</sup>	<u>Proceeds to Legion</u> <sup>(1)(2)</sup>
Per Share .....	\$0.10	\$0.01 <sup>(3)</sup>	\$0.09 <sup>(3)</sup>
Minimum Offering .....	\$300,000	\$30,000 <sup>(3)</sup>	\$270,000 <sup>(3)</sup>
Maximum Offering.....	\$500,000	\$50,000 <sup>(3)</sup>	\$450,000 <sup>(3)</sup>

- (1) The Agent will receive a commission (the “**Commission**”) of 10% of the gross amount raised in the Offering (5% of the gross amount raised from subscribers on the President’s list), payable in cash from the proceeds of the sale of the Offered Shares. In addition, the Agent will receive a non-transferable option (the “**Agent’s Warrant**”) to purchase that number of common shares as is equal to 10% of the number of Offered Shares sold pursuant to the Offering (5% of the number of Offered Shares sold to subscribers on the President’s list). The Agent’s Warrant will be exercisable for a period of two years from the date of listing of the Offered Shares on the Canadian Securities Exchange (the “**Exchange**”) at a price of \$0.10 per share. This Prospectus also qualifies the grant of the Agent’s Warrant. See “Plan of Distribution”.
- (2) After deducting the Commission but before deducting a corporate finance fee of \$10,000 (plus GST) payable to the Agent and the Offering expenses estimated at \$70,000.
- (3) Assuming there are no President’s list subscribers, so that 10% Commission is payable on the gross amount raised in the Offering.

The price of the Offered Shares was determined by negotiation between the Company and the Agent. The Agent, or registered sub-agents who assist the Agent in the distribution of the Offered Shares offered hereunder, conditionally offers the Offered Shares, subject to prior sale, on a “commercially reasonable efforts” basis, if, as and when issued by the Company and accepted by the Agent in accordance with the conditions contained in the Agency Agreement and subject to the approval of certain legal matters, on behalf of the Company by Beadle Raven LLP and on behalf of the Agent by Getz Prince Wells LLP. Subscriptions for Offered Shares will be payable by certified cheque or bank draft to the Company against delivery of certificates representing the Offered Shares. Subscriptions for Offered Shares will be subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

Completion of the Offering is subject to the sale of at least 3,000,000 Offered Shares on or before 90 days after the issuance of the final receipt for the final prospectus respecting the Offering, unless an amendment to the final prospectus is filed and a receipt for the amendment is issued, in which case the latest date that the distribution is to remain open is 90 days after the date of issuance of a receipt for the amendment, and in any event no later than 180

days from the date of the receipt for the final prospectus. There will be no closing unless a minimum of 3,000,000 Offered Shares are sold.

**There is no market through which the Offered Shares may be sold and purchasers may not be able to resell Offered Shares purchased under this Prospectus. This may affect the pricing of the Offered Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Offered Shares, and the extent of issuer regulation. See “Risk Factors”. The Company has applied to the Exchange to conditionally approve a listing of its common shares. The listing is subject to the Company fulfilling all of the listing requirements of the Exchange, including prescribed distribution and financial requirements.**

As at the date of this Prospectus, the Company is an “IPO Venture Issuer” (defined under National Instrument 41-101 – *General Prospectus Requirements* as an issuer that: (a) files a long form prospectus; (b) is not a reporting issuer in any jurisdiction immediately before the date of the final long form prospectus; and (c) at the date of the long form prospectus, does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on (i) the Toronto Stock Exchange, (ii) a U.S. marketplace, or (iii) a marketplace outside of Canada and the United States of America, other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

The following table sets out the number of securities that may be issued by the Company to the Agent:

<u>Agent’s Position</u>	<u>Maximum Number of Common Shares Available</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Agent’s Warrant <sup>(1)</sup>	500,000 <sup>(2)</sup>	2 years following listing of the Offered Shares on the Exchange	\$0.10

- (1) On closing, the Agent will be granted the Agent’s Warrant entitling the Agent to purchase that number of common shares that is equal to 10% of the number of Offered Shares sold under the Offering (5% of the number of Offered Shares sold to subscribers on the President’s list) at a price of \$0.10 per share for a period of two years following listing of the Offered Shares on the Exchange. This Prospectus also qualifies the issuance of the Agent’s Warrant. See “Plan of Distribution”.
- (2) This number assumes that the maximum number of Offered Shares available under the Offering is sold and assumes there are no President’s list subscribers, so that 10% of the number of Offered Shares sold under the Offering will be available under the Agent’s Warrant. If the minimum number of available Offered Shares is sold under the Offering and assuming there are no President’s list subscribers, then the number of common shares available to the Agent will be 300,000 shares.

**AN INVESTMENT IN NATURAL RESOURCE ISSUERS INVOLVES A SIGNIFICANT DEGREE OF RISK. THE DEGREE OF RISK INCREASES SUBSTANTIALLY WHERE THE PROPERTIES (AS IS THE CASE WITH THE COMPANY) ARE IN THE EXPLORATION STAGE AS OPPOSED TO THE DEVELOPMENT STAGE. AN INVESTMENT IN THE OFFERED SHARES SHOULD ONLY BE MADE BY PERSONS WHO CAN AFFORD THE TOTAL LOSS OF THEIR INVESTMENT. INVESTORS SHOULD CAREFULLY CONSIDER THE RISKS REFERRED TO UNDER THE HEADING “RISK FACTORS” IN THIS PROSPECTUS.**

Guy Pinsent, a director of the Company, resides outside of Canada. He has appointed Beadle Raven LLP at #600 – 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7 as agent for service of process. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

**AGENT:**

Echelon Wealth Partners Inc.  
#3424 – 1055 Dunsmuir Street  
Vancouver, BC V7X 1K8  
Tel: (604) 647-2888

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References to “\$” are references to Canadian dollars.

## PROSPECTUS SUMMARY

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

### The Company

The Company was incorporated under the *Business Corporations Act* (British Columbia) on December 8, 2016 under the name “1099582 B.C. Ltd.”. The Company changed its name to “Legion Metals Corp.” on March 28, 2017. The Company’s head office is located at 13584 – 26th Avenue, Surrey, British Columbia, V4P 1Z6 and its registered and records office is located at #600 – 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7. The Company has no subsidiaries and does not hold securities in any corporation, partnership, trust or other corporate entity. The Company is currently engaged in the business of mineral exploration in Nova Scotia, Canada, and was extra-provincially registered in the Province of Nova Scotia on April 11, 2017.

See “Description and General Development of the Business”.

### Millen Mountain Property

The Company is the registered holder of exploration licence 10577 (the “**Licence**”) in the Province of Nova Scotia. The Licence is comprised of 80 mineral claims covering approximately 1,280 hectares known as the Millen Mountain Property (the “**Property**” or the “**Millen Mountain Property**”).

The Licence was transferred to the Company from Rheingold Exploration Corp. (“**Rheingold**”) pursuant to a property transfer agreement (the “**Property Transfer Agreement**”) dated April 5, 2017. Rheingold staked 235 mineral claims, including the claims comprising the Licence, during the summer and fall of 2011. On June 29, 2012, Beja Resources Inc. (“**Beja**”) entered into an option agreement to acquire a 100% interest in the claims staked by Rheingold. Beja completed its obligations under the option agreement and earned a 100% interest in the property. As a result of market conditions and Beja not further pursuing its interest in the Licence, registration of the Licence was not transferred to Beja. Instead, Rheingold continued to be the registered holder of the Licence, holding the Licence in trust for Beja. On instructions from principals of Beja, Rheingold transferred the Licence to the Company pursuant to the Property Transfer Agreement. The Licence was registered in the Company’s name on May 4, 2017. Pursuant to a property purchase agreement between the Company and Beja dated May 9, 2017 (the “**Beja Agreement**”), the Company agreed to issue 1,500,000 common shares of the Company to Beja as consideration for the rights to the Property and all information, data, records, exploration results and exploration expenditures with respect to the Property.

On April 10, 2017, the Company entered into a property option agreement (the “**Option Agreement**”) with Probe Metals Inc. (“**Probe**”) pursuant to which the Company granted to Probe an exclusive, irrevocable right and option to acquire a 50% interest in the Property by incurring exploration expenditures of \$250,000 on the Property on or before November 9, 2018 (which option period includes a 30 day default notice period under the Option Agreement). Under the Option Agreement, Probe may make the expenditures on a “make or pay” basis, meaning that Probe may either make the required expenditures on the Property or pay the Company cash for any shortfall of such expenditures. Probe will be the operator with overall responsibilities for the operations on the Property during the term of the Option Agreement. Upon successful exercise of the option by Probe, the Company and Probe will form a joint venture pursuant to a joint venture agreement which will be based on the joint venture terms set out in the Option Agreement. Probe will be the operator under the joint venture for so long as it holds at least a 50% interest in the Property. The joint venture terms provide that: a party that doesn’t participate in joint venture expenditures will have its interest in the Property reduced accordingly; and if a party’s interest in the Property is reduced to 10%, the joint venture will terminate, the participating party will receive a 100% interest in the Property and the non-participating party will receive a 1% net smelter royalty (“**NSR**”) in the Property.

A geological report (the “**Technical Report**”) prepared by Mark Graves, P. Geo., who is a “Qualified Person” as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”), was completed in relation to the Property on August 2, 2017.

The Technical Report recommends that the Company conduct a two phase exploration program comprised of: phase one, consisting of rock sampling and exploration geochemistry; and phase two, if warranted by the results of phase one, consisting of diamond drilling. The estimated budget for phase one is \$102,050, and the estimated budget for phase two is \$111,125, for total recommended exploration expenditures of \$213,175.

Exploration conducted on the Property by the Company will partly depend on exploration activities conducted by Probe. It is anticipated that Probe will be conducting exploration activities during the summer and fall of 2017. The Company will strive to work in co-operation with Probe and compliment exploration efforts by Probe where practical. Moreover, in anticipation of becoming Probe's joint venture partner upon successful exercise of the option by Probe, which may occur as early as the fall/winter of 2017, the Company will attempt to be ready to match exploration spending with Probe if previous exploration results dictate that it is in the best interests of the Company to do so.

See "Description and General Development of the Business" and "Millen Mountain Property".

## The Offering

The Company is offering for sale a minimum of 3,000,000 Offered Shares for gross proceeds of \$300,000 and a maximum of 5,000,000 Offered Shares for gross proceeds of \$500,000. The Company will pay the Agent a cash commission equal to 10% of the gross proceeds of the Offering and a Corporate Finance Fee of \$10,000 (plus GST), and will issue to the Agent an option entitling the Agent to purchase that number of common shares of the Company that is equal to 10% of the number of Offered Shares sold in the Offering.

Completion of the Offering is subject to the sale of 3,000,000 Offered Shares on or before 90 days after the issuance of the final receipt for the final prospectus respecting the Offering, unless an amendment to the final prospectus is filed and a receipt for the amendment is issued, in which case the latest date that the distribution is to remain open is 90 days after the date of issuance of a receipt for the amendment, and in any event no later than 180 days from the date of the receipt for the final prospectus. There will be no closing unless a minimum of 3,000,000 Offered Shares are sold.

See "Plan of Distribution".

## Use of Proceeds

The Company will receive net proceeds of \$270,000 from the Offering if the minimum number of Offered Shares is sold, after deduction of the Agent's cash commission (assuming there are no President's list subscribers) but before deducting a corporate finance fee of \$10,000 (plus GST) payable to the Agent and the Offering expenses estimated at \$70,000, and net proceeds of \$450,000 from the Offering if the maximum number of Offered Shares is sold (assuming there are no President's list subscribers). Adding these net proceeds to the estimated working capital of the Company as at July 31, 2017, of \$92,965, results in a minimum of \$362,965 and a maximum of \$542,965 in available funds on a pro forma basis. The Company intends to use the available funds as follows:

<u>Principal Purpose</u>	<u>Minimum Offering</u>	<u>Maximum Offering</u>
Balance of estimated costs of the Offering (including legal, audit and amounts due to the Agent, and applicable filing fees and listing fees) and the corporate finance fee	\$80,500 <sup>(1)</sup>	\$80,500 <sup>(1)</sup>
Exploration on the Property, including complimenting Probe exploration program and/or matching further spending by Probe following completion of Option Agreement <sup>(2)(3)</sup>	\$102,050	\$102,050
Estimated general and administrative expenses for 12 months <sup>(4)</sup>	\$63,000	\$63,000
Unallocated working capital	<u>\$117,415</u>	<u>\$297,415</u>
<b>TOTAL:</b>	<b>\$362,965</b>	<b>\$542,965</b>

(1) Total estimated costs of the Offering are \$80,500, comprised of legal costs of \$25,000, auditor's review costs of \$10,000, Agent's expenses of \$15,000, applicable filing fees and listing fees of \$20,000, and the corporate finance fee (including GST) of \$10,000. To date the Company has paid \$10,500 of this total amount: \$5,000 (plus GST) has been paid to the Agent as partial payment of the corporate finance fee, and \$5,000 (plus GST) has been deposited against expenses to be incurred by the Agent pursuant to the Agency Agreement.

(2) See "Millen Mountain Property – Recommended Work Program".

(3) If Probe does not fulfill its exploration obligations under the Option Agreement, the amount indicated of \$102,050 is sufficient to enable the Company to fund phase one of the exploration program recommended under the Technical Report. If the results of phase one warrant further exploration under phase two of the recommended exploration program, the Company will need to obtain further funds through a debt or equity financing to be able to fully fund phase two.

(4) The Company's CEO, Chief Geologist and Chairman have agreed to not receive a salary or management fee for at least 12 months from the closing of the Offering.

The Company's unallocated working capital will be available for further exploration work on the Property, if such work is warranted based on results from the exploration programs currently planned. If not required for further work on the Property, those funds will be available for acquisition, exploration or development of other properties.

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

See "Use of Proceeds".

## **Risk Factors**

An investment in the Offered Shares should be considered highly speculative due to the nature of the Company's business and the present stage of its development and should only be considered by investors who can afford the total loss of their investment.

A prospective purchaser of Offered Shares should be aware that there are various risks that could have a material adverse effect on, among other things, the properties, business and condition (financial or otherwise) of the Company. These risk factors, together with all of the other information contained in this Prospectus, including information contained in the sections entitled "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Information", should be carefully reviewed and considered before the decision to purchase Offered Shares is made.

The Company has a limited operating history upon which to evaluate the Company. The Company has no history of earnings and the Company may need to raise additional capital in the future. The intended use of proceeds described in this prospectus is an estimate only and is subject to change. There are no known commercial quantities of mineral reserves on our properties. Factors beyond the Company's control may affect the marketability of metals discovered, if any. The Company cannot guarantee that title to its mineral properties will not be challenged. Any delay or failure to receive any required land use approvals or permits could negatively impact the Company's future exploration of the Property. 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 from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. The Company's activities are subject to environmental regulation and may require permits or licences that may not be granted. The Company may be liable for environmental contamination and natural resource damages relating to the Property that occurred before the Company owned the Property. The Property or the roads or other means of access which the Company intends to utilize may be subject to interests or claims by third party individuals, groups or companies. The Company and its assets may become subject to uninsurable risks. The Company competes with other companies with greater financial resources and technical facilities. The Company is currently largely dependent on the performance of its directors and management and there is no assurance that their services can be maintained. There is no assurance that Probe will incur all of the required \$250,000 in exploration expenditures under the Option Agreement. If the Company fails to match exploration payments and obligations on the Property following the formation of a joint venture with Probe, it may lose its interest in the Property and be left with only an NSR interest. In recent years both metal prices and publicly traded securities prices have fluctuated widely. The Company has an unlimited number of common shares that may be issued by the board of directors without further action or approval of the Company's shareholders. The financial risk of the Company's future activities will be borne to a significant degree by purchasers of the Offered Shares, who, on completion of the Offering, will incur immediate and substantial dilution. Income tax consequences in relation to the securities offered will vary according to the circumstances of each purchaser. Situations may arise where the interests of certain of the Company's directors and officers could conflict with the interests of the Company. The Company has not declared or paid any dividends and does not currently have a policy on the payment of dividends. Preparation of its financial statements requires the Company to use estimates and assumptions, and actual amounts could differ from those based on these estimates and assumptions. Legal, accounting and other expenses associated with public company reporting requirements have increased significantly in recent years.

## **Financial Information**

The summary presented below contains selected financial information of the Company that is derived from, and should be read in conjunction with, the audited financial statements of the Company and notes thereto, "Consolidated Capitalization" and "Management's Discussion and Analysis" that are included elsewhere in this Prospectus. All of the financial information presented below is prepared in accordance with International Financial Reporting Standards ("IFRS").

The following table sets forth summary financial information summarized from the Company's audited financial statements which are included in this Prospectus.

	Period from Incorporation to March 31, 2017
Mineral properties	\$0
Total assets	\$123,866
Total revenues	\$0
Long-term debt	\$0
Property investigation fee	\$2,500 <sup>(1)</sup>
General and administrative expenses	\$13,054
Net loss	\$15,554
Basic and diluted loss per share <sup>(2)</sup>	\$0.28

(1) Total exploration expenditures on the Property by Beja were \$129,414.13. The Company acquired the rights to these exploration expenditures and exploration results under the Beja Agreement. During the financial year ended March 31, 2017 the Company had property investigation expenditures of \$2,500.

(2) Based on weighted average number of common shares issued and outstanding for the period. See "Selected Financial Information and Management's Discussion and Analysis".

See "Financial Statements".

To the date of this Prospectus, the Company has issued 7,725,000 common shares. The proceeds of these issuances have been and will be used for general corporate purposes of the Company.

The Company has not declared or paid any dividends since incorporation and does not envisage declaring or paying any dividends until such time as it earns sufficient profits from which to declare a dividend.

#### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

This Prospectus contains forward-looking information which deals with intentions, beliefs, expectations and future results as they pertain to the Company and the Company's industry. This forward-looking information also includes information regarding the financial condition and business of the Company, as they exist at the date of this Prospectus and as they are expected to be after the Offering. Forward-looking information is often, but not always, identified by the use of words such as "seeks", "believes", "plans", "expects", "intends", "estimates", "anticipates" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. This forward-looking information includes, without limitation, information about the Company's opportunities, strategies, competition, expected activities and expenditures as the Company pursues its business plan, the adequacy of the Company's available cash resources and other statements about future events or results. In particular, and without limiting the generality of the foregoing, this Prospectus contains forward-looking information concerning its exploration of the Millen Mountain Property, which information has been based on exploration on the Property to date and the recommended work program set forth in the Technical Report (described below) concerning the Property. Forward-looking information is information about the future and is inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, such as business and economic risks and uncertainties, including, without limitation, those referred to under the heading "Risk Factors". The forward-looking information is based on a number of assumptions, including assumptions regarding general market conditions, the availability of financing for proposed transactions and programs on reasonable terms, and the ability of outside service providers to deliver services in a satisfactory and timely manner. The Company's forward-looking information is based on the beliefs, expectations and opinions of management of the Company on the date the information is provided. For the reasons set forth above, investors should not place undue reliance on forward-looking information. The Company does not intend, and expressly disclaims any intention or obligation to, update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable law.

This Prospectus includes many cautionary statements, including those stated under the heading "Risk Factors". You should read these cautionary statements as being applicable to all related forward-looking information wherever it appears in this Prospectus.

## CORPORATE STRUCTURE

The Company was incorporated under the *Business Corporations Act* (British Columbia) on December 8, 2016 under the name “1099582 B.C. Ltd.”. The Company changed its name to “Legion Metals Corp.” on March 28, 2017. The Company’s head office is located at 13584 – 26th Avenue, Surrey, British Columbia, V4P 1Z6 and its registered and records office is located at #600 – 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7. The Company has no subsidiaries and does not hold securities in any corporation, partnership, trust or other corporate entity. The Company is currently engaged in the business of mineral exploration in Nova Scotia, Canada, and was extra-provincially registered in the Province of Nova Scotia on April 11, 2017.

### DESCRIPTION AND GENERAL DEVELOPMENT OF THE BUSINESS

The Company is the registered holder of exploration licence (the “**Licence**”) 10577 in the Province of Nova Scotia. The Licence is comprised of 80 mineral claims covering approximately 1,280 hectares known as the Millen Mountain Property (the “**Property**”).

The Licence was transferred to the Company from Rheingold Exploration Corp. (“**Rheingold**”) pursuant to a property transfer agreement (the “**Property Transfer Agreement**”) dated April 5, 2017. In 2011, Rheingold staked 235 mineral claims, including the claims comprising the Licence. On June 29, 2012, Beja Resources Inc. (“**Beja**”) entered into an option agreement to acquire a 100% interest in the claims staked by Rheingold. Beja completed its obligations under the option agreement and earned a 100% interest in the Property. As a result of market conditions and Beja not further pursuing its interest in the Licence, registration of the Licence was not transferred to Beja. Instead, Rheingold continued to be the registered holder of the Licence, holding the Licence in trust for Beja. On instructions from principals of Beja, Rheingold transferred the Licence to the Company pursuant to the Property Transfer Agreement. The Licence was registered in the Company’s name on May 4, 2017. Pursuant to a property purchase agreement between the Company and Beja dated May 9, 2017 (the “**Beja Agreement**”), the Company agreed to issue 1,500,000 common shares of the Company to Beja as consideration for the rights to the Property and all information, data, records, exploration results and exploration expenditures with respect to the Property.

Certain of the directors and officers of the Company are or were also directors or officers of Rheingold and/or Beja. In particular: Peter Smith, President, CEO and a director of the Company, was also President, CEO and a director of Beja; Paul Pedersen, Chairman and a director of the Company, was also a director and Chief Financial Officer of Beja, is also a director of Rheingold and was formerly President and Chief Executive Officer of Rheingold; Fred Bonner, Chief Geologist of the Company, was also Chief Geologist of Beja and is also a director of Rheingold; and Michael Raven, Corporate Secretary of the Company, was also Corporate Secretary of Beja.

On April 10, 2017, the Company entered into a property option agreement (the “**Option Agreement**”) with Probe Metals Inc. (“**Probe**”) pursuant to which the Company granted to Probe an exclusive, irrevocable right and option to acquire a 50% interest in the Property by incurring exploration expenditures of \$250,000 on the Property on or before November 9, 2018 (which option period includes a 30 day default notice period under the Option Agreement). Under the Option Agreement, Probe may make the expenditures on a “make or pay” basis, meaning that Probe may either make the required expenditures on the Property or pay the Company cash for any shortfall of such expenditures. Probe will be the operator with overall responsibilities for the operations on the Property during the term of the Option Agreement. The parties will establish a management committee consisting of one representative each, and Probe will put before the management committee all budgets and exploration programs it proposes to be acted upon and the management committee shall consider the same; provided, however, that the powers of the management committee shall be those of persuasion only and it cannot override and supersede or alter the decisions of Probe with respect to the operation of exploration programs during the option period. Under the Option Agreement, each party has agreed to indemnify the other party and its respective directors, shareholders, officers and employees from any and all claims which may be brought against or suffered by such persons or which they may sustain, pay or incur, as a result of, arising out of, attributable to or connected with any breach or non-fulfillment of any representation, warranty, covenant or agreement on the part of the indemnifying party under the Option Agreement.

During the option period, Probe is required to, among other things: maintain the Property in good standing and pay all costs in respect thereof and not in any way encumber the Property; conduct exploration in a professional, good and workmanlike manner in accordance with good mining practice and comply with all applicable laws with respect to its activities on the Property; be responsible for the remediation of all surface and environmental disturbances resulting from its activities on the Property; provide the Company with an annual report on the Property summarizing exploration activity within 90 days of the end of the programs conducted in each year including the cost of the expenditures made in the past year and total expenditures made to date; allow the employees, agents and contractors



of the Company to conduct site visits on the Property on reasonable prior notice to Probe; maintain true and correct books, accounts and records of expenditures; and provide the Company at the Company's own cost, upon reasonable request and within five business days thereof, all Property-related exploration information, including any notices, demands or other material communications Probe receives relating to the Property. Probe may, at its expense, register on title to the Property, or elsewhere as permitted by applicable law, notice of its interest in the Option Agreement and its right to acquire an interest in the Property pursuant to the Option Agreement.

During the option period, the Company is required to, among other things: remain the registered owner of the Property and not in any way encumber the Property, and prior to the date of formation of the joint venture pursuant to the Option Agreement, discharge any encumbrances, other than permitted encumbrances, against the Property; refrain from any conduct or activity, including any omission or failure to act, that might jeopardize title to or the status of the Property or hinder the obligations of Probe to fulfil its obligations and rights under the Option Agreement; allow the employees, agents and contractors of Probe to: (i) enter upon the Property; (ii) have exclusive and quiet possession thereof; (iii) do such prospecting and exploration work thereon and thereunder as Probe in its sole discretion may deem advisable; (iv) bring and erect upon the Property such facilities as Probe deems advisable; and (v) remove from the Property and sell or otherwise dispose of reasonable amounts of mineral products, but only for the purpose of bulk sampling or other testing; co-operate as reasonably necessary with Probe in obtaining any surface, water or other rights on or related to the Property as Probe deems necessary or desirable; make available to Probe and its representatives all records and files in its possession relating to the Property and permit Probe and its representatives, at their own expense, to take abstracts therefrom and make copies thereof; other than a transfer in accordance with the Option Agreement, not solicit offers or engage in any discussions with a third party relating to the ownership or development of the Property; provide Probe access to all Property-related information, including financial information and any notices, demands or other material communications they receive relating to the Property. The Company has the right to audit the information in each annual report on the Property delivered to the Company by Probe and the information regarding expenditures incurred which are set forth in a notice from Probe to the Company that Probe has successfully exercised its option under the Option Agreement.

If either party is in default of any material obligation under the Option Agreement, the non-defaulting party may give written notice of default to the defaulting party, and the defaulting party will not lose any rights under the Option Agreement, unless within 30 days after the notice of default the defaulting party has failed to take reasonable steps to cure the default by the appropriate performance, and if the defaulting party fails within such period to take reasonable steps to cure any such default, the non-defaulting party is entitled to seek any remedy it may have on account of such default including terminating the Option Agreement and/or seeking the remedies of specific performance, injunction or damages. The Option Agreement will terminate at the election of the non-defaulting party in accordance with the foregoing, upon the mutual written agreement of the parties, or if Probe fails to successfully exercise its option under the Option Agreement on or before November 9, 2018 (which option period includes the 30 day default period described above). Upon termination of the Option Agreement, Probe shall have no further obligations, financial or otherwise, under the Option Agreement; provided however that notwithstanding termination of the Option Agreement, the indemnification and confidentiality provisions of the agreement shall survive termination; and further provided that if Probe fails to exercise its option it shall: (a) leave the Property free and clear of all liens, charges and encumbrances arising from the Option Agreement or its operations on the Property and in a safe and orderly condition, including by removing from the Property all facilities erected or installed at the Property and by completing such remediation or reclamation necessary to leave the Property in compliance with applicable mining rules and regulations and applicable environmental law; and (b) deliver to the Company copies of all information regarding its exploration expenditures and activities in respect of the Property.

Prior to the formation of the joint venture under the Option Agreement, neither party may transfer, convey, assign, mortgage, grant an option in respect of, grant a right to purchase or in any other manner dispose of or alienate any or all of its direct or indirect interest in the Property or transfer or assign any of its rights under the Option Agreement (except (i) a transfer to an affiliate, (ii) an amalgamation, merger or other form of corporate reorganization involving or the acquisition of shares or assets of the transferring party which is a bona fide business transaction that has the effect in law of the amalgamated or surviving corporation possessing, directly or indirectly, substantially all the property, rights and interests and being subject to substantially all the debts, liabilities and obligations of the transferring party, or (iii) a sale, forfeiture, charge, withdrawal, transfer or other disposition or encumbrance which is otherwise specifically required or permitted under the Option Agreement) without the prior written consent of the other party, which consent shall not be unreasonably withheld. If a party wishes to transfer its interest in the Property (other than in accordance with exceptions (i) to (iii) described above), it must first offer its interest to the other party under the Option Agreement on the same terms and conditions.

Upon successful exercise of the option by Probe, the Company and Probe will form a joint venture pursuant to a joint venture agreement which will be based on the joint venture terms set out in the Option Agreement. Probe will be the

operator under the joint venture for so long as it holds at least a 50% interest in the Property. The joint venture terms provide that: a party that doesn't participate in joint venture expenditures will have its interest in the Property reduced accordingly; and if a party's interest in the Property is reduced to 10%, the joint venture will terminate, the participating party will receive a 100% interest in the Property and the non-participating party will receive a 1% net smelter royalty ("NSR") in the Property.

A geological report (the "**Technical Report**") prepared by Mark Graves, P. Geo., who is a "Qualified Person" as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"), was completed in relation to the Property on August 2, 2017. The Technical Report recommends that the Company conduct a two phase exploration program comprised of: phase one, consisting of rock sampling and exploration geochemistry; and phase two, if warranted by the results of phase one, consisting of diamond drilling. The estimated budget for phase one is \$102,050, and the estimated budget for phase two is \$111,125, for total recommended exploration expenditures of \$213,175.

Exploration conducted on the Property by the Company will partly depend on exploration activities conducted by Probe. It is anticipated that Probe will be conducting exploration activities during the summer and fall of 2017. The Company will work in co-operation with Probe and compliment exploration efforts by Probe where practical. Moreover, in anticipation of becoming Probe's joint venture partner upon successful exercise of the option by Probe, which may occur as early as the fall/winter of 2017, the Company will strive to be ready to match exploration spending with Probe if previous exploration results dictate that it is in the best interests of the Company to do so.

### **Future Plans**

In relation to the Property, the Company plans to work in co-operation with Probe and compliment exploration efforts by Probe on the Property, which exploration efforts may include following some of the recommendations made in the Technical Report and described above.

### **Trends**

There are significant uncertainties regarding the prices of gold and silver and other minerals and the availability of equity financing for the purposes of mineral exploration and development. For instance, the price of gold, silver and other minerals has fluctuated widely in recent years and wide fluctuations are expected to continue. Apart from this risk, and the risk factors noted under the heading "Risk Factors," we are not aware of any other trends, commitments, events or uncertainties that would have a material adverse effect on our business, financial condition or results of operations.

### **Competitive Conditions**

The Company is a grassroots mineral exploration company. The mineral exploration industry is competitive, with many companies competing for the limited number of precious and base metals acquisition and exploration opportunities that are economic under current or foreseeable metals prices, as well as for available investment funds. Competition also exists for the recruitment of qualified personnel and equipment. See "Risk Factors."

### **Government Regulation**

Mining operations and exploration activities in Canada are subject to various federal, provincial and local laws and regulations which govern prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, protection of the environment, mine safety, hazardous substances and other matters.

The Company believes that it is and will continue to be in compliance in all material respects with applicable statutes and the regulations passed in Canada. There are no current orders or directions relating to the Company with respect to the foregoing laws and regulations.

### **Environmental Regulation**

The various federal, provincial and local laws and regulations governing protection of the environment are amended often and are becoming more restrictive. The Company's policy is to conduct its business in a way that safeguards public health and the environment. The Company believes that its operations are conducted in material compliance with applicable environmental laws and regulations.

Since its incorporation, the Company has not had any environmental incidents or non-compliance with any applicable environmental laws or regulations. The Company estimates that it will not incur material capital expenditures for environmental control facilities during the current fiscal year.

### **MILLEN MOUNTAIN PROPERTY**

A geological report (the “**Technical Report**”) prepared by Mark Graves, P. Geo., who is a “Qualified Person” as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”), was completed in relation to the Property on August 2, 2017.

The Technical Report recommends that the Company conduct a two phase exploration program comprised of: phase one, consisting of rock sampling and exploration geochemistry; and phase two, if warranted by the results of phase one, consisting of diamond drilling. The estimated budget for phase one is \$102,050, and the estimated budget for phase two is \$111,125, for total recommended exploration expenditures of \$213,175.

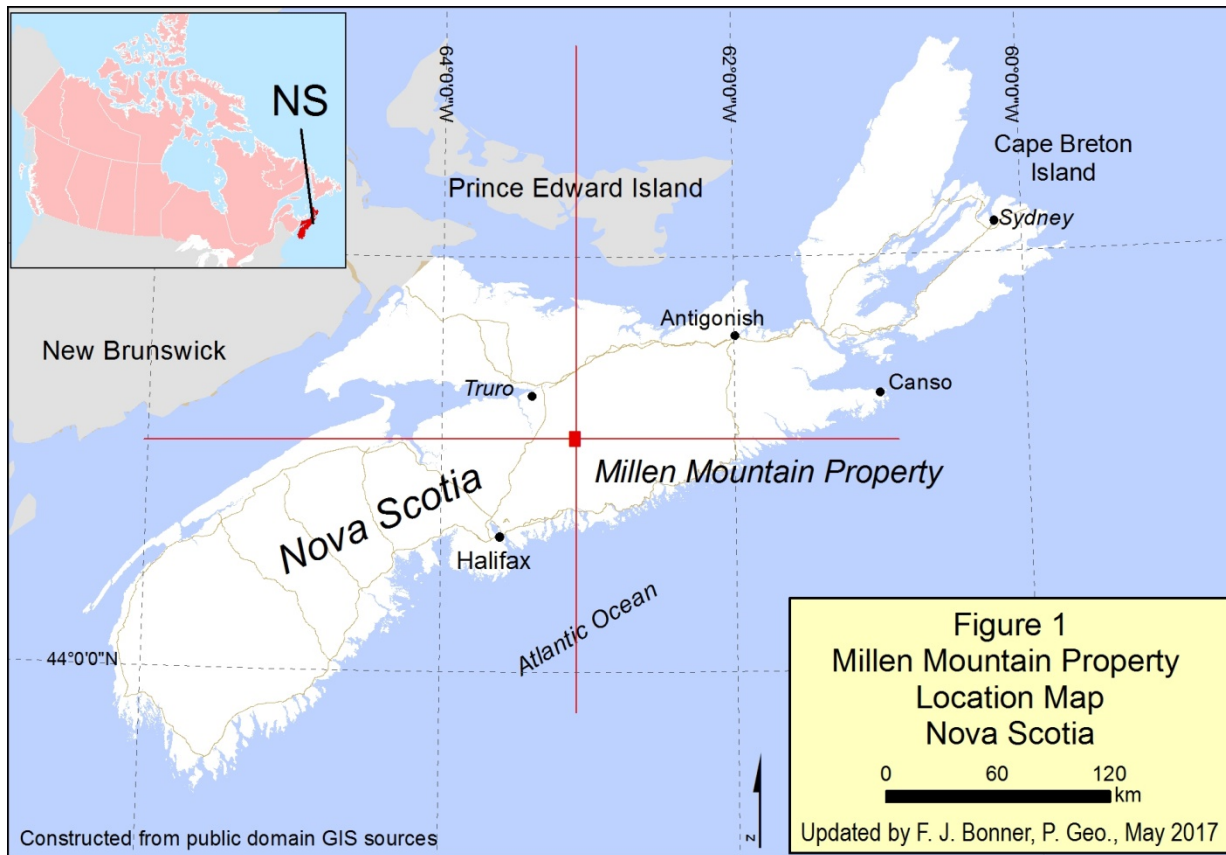
Unless stated otherwise, the information in this section is summarized, compiled or extracted from the Technical Report. The Technical Report was prepared in accordance with NI 43-101 and has been filed with the securities regulatory authorities in British Columbia, Alberta and Ontario.

Portions of the following information are based on assumptions, qualifications and procedures which are not fully described herein. The Technical Report is available for review under the Company’s profile on the SEDAR website at [www.sedar.com](http://www.sedar.com).

#### **Property Description and Location**

The Millen Mountain Property is located approximately 65 kilometres northeast of Halifax and 20 kilometres east of Stewiacke, Nova Scotia (Figure 1). It is hosted in the Halifax Formation of the Meguma Group which forms the topographically elevated prominence referred to as Wittenburg Mountain. The Property is five kilometres from the nearest village of Middle Musquodoboit. That community is capable of providing basic services and amenities in the support of mineral exploration activities. The Property is easily accessed via paved secondary roads and four-wheel drive trails.

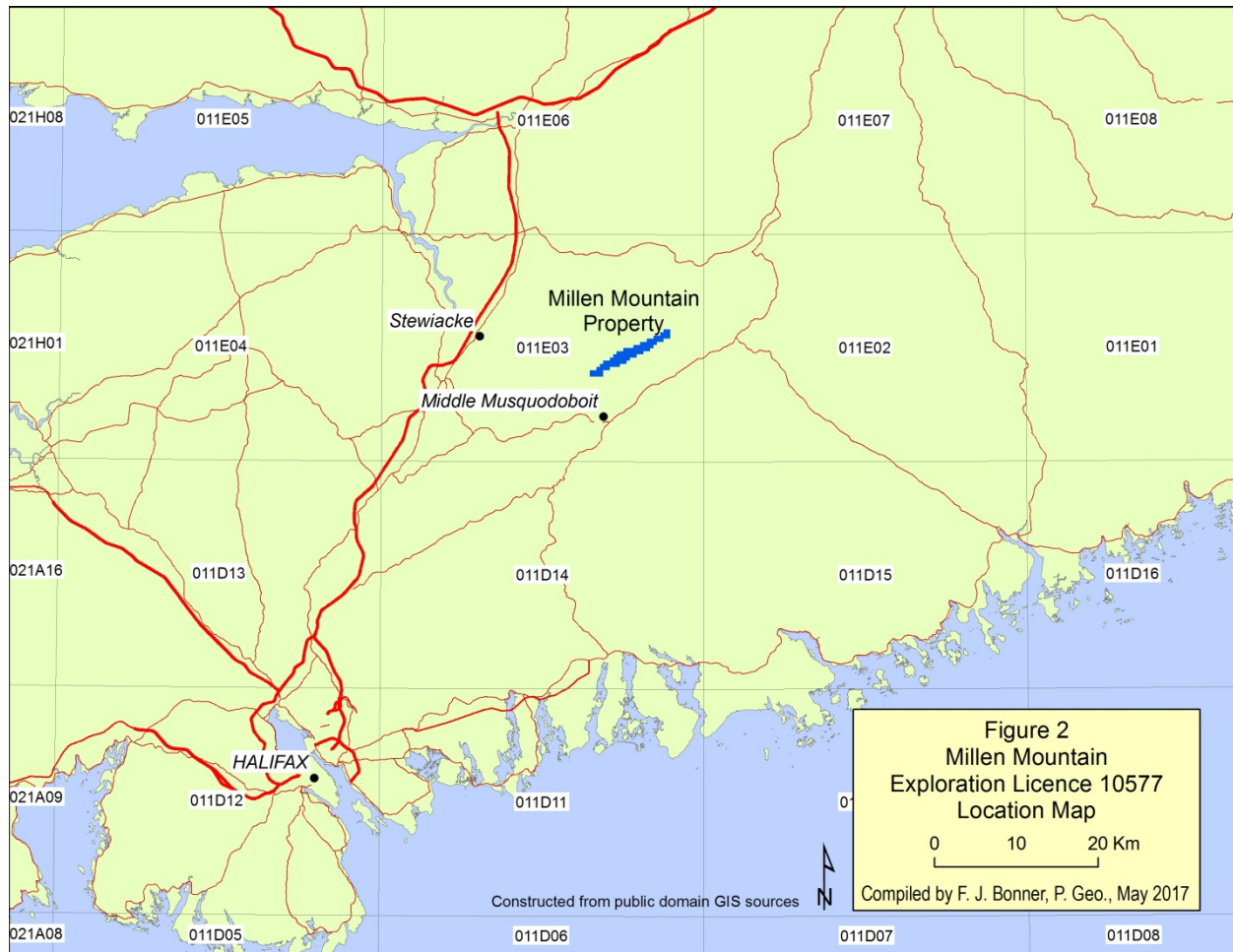
The Millen Mountain Property consists of 80 contiguous claims making up Exploration Licence 10577. The Property contains four historical gold occurrences that are interpreted to be hosted by the South Branch Stewiacke Anticline. The two main prospects referred to as the ‘South Branch Gold Mine’ were exploited by deep trenching, pitting and the erection of a crusher on the eastern side of the South Branch Stewiacke River. This mining activity apparently occurred in the late 1800’s as reference to the mine can be seen on Fletcher and Faribault (1903). The vein systems on the Property have a strike length of two kilometres.



**Figure 1: Property Location Map**

According to records of the Nova Scotia Department of Natural Resources, Exploration Licence 10577 is in good standing. Following staking of the claims, the first year exploration expenditure requirements were satisfied, and the licences forming the Millen Mountain claim block were renewed each year from 2013 to 2016 with exploration work credits. Claims in the Licence must be renewed by November 9, 2017.

Mineral rights are vested in the Crown in Nova Scotia and title to mineral claims allow for the exploration of minerals throughout the province pending landowner permission. Non-intrusive methods of exploration such as geochemical sampling, some geophysical surveys, mapping or surveying do not require additional government permitting. However, drilling and excavation activities require a company to notify the Department of Natural Resources prior to commencement of such forms of exploration.



**Figure 2: Millen Mountain Property Location Map (Exploration Licence 10577)**

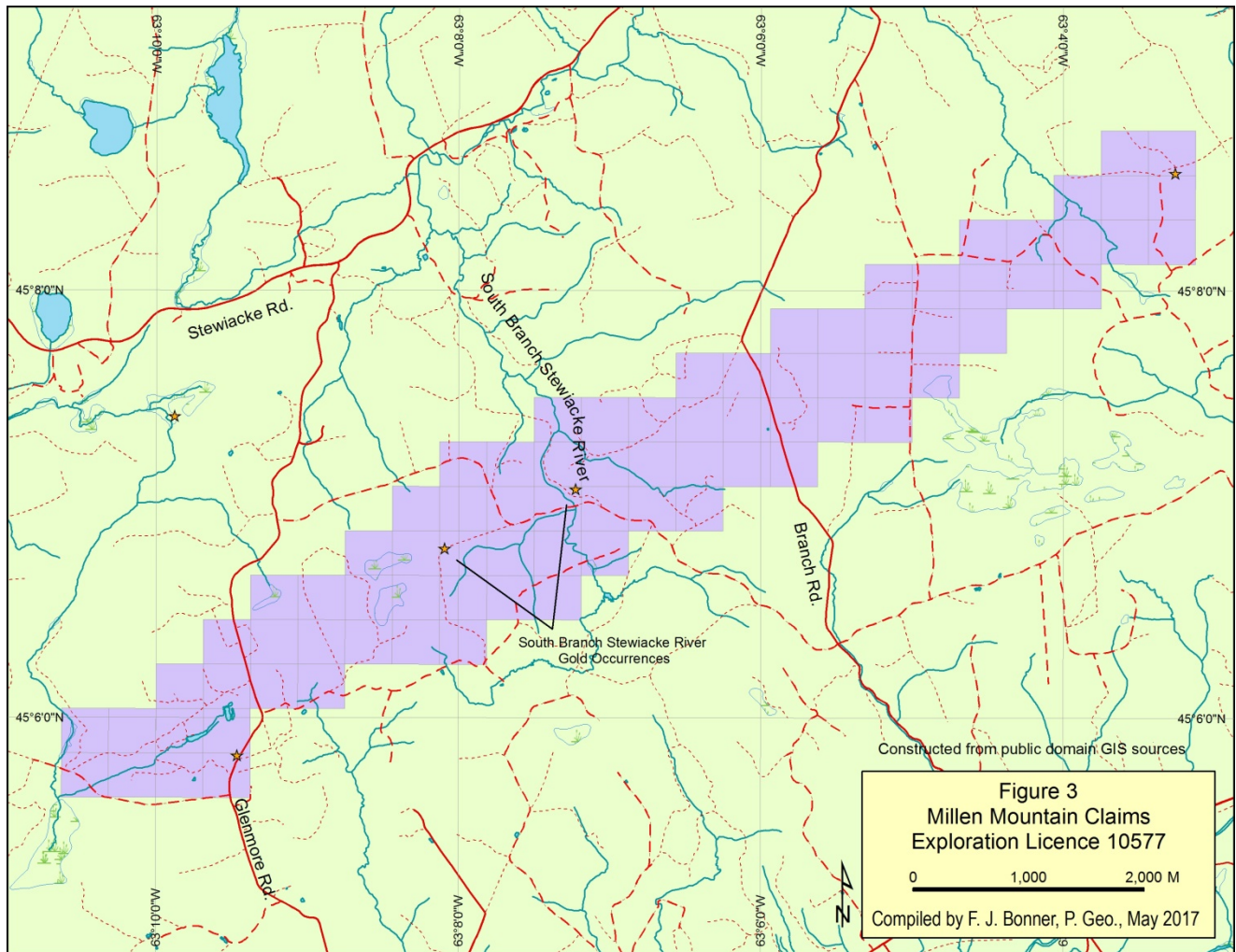
Figure 2 shows the location of the Millen Mountain licence area with respect to the 1:50,000 National Topographic Map System (NTS), local communities and main access roads/highways.

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

Figure 3 is a map of the claims at Millen Mountain in relation to site access roads and the local drainage system. The Millen Mountain Property is accessed via the Glenmore and Branch Roads (near Middle Musquodoboit) and Provincial Highways #224 and #277 that connects Middle Musquodoboit and Elmsdale 50 km to the southeast. Elmsdale lies approximately 45 minutes north of Halifax.

Millen Mountain straddles the Halifax and Colchester County line and the area is for the most part uninhabited with a mixed rural land use dominated by forestry operations. To a lesser degree, blueberry farming and maple sugar production operate seasonally on the western highland flanks of the Property. The central portion of the Property is dominated by a mixed hardwood and softwood forest. Interspersed are small hay and blueberry fields whose access roads provided excellent ways of grid entry for geophysical crew. The eastern part of the Property is wooded with ongoing forestry operations consisting of selective clear cutting and silviculture. The area is a rural based economy with current emphasis on forestry and agriculture and one active mining operation nearby. There has been substantial exploration activity in the area over the past 5-10 years for gold, lead, zinc and a range of industrial minerals. In the late 1800's into the mid 1900's the area was a very active mining centre with over a dozen small gold mines operating within a 50 km radius.





**Figure 3: Millen Mountain Claims**

The Property sits on a northeast – southwest trending upland plateau with lowland valleys to the northwest and southeast. The regional geologic setting is postulated to be a horst structure by Horne, King and Young (1999) formed as a result of uplift and faulting along the northern and southern margins of Wittenburg Mountain which respectively represent the Meadowvale Fault and the Musquodoboit Valley Faults. The Property is accessed by paved highway and secondary unpaved roads while an extensive network of forestry roads and trails provide good access throughout the entire Property. While access to the Property was exceptional, some local areas had extremely challenging access issues due to severe blow-down damage to trees during Hurricane Juan in September 2003.

Topographic elevations range from a low of about 65m along the South Branch Stewiacke River in the north-central portion of the Property to about 160m in the west and 180m in the east. The tops of the higher elevations are often glacially polished with very thin till cover. Outcrops are difficult to evaluate while mapping as they tend to be flat and disaggregate when collecting samples.

The South Branch Stewiacke River cuts through the Property and provides outcrop exposure for geological and structural mapping. Aside from some steep slopes and cliffs along the river, the topography rises more moderately away from the river to the east and west.

Most of Nova Scotia has a northern temperate zone climate that is moderated by the surrounding Atlantic Ocean. Spring to fall temperatures range from 5° to 20° C with maximums peaking around 30° C. Winter temperatures range from above freezing to about -10° C with maximums as low as -25° C on occasion. Rainfall is frequent through the spring and fall. Summer is usually drier.

## *Environmental Affairs*

As a matter of environmental due diligence, all ground activity should be conducted in a fashion that protects water courses, wetlands and minimizes environmental disruption. According to Nova Scotia Government web-based databases (Significant Species and Habitats Database; Restricted and Limited Use Land Database) no significant environmental encumbrances were identified on the Millen Mountain Property. The claims overlap watershed supply areas; however Nova Scotia legislation allows for non-destructive mineral exploration as of right and advanced exploration through permission of the municipal water supply operator. The main areas of interest at the Millen Mountain Property are not located inside water supply areas. To the knowledge of the author of the Technical Report, at the time of writing the Technical Report there were no additional outstanding environmental issues related to the Millen Mountain Property.

## *Aboriginal Affairs*

In 2012, the Nova Scotia Office of Aboriginal Affairs produced a Proponents' Guide on *The Role of Proponents in Crown Consultation with the Mi'kmaq of Nova Scotia* to strengthen the Province's commitment to consultation with the Mi'kmaq. The guide references the 2004 and 2005 Supreme Court of Canada (SCC) decisions that found the Crown (provincial and federal) had a duty to consult with First Nations peoples where there was a potential that an activity or decision may adversely affect their established or potential First Nations rights. While proponents do not have a legal duty to consult (according to the SCC), the Province as part of their consultation with the Mi'kmaq, may require proponents to undertake certain aspects of consultation.

The guide outlines the steps for proponents to engage the Mi'kmaq where necessary including working in areas in close proximity to First Nations lands, areas that have cultural/archeological significance to Mi'kmaq (determined through a Mi'kmaq Ecological Knowledge Study) or potentially working on Crown land. Engagement may simply consist of notifying the Mi'kmaq where there is a remote possibility of impact whereas full consultation is generally required for larger projects affecting First Nations lands or development on Crown land. The Millen Mountain Property is not in close proximity to any First Nations lands and only four partial claims are located on Crown land (less than 1.5% of licence area). Since Mi'kmaq Ecological Knowledge Studies are only carried out at the pre-development stage, it is too early in the exploration of the Millen Mountain Property to conduct a project of that sort.

## **History and Historical Exploration**

Gold was first reported in the South Branch Stewiacke area in a Nova Scotia Mines Report dated 1865. This showing became known as the South Branch Stewiacke gold occurrence (and is now included within the Millen Mountain Property). The Property is comprised of four historical gold occurrences that are believed to be hosted along the South Branch Stewiacke Anticline. Two of these occurrences constitute the South Branch Gold Mine which witnessed extensive trenching, particularly on the western side of the South Branch Stewiacke River. Although the exact location has not been determined, a crusher was erected near the above mentioned trenches but on the eastern side of the South Branch Stewiacke River. The position of this equipment is noted on Fletcher and Faribault (1903).

An 1867 Mines Report discussed prospecting having been carried out with "considerable success" and the report went on to state that "This locality promises to become of importance." The Property was surveyed in 1889-1891 by H. Fletcher and E. R. Faribault. They identified an array of bedding parallel or concordant veins accompanied by small, cross-cutting auriferous veins similar in nature to many other Meguma gold deposits and they also mapped large milky white cross-cutting auriferous veins. However, Messervey (1928) reports the only recorded production was of 43 gold-ounces crushed from 181 tons of ore mined in 1906-07 by E. P. Crowe.

Malcolm (1929) reported that cross veins occurring at South Branch Stewiacke were the richer veins as evidenced by a large cross vein, located 1.2 km west of the South Branch Gold Mine was significantly more gold bearing.

Cameron (1948) in a typed correspondence as part of a Nova Scotia Department of Natural Resources assessment report described prospecting activities near the old South Branch Gold Mine and included field sketch of various pits and trenches in the area in relation to the old Crowe Shaft.

Stevenson reported (1959) the gold at the South Branch Stewiacke occurrence had been found in milky quartz veins and also in inter-bedded and cross veins hosted by grey-black slates of the Halifax Formation located along the south limb of the South Branch Stewiacke Anticline.

In the 1980's, aeromagnetic surveys were flown over portions of Nova Scotia by the federal government. Data from those surveys (including data that covered the South Branch Stewiacke occurrence) were reprocessed by King (2006) and provide valuable information to further mineral exploration at Millen Mountain. In 1999 Horne, King and Young

reported on the regional magnetic similarities between southwest – northeast trending slate belts of the Rawdon Hills and Wittenburg Mountain where the Millen Mountain Property is located. These similarities also included lithology, structure, alteration and gold mineralization styles.

Assessment reports on the Property were filed in 1998, 1999 and 2000 by Joseph Collier. His work over the three years focussed on prospecting, limited soil and rock chip sampling of quartz veins and basic data compilation. Collier (1998) confirmed the presence of gold at the South Branch Stewiacke vein system. He notes visible gold in one of the historic trenches and rock samples collected by him returned assays of 33.5 ppm, 880 ppb and 700 ppb. The claims lapsed and Blackfly Exploration & Mining Company Ltd. staked and worked the claims covering the South Branch Stewiacke occurrence in 2007. That exploration essentially duplicated work that had been conducted over the past hundred years with little new information. Stream sediments were sampled without satisfactory results and quartz vein sampling was repeated, also with poor results from only six samples.

Rheingold staked 235 claims in four exploration licences during the summer and fall of 2011 covering the old South Branch Stewiacke occurrence, which licences (since consolidated into Exploration Licence 10577) are known as the Millen Mountain Property.

In the spring of 2012, Rheingold completed a GIS compilation of available information from a variety of publicly released assessment reports, local landowners, prospectors and regional geological and airborne geophysical surveys. Limited regional mapping and prospecting was also undertaken in the spring of 2012. A GIS analysis of available structural information (Digital Elevation data) was completed and a 3000m X 500m grid was established. The spring exploration program was also undertaken to meet the assessment reporting requirements to renew claims and further understand the geology of the Property (Bonner, 2012).

On June 29, 2012 Beja Resources Inc. entered into an option agreement to acquire a 100% interest in the Millen Mountain Property. Beja completed its obligations under the option agreement and earned a 100% interest in the Property. As a result of market conditions and Beja not further pursuing its interest in the Licence, registration of the Licence was not transferred to Beja. Instead, Rheingold continued to be the registered holder of the Licence, holding the Licence in trust for Beja.

## **Geological Setting and Mineralization**

### *Regional Geology*

The Millen Mountain Property is situated on the Halifax Formation slates of the Meguma Group (Figure 4). The Meguma Group is part of the Meguma Terrane of the Canadian Appalachians, an allochthonous terrane accreted to the eastern margin of North America during the Devonian (410-400 Ma; Acadian orogeny). This event resulted in Nova Scotia being divided into two geologically and structurally distinct terranes, the Avalon Terrane to the north and the Meguma Terrane to the south. The Minas Geofracture or more commonly referred to as the Cobequid-Chedabucto Fault separates the two terranes. This fault system is a major east-west trending structural boundary that experienced mainly sinistral displacement with subsequent minor dextral movement.

The Meguma Terrane was folded, deformed and underwent regional metamorphism (greenschist and locally amphibolite facies) during the Devonian and subsequently intruded by per-aluminous granitoids at 380 Ma. Evaporate, carbonate and clastic sediments of the Horton and Windsor Groups overly the Meguma Group sequences. The Meguma Terrane is approximately 480 km long by about 120 km wide at its maximum width. Virtually all gold production in Nova Scotia has been associated with the Meguma Group.

The Cambro-Ordovician age Meguma Group comprises two formations. These are the Goldenville Formation and the overlying Halifax Formation. The Goldenville Formation is a thick (5.4 km - unknown base) sequence of metamorphosed clastic sediments dominated by massive thick metagreywacke beds that range in colour from dark grey (thought to be unaltered) to light grey (interpreted to be carbonate altered). The massive metagreywacke is commonly interbedded with thin “slaty” horizons. In the Nova Scotia gold districts these slaty horizons host former mining operations.

The overlying Halifax Formation (0.5-13.4 km thick) is dominated by a lower black carbonaceous, sulphide rich slate interbedded with minor thin metasiltstone (Cunard Member). The upper portions of the Halifax Formation are grey-green in colour with minor siltstone (Glen Brook Member).



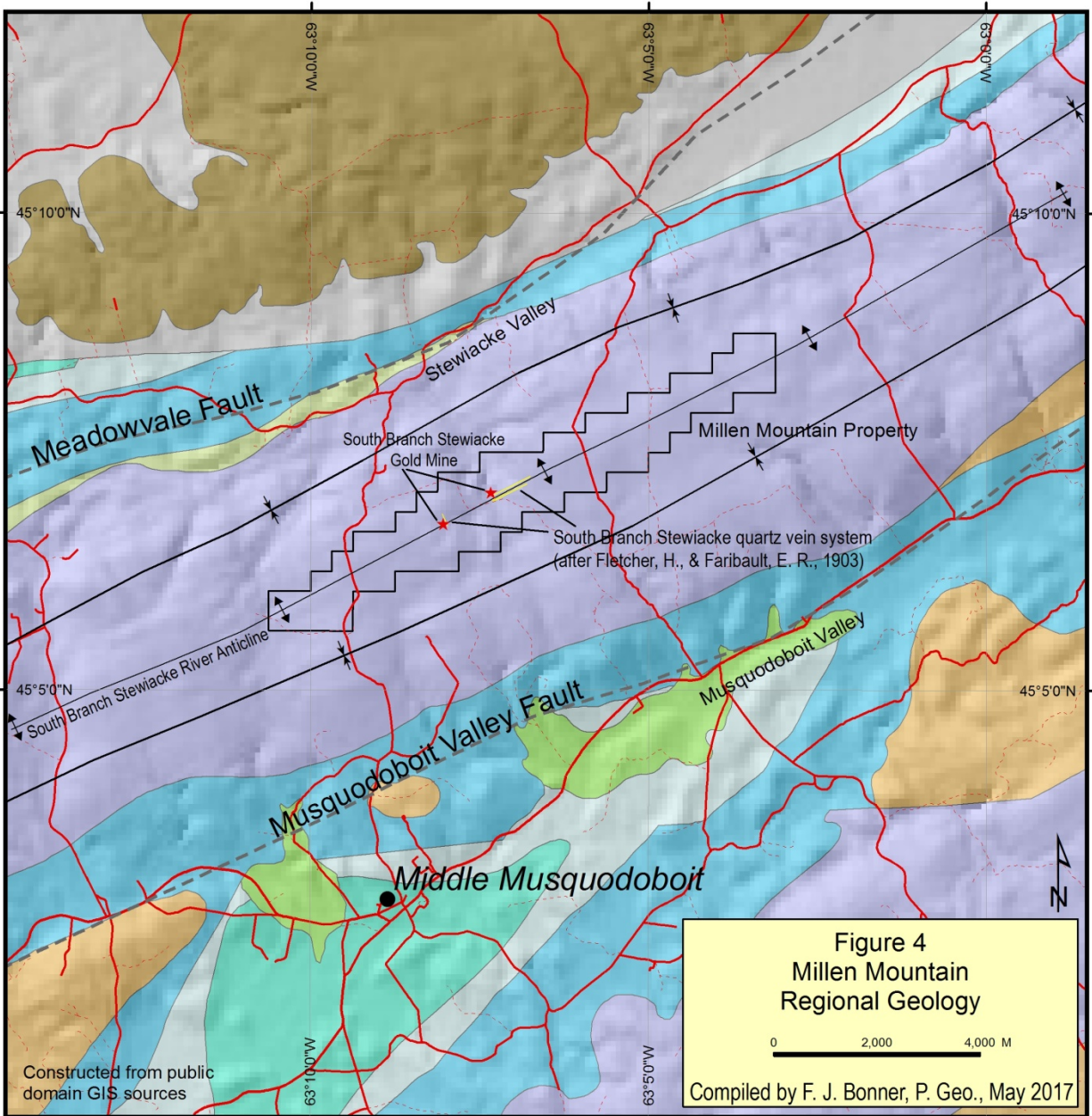
## *Quaternary Geology*

The glacial sediments of Nova Scotia were deposited and shaped by four distinct ice flow events (Stea and Mott, 1990). Ice flow phase 1 crossed Nova Scotia in an eastward to southeastward direction. Till from this event is generally compacted, fissile only seen coring drumlins. The second major ice flow was southward from Escuminac Ice Centre in Prince Edward Island and this advance produced red muddy, matrix tills and hosts clast lithologies of both local and far-travelled derivation. Ice flow phase 3 flowed northward in the late Pleistocene, perhaps due to marine incursion into the Bay of Fundy. Tills derived from this ice flow are stony, clast rich and locally derived. Ice flow phase 4 was caused by late remnant ice caps and flowed westward. Erosional and depositional evidence related to this advance is largely seen in low lying areas.

Stea et al. (1992) compiled a surficial geology map for the province of Nova Scotia. The Millen Mountain Property area is at a boundary between two distinctly different glacial tills. A silty, compacted till of dual provenance exhibiting local and distal clast lithologies likely formed by Ice flow phase 2 and a stony till with a sandy matrix hosting predominantly local bedrock deposited by Ice flow phase 3. Additionally, upland areas are mapped as having a thin and discontinuous till veneer.

Reconnaissance mapping of the surficial geology of the Millen Mountain Property shows that the area contains a variety of Quaternary features. The glacial till appears to be a mixture of the two till units described by Stea et al. (1992). In general, the area is mantled by a flat, reddish-brown silty to sandy till that contains material derived from local as well as distant sources. On the higher elevations, till is thin (0-0.5m) with abundant glacial pavement. Multiple striation directions were observed with a general south east direction of ~135° to ~160°. Glacial pavement is especially abundant in road-side ditches where material was excavated to construct the road base. Slopes leading to the South Branch Stewiacke River have thicker till cover and abundant ablation boulders at surface.

The variability of the glacial units needs to be carefully considered in the design of geochemical exploration studies of till or soil.



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| <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 15px; height: 10px; background-color: #90EE90; border: 1px solid black; margin-right: 5px;"></span> Early Cretaceous - red/grey clay, kaolin, silica sand, lignite</li> <li><span style="display: inline-block; width: 15px; height: 10px; background-color: #90EE90; border: 1px solid black; margin-right: 5px;"></span> Coldstream Formation - fluvial conglomerate, sandstone, minor shale</li> <li><span style="display: inline-block; width: 15px; height: 10px; background-color: #FFD700; border: 1px solid black; margin-right: 5px;"></span> Goldenville Formation - metamorphosed sandstone, minor shale</li> <li><span style="display: inline-block; width: 15px; height: 10px; background-color: #FFA07A; border: 1px solid black; margin-right: 5px;"></span> Halifax Formation - metamorphosed shale, minor sandstone</li> <li><span style="display: inline-block; width: 15px; height: 10px; background-color: #40E0D0; border: 1px solid black; margin-right: 5px;"></span> Undivided Early Carboniferous - siltstone, minor gypsum, limestone</li> </ul> | <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 15px; height: 10px; background-color: #8B4513; border: 1px solid black; margin-right: 5px;"></span> Scotch Village Formation - sandstone, siltstone, shale</li> <li><span style="display: inline-block; width: 15px; height: 10px; background-color: #D3D3D3; border: 1px solid black; margin-right: 5px;"></span> Watering Brook Formation - siltstone, sandstone, gypsum, anhydrite</li> <li><span style="display: inline-block; width: 15px; height: 10px; background-color: #ADD8E6; border: 1px solid black; margin-right: 5px;"></span> Undivided Early Carboniferous - gypsum, limestone, dolostone, minor siltstone</li> <li><span style="display: inline-block; width: 15px; height: 10px; background-color: #4682B4; border: 1px solid black; margin-right: 5px;"></span> Undivided Early Carboniferous - anhydrite, salt, dolostone, limestone</li> </ul> |
|--|--|
- Fault   
  Anticline   
  Syncline

Geology after Horne, et al., 1999; Map ME 2000-1, Geological Map of the Province of Nova Scotia, scale 1:500 000, compiled by J. D. Keppie, 2000. Digital product compiled by B. E. Fisher and J. C. Poole.

**Figure 4: Regional Geological Map**

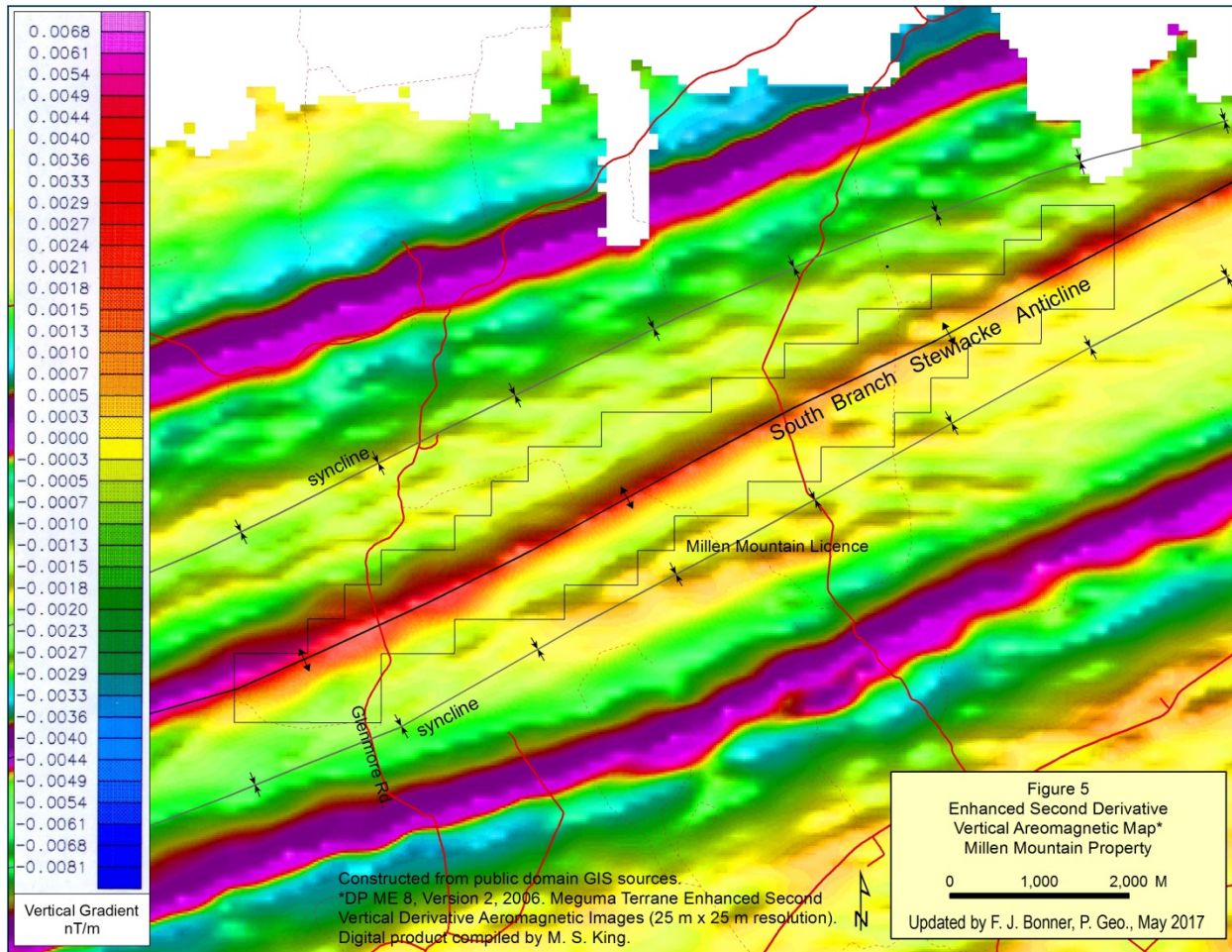
*Property Geology*

Until recently, the Wittenburg Mountain Slate Belt was mapped as undivided rocks of the Halifax Formation. Horne et al. (1999) mapped parts of the Wittenburg Mountain immediately northeast of the Millen Mountain Property as belonging to the Glen Brook Member. This unit is fairly homogenous for the length of the upland structure and reconnaissance mapping by Beja has established the entire Millen Mountain Property area is underlain by the Glen Brook Member.

The Glen Brook Member is comprised of grey to green thinly bedded metasiltstone and slate with minor metamorphosed sandstone. Decimetre to one metre thick metamorphosed sandstone beds also occur in this unit. The

South Branch Stewiacke River provides good access to observe the local stratigraphy. The lighter coloured light-grey to green siltstone is often cross-bedded and distinct layering. The rocks are folded into upright tight folds with the fold hinge visible in the river cut. The anticline was mapped back in the late 1800's and passes directly through the Millen Mountain Property. Approximately 1 metre thick sandstone units can be seen in the large excavations from the late 1800's. The author of the Technical Report mapped some of the trenches at the South Branch occurrences, and the wallrock is largely sandstone with lesser slate. The sandstone in this area appears to be bleached by carbonate alteration.

The Glen Brook member does not contain appreciable amounts of sulphides whereas the underlying Cunard member contains high concentrations of pyrrhotite and other sulphides. Airborne magnetic surveys flown by the Geological Survey of Canada in the late 1980's clearly illustrate the difference in magnetic response in these two units which is useful in mapping large scale features. Airborne magnetic surveys (Figure 5) revealed a magnetic high along the anticline and Horne, et al. (1999) postulated that the magnetic high was associated with the pyrrhotite-rich Cunard member below. Figure 6 illustrates their proposed model.



**Figure 5: Enhanced 2<sup>nd</sup> Derivative Aeromagnetic Image**

### Mineralization

The Millen Mountain Property has a number of Meguma-style gold deposit attributes that include similar structural features such as:

1. Tight anticlinal folding and abundant faulting quartz-rich zones;
2. Variation in meta-siltstone/slate and meta-sandstone stratigraphy where gold is often located; and
3. Pervasive carbonate alteration and possible hydrothermal sulphide.

Horne, King and Young (1999) reported on the similarities between southwest – northeast trending slate belts of the Rawdon Hills and at Wittenburg Mountain where the Millen Mountain Property is located. These similarities include



lithology, structure, alteration and quartz vein styles. Figure 6 depicts airborne magnetic draped on a digital elevation model of the Wittenburg Synclinorium. The magnetic signature is seen to be reliably mapping the bedrock geology.

The Rawdon Hills hosts several Halifax Formation Slate gold deposits including the Central Rawdon Gold Mine ([https://gesner.novascotia.ca/modb/queryView/singlereport.aspx?Occ\\_number=E04-024](https://gesner.novascotia.ca/modb/queryView/singlereport.aspx?Occ_number=E04-024)), the East Rawdon Gold Mine ([https://gesner.novascotia.ca/modb/queryView/singlereport.aspx?Occ\\_number=E04-005](https://gesner.novascotia.ca/modb/queryView/singlereport.aspx?Occ_number=E04-005)), and the West Gore Antimony/Gold Mine ([https://gesner.novascotia.ca/modb/queryView/singlereport.aspx?Occ\\_number=E04-001](https://gesner.novascotia.ca/modb/queryView/singlereport.aspx?Occ_number=E04-001)), which are all concordant vein style deposits. The past-producing Centre Rawdon Gold Mine (District) is also located in the Rawdon Hills but gold mineralization is found in northwest – southeast discordant (or A-C style) oriented auriferous quartz veins, trending approximately 340° ([https://gesner.novascotia.ca/modb/queryView/singlereport.aspx?Occ\\_number=E04-006](https://gesner.novascotia.ca/modb/queryView/singlereport.aspx?Occ_number=E04-006)).

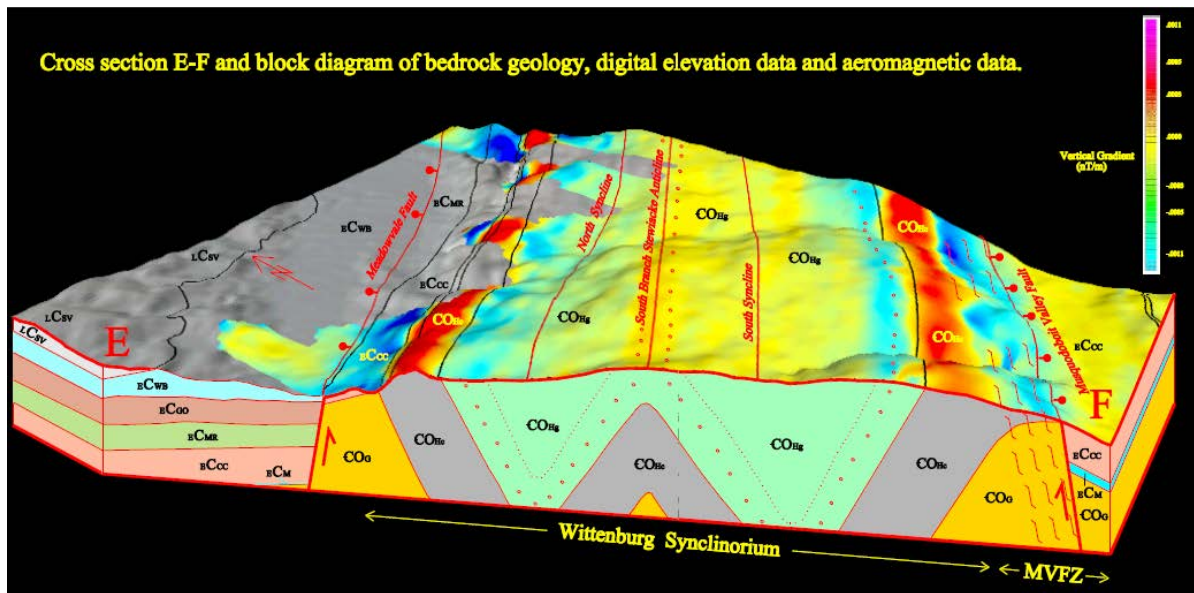


Figure 6: Airborne magnetics draped on Wittenburg Synclinorium

### Deposit Types

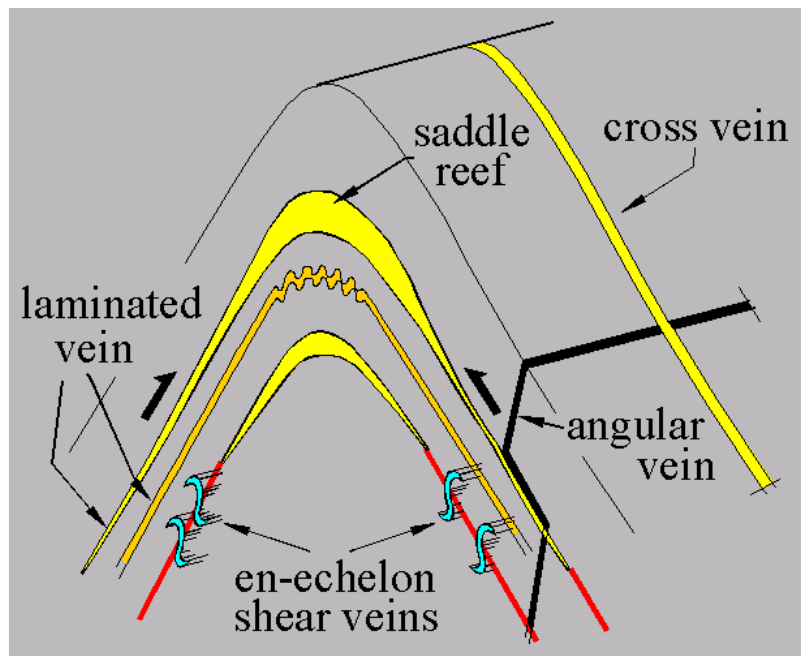
The vast majority of Meguma gold deposits and occurrences have been discovered throughout the aerial extent of the Meguma Group. The meta-sedimentary rocks of this group have been folded into long waves of anticlines and synclines, running from Canso in the northeast to Yarmouth in the southwest, a distance of about 450 kilometres. The best gold is found where the anticlines have undergone secondary folding or faulting within domed portions of the anticlines. Mineralization is found in well-defined ore shoots formed by secondary flexures and crosscutting quartz feeders near the domed portion of the anticlines.

Most gold bearing veins are associated with thicker than normal interbedded slate units in the massive greywackes of the Goldenville Formation. Several deposits have disseminated gold in the slate and greywacke in addition to vein-style mineralization. Minor gold deposits are found in the younger Halifax Formation slate.

There are a number of gold-bearing vein styles found at the various gold districts in Nova Scotia. Stratiform veins, more commonly referred to as bedding parallel (BP), laminated and interbedded veins are the earliest formed (this group includes stratabound veins as well). These veins are believed to be the result of periodic overpressure causing cracks and minor-fractures that are then filled with hydrothermal fluid, cool and develop a crack-seal texture. The crack-seal texture may also be formed in response to ductile deformation of the quartz caused by bedding parallel faults generated along flexural dip-slip planes during folding. Bedding parallel veins are concordant at the fold scale but cross-cut individual laminations and local bedding. In anticlinal hinges, these veins can maintain their thickness around the fold hinge and are therefore not classic saddle reef style veins but M-folded buckled veins. Only a few deposits have true saddle reef style veins present with substantially thickened quartz veins in the nose of the fold.

En echelon veins are found on the flanks of major folds in slate between greywacke units. Extensional fractures on the limbs of the fold are filled with vein material. Angular veins and cross veins are discordant and range in orientation, thickness and lateral extent. These veins may cross-cut several stratigraphic horizons.

Younger northwest trending faults are believed to have influenced gold concentrations at several deposits and in a few cases have produced stockwork style mineralization. Some late stage faults contain gold bearing veins. Minor gold bearing vein styles included late stage A-C extensional veins that form parallel to the fold axis and granite related veins near intrusions.



**Figure 7: Schematic Diagram of Meguma Gold Deposit Style Vein Array**

Figure 7 is a schematic diagram illustrating the relationships between the various vein styles discussed and a typical anticlinal fold structure in Meguma Group rock units (Horne 2012 personal communication).

The origin and genesis of Meguma-style gold deposits was controversial at one time but has now been largely settled by scientific work such as Horne and Culshaw (2001) and Kontak and Horne (2010). The syngenetic, hydrothermal seafloor depositional hypothesis has reasonably lost support to a syntectonic, metamorphic fluid model associated with tectonism related to the Acadian Orogeny and granitoid intrusion. During Devonian continental collision, hydrothermal solutions were driven out of the basement or perhaps the deep Goldenville Formation rocks. These fluids travelled along flexural slip faults in the argillites or mudstones and were eventually trapped at the hinges of anticlinal folds. The Meguma style of gold deposit normally occurs in the Goldenville Formation. Hanging-wall and footwall sandstones bounding the auriferous argillite perhaps act as barriers preventing migration of fluids into the surrounding country rock.

Kontak and Horne (2010) describe very well the occurrence of gold in Meguma-style deposits. “Gold occurs as a Au-Ag phase with fineness exceeding 900 (e.g., Kontak and Smith, 1993), although the rare presence of more Ag-rich grains (as much as 20-30% Ag) and trace amounts of mixed Au-Te-Bi phases are also known. Grain size is highly variable, from rare cases of multi-ounce nuggets to the more common occurrences of mm- to cm size grains. Gold may be present as free gold in both white crystalline quartz and the darker laminated variety, although the former is more common; along stylolitic surfaces of either wall rock ribbons or chlorite; coating vein-wall rock contacts; and along fractures in sulfide phases, particularly arsenopyrite. Although there are few indicators of gold proximity, the presence of galena is commonly an indicator. As noted above, gold occurs within ore shoots, the orientations of which are variable between deposits.”

In the context of the above paragraph, fineness is a term used to describe the purity of gold with 1000 equating to 100% Au, thus a fineness of 900 means there are 10% impurities, which is commonly Ag but may also be Cu, Hg, Te.

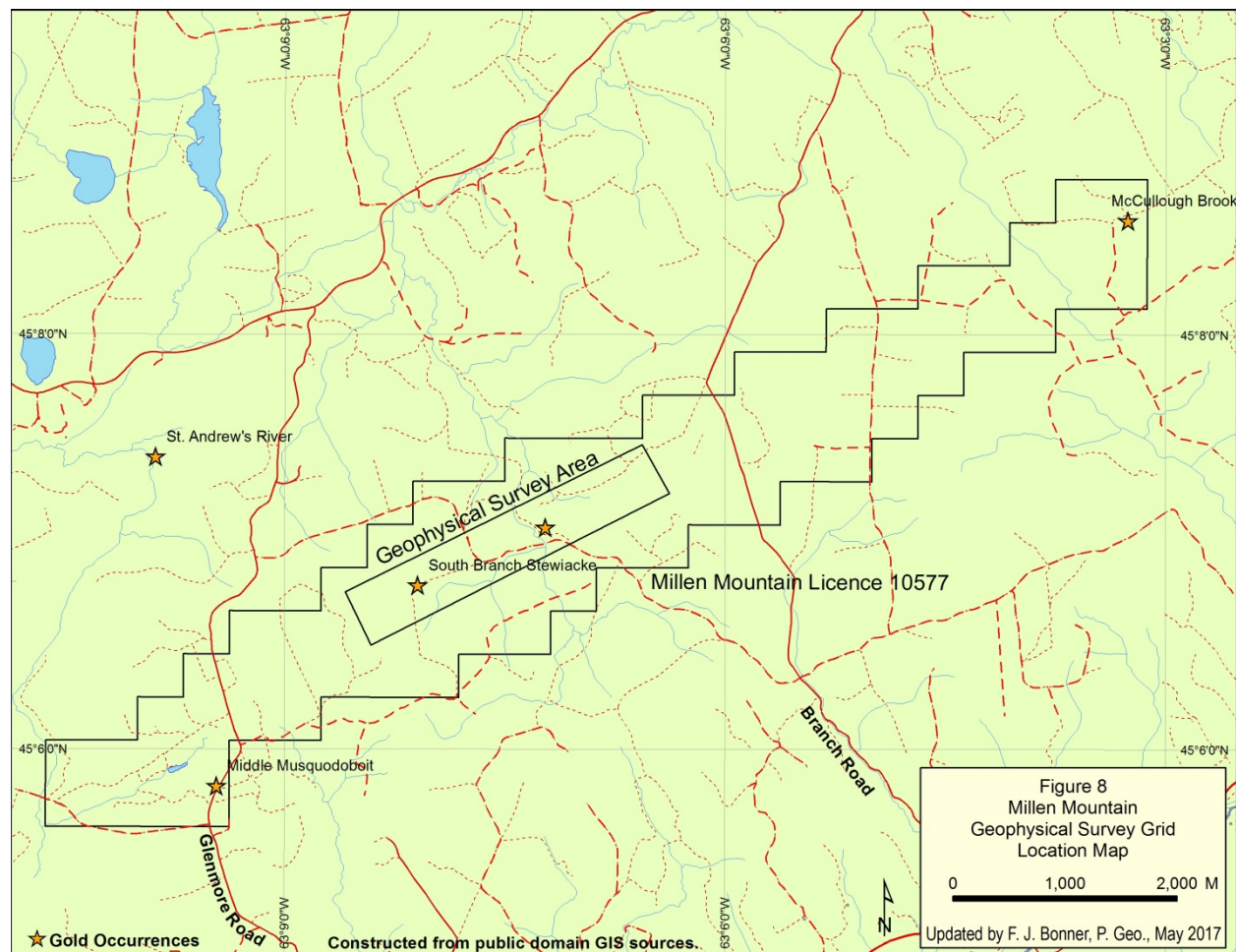
## Exploration

An analysis of historical information and data in the spring of 2012 indicates the Millen Mountain Property has been underexplored in comparison to other Meguma style gold properties in the province. Reconnaissance mapping and prospecting identified alteration that was not previously discussed in the literature. Bleaching, likely caused by

carbonate alteration was observed associated with the thicker metasandstone units in the old open cuts along the South Branch Stewiacke River. Furthermore, sulphide mineralization was observed in the altered metasandstones with quartz veining perpendicular (AC veins) to the bedding parallel veins. Old trenches have traced at least one quartz vein system several hundred metres to the east where a shaft was encountered. This may be the historical Crowe Shaft.

Beja contracted Matrix GeoTechnologies Ltd. (“**Matrix**”) from Toronto, Ontario, to carry out a high resolution geophysical survey (Induced Potential, Resistivity and Magnetics) to better understand alteration patterns, subsurface geological structure, identify follow-up targets and attempt to correlate geophysical responses with the few known geological parameters at Millen Mountain.

A 500X3000 metre cut grid (Figure 8) with 100 metre line spacing was established in the western portion of the claim block that focussed on the historical workings, two mineral occurrences as reported in the Nova Scotia Department of Natural Resources’ Mineral Occurrence Database and the vein system mapped by H. Fletcher, & E. R. Faribault in 1903. Line flagging and cutting proved to be extremely difficult in certain areas that experienced extensive forest damage as a result of Hurricane Juan in 2003.



**Figure 8: Geophysical Survey Grid, Millen Mountain, Nova Scotia**

Approximately 15 line kilometres of Induced Polarization (IP), High-resolution Magnetic and Resistivity surveys were conducted between September 12<sup>th</sup> and October 6<sup>th</sup>, 2012. Gradient and Pole-Dipole arrays were employed with a transmitting dipole spacing of AB=1250m for gradient surveys and C<sub>1</sub>-C<sub>2</sub>=1.0 km (min.) for Pole-Dipole surveys. IP sampling interval was 25m. Magnetic survey sampling interval was 12.5m. Ten Pole-Dipole lines were completed.

Matrix’s report included 1:5000 scale plan maps for:

1. Total Chargeability (IP)
2. Apparent Resistivity
3. Total Magnetic Field
4. An integration map comparing airborne magnetic data and IP anomalies

## 5. An Interpretation Map

The report also included ten 1:2500 scale Pole-Dipole Pseudo-sections with combined Total Chargeability and Apparent Resistivity and ten 1:2500 scale Quantitative Sections<sup>TM</sup>.

Beja provided the author of the Technical Report with copies of receipts for exploration it had completed on the Property. Direct exploration expenditures by Beja on the Millen Mountain Property in 2012 are as follows:

<b>DESCRIPTION OF WORK</b>	<b>TOTAL</b>
Geophysics survey	\$85,256.71
Geophysics interpretation and report	\$9,887.50
Geological, supervision and field management	\$15,269.92
Line cutting	\$19,000.00
<b>Total</b>	<b>\$129,414.13</b>

These expenditures include all applicable taxes.

Pursuant to the Beja Agreement, the Company issued 1,500,000 common shares to Beja as consideration for the rights to the Property and all information, data, records, exploration results and exploration expenditures with respect to the Property.

### *Chargeability Discussion*

The Total Chargeability Map (Figure 9) exhibits geophysical trend in a northeast-southwest direction. Data represented in plan maps are bulk averages from surface to approximately 300m. While there is a wide variation in conductivity strength (average 12.5mV/V), approximately half the data is considered to have a strong response which is consistent with disseminated sulphide mineralization or graphite. The authors of the Matrix report concluded that high chargeability background could screen out important weaker or moderate strength anomalies.

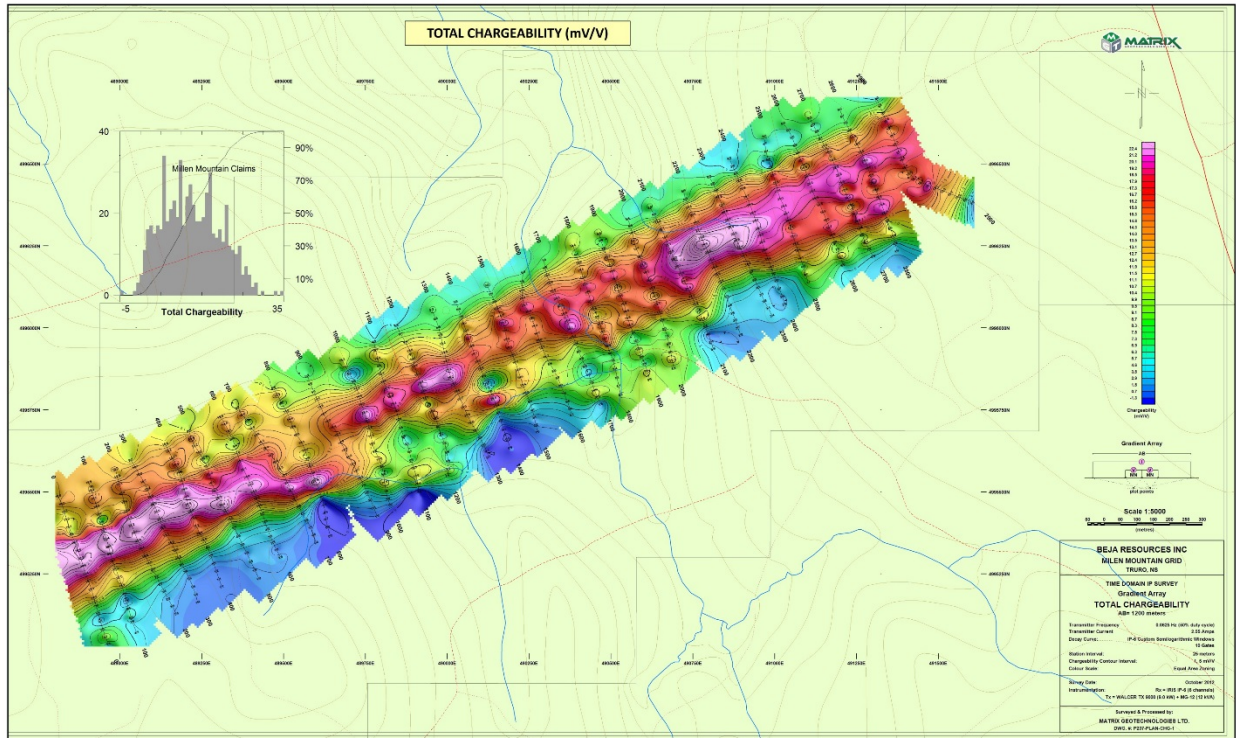
The westernmost area (Line 0 to approximately Line 13) displays a distinct linear geophysical anomaly whereas the central portion of the survey area has a similar overall trend but the IP response appears more disrupted between Line 13 to Line 20. The distinct linear pattern is seen again between Line 20 and Line 29. The disrupted response in the central portion of the survey area is interpreted to be related to post mineralization faulting. The Total Chargeability Map also suggests the geophysical anomalies continue to the west and to the east of the survey area.

In the west anomaly zone, resistivity response has a general 'layered' appearance. Higher resistivities were found at depth and overlain by lower resistive responses, as indicated in the Matrix report. Matrix suggests this response may reflect sedimentary layering. Induced polarization responses on those QS show a wide, high chargeability signature associated with low resistivity from surface to about 100m. A narrow high chargeability signature that extends past the survey depth of approximately 300m is associated with high resistivity. Additionally, the shallow chargeability anomalies do not seem to be associated with a magnetic signature.

In the central anomaly zone, higher resistivities are again found at depth and in a general sense show gross layering. Responses are much more displaced which may indicate significant faulting in the area. QS Line 1700 (Appendix B) illustrates the nature of resistivity and distribution of chargeability signature. A wide high chargeability signature is again found at surface and extends to about 120m with a narrow anomaly extending into the higher resistivity to 300m. Line 1700 coincidentally passes through historical surface workings (large trenches) at station 0 (baseline) and coincides with the high chargeability response at surface.

In the east anomaly zone, resistivity in section has a contrasting distribution. For example, QS Line 2200 (Appendix B) shows the high resistivity signature extending to surface and appears displaced at approximately 50m N of the baseline suggesting fault dislocation. High chargeability is associated with low resistivity at surface to approximately 125m. A distinct chargeability signature also appears about 60m north of the baseline which is seen at surface to 50m depth then resumes at 125m to 300m. This signature is closely associated with high resistivity and the displacement at 50m north.





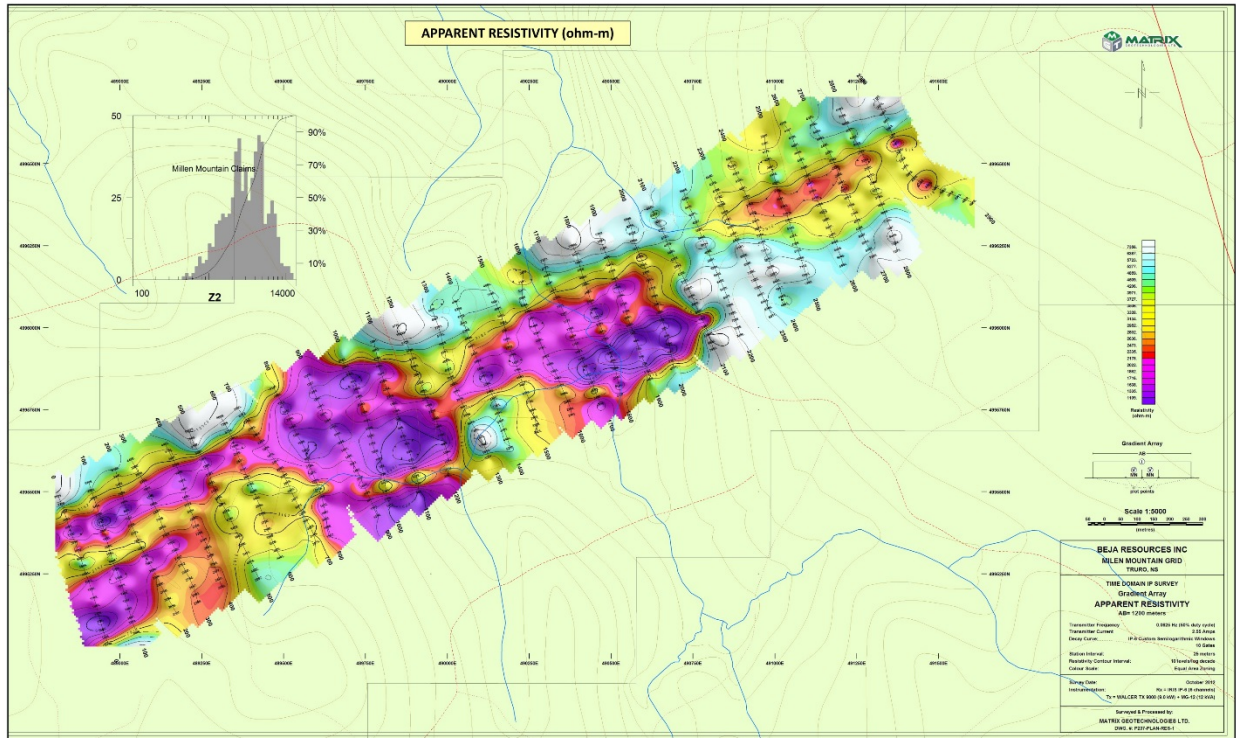
**Figure 9: Total Chargeability Map**

*Resistivity Discussion*

The Apparent Resistivity Map (Figure 10) displays a wide range of response data between 475 ohm-m and 12.5kohm-m. Approximately 85% of the data falls within the high to very-high resistivity category. Higher resistivity units probably reflect siliceous units (metamorphosed sandstones?) whereas the lower resistivity signatures are probably associated with slate sequences.

Apparent Resistivity signatures in plan view (Figure 9) trend northeast-southwest locally such as along the northern margin of the survey area and along the southern margin in more discrete horizons. Most high resistivity zones are relatively thin and long providing good line-to-line correlation possibly indicative of vein systems or alteration zones. Breaks and displacements suggest faulting.





**Figure 10: Apparent Resistivity Map (reduced original)**

*Magnetic Field Discussion*

The Total Magnetic Field Map (Figure 11) once again shows a northeast-southwest trend with weaker magnetic responses to the north of the baseline and higher magnetic features to the south. Survey depth is approximately 60-70m and was undertaken to help interpret structural features and verify the nature of shallow, high chargeability responses.

According to Matrix, two types of magnetic anomalies were identified. These are linear line-to-line responses and ‘bulls-eye’ type anomalies suggesting two styles of magnetic signatures. The first type is commonly associated with tabular stratigraphic horizons following the same trend as chargeability and resistivity signatures. The second type are likely related to shallow iron sulphides such as pyrrhotite known to be present in lower stratigraphic units of the Halifax Formation.

Ten Quantitative Sections™ were constructed through Matrix’s proprietary, Quantitative Section™ Methodology which is a complex integration process that utilizes the results of the gradient survey and the follow-up pole-dipole survey which was arranged over high chargeability anomalies. Quantitative Sections™ (QS) have interpreted chargeability and resistivity plotted in section. Matrix included Lines 200, 300 and 400 as part of the “west anomaly zone”. The “central anomaly zone” included Lines 1700, 1800 and 1900. The “east anomaly zone” contains Lines 2100, 2200, 2300 and 2800. Four lines (300, 1800, 2200 and 2800) further integrated total field magnetics for more detailed interpretation. The total field magnetics are plotted as a profile over the QS.

Quantitative Sections™ and gradient data were used to produce an Interpretation Map (Figure 12) and identify seven high priority follow-up targets and 13 secondary. Higher priority targets were determined based on chargeability strength, resistivity association and their characteristics in terms of geometry, depth and vertical/horizontal extent. The thirteen secondary targets had similar geophysical characteristics as the high priority targets but generally lacked detailed coverage or showed short line-to-line correlation.

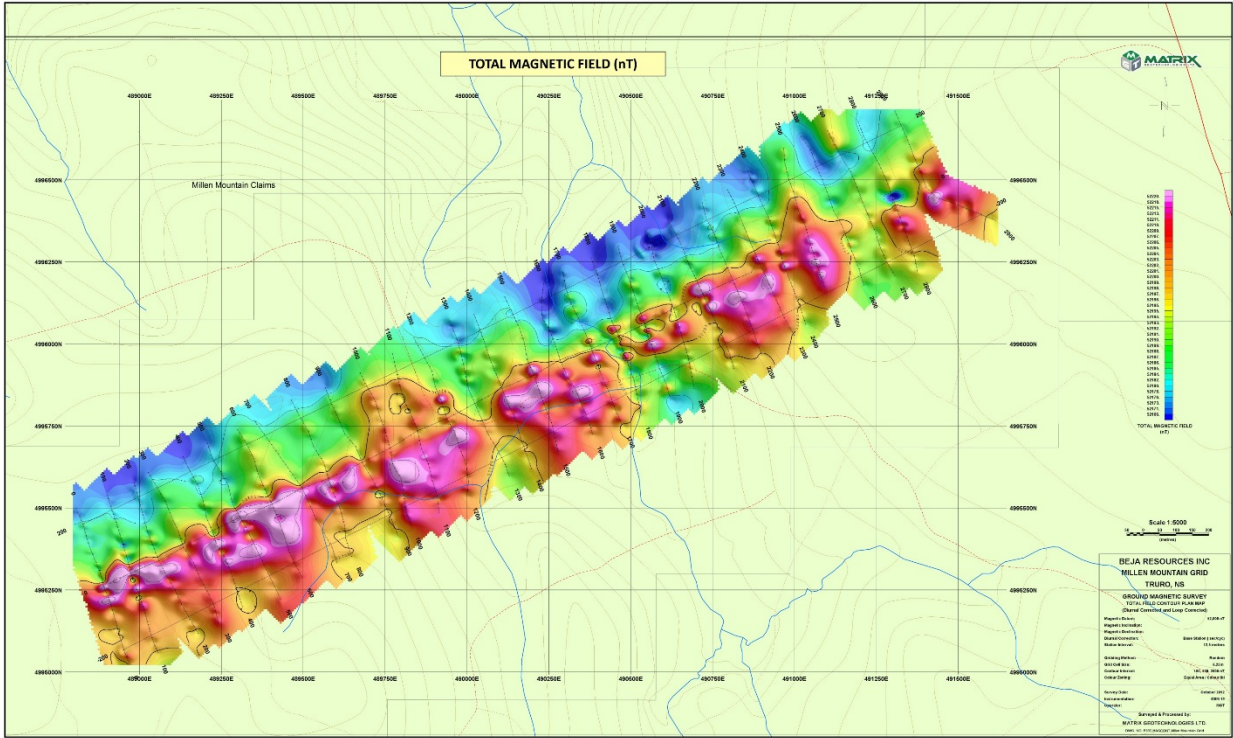


Figure 11: Total Magnetic Field Map (reduced original)

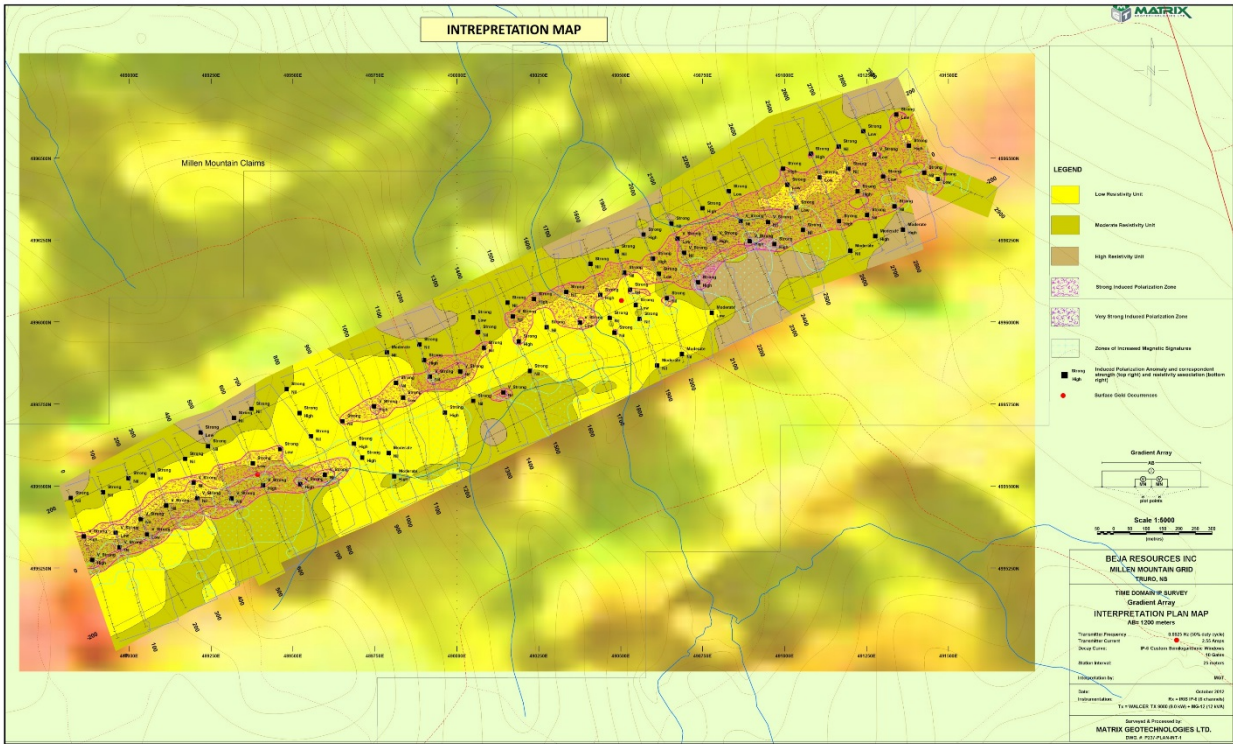


Figure 12: Interpretation Map

**Drilling**

Neither Beja nor the Company has conducted any drilling on the Millen Mountain Property to date, and therefore drilling is not included in the Technical Report.

## **Sample Preparation, Analyses and Security**

Neither Beja nor Legion has conducted any sampling at the Millen Mountain Property, and therefore sampling is not included in the Technical Report.

## **Data Verification**

The verification process included a review of all available data including:

1. Detailed examination of all work filed with the Nova Scotia Department of Natural Resources;
2. A field visit to the Property and surrounding area to confirm location of pre-existing mine workings and ensure these occur within the Millen Mountain Property boundaries; and
3. Observation of extensive historic trenches and waste rock pile (although samples for re-assaying were not collected).

The author of the Technical Report determined that the available data was adequate to support the interpretations and conclusions in the Technical Report.

## **Mineral Processing and Metallurgical Testing**

Neither Beja nor Legion has conducted any mineral processing or metallurgical testing at the Millen Mountain Property, and therefore mineral processing or metallurgical testing are not included in the Technical Report.

## **Mineral Resource and Mineral Reserve Estimates**

Mineral resources and mineral reserves have never been estimated for the Millen Mountain Property, and therefore mineral resource or mineral reserve estimates are not included in the Technical Report.

## **Interpretation and Conclusions**

The Millen Mountain Property has limited bedrock exposure to provide detailed structural geology information. However, reconnaissance mapping (Fletcher and Faribault, 1903; Horne and King, 2002) confirmed the approximate location of the South Branch Stewiacke River Anticline and provided some useful geological information. The Property is predominantly underlain by slates and minor metasandstones of the Glenn Brook Member of the Halifax Formation.

Recent exploration was reconnaissance in nature with variable results. Gold was reportedly found on the Millen Mountain Property in the early 1900's and later in an assessment report (Collier, 1999) that cited a sample assayed almost 1 ounce per tonne. Collier collected a few other gold bearing samples (<1 g).

Beja Resources Inc. commissioned Matrix GeoTechnologies Ltd. to conduct detailed gradient and pole-dipole chargeability, resistivity and magnetic surveys. These surveys identified geophysical signatures possibly related to stratigraphy, alteration, faulting, structures and potential sulphide mineralization.

The Interpretation Map (Figure 12) shows the relationships in plan-view between chargeability, resistivity and total magnetics as interpreted by Matrix. High chargeability may indicate the presence of altered metasandstone hosted sulphide with attendant quartz vein systems. This association is pronounced at Station 0 on QS Line 1700 (Appendix B) where high chargeability correlates well with field observation in that old workings that quartz veining, sulphide mineralization and carbonate alteration in a thick (<1m) unit of metasandstone. This lends support that at least some chargeability anomalies are associated with sulphide mineralization at the Millen Mountain Property.

Geophysical surveys in the central portion of the survey seem to indicate that area may be more faulted than the western and eastern portions. That observation is supported by previous digital elevation modeling work by Rheingold Exploration Corp.

Quantitative Sections<sup>TM</sup> suggest an apparent correlation with interpreted stratigraphy of the Millen Mountain Property area. Drilling data is not available along the entire Wittenburg Mountain slate belt and therefore a drilling program is required to ascertain sub-surface geology, structure and mineralization.

Matrix divided geophysical anomalies into seven high priority and thirteen secondary priority targets for follow-up by detailed geochemical sampling and drilling. The presence of a Quantitative Section<sup>TM</sup> was the main criterion for



separating the chargeability anomalies.

The Millen Mountain Property is an underexplored property that should be considered a grassroots exploration property. Reconnaissance mapping has identified important structural features and alteration that is consistent with Meguma style gold deposits.

An analogous geological setting lies to the west of the Millen Mountain Property (Rawdon Hills) that hosts several Halifax Formation Slate gold deposits. Gold has also been mined in other areas of the province that are underlain by Halifax Slate.

The Property has significant un-tested geophysical targets across the entire length of the survey area with chargeability anomalies open along strike both eastward and westward.

### **Recommended Work Program**

The Technical Report recommends a two-phase exploration program to advance the un-tested mineral potential of the Millen Mountain Property. Phase one of the program would comprise rock sampling and exploration geochemistry to prioritize locations of auriferous potential along the two kilometre strike length of the South Branch quartz vein system and to also evaluate the entire length of the South Branch Stewiacke Anticline on the exploration grid.

There are numerous pits and trenches located along the South Branch quartz vein system. Grab sampling of the trench walls and waste rock piles should be performed, with special emphasis on sampling quartz veining and carbonitized and/or arsenopyrite-rich slate and sandstone in the search for wallrock hosted gold.

Exploration geochemistry surveys should comprise a combination of MMI and B-horizon soil sampling. A detailed, conventional B-horizon soil sampling survey should also be performed. B-horizon samples are to be collected at 25 metre intervals along grid-lines at a line spacing of 50 metres.

If warranted by the results of phase one, phase two would comprise a diamond drilling program of 400 metres to evaluate the trend of the South Brook Stewiacke Anticline and the nature of selected geophysical anomalies identified by Matrix GeoTechnologies Ltd. and discussed in the Technical Report. Specifically, diamond drilling is proposed to evaluate:

1. Geophysical targets that have a supporting gold and/or arsenic geochemical signature.
2. Geochemical targets which are anomalous in gold and/or arsenic.
3. Deep-seated geophysical anomalies, particularly those that are coincident with the South Brook Stewiacke Anticline.
4. Geologic targets that may be recognized during the course of this exploration as the Property becomes better understood.

The budget for phase one and phase two of the recommended exploration program is as follows:

#### *Phase One - Exploration Geochemistry*

Program Preparation and Management	-6 day equivalent @ \$600/day	\$3,600
Rock Samples	-5 days @ \$500/day	\$2,500
Analysis	-50 samples @ \$40/sample	\$2,000
Sample collection (2 techs)	-60 days @ \$600/day	\$36,000
MMI analyses	-150 samples @ \$45/sample	\$6,750
B-Horizon analyses	-1,200 samples @ \$26/sample	\$31,200
Field gear (packs, augers, compasses, sample bags etc.)		\$2,000
Crew deployment (i.e. truck & fuel)		\$4,000
Geological Supervision	-10 -day equivalent @ \$600/day	\$6,000
Room & Board		\$8,000
<b>Total</b>		<b>\$102,050</b>

#### *Phase Two - Diamond Drilling*

Drill metre-age costs	-400m NQ @ \$90/metre	\$36,000
Drill moves		\$4,000

Drill event contingency (i.e. lost equipment down-hole)		\$3,000
Stand-by		\$2,000
Ancillary drill costs (polymer, core boxes)		\$1,500
Down-hole surveying		\$1,000
Drill core analysis	-275 samples @\$75/sample	\$20,625
Drill core shipping		\$2,000
Geological Supervision	-18 days @ \$500/day	\$9,000
Technical Support (2 techs)	-40 days @ \$300/day (2 techs)	\$12,000
Trail cutters		\$5,000
Core-shed (rental space)		\$1,000
Core-shed supplies (rock-saw, blades, sample bags, analytical standards etc.)		\$4,000
Crew deployment (i.e. two trucks & fuel)		\$4,000
Room & Board		\$6,000
<b>Total</b>		<b>\$111,125</b>

**Total – Combined Phase One and Phase Two of Exploration Budget** **\$213,175**

Under the Option Agreement, Probe has the option to acquire a 50% interest in the Property by incurring exploration expenditures of \$250,000 on the Property on or before November 9, 2018 (which option period includes a 30 day default notice period under the Option Agreement). Accordingly, the Company anticipates that some of the exploration recommended by the Technical Report will be conducted by Probe. The Company will strive to work in co-operation with Probe and compliment exploration efforts by Probe where practical. If Probe does not complete the required exploration expenditures under the Option Agreement, then the Company intends to complete phase one of the exploration program recommended under the Technical Report and, if warranted by the results from phase one, to complete phase two of the exploration program, in which case the Company will need to obtain further financing to fund phase two.

#### USE OF PROCEEDS

The Company will receive net proceeds of \$270,000 from the Offering if the minimum number of Offered Shares is sold, after deduction of the Agent's cash commission (assuming there are no President's list subscribers) but before deducting a corporate finance fee of \$10,000 (plus GST) payable to the Agent and the Offering expenses estimated at \$70,000, and net proceeds of \$450,000 from the Offering if the maximum number of Offered Shares is sold (assuming there are no President's list subscribers). Adding these net proceeds to the estimated working capital of the Company as at July 31, 2017, of \$92,965, results in a minimum of \$362,965 and a maximum of \$542,965 in available funds on a pro forma basis. The Company intends to use the available funds as follows:

<u>Principal Purpose</u>	<u>Minimum Offering</u>	<u>Maximum Offering</u>
Balance of estimated costs of the Offering (including legal, audit and amounts due to the Agent, and applicable filing fees and listing fees) and the corporate finance fee	\$80,500 <sup>(1)</sup>	\$80,500 <sup>(1)</sup>
Exploration on the Property, including complimenting Probe exploration program and/or matching further spending by Probe following completion of Option Agreement <sup>(2)(3)</sup>	\$102,050	\$102,050
Estimated general and administrative expenses for 12 months <sup>(4)</sup>	\$63,000	\$63,000
Unallocated working capital	<u>\$117,415</u>	<u>\$297,415</u>
<b>TOTAL:</b>	<b>\$362,965</b>	<b>\$542,965</b>

(1) Total estimated costs of the Offering are \$80,500, comprised of legal costs of \$25,000, auditor's review costs of \$10,000, Agent's expenses of \$15,000, applicable filing fees and listing fees of \$20,000, and the corporate finance fee (including GST) of \$10,500. To date the Company has paid \$10,000 of this total amount: \$5,000 (plus GST) has been paid to the Agent as partial payment of the corporate finance fee, and \$5,000 (plus GST) has been deposited against expenses to be incurred by the Agent pursuant to the Agency Agreement.

(2) See "Millen Mountain Property – Recommended Work Program".

(3) If Probe does not fulfill its exploration obligations under the Option Agreement, the amount indicated of \$102,050 is sufficient to enable the Company to fund phase one of the exploration program recommended under the Technical Report. If the results of phase one warrant further exploration under phase two of the recommended exploration program, the Company will need to obtain further funds through a debt or equity financing to be able to fully fund phase two.

(4) The Company's CEO, Chief Geologist and Chairman have agreed to not receive a salary or management fee for at least 12 months from the closing of the Offering.

A breakdown of the estimated general and administration expenses for the 12 months following the Company becoming a public company is set out below:

12 Month General & Administrative Expenses	(\$)	(\$)
	Monthly	Annual
Audit	1,000	12,000
Legal	500	6,000
Management Fees <sup>(1)</sup>	1,000	12,000
Rent	0	0
Office Expenses	250	3,000
Personnel	0	0
Shareholder Communications	250	3,000
Telecommunications / Internet / Computer	250	3,000
Transfer Agent / Filing Fees	1,500	18,000
Transportation and Accommodation	500	6,000
<b>Total</b>	<b>\$5,250</b>	<b>\$63,000</b>

(1) The Company's CFO will receive a management fee of \$1,000 per month.

Upon completion of the Offering, the Company's working capital available to fund ongoing operations will be sufficient to meet administrative costs and exploration expenditures for at least twelve months. The Company has had negative cash flow from its operating activities since its incorporation and expects to continue to have negative cash flow from its operating activities in the future. The Company's source of funds since incorporation has been from the sale of equity capital and the Company expects that equity capital will continue to be its source of funds in the future. See "Risk Factors" for further disclosure of the risk of negative cash flow from its operating activities.

The Company's business objectives using the available funds described above are to support Probe's exploration of the Property, where warranted and in the best interests of the Company. Under the Option Agreement, Probe has until November 9, 2018 to incur \$250,000 of expenditures and successfully exercise its option. The Company will review the results of Probe's exploration program to determine whether further exploration of the Property by the Company or making participating exploration expenditures under the joint venture agreement, once the joint venture is formed, is warranted. If Probe does not complete the required exploration expenditures under the Option Agreement, then the Company intends to complete phase one of the exploration program recommended under the Technical Report and, if warranted by the results from phase one, to complete phase two of the exploration program, in which case the Company will need to obtain further financing to fund phase two.

The Company's unallocated working capital will be available for further exploration work on the Company's mineral properties, if such work is warranted based on results from the exploration programs currently planned. If not required for further work on the Property, those funds will be available for acquisition, exploration or development of other properties. The Company intends to spend the funds available to it as stated in this Prospectus however, where necessitated by sound business reasons, a reallocation of funds may be required.

## SELECTED FINANCIAL INFORMATION

### Summary of Annual Financial Information

The following table sets forth summary financial information for the Company for the period from incorporation on December 8, 2016, to March 31, 2017. This information has been summarized from the Company's audited financial statements for the same period. This summary of financial information should only be read in conjunction with the Company's financial statements, including the notes thereto, included with this Prospectus.

	Period from Incorporation to March 31, 2017
Mineral properties	\$0
Total assets	\$123,866
Total revenues	\$0
Long-term debt	\$0
Property investigation fee	\$2,500 <sup>(1)</sup>
General and administrative expenses	\$13,054
Net loss	\$15,554
Basic and diluted loss per share <sup>(2)</sup>	\$0.28

(1) Total exploration expenditures on the Property by Beja were \$129,414.13. The Company acquired the rights to these exploration expenditures and exploration results under the Beja Agreement. During the financial year ended March 31, 2017, the Company had property investigation expenditures of \$2,500.

(2) Based on weighted average number of common shares issued and outstanding for the period.

## DIVIDEND RECORD AND POLICY

The Company has not, since the date of its incorporation, declared or paid any dividends on its common shares. The Company intends to retain its earnings to finance growth and expand its operations and does not expect to pay any dividends in the foreseeable future. The Company does not currently have a policy with respect to the payment of dividends.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") should be read in conjunction with the financial statements of the Company and the related notes thereto included in this Prospectus. This discussion is current as of the date of this Prospectus. The financial statements of the Company and the financial information contained in this MD&A were prepared in accordance with IFRS.

The following MD&A contains forward-looking statements that involve numerous risks and uncertainties. Actual results of the Company could differ materially from those discussed in such forward-looking statements as a result of these risks and uncertainties, including those set forth in this Prospectus under "Cautionary Statement Regarding Forward-Looking Information" and under "Risk Factors".

### General

The Company was incorporated on December 8, 2016, to operate as a resource exploration company focused on the acquisition and exploration of mineral properties. The Company has selected March 31 as its fiscal year end.

All direct costs related to the acquisition of resource property interests have been capitalized. The Company has no operating cash flow and its level of expenditures is dependent on the sale of equity capital to finance its exploration operations. Therefore, it is difficult to identify any meaningful trends or develop an analysis from cash flows.

### Liquidity and Capital Resources

The Company is in the exploration stage and therefore has no cash flow from operations. Its only source of funds since incorporation has been from the sale of common shares. From the date of incorporation on December 8, 2016, to March 31, 2017, it has raised \$122,000 from the sale of shares for cash through the issuance of 6,100,000 shares. The Company has also issued: 125,000 shares to Fred Bonner, Chief Geologist of the Company, as consideration for geological services provided pursuant to a consulting agreement; and 1,500,000 shares to Beja Resources Inc. as consideration for the rights to the Millen Mountain Property and all information, data, records, exploration results and exploration expenditures with respect to the Property. In total, there are 7,725,000 shares outstanding as of the date of this Prospectus.

As at March 31, 2017, current assets were \$123,866 and current liabilities were \$14,920, resulting in working capital of \$108,946 at that time. There are no known trends affecting liquidity or capital resources.

As at March 31, 2017, the Company had total assets of \$123,866 which are comprised of \$121,866 cash and \$2,000 of share subscription receivable. The net proceeds to be raised from the Offering are expected to fund the Company's operations for at least 12 months. See "Description of the Business" and "Use of Proceeds".

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for resource properties and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

While the information in this Prospectus has been prepared in accordance with IFRS on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future, there are conditions and events that cast significant doubt on the validity of this presumption. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. While the Company is making its best efforts in this regard, the outcome of these matters cannot be predicted at this time.

## Results of Operations

The loss for the period from incorporation to March 31, 2017, was \$15,554. Total expenses for the period were \$15,554, of which \$2,500 was for property investigation fees and paid through the issuance of 125,000 common shares by the Company, the amount of \$13,020 was professional fees, and \$34 was bank charge expense. Professional fees consists of legal, accounting and audit fees.

## Summary of Quarterly Results

The following financial data was derived from the Company's financial statements for each of the Company's two completed financial quarters:

	December 31, <u>2016(\$)</u> <sup>(1)</sup>	March 31, <u>2017 (\$)</u>
Revenues	Nil	Nil
Net income (loss) before other income/ expenses	0	(15,554)
Other items	0	0
Interest income	0	0
Future income tax recovery	0	0
Future income tax expense	0	0
Interest / penalties	0	0
Net income (loss) after other income / expenses	0	(15,554)
Net Income (loss) per share – basic and diluted <sup>(2)</sup>	0	(0.28)
Weighted average number of shares outstanding	0	55,088

(1) The financial quarter is for the period from incorporation on December 8, 2016, to December 31, 2016.

(2) Based upon the weighted average number of common shares issued and outstanding for the period. The 700,000 options outstanding are anti-dilutive.

## Exploration Expenditures

In 2012, Beja incurred the following exploration expenditures that were expensed as incurred in 2012:



<b>DESCRIPTION OF WORK</b>	<b>TOTAL</b>
Geophysics survey	\$85,256.71
Geophysics interpretation and report	\$9,887.50
Geological, supervision and field management	\$15,269.92
Line cutting	\$19,000.00
<b>Total</b>	<b>\$129,414.13</b>

The above expenditures include all applicable taxes.

Under the Beja Agreement, Beja assigned its interest in the Property and all information, data, records, exploration results and exploration expenditures with respect to the Property to the Company in exchange for 1,500,000 common shares of the Company.

#### **Disclosure of Outstanding Security Data**

As of the date of this Prospectus, the Company has: 7,725,000 common shares issued and outstanding; and 700,000 stock options, each exercisable for one common share of the Company for \$0.10, issued and outstanding. The Company has no other securities issued or outstanding that are convertible into, or exercisable or exchangeable for, voting or equity securities of the Company.

#### **Additional Disclosure for Junior Issuers**

The proceeds raised under this Prospectus are expected to fund the Company's operations for at least 12 months. The estimated total operating costs necessary for the Company to achieve its stated business objectives during that period of time is \$245,050, which includes the balance of the estimated costs of the Offering, the corporate finance fee, estimated exploration expenditures on the Property and estimated general and administrative expenses. Once Probe successfully exercises its option under the Option Agreement and the joint venture is formed, the Company will be required to match exploration expenditures on the Property. See "Use of Proceeds". The Company is not aware of any other material capital expenditures in the next 12 months.

#### **Financial Instruments and Other Instruments**

The carrying values of cash and cash equivalents and accounts payable approximate their fair values because of the short-term maturity of these financial instruments. The Company has no exposure to Asset Backed Commercial Paper.

#### **Off-Balance Sheet Arrangements**

The Company does not have any off-balance sheet arrangements and does not contemplate having them in the foreseeable future.

#### **Use of Estimates**

Preparing financial statements requires management to make estimates and assumptions that affect the reported results. The estimates are based on historical experience and other assumptions believed to be reasonable under the circumstances. Critical accounting policies are disclosed in the annual audited financial statements.

#### **Transactions between Related Parties**

During the period from incorporation to March 31, 2017, the Company paid or made provision for the future payment of the following amounts to related parties:

- The Company issued 125,000 common shares to the Chief Geologist of the Company as consideration for geological services provided to the Company pursuant to a consulting agreement.
- The Company accrued \$2,500 to the Chief Financial Officer of the Company for accounting services. This amount has not yet been paid.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Licence was transferred to the Company from Rheingold pursuant to the Property Transfer Agreement. Paul Pedersen, a director and Chairman of the Company, is a director of Rheingold, and Fred Bonner, the Company's Chief Geologist, is a director of Rheingold. Pursuant to the Beja Agreement, the Company agreed to issue 1,500,000 common shares of the Company to Beja as consideration for the rights to the Property and all information, data, records, exploration results and exploration expenditures with respect to the Property. Peter Smith, Paul Pedersen, Fred Bonner and Michael Raven, each a director and/or officer of the Company, are former directors and/or officers of Beja. Beja had previously been dissolved for failure to file annual reports with the British Columbia corporate registry. On May 8, 2017, Beja was restored for the purpose of transferring its rights to the Property to Legion. Beja's restoration was a limited restoration, with an expiry date of June 9, 2017, when Beja was dissolved again. Prior to Beja's dissolution, the 1,500,000 common shares of the Company that Beja received pursuant to the Beja Agreement were distributed pro rata to the shareholders of Beja, including Peter Smith (who received 57,000 Company shares), Paul Pedersen (who received 202,475 Company shares) and Michael Raven (who received 43,000 Company shares).

## **Outlook**

For the coming year, the Company's priorities are to complete the Offering, become a listed company on the Exchange and to support Probe's exploration of the Property, where warranted and in the best interests of the Company. The Company will review the results of Probe's exploration program to determine whether further exploration of the Property by the Company or making participating exploration expenditures under the joint venture agreement, once the joint venture is formed, is warranted.

There are significant risks that might affect the Company's further development. These include but are not limited to: exploration programs that may not result in a commercial mining operation; negative cash flow from operations; the Company's ability to raise financing in the future for ongoing operations; market fluctuations in metal prices; government regulations; and other conditions that may be out of the Company's control. See "Risk Factors".

## **Accounting Policies**

A detailed summary of all of the Company's significant accounting policies is included in Note 3 to the audited financial statements for the period from incorporation to March 31, 2017. The Company, in consultation with its auditor, periodically reviews accounting policy changes implemented within its industry.

## **DESCRIPTION OF THE SECURITIES BEING DISTRIBUTED**

The authorized share capital of the Company consists of an unlimited number of common shares without par value. At the date of this Prospectus, the Company has an aggregate of 7,725,000 fully paid common shares issued and outstanding.

The holders of the Company's common shares, including the Offered Shares, are entitled to:

- vote at all meetings of shareholders of the Company, except meetings at which only holders of a specified class of shares are entitled to vote;
- receive, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company (of which there are none as at the date of this Prospectus), any dividends declared by the Company; and
- receive, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company, the remaining property of the Company upon the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary.

## **ELIGIBILITY FOR INVESTMENT**

In the opinion of Fasken Martineau DuMoulin LLP, special tax counsel to the Company, based on the current provisions of the *Income Tax Act* (Canada) (the "**Tax Act**"), provided that on the date of the Offering (i) the Offered Shares are listed on a "designated stock exchange" (as defined in the Tax Act), which currently includes the Exchange, or (ii) the Company is a "public corporation" (as defined in the Tax Act), the Offered Shares will on that date be "qualified investments" under the Tax Act for a trust governed by a "registered retirement savings plan" ("**RRSP**"), "registered retirement income fund ("**RRIF**"), "registered disability savings plan" ("**RDSP**"), "deferred profit sharing

plan”, “registered education savings plan” (“**RESP**”) or “tax-free savings account” (“**TFSA**”), each as defined in the Tax Act.

Notwithstanding that the Offered Shares may be “qualified investments” for a RRSP, RRIF, or TFSA, if the Offered Shares are a “prohibited investment” within the meaning of the Tax Act for a RRSP, RRIF, or TFSA, the annuitant of the RRSP, or RRIF or the holder of a TFSA, as the case may be, will be subject to penalty taxes as set out in the Tax Act. The Offered Shares will generally not be a prohibited investment for a RRSP, RRIF or TFSA if the annuitant or holder, as the case may be, (a) deals at arm’s length with the Company for the purposes of the Tax Act, and (b) does not have a “significant interest” (as defined for purposes of the prohibited investment rules in the Tax Act) in the Company. In addition, the Offered Shares will not be a prohibited investment if the Offered Shares are “excluded property” as defined in the Tax Act for purpose of the prohibited investment rules. Under proposals to amend the Tax Act contained in the federal budget released on March 22, 2017, the prohibited investment rules will also apply to a trust governed by a RESP or RDSP, effective after March 22, 2017.

**Prospective purchasers of Offered Shares who intend to invest through a RRSP, RRIF, TFSA, RDSP or RESP should consult their own tax advisors with respect to whether the Offered Shares would be a prohibited investment having regard to their particular circumstances.**

### CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at the dates indicated before and after giving effect to the minimum and maximum sizes of the Offering. This table should be read in conjunction with the financial statements of the Company (including the notes thereto) contained in this Prospectus.

Description	Outstanding as at March 31, 2017	Outstanding as at the date of this Prospectus	Outstanding after giving effect to the minimum size of the Offering	Outstanding after giving effect to the maximum size of the Offering
Common shares	6,225,000	7,725,000	10,725,000	12,725,000
Share capital	\$124,500	\$274,500	\$574,500	\$774,500
Long-term debt	Nil	Nil	Nil	Nil

### OPTIONS TO PURCHASE SECURITIES

#### Stock Option Plan

The Company has adopted a stock option plan (the “**Plan**”) which provides eligible directors, officers, employees and consultants with the opportunity to acquire an ownership interest in the Company and is the basis for the Company’s long-term incentive scheme. The key features of the Plan are as follows:

- The maximum number of common shares issuable under the Plan shall not exceed 10% of the number of common shares of the Company issued and outstanding as of each award date, inclusive of all common shares reserved for issuance pursuant to previously granted stock options.
- The options have a maximum term of five years from the date of issue.
- Options vest as the board of directors of the Company may determine upon the award of the options.
- The exercise price of options granted under the Plan will be determined by the board of directors, but will not be less than the greater of the closing market price of the Company’s common shares on the Exchange on (a) the trading day prior to the date of grant of the options; and (b) the date of grant of the stock options.
- The expiry date of an option shall be the earlier of the date fixed by the Company’s board of directors on the award date, and: (a) in the event of the death of the option holder while he or she is a director or employee (other than an employee performing investor relations activities), 12 months from the date of death of the

option holder, or while he or she is a consultant or an employee performing investor relations activities, 30 days from the date of death of the option holder; (b) in the event that the option holder holds his or her option as a director and such option holder ceases to be a director of the Company other than by reason of death, 90 days following the date the option holder ceases to be a director (provided however that if the option holder continues to be engaged by the Company as an employee or consultant, the expiry date shall remain unchanged), unless the option holder ceases to be a director as a result of ceasing to meet the qualifications set forth in section 124 of the *Business Corporations Act* (British Columbia) or a special resolution passed by the shareholders of the Company pursuant to section 128(3) of the *Business Corporations Act* (British Columbia), in which case the expiry date will be the date that the option holder ceases to be a director of the Company; (c) in the event that the option holder holds his or her option as an employee or consultant of the Company (other than an employee or consultant performing investor relations activities) and such option holder ceases to be an employee or consultant of the Company other than by reason of death, 30 days following the date the option holder ceases to be an employee or consultant, unless the option holder ceases to be such as a result of termination for cause or an order of the British Columbia Securities Commission, the Exchange or any regulatory body having jurisdiction to so order, in which case the expiry date shall be the date the option holder ceases to be an employee or consultant of the Company; and (d) in the event that the option holder holds his or her option as an employee or consultant of the Company who provides investor relations activities on behalf of the Company, and such option holder ceases to be an employee or consultant of the Company other than by reason of death, the expiry date shall be the date the option holder ceases to be an employee or consultant of the Company.

The Plan may be terminated at any time by resolution of the board of directors, but any such termination will not affect or prejudice rights of participants holding options at that time. If the Plan is terminated, outstanding options will continue to be governed by the provisions of the Plan.

### Outstanding Options

As of the date of this Prospectus, there are 700,000 stock options, each exercisable for one common share in the capital of the Company for \$0.10, issued and outstanding to the directors and officers of the Company as follows:

Name	Number of Common Shares under Option	Exercise Price per Common Share	Expiry Date
Peter Smith <sup>(1)</sup>	100,000	\$0.10	May 1, 2022
Paul Pedersen <sup>(2)</sup>	100,000	\$0.10	May 1, 2022
Guy Pinsent <sup>(2)</sup>	100,000	\$0.10	May 1, 2022
Larry Timlick <sup>(2)</sup>	100,000	\$0.10	May 1, 2022
Michael Raven <sup>(1)</sup>	100,000	\$0.10	May 1, 2022
Charles Ackerman <sup>(1)</sup>	100,000	\$0.10	May 1, 2022
Fred Bonner <sup>(1)</sup>	100,000	\$0.10	May 1, 2022
<b>Total</b>	<b><u>700,000</u></b>		

(1) As a group, all executive officers of the Company, namely Peter Smith (President and CEO), Michael Raven (Corporate Secretary), Charles Ackerman (CFO) and Fred Bonner (Chief Geologist), hold an aggregate of 400,000 stock options.

(2) As a group, all directors of the Company who are not also executive officers, namely Paul Pedersen, Guy Pinsent and Larry Timlick, hold an aggregate of 300,000 stock options.

Each of the option holders is a director and/or an executive officer of the Company.

### PRIOR SALES

The following table summarizes the sales of common shares by the Company under private placements from incorporation to the date of this Prospectus.

<u>Allotment Date</u>	<u>Price per Share</u>	<u>No. of Shares</u>	<u>Reason for Issuance</u>
December 8, 2016	\$0.01	1	Incorporation <sup>(1)</sup>
March 31, 2017	\$0.02	6,100,000	Private Placement
March 31, 2017	\$0.02 <sup>(2)</sup>	125,000	Shares for Services
May 9, 2017	\$0.10 <sup>(2)</sup>	1,500,000	Consideration for Property
<b>Total as at the date of this Prospectus</b>		<b>7,725,000</b>	

(1) This share was surrendered and cancelled on March 31, 2017.

(2) These shares were not issued for cash, and this is a deemed price per share.

## **ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER**

### **Escrowed Securities**

In accordance with the policies of the applicable securities commissions and the Exchange, Peter Smith, Paul Pedersen, Guy Pinsent, Larry Timlick, Fred Bonner and Michael Raven (the “**Escrow Shareholders**”) have entered into an agreement dated August 2, 2017 (the “**Escrow Agreement**”) with the Company and AST Trust Company (Canada) (the “**Trustee**”), whereby they have agreed to deposit in escrow their common shares (the “**Escrowed Shares**”).

The number of Escrowed Shares is as follows:

<u>Designation of class</u>	<u>Number of securities held in escrow or that are subject to a contractual restriction on transfer</u>	<u>Percentage of class</u>
Common Shares	3,427,475 <sup>(1)</sup>	26.93% <sup>(2)</sup>

(1) Of the common shares deposited with the Trustee, 10% will be released to the Escrow Shareholders once the Company files financial statements with the British Columbia Securities Commission that show that either the Company or Probe Metals Inc. has incurred at least \$75,000 in exploration expenditures on the Millen Mountain Property (the “**First Release**”), and an additional 15% will be released to the Escrow Shareholders on each of the dates that are 6, 12, 18, 24, 30 and 36 months after the First Release, or at any time prior thereto with the consent of the applicable regulatory authorities.

(2) This percentage is applicable upon completion of the Offering, assuming the maximum number of Offered Shares is sold and assumes none of the Escrow Shareholders participate in the Offering. If the minimum number of Offered Shares is sold, then upon completion of the Offering this percentage will be 31.96%.

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

## **PRINCIPAL HOLDERS OF COMMON SHARES**

Except for Paul Pedersen, who holds 869,141 common shares of the Company (representing 11.25% of the issued and outstanding shares of the Company), to the knowledge of the directors and senior officers of the Company, no person or company, as at the date of this Prospectus, beneficially owns, directly or indirectly, or exercises control or direction over common shares of the Company carrying more than 10% of the outstanding voting rights attached to the Company’s common shares.

## **DIRECTORS AND OFFICERS**

Details regarding the directors and officers of the Company as at the date of this Prospectus are as follows:

<b>Name, Residence and Current Position with the Company</b>	<b>Date Appointed <sup>(1)</sup></b>	<b>Principal Occupation or Employment during the Past Five Years <sup>(2)</sup></b>	<b>Number of Common Shares <sup>(3)</sup></b>
Peter Smith <sup>(4)(5)</sup> Surrey, British Columbia, Canada Director, President and Chief Executive Officer	December 15, 2016	Sessional law instructor at Simon Fraser University since January 2002; sessional law instructor at Langara College since January 2012; Vice-President – Corporate Development of Less Mess Storage Inc. from April 2014 to December 2016; President and CEO of DGM Minerals Corp. from September 2010 to April 2014.	723,667
Paul Pedersen Vancouver, British Columbia, Canada Director and Chairman	March 30, 2017	President and CEO, Rheingold Exploration Corp., from July 2010 to June 2017; President of Greywood Partners since November 2013.	869,141
Guy Pinsent <sup>(4)</sup> Warsaw, Poland Director	March 30, 2017	President and CEO, Less Mess Storage Inc., since April 2014; Director and Partner of Premium Energy Fund from August 2012 to April 2014; independent consultant through Cenlap Properties Ltd. from March 2008 to April 2014.	666,667
Larry Timlick <sup>(4)</sup> Vancouver, British Columbia Director	March 30, 2017	President of Triplet Management since December 2016; Vice-President of Western Canada of Avaya Inc. from September 2014 to November 2016; Regional Sales Leader of Arista Networks Inc. from November 2011 to August 2016.	500,000
Michael Raven Vancouver, British Columbia, Canada Corporate Secretary	N/A <sup>(6)</sup>	Lawyer practising at Beadle Raven LLP, since March 2011.	543,000
Fred Bonner Halifax, Nova Scotia Chief Geologist	N/A <sup>(7)</sup>	Independent consultant through Eduterra Consulting since February 2015; President of TBL Resource Solutions Inc. from November 2010 to June 2015.	125,000
Charles Ackerman Fall River, Nova Scotia Chief Financial Officer	N/A <sup>(8)</sup>	Accountant at Iona Resources Holdings since August 2015; accountant at Grant Thornton LLP from January 2015 to August 2015; accountant at AC HTBA LLP from April 2012 to January 2015.	Nil

(1) Each director of the Company ceases to hold office immediately before an annual general meeting for the election of directors is held but is eligible for re-election or re-appointment.

(2) Unless otherwise indicated, to the knowledge of the applicable officer or director, the organization at which the officer or director was occupied or employed is still carrying on business.

(3) These common shares are subject to escrow restrictions. See “Escrowed Securities”.

(4) Member of the audit committee.

(5) Mr. Smith may be a “Promoter” (as defined in Section 1 of the *Securities Act* (British Columbia) of the Company, in that he took the initiative in founding and organizing the Company.

(6) Mr. Raven is Corporate Secretary of the Company, having been appointed to such position on March 30, 2017, but is not a director.

- (7) Mr. Bonner is Chief Geologist of the Company, having been appointed to such position on March 30, 2017, but is not a director.
- (8) Mr. Ackerman is Chief Financial Officer of the Company, having been appointed to such position on March 30, 2017, but is not a director.

As of the date of this Prospectus, the directors and executive officers of the Company, as a group beneficially owned, directly or indirectly, or exercised control or direction over 3,427,475 (44.37%) of the common shares of the Company.

## **Directors' and Officers' Biographies**

### *Peter Smith, 47, Director, President and Chief Executive Officer*

Peter Smith obtained a Bachelor of Laws degree from the University of British Columbia in 1999, a Masters degree from Cambridge University in the United Kingdom in 1997, and a Bachelor of Arts degree from Simon Fraser University in 1995. Mr. Smith was a director of Amicus Capital Corp. and Palatine Capital Corp. in from 2007 to 2009 and from 2009 to 2011 respectively, and a director of Terra Firma Resources Inc., a TSX Venture Exchange company, from 2007 to 2010. Mr. Smith co-founded DGM Minerals Corp. in 2010, which became a TSX Venture Exchange company in 2012 (TSXV:DGM), acquired self-storage assets in Eastern Europe in 2014 and changed its name to "Less Mess Storage Inc." (TSXV:LMS), and was acquired in a go-private transaction pursuant to a plan of arrangement in 2015. Mr. Smith has not signed a non-competition or non-disclosure agreement with the Company, and he currently plans on spending 50% of his time on Company matters. As President and CEO (as an independent contractor), Peter Smith is responsible for the day to day operations of the Company and the implementation of significant corporate policies as may be directed by the board of directors from time to time.

### *Paul Pedersen, 37, Director and Chairman of the Board*

From 2010 to June 2017, Mr. Pedersen served as CEO of Rheingold Exploration Corp (CSE:RGE), a mineral exploration company with a prospective gold project in Northwestern Ontario. Mr. Pedersen holds a MBA in Finance from the Eli Broad Graduate School of Management at Michigan State University, where he served as a Fellow at the Center for Venture Capital Private Equity and Entrepreneurial Finance, and a Bachelors of Commerce Degree from the Sobey School of Business at Saint Mary's University. Mr. Pedersen has not signed a non-competition or non-disclosure agreement with the Company, and he currently plans on spending 10% of his time on Company matters.

### *Larry Timlick, 59, Independent Director*

Mr. Timlick has been President of Triplet Management since December 2016. Previously, he was Vice-President of Western Canada of Avaya Inc. from September 2014 to November 2016 and regional sales leader of Arista Networks, Inc. from November 2011 to August 2016. He currently serves as a director of CounterPath Corp. (TSX:PATH; NASD:CPAH), Para Resources Inc. (TSXV:PBR), Sora Capital Corp. (TSXV:SOR) and Glance Technologies Inc. (CSE:GET). Mr. Timlick has not signed a non-competition or non-disclosure agreement with the Company, and he currently plans on spending 5% of his time on Company matters.

### *Guy Pinsent, 41, Independent Director*

Guy Pinsent holds a Masters of Arts Degree in Economics from Cambridge University (Pembroke College). In 2013, Mr. Pinsent teamed up with the DGM Minerals Corp. (TSXV:DGM) board to pursue a self-storage acquisition in Warsaw, Poland, and Prague, Czech Republic. After a successful capital raise, the acquisition closed in April 2014 and the company changed its name to "Less Mess Storage Inc." (TSXV:LMS), with Mr. Pinsent becoming the President and CEO, a role which Mr. Pinsent maintains to date as the business is grown in Poland and the Czech Republic. Mr. Pinsent has not signed a non-competition or non-disclosure agreement with the Company, and he currently plans on spending 5% of his time on Company matters.

### *Michael Raven, 44, Corporate Secretary*

Michael Raven obtained a Bachelor of Arts Degree in History (with honours) from The University of British Columbia in 1995 and received a Bachelor of Laws degree from The University of Victoria in 1999. In 2005, Mr. Raven established a private legal and business consulting practice, which consists of advising private and public companies in industries such as mining, oil and gas, entertainment and technology with respect to corporate structures, mergers and acquisitions, corporate governance and private and public financings. Mr. Raven co-founded DGM Minerals Corp. in 2010, which became a TSX Venture Exchange company in 2012 (TSXV:DGM), acquired self-storage assets in Eastern Europe in 2014 and changed its name to "Less Mess Storage Inc." (TSXV:LMS), and was acquired in a go-private transaction pursuant to a plan of arrangement in 2015. Mr. Raven is Corporate Secretary of the Company

(as an independent contractor), has not signed a non-competition or non-disclosure agreement with the Company, and currently plans on spending 5% of his time on Company matters.

*Fred Bonner, 55, Chief Geologist*

Fred Bonner received an Honours Geology Degree from St. Mary's University in Halifax and Masters Degrees in Applied Science and Planning from Dalhousie University, Halifax. He is a professional geologist and Fellow of Geoscientists Canada. Mr. Bonner became Vice-President of Silvore Fox Minerals Corp. (TSXV:SFX) from October 2008 to December 2010. He subsequently started two consulting companies focusing on mineral development permitting and community engagement consulting. Mr. Bonner is Chief Geologist of the Company (as an independent contractor), has not signed a non-competition or non-disclosure agreement with the Company, and currently plans on spending 10% of his time on Company matters.

*Charles Ackerman, 27, Chief Financial Officer*

Charles Ackerman obtained a Bachelor of Commerce Degree in Accounting from Saint Mary's University and received a CPA, CA designation in 2014, following which he spent time with Grant Thornton LLP in corporate finance and mergers and acquisitions focused on mid-market transactions. In 2015 Mr. Ackerman left Grant Thornton to develop a corporate finance consulting business providing strategic consulting to family offices and high growth businesses. Mr. Ackerman is Chief Financial Officer of the Company (as an independent contractor), has not signed a non-competition or non-disclosure agreement with the Company, and currently plans on spending 10% of his time on Company matters.

### **Management of the Company**

The Company's Chief Executive Officer provides overall leadership and vision in developing the strategic direction of the Company, in consultation with the Company's board of directors (the "**Board**"). The Chief Executive Officer also manages the overall business of the Company to ensure its strategic plan is effectively implemented and the results are monitored and reported to the Board. The Company's Chief Financial Officer is responsible for establishing and maintaining financial disclosure controls and procedures for the Company in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements.

### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

No director or executive officer of the Company is, as at the date of this Prospectus, or was within 10 years before the date of this Prospectus, a director, chief executive officer or chief financial officer of any company (including the Company), that:

- (a) other than as described below, was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of the above paragraph, "order" means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

Other than as disclosed below, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is, as at the date of this Prospectus, or has been within the 10 years before the date of this Prospectus, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings,



arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Michael Raven, the Corporate Secretary of the Company, was a director of True North Gems Greenland A/S (“TNGG”), a company incorporated under the laws of Greenland, when TNGG initiated voluntary bankruptcy proceedings under the Bankruptcy Act in Greenland in September 2016. TNGG was the operating subsidiary of True North Gems Inc. (“True North”; TSXV:TGX), LNS Denmark APS and Greenland Venture A/S for their mineral project in Greenland, and when the shareholders of TNGG were unable to raise additional funding to finance TNGG’s ongoing operations expenses, TNGG initiated proceedings for voluntary bankruptcy.

### **Conflicts of Interest**

Our directors are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. To the best of our knowledge, and other than as disclosed in the following paragraph, there are no known existing or potential conflicts of interest among the Company, our directors and officers or other members of management or of any proposed promoter, director, officer or other member of management as a result of their outside business interests.

Certain of the directors and officers currently serve as directors and officers of other private and public companies (including resource exploration companies). Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations (including resource exploration properties), and situations may arise where these directors and officers may be serving another corporation with interests that are in direct competition with the Company. In the event of any conflicts of interest, such conflicts must be disclosed to the Company and dealt with in accordance with the provisions of the *Business Corporations Act* (British Columbia).

### **PROMOTER**

Peter Smith may be considered to be the Promoter of the Company in that he took the initiative in founding and organizing the Company. Mr. Smith owns 723,667 common shares of the Company (9.37% of the total number of shares issued and outstanding) and 100,000 stock options of the Company (14.29% of the total number of options issued and outstanding).

### **EXECUTIVE COMPENSATION**

For the purposes of this section, “Named Executive Officers” means the Chief Executive Officer and Chief Financial Officer of the Company. Peter Smith has been the President and Chief Executive Officer of the Company since March 31, 2017, and Charles Ackerman has been the Chief Financial Officer of the Company since March 31, 2017.

### **Compensation Discussion and Analysis**

The Company does not have a formal compensation program for its directors or management. The Board of Directors relies on the experience of its members as current or former officers or directors of other junior exploration companies to ensure that total compensation paid to the Company’s management is fair and reasonable.

The Board meets to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. The general philosophy of the Company’s compensation strategy is to: (a) encourage management to achieve a high level of performance and results with a view to increasing long-term shareholder value; (b) align

management's interests with the long-term interest of shareholders; (c) provide a reasonable compensation package to attract and retain highly qualified executives and directors; and (d) ensure that total compensation paid takes into account the Company's overall financial position.

The compensation to executive officers is comprised of salaries and, if and when granted, incentive stock options. In establishing levels of cash compensation and the granting of stock options, the executive's performance, level of expertise and responsibilities are considered.

Incentive stock options are granted pursuant to the Plan, which is designed to encourage share ownership on the part of management, directors and employees. The Board believes that the Plan aligns the interests of the Company's personnel with shareholders by linking compensation to the longer term performance of the Company's shares. The granting of incentive stock options is a significant component of executive compensation as it allows the Company to reward each executive officer's efforts to increase shareholder value without requiring the use of the Company's cash reserves.

Stock options may be granted with the approval of the Board at the time of the executive's hiring or appointment and periodically thereafter. Previous grants of options are taken into account by the Board when it considers the granting of new stock options.

The Company's CEO, Chief Geologist and Chairman have agreed to not receive a salary or management fee for at least 12 months from the closing of the Offering.

### **Incentive Plan Awards**

There are currently 700,000 stock options issued and outstanding, each option exercisable for one common share at a price of \$0.10 for five years from the date of issuance. The Company may grant further options to its directors, officers, employees and consultants pursuant to the Plan following listing of the Company's shares on the Exchange. See "Options to Purchase Securities".

### **Summary Compensation Table**

The following table sets forth a summary of all compensation paid during the period from incorporation to March 31, 2017, to the Named Executive Officers:

<i>Name and Principal Position</i>	<i>Salary (\$)</i>	<i>Share-Based Awards</i>	<i>Option-Based Awards</i>	<i>Non-Equity Incentive Plan Compensation</i>		<i>Pension Value (\$)</i>	<i>All Other Compensation (\$)</i>	<i>Total Compensation (\$)</i>
				<i>Annual Incentive Plans</i>	<i>Long-term Incentive Plans</i>			
Peter Smith Chief Executive Officer	Nil	Nil	Nil <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil
Charles Ackerman Chief Financial Officer	Nil	Nil	Nil <sup>(2)</sup>	Nil	Nil	Nil	\$2,500 <sup>(3)</sup>	\$2,500

(1) On May 1, 2017, Mr. Smith was granted 100,000 stock options, each option exercisable for five years at an exercise price of \$0.10.

(2) On May 1, 2017, Mr. Ackerman was granted 100,000 stock options, each option exercisable for five years at an exercise price of \$0.10.

(3) This amount was accrued for accounting services provided by Mr. Ackerman, but has not yet been paid.

## Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all of the share-based awards and option-based awards issued to the Named Executive Officers from incorporation to March 31, 2017:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Peter Smith Chief Executive Officer	Nil	n/a	n/a	Nil	Nil	Nil
Charles Ackerman Chief Financial Officer	Nil	n/a	n/a	Nil	Nil	Nil

## Incentive Plan Awards – Value Vested or Earned During the Period

The following table sets forth the value of all vested awards under incentive plans for each of the Named Executive Officers from incorporation to March 31, 2017:

Name	Option-based awards – Value vested during the period (\$)	Share-based awards – Value vested during the period (\$)	Non-equity incentive plan compensation – Value earned during the period (\$)
Peter Smith Chief Executive Officer	Nil	Nil	Nil
Charles Ackerman Chief Financial Officer	Nil	Nil	Nil

## Termination of Employment, Change in Responsibilities and Employment Contracts

Except for the following, there are no employment contracts or arrangements in existence between the Company and any director or officer of the Company. The Company is party to a consulting agreement dated March 1, 2017 with Fred Bonner, the Company's Chief Geologist, under which Mr. Bonner agrees to provide geological consulting services to the Company in exchange for 125,000 common shares of the company issued at a price of \$0.02 per share. The shares were issued on March 31, 2017. The consulting agreement terminates on December 31, 2017. The Company has also agreed to pay the Company's CFO a management fee of \$1,000 per month following completion of the Offering.

On December 15, 2016, the Company executed an engagement letter with Beadle Raven LLP, a law firm at which Michael Raven, the Company's Corporate Secretary, is a partner. Under the engagement letter, the Company has retained Beadle Raven LLP to provide corporate and securities law advice to the Company, including with respect to the Company's initial public offering.

There is no arrangement or agreement made between the Company and any of its Named Executive Officers pursuant to which a payment or other benefit is to be made or given by way of compensation in the event of that officer's resignation, retirement or other termination of employment, or in the event of a change of control of the Company or a change in the Named Executive Officer's responsibilities following such a change of control.

## Director Compensation

The only arrangements, standard or otherwise, pursuant to which the Company may compensate directors for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial year or subsequently, are by the issuance of incentive stock options. See “Options to Purchase Securities”.

The following table sets forth a summary of all compensation paid during the period from incorporation to March 31, 2017, to the directors of the Company other than the Named Executive Officers:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Paul Pedersen	Nil	Nil	Nil <sup>(1)</sup>	Nil	Nil	Nil	Nil
Guy Pinsent	Nil	Nil	Nil <sup>(2)</sup>	Nil	Nil	Nil	Nil
Larry Timlick	Nil	Nil	Nil <sup>(2)</sup>	Nil	Nil	Nil	Nil

(1) On May 1, 2017, Mr. Pedersen was granted 100,000 stock options, each option exercisable for five years at an exercise price of \$0.10.

(2) On May 1, 2017, Mr. Pinsent was granted 100,000 stock options, each option exercisable for five years at an exercise price of \$0.10.

(3) On May 1, 2017, Mr. Timlick was granted 100,000 stock options, each option exercisable for five years at an exercise price of \$0.10.

The following table sets forth all of the share-based awards and option-based awards issued to the directors of the Company other than the Named Executive Officers from incorporation to March 31, 2017:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Paul Pedersen	Nil	n/a	n/a	Nil	Nil	Nil
Guy Pinsent	Nil	n/a	n/a	Nil	Nil	Nil
Larry Timlick	Nil	n/a	n/a	Nil	Nil	Nil

The following table sets forth the value of all vested awards under incentive plans for each of the directors of the Company other than the Named Executive Officers from incorporation to March 31, 2017:

Name	Option-based awards – Value vested during the period (\$)	Share-based awards – Value vested during the period (\$)	Non-equity incentive plan compensation – Value earned during the period (\$)
Paul Pedersen	Nil	Nil	Nil
Guy Pinsent	Nil	Nil	Nil
Larry Timlick	Nil	Nil	Nil

## AUDIT COMMITTEE

### General

As the Company is a “venture issuer” (as defined in National Instrument 52-110 – Audit Committees (“**NI 52-110**”)), it is relying on the exemptions provided to it under section 6.1 of NI 52-110 with respect to the composition of the audit committee and with respect to audit committee reporting obligations. The Audit Committee is responsible for reviewing the Company’s financial reporting procedures, internal controls and the performance of the financial management and external auditors of the Company. The Audit Committee also reviews the annual and interim financial statements and makes recommendations to the Board.

The Audit Committee is comprised of Peter Smith, Guy Pinsent and Larry Timlick, all of whom are “financially literate” and two of whom are “independent”, as those terms are defined in NI 52-110. Peter Smith is not independent. The education and experience of each audit committee member that is relevant to the performance of his responsibilities as an audit committee member, and in particular the education or experience that provides each member with (i) an understanding of the accounting principles used by the Company to prepare its financial statements, (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions, (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements, and (iv) an understanding of internal controls and procedures for financial reporting, is as follows:

Peter Smith	Mr. Smith obtained a Bachelor of Laws degree from the University of British Columbia in 1999, a Masters degree from Cambridge University in the United Kingdom in 1997, and a Bachelor of Arts degree from Simon Fraser University in 1995. He has acted as an officer and director of public issuers since 2004 and in such roles he has been responsible for the preparation, review and filing of annual and interim financial statements for such issuers.
Guy Pinsent	Mr. Pinsent obtained a Masters of Arts degree from Cambridge University in 1998. He has acted as an officer and director of a public issuer from April 2014 to December 2015 (TSXV:LMS) and remains an officer and director of this now private company. In such roles he has been responsible for the preparation, review and filing of annual and interim financial statements for this issuer.
Larry Timlick	Mr. Timlick has acted as a director of public issuers since 2005, and in such roles he has been responsible for reviewing and approving annual and interim financial statements for such issuers.

### Charter

The Audit Committee’s charter is as follows:

#### General

The primary function of the Audit Committee is to assist the Board of Directors of the Company (the “**Board**”) in fulfilling its oversight responsibilities by reviewing the financial information to be provided to the shareholders and others, the systems of internal controls and management information systems established by management and the Company’s external audit process and monitoring compliance with the Company’s legal and regulatory requirements with respect to its financial statements.

The Audit Committee is accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Audit Committee is expected to maintain an open communication between the Company’s external auditors and the Board.

The responsibilities of a member of the Audit Committee are in addition to such member’s duties as a member of the Board.

The Audit Committee does not plan or perform audits or warrant the accuracy or completeness of the Company’s financial statements or financial disclosure or compliance with generally accepted accounting procedures as these are the responsibility of management and the external auditors.

### Relationship with External Auditors

The external auditor is required to report directly to the Audit Committee. Opportunities shall be afforded periodically to the external auditor and to members of senior management to meet separately with the Audit Committee.

### Composition of Audit Committee

The Committee membership shall satisfy the laws governing the Company and the independence, financial literacy and experience requirements under securities law, stock exchange and any other regulatory requirements as are applicable to the Company.

### Responsibilities

1. The Audit Committee shall be responsible for making the following recommendations to the Board:
  - (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
  - (b) the compensation of the external auditor.
2. The Audit Committee shall be directly responsible for overseeing the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting. This responsibility shall include:
  - (a) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of management that may be material to financial reporting;
  - (b) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
  - (c) reviewing audited annual financial statements, in conjunction with the report of the external auditor;
  - (d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management; and
  - (e) reviewing the evaluation of internal controls by the external auditor, together with management's response.
3. The Audit Committee shall review interim unaudited financial statements before release to the public.
4. The Audit Committee shall review all public disclosures of audited or unaudited financial information before release, including any prospectus, annual report, annual information form, and management's discussion and analysis.
5. The Audit Committee shall review the appointments of the chief financial officer and any other key financial executives involved in the financial reporting process, as applicable.
6. Except as exempted by securities regulatory policies, the Audit Committee shall pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the external auditor.
7. The Audit Committee shall ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, and shall periodically assess the adequacy of those procedures.
8. The Audit Committee shall establish procedures for:
  - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

- (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
9. The Audit Committee shall periodically review and approve the Company’s hiring policies, if any, regarding partners, employees and former partners and employees of the present and former external auditor of the Company.
10. Meetings of the Audit Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.

Authority

The Audit Committee shall have the authority to:

1. to engage independent counsel and other advisors as it determines necessary to carry out its duties;
2. to set and pay the compensation for any advisors employed by the Audit Committee; and
3. to communicate directly with the external auditors.

**Audit Fees**

During the period from incorporation to March 31, 2017, no fees have been billed to the Company by its auditors.

**CORPORATE GOVERNANCE**

On June 30, 2005, National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Policy 58-201 – *Corporate Governance Guidelines* (the “**Guidelines**”), came into force. The Guidelines address matters such as the constitution of and the functions to be performed by the Company’s board. NI 58-101 requires that the Company disclose its approach to corporate governance with reference to the Guidelines. The board of the Company is committed to ensuring that the Company has an effective corporate governance system, which adds value and assists the Company in achieving its objectives.

**Board of Directors**

Each of Guy Pinsent and Larry Timlick is an “independent” Director, according to the definition set out in NI 52-110. Each of Peter Smith and Paul Pedersen is not independent as he is currently an executive officer of the Company.

The independent Directors believe that their knowledge of the Company’s business and their independence are sufficient to facilitate the functioning of the Board independently of management. To facilitate open and candid discussion among the Board’s independent Directors, the independent Directors have the discretion to meet in private in the absence of the other Directors whenever they believe it is appropriate to do so. To date, the independent Directors have not held a meeting at which non-independent Directors and members of management were not in attendance.

**Other Directorships**

The directors of the Company are presently directors of other reporting issuers, as follows:

<u>Director</u>	<u>Other Issuers</u>
Guy Pinsent	None
Paul Pedersen	Rheingold Exploration Corp.
Peter Smith	None
Larry Timlick	CounterPath Corp. Para Resources Inc. Sora Capital Corp. Glance Technologies Inc.

## **Orientation and Continuing Education**

Management will ensure that a new appointee to the Board receives the appropriate written materials to fully apprise him or her of the duties and responsibilities of a director pursuant to applicable law and policy. Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of the Company's business will be necessary and relevant to each new director.

## **Ethical Business Conduct**

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance objectives and goals. In addition, the Board must comply with conflict of interest provisions in Canadian corporate law, including relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

## **Nomination of Directors**

Given the Company's current stage of development and size of the Board, the Board is presently of the view that it functions effectively as a committee of the whole with respect to the nomination of directors. The entire Board will assess potential nominees and take responsibility for selecting new directors. Any nominees are expected to be generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and the President of the Company.

The Company's Articles include a provision requiring advance notice of the nomination of persons to act as directors of the Company. Under this provision, subject only to the *Business Corporations Act* (British Columbia), nominations of persons for election to the Board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors, (a) by or at the direction of the Board or an authorized officer of the Company, including pursuant to a notice of meeting, (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the *Business Corporations Act* (British Columbia) or a requisition of the shareholders made in accordance with the provisions of the *Business Corporations Act* (British Columbia) or (c) by any person (a "**Nominating Shareholder**") (i) who, at the close of business on the date of the giving of the notice of nomination and on the record date for notice of such meeting, is entered in the central securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (ii) who complies with the notice procedures set out in the advance notice provision, including without limitation that such notice must be provided to the Company (A) in the case of an annual meeting of shareholders, not more than 65 days and not less than 30 days prior to the date of the annual meeting of shareholders (provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made (the "**Notice Date**"), notice by the Nominating Shareholder may be made not later than the close of business on the 10th business day following the Notice Date); and (B) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th business day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

## **Compensation**

The Company does not have a Compensation Committee. Compensation matters for the Company's directors and officers are dealt with by the full Board. The Board meets to discuss and determine Director and management compensation without reference to formal objectives, criteria or analysis.

## **Other Board Committees**

The only Board committee of the Company is the Audit Committee.

## **Assessments**

The Board annually reviews its own performance and effectiveness. Neither the Company nor the Board has determined formal means or methods to regularly assess the Board, its committees or the individual directors with



respect to their effectiveness and contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of an individual director are informally monitored by the other Board members, having in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Board is of the view that the Company's corporate governance practices are appropriate and effective for the Company, given its relatively small size and limited operations. The Company's method of corporate governance allows for the Company to operate efficiently, with simple checks and balances that control and monitor management and corporate functions without excessive administrative burden.

## **PLAN OF DISTRIBUTION**

### **The Offering**

Pursuant to the Agency Agreement dated August 9, 2017, between the Company and the Agent, the Company has appointed the Agent to act as its exclusive agent to offer for sale, on a commercially reasonable efforts basis, a minimum of 3,000,000 Offered Shares for gross proceeds of \$300,000 and a maximum of 5,000,000 Offered Shares for gross proceeds of \$500,000. The price of the Offered Shares was determined by negotiation between the Company and the Agent.

The Agent, or registered sub-agents who assist the Agent in the distribution of the Offered Shares offered hereunder, conditionally offer the Offered Shares, subject to prior sale, if, as and when issued by the Company and accepted by the Agent in accordance with the conditions contained in the Agency Agreement and subject to the approval of certain legal matters, on behalf of the Company by Beadle Raven LLP, and on behalf of the Agent by Getz Prince Wells LLP. Subscriptions for Offered Shares will be payable in cash to the Company against delivery of certificates representing the Offered Shares. Subscriptions for Offered Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

The obligations of the Agent under the Agency Agreement may be terminated by it at its discretion on the basis of its assessment of the state of the financial markets and may also be terminated in certain stated circumstances and upon the occurrence of certain stated events.

The directors, officers and other insiders of the Company may purchase Offered Shares pursuant to the Offering.

### **Minimum Subscription and Conditions of Closing**

Closing of the Offering is subject to conditions which are set out in the Agency Agreement. The principal conditions are the following:

- A minimum of 3,000,000 Offered Shares for gross proceeds of \$300,000 must be sold under the Offering; and
- The Exchange must approve the Company's common shares for listing. Listing of the common shares will be subject to the Company fulfilling all of the listing requirements and conditions of the Exchange. The listing conditions of the Exchange include, among other things, that at least 20% of the issued and outstanding common shares be held by members of the public following the Offering. The Company expects that this requirement will be met if the Offering is completed.

All subscription proceeds will be paid to the Agent in trust, and held by the Agent in trust, pending completion of the Offering and fulfillment of the other conditions set out in the Agency Agreement. The Agent will release those funds to the Company on closing of the Offering. If a minimum of 3,000,000 Offered Shares for gross proceeds of \$300,000 are not subscribed for, the Agent must return all funds received to the subscribers without any deductions.

Completion of the Offering is subject to the sale of the Offered Shares on or before 90 days after the issuance of the final receipt for the final prospectus respecting the Offering, unless an amendment to the final prospectus is filed and a receipt for the amendment is issued, in which case the latest date that the distribution is to remain open is 90 days after the date of issuance of a receipt for the amendment, and in any event no later than 180 days from the date of the receipt for the final prospectus. All funds received from subscriptions will be held by the Agent. If the Offering is not subscribed for in such period, the funds will be returned to the subscribers.

## **Agent's Compensation**

In consideration for its services in connection with the Offering, the Company has agreed to pay to the Agent the Commission of 10% of the gross proceeds of the Offering (5% of the gross proceeds from subscribers on the President's list) and a corporate finance fee of \$10,000 (plus GST). The Company has pre-paid \$5,000 (plus GST) of the corporate finance fee as of the date of this Prospectus. The Company has also agreed to reimburse the Agent for its expenses and legal fees and disbursements incurred in connection with the Offering and the Company has paid to the Agent an advance of \$5,000 (plus GST) for these expenses, fees and disbursements. The Company has agreed to grant to the Agent the Agent's Warrant to purchase that number of common shares of the Company (the "**Agent's Warrant Shares**") which is equal to 10% of the number of Offered Shares sold pursuant to the Offering (5% of the number of Offered Shares sold to subscribers on the President's list pursuant to the Offering), at a price of \$0.10 per Agent's Warrant Share for a period of two years following listing of the Offered Shares on the Exchange. This Prospectus qualifies the issuance of the Agent's Warrant.

Any Agent's Warrant Shares acquired by the Agent pursuant to the exercise of the Agent's Warrant may be resold by the Agent without further qualification through the facilities of the Exchange at the market price at the time of the sale. The Company will not receive any of the proceeds from the sale of any such securities by the Agent.

In addition, provided that the Offering is completed, the Company has granted the Agent the right of first refusal, on terms no less favourable than otherwise available to the Company, to lead any future brokered equity financing of the Company (or its successors) for 12 months following completion of the Offering.

## **Listing Application**

The Company has applied to list the securities distributed under this Prospectus on the Canadian Securities Exchange. Listing will be subject to the Company fulfilling all of the requirements of the Exchange, which include distribution of the Offered Shares to a minimum number of public shareholders.

As at the date of this Prospectus, the Company is an "IPO Venture Issuer" (defined under National Instrument 41-101 – *General Prospectus Requirements* as an issuer that: (a) files a long form prospectus; (b) is not a reporting issuer in any jurisdiction immediately before the date of the final long form prospectus; and (c) at the date of the long form prospectus, does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on (i) the Toronto Stock Exchange, (ii) a U.S. marketplace, or (iii) a marketplace outside of Canada and the United States of America, other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

## **RISK FACTORS**

An investment in the Offered Shares is speculative and involves a high degree of risk due to the nature of the Company's business and the present stage of exploration and development of its mineral properties. The following risk factors, as well as risks not currently known to the Company, could materially adversely affect the Company's future business, operations and financial condition and could cause them to differ materially from the estimates described in forward-looking statements relating to the Company. Prospective investors should carefully consider the following risk factors along with the other matters set out or incorporated by reference in this Prospectus.

### **Limited Operating History**

The Company has a limited operating history upon which an evaluation of the Company, its current business and its prospects can be based. You should consider any purchase of the Company's securities in light of the risks, expenses and problems frequently encountered by all companies in the early stages of their corporate development.

### **Uncertain Liquidity and Capital Resources**

For the period from incorporation to March 31, 2017, the Company had an operating loss of \$15,554. At July 31, 2017, the Company had working capital of \$92,965. The Company may need to raise additional capital by way of an offering of equity securities, an offering of debt securities, or by obtaining financing through a bank or other entity. In particular, even upon completion of the Offering, the Company may not have sufficient funds to complete the recommended exploration program on the Millen Mountain Property or match exploration expenditures made on the Property by Probe once the joint venture is formed, and will need to raise additional capital. The Company has not established a limit as to the amount of debt it may incur nor has it adopted a ratio of its equity to debt allowance. If

the Company needs to obtain additional financing, there is no assurance that financing will be available from any source, that it will be available on terms acceptable to the Company, or that any future offering of securities will be successful. If additional funds are raised through the issuance of equity securities, there may be a significant dilution in the value of the Company's common shares. The Company could suffer adverse consequences if it is unable to obtain additional capital which would cast substantial doubt on its ability to continue its operations and growth.

### **Uncertainty of Use of Proceeds**

Although the Company has set out in this Prospectus its intended use of proceeds from the Offering, these are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds.

### **No Known Economic Deposits**

The Company is an exploration stage company and cannot give assurance that a commercially viable deposit, or "reserve," exists on any properties for which the Company currently has or may have (through potential future joint venture agreements or acquisitions) an interest. Therefore, determination of the existence of a reserve depends on appropriate and sufficient exploration work and the evaluation of legal, economic, and environmental factors. If the Company fails to find a commercially viable deposit on any of its properties, its financial condition and results of operations will be materially adversely affected.

### **Fluctuations in Metal Prices**

Factors beyond the Company's control may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. The effect of these factors on the Company's exploration activities cannot be predicted. For example, gold prices are affected by numerous factors including central bank sales, producer hedging activities, the relative exchange rate of the U.S. dollar with other major currencies, global and regional demand and political and economic conditions. Worldwide gold production levels also affect gold prices. As well, the price of gold has on occasion been subject to rapid short-term changes due to speculative activities.

### **Title Risk**

The Company cannot guarantee that title to its mineral properties will not be challenged. Title insurance is generally not available for mineral properties and the Company's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. The Company's mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. The Company has not conducted surveys of all of the claims in which it holds direct or indirect interests. A successful challenge to the precise area and location of these claims could result in the Company being unable to operate on its properties as permitted or being unable to enforce its rights with respect to its properties.

### **First Nations Land Claims**

First Nations rights may be claimed on Crown properties or other types of tenure with respect to which mining rights have been conferred. The Supreme Court of Canada's 2014 decision in *Tsilhqot'in Nation v. British Columbia* marked the first time in Canadian history that a court has declared First Nations title to lands outside of a reserve. The Company is not aware of any First Nations land claims having been asserted or any legal actions relating to native issues having been instituted with respect to any of the land which is covered by the Millen Mountain Property. The legal basis of a land claim is a matter of considerable legal complexity and the impact of a land claim settlement and self-government agreements cannot be predicted with certainty. In the event that First Nations title is asserted and proved on the Millen Mountain Property, provincial and federal laws will continue to be valid provided that any infringements of First Nations title, including mining and exploration, are either consented to by First Nations groups or are justified. However, no assurance can be given that a broad recognition of First Nations rights by way of a negotiated settlement or judicial pronouncement would not have an adverse effect on the Company's activities. Such impact could be marked and, in certain circumstances, could delay or even prevent the Company's exploration or mining activities.

### **Land Use Approvals and Permits**

The proposed exploration program described in the Technical Report is expected to include exploration work for which land use approvals or permits must be obtained from the Nova Scotia government. The Company cannot guarantee that it will be able to obtain all such approvals or permits in a timely manner or at all, and any delay or failure to receive any required land use approvals or permits could negatively impact the Company's future exploration

of the Millen Mountain Property.

### **Exploration and Development Risk**

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 from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, 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 and grades to justify commercial operations or that funds required for development can be obtained on a timely basis. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short term factors relating to 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 mining operations and on the results of operations. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

### **Environmental Laws and Regulations**

The Company's operations are subject to environmental regulations in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

The operations of the Company including exploration and any development activities or commencement of production on its properties, require permits from various federal, provincial and local governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. To the extent that such approvals are required and not obtained, the Company may be delayed or prohibited from proceeding with planned exploration or development of its mineral properties.

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 to be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations 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 laws or regulations.

Exploration and mining operations involve a potential risk of releases to soil, surface water and groundwater of metals, chemicals, fuels, liquids having acidic properties and other contaminants. In recent years, regulatory requirements and improved technology have significantly reduced those risks. However, those risks have not been eliminated, and the risk of environmental contamination from present and past exploration or mining activities exists for mining companies. The Company may be liable for environmental contamination and natural resource damages relating to the Property that occurred before the Company owned the Property. No assurance can be given that potential liabilities for such contamination or damages caused by past activities at these properties do not exist.

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 require abandonment or delays in development of new mining properties.

## **Influence of Third Party Stakeholders**

The Property or the roads or other means of access which the Company intends to utilize in carrying out its work programs or general business mandates on the Property may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, the Company's work programs may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for the Company.

## **Uninsurable Risks**

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

## **Competition**

Significant and increasing competition exists for the limited number of mineral 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 attractive mineral properties on terms it considers acceptable. The Company also competes with other companies for the recruitment and retention of qualified employees and other personnel.

## **Management**

The Company's prospects depend in part on the ability of its senior management and directors to operate effectively and the loss of the services of such persons could have a material adverse effect on the Company. To manage its growth, the Company may have to attract and retain additional highly qualified management, financial and technical personnel and continue to implement and improve operational, financial and management information systems. The Company does not have key man insurance in place in respect of any of its directors or officers.

## **Option Agreement**

There is no assurance that Probe will incur all of the required \$250,000 in exploration expenditures under the Option Agreement. If Probe does not incur the required \$250,000 in exploration expenditures, then the Company will not have the benefit of exploration of the Property by Probe under the Option Agreement and the results of such exploration expenditures. Instead the Company will have to conduct and fund exploration on the Property on its own without the benefit of Probe's exploration. Upon completion of the Offering, the Company will have sufficient funds to complete phase one of the recommended exploration program under the Technical Report but will have to raise additional funds to complete phase two of the recommended exploration program.

## **Joint Venture Obligations**

If Probe successfully exercises its option under the Option Agreement, the Company and Probe will form a joint venture under which each will be required to contribute its proportionate share of ongoing expenditures or have its interest in the Property diluted. If the Company fails to match exploration payments and obligations on the Property following the formation of the joint venture, it may lose its interest in the Property and be left with only an NSR interest.

## **Offering Risks**

There is no current public market for the Company's common shares. If an active public market for the Company's common shares does not develop, the trading price of the common shares may decline below the offering price of the Offered Shares.

There is no market through which the Offered Shares may be sold and purchasers may not be able to resell Offered Shares purchased under this Prospectus. This may affect the pricing of the Offered Shares in the secondary market,

the transparency and availability of trading prices, the liquidity of the Offered Shares, and the extent of issuer regulation.

The market price of publicly traded shares is affected by many variables not directly related to the success of the Company. These variables include macroeconomic developments in North America and globally, market perceptions of the attractiveness of particular industries, changes in commodity prices, currency exchange fluctuation and the extent of analytical coverage available to investors concerning the business of the Company.

In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration and development stage companies, has experienced wide fluctuations which have not necessarily been related to operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of the Company's common shares.

The Company has an unlimited number of common shares that may be issued by the board of directors without further action or approval of the Company's shareholders. While the board is required to fulfil its fiduciary obligations in connection with the issuance of such shares, the shares may be issued in transactions with which not all shareholders agree, and the issuance of such shares will cause dilution to the ownership interests of the Company's shareholders.

The financial risk of the Company's future activities will be borne to a significant degree by purchasers of the Offered Shares, who, on completion of the Offering, will incur immediate and substantial dilution in the net tangible book value per Share of \$0.059 or 59% of the Offering Price assuming completion of the minimum Offering, and \$0.050 or 50% of the Offering Price assuming completion of the maximum Offering, and assuming no exercise of the Agent's Warrant or any incentive stock options that are or may be granted. If the Company issues common shares from its treasury for financing purposes, control of the Company may change and purchasers may suffer additional dilution.

### **Tax Issues**

Income tax consequences in relation to the securities offered will vary according to the circumstances of each purchaser. Prospective purchasers should seek independent advice from their own tax and legal advisers prior to subscribing for the securities.

### **Conflicts of Interest**

Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. In particular, the CEO and CFO of the Company will only be devoting 50% and 10% of their time, respectively, to the business and affairs of the Company. Situations may arise in connection with potential acquisitions or investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies.

### **Dividends**

The Company has not declared or paid any dividends on its common shares and does not currently have a policy on the payment of dividends. For the foreseeable future, the Company anticipates that it will retain future earnings and other cash resources for the operation and developments of its business. The payment of any future dividends will depend upon earnings and the Company's financial condition, current and anticipated cash needs and such other factors as the directors of the Company consider appropriate.

### **Estimates and Assumptions**

Preparation of its financial statements requires the Company to use estimates and assumptions. Accounting for estimates requires the Company to use its judgment to determine the amount to be recorded on its financial statements in connection with these estimates. If the estimates and assumptions are inaccurate, the Company could be required to write down its recorded values. On an ongoing basis, the Company re-evaluates its estimates and assumptions. However, the actual amounts could differ from those based on estimates and assumptions.

### **Costs and Compliance Risks**

Legal, accounting and other expenses associated with public company reporting requirements are significant. The

Company anticipates that costs may increase with corporate governance related requirements, including, without limitation, requirements under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, National Instrument 52-110 – *Audit Committees* and National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

The Company also expects these rules and regulations may make it more difficult and more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for the Company to attract and retain qualified individuals to serve on its board of directors or as executive officers.

## **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

Neither the Company nor the Millen Mountain Property is or has been the subject of any legal proceedings, penalties or sanctions imposed by a court or regulatory authority, or settlement agreements before a court or regulatory, and no such legal proceedings, penalties or sanctions are known by the Company to be contemplated.

## **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Other than as disclosed below, no director, executive officer of the Company or any shareholder beneficially holding or controlling, directly or indirectly, more than 10% of the issued and outstanding common shares of the Company, or any of their respective associates or affiliates, had any material direct or indirect interest in any transaction within the three years preceding the date of this Prospectus which has materially affected or would materially affect the Company.

The Licence was transferred to the Company from Rheingold Exploration Corp. pursuant to the Property Transfer Agreement. Paul Pedersen, a director and Chairman of the Company, is a director and Chief Executive Officer of Rheingold, and Fred Bonner, the Company's Chief Geologist, is a director of Rheingold. See "Description and General Development of the Business."

Pursuant to the Beja Agreement, the Company agreed to issue 1,500,000 common shares of the Company to Beja as consideration for the rights to the Property and all information, data, records, exploration results and exploration expenditures with respect to the Property. Peter Smith, Paul Pedersen, Fred Bonner and Michael Raven, each a director and/or officer of the Company, are former directors and/or officers of Beja. Beja had previously been dissolved for failure to file annual reports with the British Columbia corporate registry. On May 8, 2017, Beja was restored for the purpose of transferring its rights to the Property to Legion. Beja's restoration was a limited restoration, with an expiry date of June 9, 2017, when Beja was dissolved again. Prior to Beja's dissolution, the 1,500,000 common shares of the Company that Beja received pursuant to the Beja Agreement were distributed pro rata to the shareholders of Beja, including Peter Smith (who received 57,000 Company shares), Paul Pedersen (who received 202,475 Company shares) and Michael Raven (who received 43,000 Company shares). See "Description and General Development of the Business."

## **AUDITORS, TRANSFER AGENT AND REGISTRAR**

The auditors of the Company are Davidson & Company, Chartered Professional Accountants, #1200 – 609 Granville Street, Vancouver, British Columbia V7Y 1G6.

The registrar and transfer agent for the Company's common shares is AST Trust Company (Canada), at Suite 1600-1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1. The Company and AST Trust Company (Canada) have entered into an agreement dated August 2, 2017 (the "**Registrar and Transfer Agreement**") governing their respective rights and duties pertaining to this relationship.

## **MATERIAL CONTRACTS**

The only material contracts entered into by the Company within the period from incorporation until the date of this Prospectus, other than contracts entered into in the ordinary course of business, are as follows:

1. The Property Transfer Agreement. See "General Development of the Business".

2. The Option Agreement. See “General Development of the Business”.
3. The Beja Agreement. See “General Development of the Business”.
4. The Escrow Agreement. See “Escrowed Securities”.
5. The Agency Agreement. See “Plan of Distribution”.
6. Registrar and Transfer Agency Agreement. See “Auditors, Transfer Agent and Registrar”.

Copies of the above material contracts will be available for inspection at the registered and records office of the Company, at Beadle Raven LLP, #600 – 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7, during regular business hours during the distribution of the Offered Shares and for a period of 30 days thereafter.

## **EXPERTS**

Certain legal matters related to this Offering will be passed upon on behalf of the Company by Beadle Raven LLP and Fasken Martineau DuMoulin LLP (as special tax counsel), and on behalf of the Agent by Getz Prince Wells LLP. Technical information regarding the Property included in this Prospectus is based on the Technical Report prepared by Mark Graves, P. Geo., who is a “Qualified Person” as such term is defined in NI 43-101. Mr. Graves is independent of the Company within the meaning of NI 43-101.

None of Beadle Raven LLP, Fasken Martineau DuMoulin LLP, Getz Prince Wells LLP or Mark Graves, or any director, officer, employee or partner thereof, as applicable, received or has received a direct or indirect interest in the Company’s property or the property of any associate or affiliate of the Company. Michael Raven, the Company’s Corporate Secretary and a lawyer practising at Beadle Raven LLP, holds 543,000 common shares of the Company, which represent 7.03% of the issued and outstanding shares of the Company at the date of this Prospectus. Other than Mr. Raven, as at the date hereof the aforementioned persons, and the directors, officers, employees and partners, as applicable, of each of the aforementioned companies and partnerships, do not beneficially own, directly or indirectly, any securities of the Company.

Other than Mr. Raven, who is the Company’s Corporate Secretary, none of the aforementioned persons, nor any director, officer, employee or partner, as applicable, of the aforementioned companies or partnerships, is currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

The Company’s auditors, Davidson & Company, Chartered Professional Accountants, report that they are independent from the Company in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia, Canada.

## **OTHER MATERIAL FACTS**

There are no material facts relating to the Company or the Offering other than as disclosed herein.

## **STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION**

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



## **FINANCIAL STATEMENTS**

Attached to and forming a part of this Prospectus is the statement of financial position of the Company as at March 31, 2017, and the statement of loss and comprehensive loss and cash flows and changes in shareholders' equity for the period ended March 31, 2017 (113 days), and notes thereto.

**Legion Metals Corp.**  
Financial Statements  
(Expressed in Canadian Dollars)  
**March 31, 2017**

## INDEPENDENT AUDITORS' REPORT

To the Shareholders of  
Legion Metals Corp.

We have audited the accompanying financial statements of Legion Metals Corp., which comprise the statement of financial position as at March 31, 2017, and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the period ended March 31, 2017 (113 days), and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, these financial statements present fairly, in all material respects, the financial position of Legion Metals Corp. as at March 31, 2017 and its financial performance and its cash flows for the period ended March 31, 2017 (113 days) in accordance with International Financial Reporting Standards.



***Emphasis of Matter***

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Legion Metals Corp.'s ability to continue as a going concern.

**“DAVIDSON & COMPANY LLP”**

Vancouver, Canada

Chartered Professional Accountants

August 9, 2017

**Legion Metals Corp.**  
Statement of Financial Position  
(Expressed in Canadian Dollars)

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	<b>As at March 31 2017 \$</b>
<b>Assets</b>	
<b>Current</b>	
Cash	121,866
Share subscription receivable	<u>2,000</u>
	<u>123,866</u>
<b>Liabilities</b>	
<b>Current</b>	
Accounts payable and accrued liabilities (Note 6)	<u>14,920</u>
	<u>14,920</u>
<b>Shareholders' Equity</b>	
Share capital (Note 5)	124,500
Deficit	<u>(15,554)</u>
	<u>108,946</u>
	<u>123,866</u>

**Nature and Continuance of Operations** (Note 1) and **Subsequent Events** (Note 8)

**Approved and Authorized by the Board on August 9 2017:**

"Peter Smith"  
Director

"Paul Pedersen"  
Director

**Legion Metals Corp.**  
Statement of Loss and Comprehensive Loss  
(Expressed in Canadian Dollars)

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	<b>For the period ended March 31 2017 (113 days) \$</b>
<b>Expenses</b>	
Bank charges and interest	34
Property investigation	2,500
Professional fees (Note 6)	<u>13,020</u>
<b>Loss and comprehensive loss for the period</b>	<u>15,554</u>
<b>Loss and comprehensive loss per share, basic and diluted</b>	<u>(0.28)</u>
<b>Weighted average number of common shares outstanding</b>	<u>55,088</u>

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

**Legion Metals Corp.**  
Statement of Cash Flows  
(Expressed in Canadian Dollars)

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	<b>For the period ended March 31 2017 (113 days) \$</b>
<b>Cash flows used in operating activities</b>	
Loss for the period	(15,554)
Change in non-cash working capital:	
Property investigation	2,500
Changes in operating assets and liabilities:	
Increase in share subscription receivable	(2,000)
Increase in accounts payable and accrued liabilities	14,920
	<u>(134)</u>
<b>Cash flows provided by financing activities</b>	
Issuance of capital common shares	<u>122,000</u>
<b>Change in cash</b>	121,866
<b>Cash, beginning of period</b>	<u>-</u>
<b>Cash, end of period</b>	<u>121,866</u>

No supplemental disclosure of non-cash transactions.

Amounts paid for interest	\$nil
Amounts paid for taxes	\$nil

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

## Legion Metals Corp.

### Statement of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

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	<b>Common Shares</b>	<b>Share Capital</b>	<b>Reserves</b>	<b>Deficit</b>	<b>Total Equity</b>
		\$	\$	\$	\$
<b>Balance at December 8, 2016 (inception)</b>	-	-	-	-	-
Common shares issued for cash	6,100,000	122,000	-	-	122,000
Common shares issued for property investigation	125,000	2,500	-	-	2,500
Loss for the period	-	-	-	(15,554)	(15,554)
<b>Balance at March 31, 2017</b>	<b>6,225,000</b>	<b>124,500</b>	<b>-</b>	<b>(15,554)</b>	<b>108,946</b>

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



# **Legion Metals Corp.**

Notes to Financial Statements

(Expressed in Canadian Dollars)

**March 31, 2017**

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## **1. Nature and Continuance of Operations**

Legion Metals Corp. (the “Company”) was incorporated under the laws of the province of British Columbia on December 8, 2016. The Company is in the process of completing an Initial Public Offering (“IPO”) on the Canadian Securities Exchange (“CSE”) (Note 8). The Company is a mining exploration company that is exploring for gold and other precious metals in Nova Scotia.

The Company’s registered and records office is 1090 West Georgia Street, Suite 600, Vancouver, British Columbia, V6E 3V7.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that the Company will obtain the necessary financing to complete the exploration and development of mineral property interests, or that the current or future exploration and development programs of the Company will result in profitable mining operations. In addition to ongoing working capital requirements, the Company must secure sufficient funding to meet its existing commitments, including conducting minimum exploration and evaluation programs and paying for general and administrative expenses. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

## **2. Basis of presentation**

The financial statements of the Company were approved and authorized for issue by the Board of Directors on August 9, 2017.

The Company’s financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in Note 3, and are presented in Canadian dollars except where otherwise indicated.

### **Statement of compliance**

The financial statements of the Company, have been prepared in accordance with and using accounting policies in full compliance with International Financial Reporting Standards (“IFRS”) and International Accounting Standards (“IAS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

### **Accounting standards issued but not yet effective**

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

### **Effective for annual periods beginning on or after January 1, 2017**

#### **IAS 12, *Income Taxes***

Amendments to IAS 12 to clarify the recognition of a deferred tax asset for unrealized losses.

## **Legion Metals Corp.**

Notes to Financial Statements

(Expressed in Canadian Dollars)

**March 31, 2017**

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### **2. Basis of presentation (continued)**

#### **Effective for annual periods beginning on or after January 1, 2018**

##### **IFRS 9, *Financial Instruments – Classification and Measurement***

IFRS 9 is a new standard on financial instruments that will replace IAS 39, *Financial Instruments: Recognition and Measurement*.

IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as derecognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

##### **IFRS 15, *Revenue from Contracts with Customers*:**

IFRS 15 is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programs*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and SIC-31, *Revenue – Barter Transactions involving Advertising Service*.

#### **Effective for annual periods beginning on or after January 1, 2019**

##### **IFRS 16, *Leases***

IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model.

### **3. Summary of Significant Accounting Policies**

#### **Significant accounting judgments, estimates and assumptions**

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the fair value measurements for financial instruments and share-based payments, the valuation of all liability and equity instruments, the recoverability and measurement of deferred tax assets and liabilities and ability to continue as a going concern. Actual results may differ from those estimates and judgments.

## **Legion Metals Corp.**

Notes to Financial Statements

(Expressed in Canadian Dollars)

**March 31, 2017**

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### **3. Summary of Significant Accounting Policies (Continued)**

#### **Significant accounting judgements, estimates and assumptions (continued)**

These financial statements have been prepared on a basis which assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether this assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company's own resources and external market conditions.

#### **Cash**

Cash is defined as cash on hand, cash held in trust and in bank.

#### **Exploration and evaluation properties**

Acquisition cost for exploration and evaluation assets include cash consideration and the fair value of equity instruments issued for exploration and evaluation assets pursuant to agreement terms. Exploration and evaluation expenditures are expensed. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Option payments received are treated as a reduction of the carrying value of the related exploration and evaluation properties and deferred costs until the receipts are in excess of costs incurred, at which time they are credited to income. Option payments are at the discretion of the optionee, and accordingly, are recorded on a cash basis.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use at that time.

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.

#### **Decommissioning, restoration and similar liabilities**

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of mineral properties and retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future cost estimates arising from the decommissioning of plant, site restoration work and other similar

## **Legion Metals Corp.**

Notes to Financial Statements

(Expressed in Canadian Dollars)

**March 31, 2017**

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### **3. Summary of Significant Accounting Policies (Continued)**

#### **Decommissioning, restoration and similar liabilities (continued)**

retirement activities is added to the carrying amount of the related asset, and depreciated on the same basis as the related asset, along with a corresponding increase in the provision in the period incurred. Discount rates using a pre-tax rate that reflect the current market assessments of 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 regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the provision.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period. The net present value of reclamation costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred. The costs of reclamation projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation properties.

#### **Earnings (loss) per share**

Basic earnings (loss) per share is computed by dividing the net earnings (loss) attributable to common shareholders by the weighted average number of common shares outstanding during the reporting period.

Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that (i) net earnings (loss) attributable to common shareholders are adjusted for fair value gains or losses of warrants (if dilutive) and (ii) the weighted average number of common shares outstanding is adjusted for the number of shares that are potentially issuable in connection with stock options and warrants (if dilutive). Under this method, the Company assumes that outstanding dilutive stock options and warrants were exercised and that the proceeds from such exercises (after adjustment of any unvested portion of stock options) were used to acquire common stock at the average market price during the reporting periods. For the period presented, this calculation proved to be anti-dilutive.

#### **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 country where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income (loss) or equity is recognized in other comprehensive income (loss) 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.

## **Legion Metals Corp.**

Notes to Financial Statements

(Expressed in Canadian Dollars)

**March 31, 2017**

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### **3. Summary of Significant Accounting Policies (Continued)**

#### **Income taxes (continued)**

##### *Deferred income tax:*

Deferred income tax is provided for, based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

#### **Financial assets**

Financial assets are classified as financial assets at fair value through profit or loss (“FVTPL”), held-to-maturity, loans and receivables, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition. Financial assets are recognized initially at fair value. The subsequent measurement of financial assets depends on their classification as follows:

##### *Financial assets at FVTPL*

Financial assets are classified as held for trading and are included in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives, other than those designated as effective hedging instruments, are also categorized as held for trading. These assets are carried at fair value with gains or losses recognized in profit or loss. Transaction costs associated with financial assets at FVTPL are expensed as incurred. Cash is included in this category of financial assets.

##### *Held-to-maturity and loans and receivables*

Held-to-maturity and loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method if the time value of money is significant. Gains and losses are recognized in profit or loss when the financial asset classified in this category are derecognized or impaired, as well as through the amortization process. Transaction costs are included in the initial carrying amount of the asset.

##### *Available-for-sale*

Available-for-sale financial assets are those non-derivative financial assets that are not classified as loans

## **Legion Metals Corp.**

Notes to Financial Statements

(Expressed in Canadian Dollars)

**March 31, 2017**

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### **3. Summary of Significant Accounting Policies (Continued)**

#### **Financial assets (continued)**

and receivables. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognized within other comprehensive income. Accumulated changes in fair value are recorded as a separate component of equity until the investment is derecognized or impaired. Transaction costs are included in the initial carrying amount of the asset.

The fair value is determined by reference to bid prices at the close of business on the reporting date. Where there is no active market, fair value is determined using valuation techniques. Where fair value cannot be reliably measured, assets are carried at cost.

#### *Derivatives designated as hedging instruments in an effective hedge*

The Company does not hold or have any exposure to derivative instruments.

#### **Financial Liabilities**

Financial liabilities are classified as financial liabilities at FVTPL, derivatives designated as hedging instruments in an effective hedge, or as financial liabilities measured at amortized cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. The measurement of financial liabilities depends on their classification, as follows:

#### *Financial liabilities at FVTPL*

Financial liabilities at FVTPL has two subcategories, including financial liabilities held for trading and those designated by management on initial recognition. Transaction costs on financial liabilities at FVTPL are expensed as incurred. These liabilities are carried at fair value with gains or losses recognized in profit or loss.

#### *Financial liabilities measured at amortized cost*

All other financial liabilities are initially recognized at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized respectively in interest, other revenues and finance costs. Accounts payables and accrued liabilities are included in this category of financial liabilities.

#### *Derivatives designated as hedging instruments in an effective hedge*

The Company does not hold or have any exposure to derivative instruments.

#### **Impairment of financial assets**

Financial assets, other than financial assets at FVTPL, are assessed for indicators of impairment at each

## **Legion Metals Corp.**

Notes to Financial Statements

(Expressed in Canadian Dollars)

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### **3. Summary of Significant Accounting Policies (Continued)**

#### **Impairment of financial assets (continued)**

period end.

##### *Assets carried at amortized cost*

If there is objective evidence that an impairment loss on assets carried at amortized cost have been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced, with the amount of the loss recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

##### *Available-for-sale*

If an available-for-sale financial asset is impaired, the cumulative loss previously recognized in equity is transferred to profit or loss. Any subsequent recovery in the fair value of the asset is recognized within other comprehensive income.

#### **Derecognition of financial assets and liabilities**

Financial assets are derecognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

For financial liabilities, they are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

#### **Impairment of non-financial assets**

The carrying amount of the Company's assets is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount.



## Legion Metals Corp.

Notes to Financial Statements

(Expressed in Canadian Dollars)

March 31, 2017

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### 3. Summary of Significant Accounting Policies (Continued)

#### Impairment of non-financial assets (continued)

Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

#### Related party transactions

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

### 4. Financial Instruments and Risk Management

#### Categories of financial instruments

	As at March 31 2017 \$
<b>FINANCIAL ASSETS</b>	
<b>FVTPL, at fair value</b>	
Cash	121,866
<b>Total financial assets</b>	<u>121,866</u>
<b>FINANCIAL LIABILITIES</b>	
<b>Other liabilities, at amortized cost</b>	
Accounts payable and accrued liabilities	14,920
<b>Total financial liabilities</b>	<u>14,920</u>

The fair value of financial assets and financial liabilities at amortized cost is based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short term maturity of these instruments.

## Legion Metals Corp.

Notes to Financial Statements

(Expressed in Canadian Dollars)

March 31, 2017

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### 4. Financial Instruments and Risk Management (Continued)

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

	Fair value hierarchy	FVTPL, at fair value	Other liabilities, at amortized cost
<b>As at March 31, 2017</b>			
Cash	Level 1	121,866	-
Share subscription receivable	N/A	-	2,000
Account payable and accrued liabilities	N/A	-	14,920

There were no transfers between Level 1, 2 and 3 during the period ended March 31, 2017.

#### Credit risk

Financial instruments that potentially subject the Company to credit risk consist of cash. The Company manages its credit risk relating to cash by dealing only with high-rated financial institutions as determined by rating agencies.

#### Liquidity risk

The Company manages liquidity risk by maintaining an adequate level of cash to meet its ongoing obligations. The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future. As at March 31, 2017, the Company had working capital of \$108,946.

#### Other risks

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant currency risk, interest rate risk and commodity price risk arising from financial instruments.

#### Capital Risk Management

The Company manages its capital structure and makes adjustments to it to effectively support the acquisition, exploration and development of mineral properties. In the definition of capital, the Company includes, as disclosed on its statement of financial position: share capital, deficit, and reserves.

## Legion Metals Corp.

Notes to Financial Statements

(Expressed in Canadian Dollars)

March 31, 2017

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### 4. Financial Instruments and Risk Management (Continued)

#### Capital Risk Management (Continued)

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended March 31, 2017. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products.

### 5. Share Capital

#### Authorized

The total authorized capital are an unlimited number of common shares with no par value.

#### Issued and Outstanding

As of March 31, 2017, the total issued and outstanding share capital consists of 6,225,000 common shares with no par value.

On March 31, 2017, the Company issued 125,000 common shares of the Company at \$0.02 per common share for a total value of \$2,500 for geological consulting services for the Millen Mountain Property (Note 8).

On March 31, 2017, the Company issued 6,100,000 common shares of the Company at \$0.02 per common share for total proceeds of \$122,000 of which \$2,000 is recorded as a subscription receivable.

From inception on December 8, 2016 to March 31, 2017, the Company has no outstanding options or warrants.

### 6. Related Party Transactions

#### Key management personnel compensation

The remuneration of directors and other members of key management are as follows:

	<b>For the period ended March 31, 2017</b>
Accounting	\$ 2,500
	<hr/>
	2,500

## Legion Metals Corp.

Notes to Financial Statements  
(Expressed in Canadian Dollars)

**March 31, 2017**

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### 6. Related Party Transactions (Continued)

#### Accounts payable and accrued liabilities

Accounts payable and accrued liabilities of the Company include the following amounts due to related parties:

	<b>As at March 31, 2017 \$</b>
An officer of the Company	(2,500)
An officer and director of the Company	<u>(1,900)</u>
Total amount due (to) from related parties	<u>(4,400)</u>

The balance due to an officer and director of the Company as at March 31, 2017 relates to the initial funds deposited upon incorporation.

### 7. Income Taxes

#### Provision for income taxes

The provision (recovery) for income taxes differs from the amount that would have resulted by applying the combined Canadian federal and provincial statutory tax rates of 26.00%.

	<b>For the period ended March 31 2017 \$</b>
Loss before income taxes	<u>(15,554)</u>
Expected income tax recovery	4,000
Change in unrecognized deductible temporary differences	<u>(4,000)</u>
Income tax recovery	<u>-</u>

## Legion Metals Corp.

Notes to Financial Statements  
(Expressed in Canadian Dollars)  
**March 31, 2017**

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### 7. Income Taxes (Continued)

#### Deferred tax balances

The tax effects of temporary differences that give rise to deferred income tax assets and liabilities are as follows:

	<b>As at March 31 2017 \$</b>
Non-capital loss carryforward	<u>4,000</u>
Unrecognized deferred tax assets	<u>(4,000)</u>
Deferred tax assets (liabilities)	<u>-</u>

The Company's recognized deferred tax assets related to unused tax losses have the following expiry dates:

	<b>March 31 2017 \$</b>
<b>Non-capital losses</b>	
2037	<u>16,000</u>
<b>Total non-capital losses</b>	<b><u>16,000</u></b>

### 8. Subsequent Events

Subsequent to March 31, 2017, the Company:

- a) Acquired a 100% interest in a mineral exploration license located in Nova Scotia (the "Millen Mountain Property") from Beja Resources Inc. (or its nominees), a related party by way of common directors, in April 2017. As consideration the Company issued 1,500,000 common shares to Beja Resources Inc. on May 9, 2017.
- b) Entered into an agreement with Probe Metals Inc. ("Probe") to grant the option to acquire 50% of the Millen Mountain Property. In order to exercise the option, Probe shall, within 18 months, incur expenditures on the property in the amount of \$250,000.
- c) In the process of applying for a public listing of its common shares on the CSE through an initial public offering of up to 5,000,000 common shares for gross proceeds of up to \$500,000, of which a commission of 10% of the gross amount raised in the offering is payable in cash. As well, Agent's warrants to purchase common shares equal to 10% of the number of offered shares. The Agent's

## **Legion Metals Corp.**

Notes to Financial Statements

(Expressed in Canadian Dollars)

**March 31, 2017**

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### **8. Subsequent Events (Continued)**

warrants will be exercisable for a period of 2 years from the date of listing at a price of \$0.10 per share.

- d) Adopted a rolling stock option plan pursuant to which it may from time to time, in its discretion, and in accordance with CSE requirements, grant to directors, officers, and consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares upon completion of the offering, exercisable for period of up to 5 years from the date of grant.
- e) Granted on May 1, 2017 stock options to purchase an aggregate of 700,000 common shares to directors and officers of the Company at an exercise price of \$0.10 for a term of 5 years.
- f) Entered into an escrow agreement pursuant to which 3,427,475 common shares will be placed in escrow and be subject to release in tranches over time in accordance with the policies of the Canadian Securities Administrators.

## CERTIFICATE OF THE COMPANY

August 9, 2017

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

(Signed) Peter Smith  
Chief Executive Officer

(Signed) Charles Ackerman  
Chief Financial Officer

On behalf of the Board of Directors

(Signed) Paul Pedersen  
Director

(Signed) Larry Timlick  
Director

## CERTIFICATE OF THE PROMOTER

August 9, 2017

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

(Signed) Peter Smith  
Peter Smith



## **CERTIFICATE OF THE AGENT**

August 9, 2017

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

Echelon Wealth Partners Inc.

Per: (Signed) Blair Jordan  
Blair Jordan, Managing Director