

**Form 62-103F1**

***Required Disclosure under the Early Warning Requirements***

**Item 1 – Security and Reporting Issuer**

**1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

Common shares (“**Common Shares**”) of American Pacific Mining Corp. (the “**Issuer**”), head office located at Suite 910 - 510 Burrard Street, Vancouver, British Columbia V6C 3A8.

**1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

Not applicable.

**Item 2 – Identity of the Acquiror**

**2.1 State the name and address of the Acquiror.**

Madison Metals Inc. (“**Madison**” or the “**Acquiror**”)  
82 Richmond Street E., 4th Floor  
Toronto, Ontario M5C 1P1

**2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

On June 25, 2020, pursuant to a definitive share purchase agreement (“**SPA**”) dated April 14, 2020 between the Issuer and Madison, the Issuer acquired all of the issued and outstanding shares of Madison’s wholly owned subsidiary, Broadway Gold Corp., in consideration for issuing 20,000,000 Common Shares of the Issuer to Madison at a deemed price of \$0.12 per Common Share and 5,000,000 common shares purchase warrants (the “**Warrants**”) of the Issuer to Madison (the “**Transaction**”).

Each Warrant is exercisable into one additional Common Share for a period of eighteen months and at an exercise price of \$0.25 per Common Share.

**2.3 State the names of any joint actors.**

None.

**Item 3 – Interest in Securities of the Reporting Issuer**

**3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the Acquiror’s securityholding percentage in the class of securities.**

See Items 2.2 and 3.4.

**3.2 State whether the Acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.**

Madison acquired ownership and control of the Common Shares and Warrants of the Issuer.

**3.3 If the transaction involved a securities lending arrangement, state that fact.**

Not applicable.

**3.4 State the designation and number or principal amount of securities and the Acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.**

Prior to the Transaction, Madison held, directly and indirectly, nil securities of the Issuer.

Immediately after the Transaction, Madison held 20,000,000 Common Shares representing approximately 30.6% of the issued and outstanding Common Shares. Madison also held 5,000,000 Warrants for the purchase of an additional 5,000,000 Common Shares. Assuming the exercise of the Warrants, Madison would own a total of 25,000,000 Common Shares, or approximately 35.5% of the Issuer's then issued and outstanding share capital assuming no other Common Shares are issued.

**3.5 State the designation and number or principal amount of securities and the Acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which:**

(a) **the Acquiror, either alone or together with any joint actors, has ownership and control,**

See Item 3.4 above.

(b) **the Acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the Acquiror or any joint actor, and**

Not applicable.

(c) **the Acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

**3.6 If the Acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the Acquiror's securityholdings.**

Not applicable.

**3.7** If the Acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

Not applicable.

**State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.**

Not applicable.

**3.8** If the Acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the Acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

Not applicable.

#### **Item 4 – Consideration Paid**

**4.1** State the value, in Canadian dollars, of any consideration paid or received per security and in total.

Pursuant to the terms of the SPA, Madison received approximately \$2,400,000 in Common Shares for consideration of the shareholdings of Broadway Gold Corp., being approximately \$0.12 per Common Share.

**4.2** In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the Acquiror.

See Item 4.1.

**4.3** If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

See Item 2.2 and Item 4.1.

#### **Item 5 – Purpose of the Transaction**

**State the purpose or purposes of the Acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the Acquiror and any joint actors may have which relate to or would result in any of the following:**

(a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;

- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) a material change in the reporting issuer's business or corporate structure;**
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (j) a solicitation of proxies from securityholders;**
- (k) an action similar to any of those enumerated above.**

Madison intends to distribute the Common Shares and Warrants to its shareholders in accordance with their pro rata shareholdings in Madison. Madison may take actions in the future in respect of their holdings of the Issuer based on the then existing facts and circumstances, which actions could include, without limitation, acquisitions or dispositions of common shares, whether in the open market, by privately negotiated agreement or otherwise, or in connection with a strategic transaction with the Issuer.

#### **Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

**Describe the material terms of any agreements, arrangements, commitments or understandings between the Acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.**

Madison and the Issuer are parties to the SPA as described in item 2.2.

**Item 7 – Change in Material Fact**

**If applicable, describe any change in a material fact set out in a previous report filed by the Acquiror under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.**

Not applicable.

**Item 8 – Exemption**

**If the Acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.**

Not applicable.

**Item 9 – Certification**

I, as the Acquiror, certify, or I, as the agent filing this report on behalf of an Acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Dated as of the 26th day of June, 2020.

**MADISON METALS INC.**

*“Duane Parnham”*

---

Duane Parnham  
President and Chief Executive Officer