A copy of this amended and restated preliminary prospectus has been filed with the securities regulatory authorities in each of the provinces of British Columbia and Ontario but has not yet become final. Information contained in this amended and restated preliminary prospectus may not be complete and may have to be amended.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This Prospectus does not constitute a public offering of securities.

AMENDED AND RESTATED PRELIMINARY PROSPECTUS

Amending and Restating the Preliminary Prospectus Dated January 14, 2020

Non-Offering Prospectus **April 9, 2020**

GRAYCLIFF EXPLORATION LIMITED

No securities are being offered pursuant to this Prospectus

This amended and restated preliminary prospectus (the "**Prospectus**") is being filed with the British Columbia Securities Commission and the Ontario Securities Commission in connection with the application by Graycliff Exploration Limited (the "**Company**") to list the common shares (the "**Common Shares**") in the capital of the Company on the CSE.

Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised and all expenses in connection with the preparation and filing of this Prospectus will be paid by the Company from its general corporate funds.

There is currently no market in Canada through which Common Shares may be sold and shareholders may not be able to resell the Common Shares owned by them. This may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Common Shares and the extent of issuer regulation. See "*Risk Factors*".

The Company has applied to list its Common Shares on the CSE. The CSE has not approved the listing of the Common Shares. Listing is subject to the Company fulfilling all the listing requirements of the CSE.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., or a marketplace outside Canada and the United States of America.

In reviewing this Prospectus, you should carefully consider the matters described under the heading "*Risk Factors*".

No underwriters or selling agents have been involved in the preparation of this Prospectus or performed any review or independent due diligence of its contents.

One of the directors of the Company, being David Lees, resides outside of Canada. Mr. Lees has appointed the following agent for service of process:

Name of Person	Name and Address of Agent
CCPC CORPORATE SERVICES INC.	20 Great Gulf Drive, Suite 218, Vaughan, Ontario, L4K 0K7

It may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if the person has appointed an agent for service of process.

Unless otherwise noted, all currency amounts in this Prospectus are stated in Canadian dollars.

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PROSPECTUS SUMMARY

The following is a summary of the Company 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 on October 19, 2016 pursuant to the BCBCA under the name "1093683 B.C. LTD.", and on December 3, 2019, changed its name to Graycliff Exploration Limited. The Company's head and registered office is located at 890-1140 West Pender Street, Vancouver, British Columbia, V6E 2R9.	
Business of the Company:	The Company is a junior mining exploration company. Its current focus is to conduct the proposed exploration program on the Shakespeare Property, as more particularly set out in the Technical Report, along with continuing to identify and potentially acquire additional property interests, assess their potential and engage in exploration activities. It is the intention of the Company to remain in the mineral exploration business. Should the Shakespeare Property not be deemed viable, the Company shall explore opportunities to acquire interests in other properties. See "*Description of the Business*". See "*Business of the Company*".	
Listing:	The Company has applied to list its Common Shares on the CSE. The CSE has not approved the listing of the Common Shares. Listing is subject to the Company fulfilling all of the requirements of the CSE.	
Directors and Management:	James Macintosh	President, CEO and Director
	Julio DiGirolamo	CFO, Corporate Secretary and Director
	Samuel Hardy	Director and Non-Executive Chairman
	David Lees	Director
	See "*Directors and Executive Officers*".	
Risk Factors:	Investment in the Company involves a substantial degree of risk and must be regarded as highly speculative due to the proposed nature of the Company's business and its present stage of development. Prospective investors should carefully consider, in addition to matters set forth elsewhere in this Prospectus, the risks described under "Risk Factors", which are summarized below: • An investment in the Company is highly speculative in nature and future investors could lose part or all of their investment. • The Company does not expect to pay any cash dividends.	

- If the Company does not obtain additional financing, its business may fail.
- The Company has no operating history or revenue which would permit you to judge the probability of its success.
- The Company is subject to risks inherent in the establishment of a new business enterprise.
- The Company's property does not contain a known commercially viable mineral deposit.
- The management of the Company may not be successful in managing the business and the Company may fail as a result.
- Compared to other mineral exploration companies, the Company is very small, has few resources and must limit its exploration.
- The Company will have to suspend its exploration plans if it does not have access to all of the supplies and materials needed in order to carry out such plans.
- There are inherent dangers involved in mineral exploration and the Company may incur liability or damages as it conducts its business.
- If the Company becomes subject to burdensome government regulation or other legal uncertainties, there could be a negative impact on the Company's business.
- New mineral exploration companies have a high failure rate.
- Fluctuations in metal prices may adversely affect the Company's prospective revenue, profitability and working capital position.
- The Company's exploration and development properties may not be successful and are highly speculative in nature.
- Environmental and other regulatory risks may adversely affect the Company.
- Climate change may adversely affect the Company.
- Title to some of the Company's mineral properties may be challenged or defective.
- Current global financial conditions may adversely impact the Company and the value of the Common Shares.
- The Company may not be able to obtain or renew licenses or permits that are necessary to its operations.
- The Company may actively pursue the acquisition of exploration, development and production assets consistent with its acquisition and growth strategy. However, such transactions involve inherent risks.
- If you purchase Common Shares of the Company in an offering, you may experience dilution.
- Future sales of Common Shares by existing shareholders could cause the share price to fall.

- There can be no assurance that the Company's business and strategy will enable it to become profitable or sustain profitability in future periods.
- While the Company has obtained insurance to address certain risks in such amounts as it considers reasonable, such insurance has limitations on liability that may not be able to cover all the potential liabilities and the insurance may not continue to be available or may not be adequate to cover any resulting liability.
- Legal proceedings may arise from time to time in the course of the Company's business.
- The Company relies on outside parties whose work may be negligent, deficient or not completed in a timely manner.
- The Company may experience significant fluctuations in its quarterly and annual results of operations for a variety of reasons, many of which are outside of the Company's control.
- The Company may be subject to potential conflicts of interest.
- The Company's projects may be adversely affected by risks outside the control of the Company.
- Land reclamation requirements may be burdensome.
- There is no assurance that the Company has been or will at all times be in full compliance with all laws and regulations or hold, and be in full compliance with, all required health and safety permits.
- Infrastructure required to carry on the Company's business may be affected by unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure.
- The markets that the Company participates in may not grow as expected or at all.
- There can be no assurance that market fluctuations and volatility will not affect the price of the Company's securities in the future or that the price of the Common Shares will not decrease after listing on the CSE.
- There can be no guarantee that an active and liquid trading market will develop or be maintained, the failure of which may have a material adverse effect on the value of the Common Shares and the ability of a purchaser to dispose of the Common Shares in a timely manner, or at all.

This information is presented as of the date of this Prospectus and is subject to change, completion, or amendment without notice. See "*Business of the Company*", "*Directors and Executive Officers – Conflicts of Interest*", "*Available Funds*" and "*Risk Factors*".

Summary of Financial Information: The following selected financial information has been derived from and is qualified in its entirety by the audited financial statements of the Company for the financial years ended December 31, 2017 and December 31, 2018, and the unaudited financial statements of the Company for the nine-month period ended September 30, 2019 and notes thereto included in this Prospectus and should be read in conjunction with such financial statements and related notes thereto, along with the MD&A included in this Prospectus. All financial statements have been prepared in accordance with IFRS

Financial information for the Company:

	Nine-month period ended September 30, 2019	**Year ended December 31, 2018**	**Year ended December 31, 2017**
Revenue	$0	$0	$0
Expenses	$162,956	$6,775	$0
Other (income) expense items	-	$0	-
Net loss	$162,956	$6,775	-
Net loss per share	$0.02	$0.00	-
Total assets	$17,751	$406	-
Total liabilities	$24,915	$7,181	-

See "*Business of the Company*" and "*Financial Statements*".

Use of Available Funds: As at March 31, 2020, the Company had approximately $320,000 of working capital available. The table below sets out the expected principal purposes for which such funds will be used.

Principal Purposes:	
Total funds available	**$320,000**
To pay the estimated cost of the remainder of the recommended exploration program, option obligations and budget on the Shakespeare Property as outlined in the Technical Report	$60,000(1)
Prospectus and CSE listing costs	$32,000(2)
Operating expenses for 12 months	$140,000(3)
Unallocated working capital	$88,000(4)

Estimated Total Funds Used:	**$320,000**

Notes:

(1) The Company expects to have expended the remaining $60,000 of the $100,000 budgeted expenditures by the end of Q3 of 2020.

(2) Expected to be completed by April 2020.

(3) Estimated operating expenses for the next 12 months include the following: rent ($12,000), salaries ($102,000), transfer agent fees ($3,000), SEDAR filing fees ($2,000), exchange fees ($9,000) and travel and related expenses ($12,000).

(4) This amount will be used in part for additional exploration expenditures as necessary, and general working capital.

See "*Use of Available Funds*".

Currency: Unless otherwise specified, all dollar amounts in this Prospectus are expressed in Canadian dollars.

GLOSSARY

1. **“BCBCA”** means the *Business Corporations Act* (British Columbia).
2. “**Board**” means the board of directors of the Company.
3. “**Common Shares**” means the common shares without par value in the share capital of the Company.
4. “**Company**” Unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.
5. “**Company**” means Graycliff Exploration Limited, a corporation incorporated pursuant to the laws of the province of British Columbia.
6. “**CSE**” or “**Exchange**” means the Canadian Securities Exchange.
7. “**Escrow Agent**” means Integral Transfer Agency at its office located at 203-100 Queen Street East, Toronto, Ontario, M5C 1S6.
8. “**Insider**” If used in relation with an issuer, means:
    a. a director or officer of the issuer;
    b. a director or officer of the company that is an insider or subsidiary of the issuer;
    c. a person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or
    d. the issuer itself if it holds any of its own securities.
9. “**Listing**” means the proposed listing of the Common Shares on the CSE for trading.
10. “**MD&A**” means the management’s discussion and analysis of the Company for the year ended December 31, 2018 and the nine-month period ended September 30, 2019.
11. “**Person**” means any individual, corporation, partnership, trust, limited liability company, association or other entity.
12. “**Technical Report**” means the technical report entitled “43-101 Technical Report on the Shakespeare Property” dated effective September 21, 2019. The Technical Report was prepared by Stewart A, Jackson, P. Geo. and Case Lewis, P. Geo.
13. “**Transfer Agent**” means Integral Transfer Agency at its office located at 203-100 Queen Street East, Toronto, Ontario, M5C 1S6.

FORWARD-LOOKING INFORMATION

This Prospectus contains forward-looking statements or information (collectively, "forward-looking statements") that relate to the Company's management's current expectations and views of future events. The forward-looking statements are contained principally in the sections of the Prospectus titled "*Prospectus Summary*", "*Business of the Company*", "*Management's Discussion and Analysis*", "*Use of Available Funds*" and "*Risk Factors*".

In some cases, these forward-looking statements can be identified by words or phrases such as "may", "will", "expect", "anticipate", "aim", "estimate", "intend", "plan", "seek", "believe", "potential", "continue", "is/are likely to" or the negative of these terms, or other similar expressions intended to identify forward looking statements. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to:

- expectations regarding revenue, expenses and operations;
- the Company having sufficient working capital and be able to secure additional funding necessary for the exploration of the Company's property interests;
- expectations regarding the potential mineralization, geological merit and economic feasibility of the Company's projects;
- expectations regarding drill programs and the potential impacts successful drill programs could have on the life of the mine and the Company;
- mineral exploration and exploration program cost estimates;
- expectations regarding any environmental issues that may affect planned or future exploration programs and the potential impact of complying with existing and proposed environmental laws and regulations;
- receipt and timing of exploration and exploitation permits and other third-party approvals;
- government regulation of mineral exploration and development operations;
- expectations regarding any social or local community issues that may affect planned or future exploration and development programs; and
- key personnel continuing their employment with the Company.

Forward-looking statements are based on certain assumptions and analysis made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate, and are subject to risks and uncertainties. Although the Company's management believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect. Given these risks, uncertainties and assumptions, prospective purchasers and current holders of the Company's securities should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under "*Risk Factors*", which include, among others, risks related to:

- arbitrary price for securities;
- the Company's ability to acquire funding;
- no operating history or revenue;
- risks inherent in the establishment of a new business enterprise;
- no known commercially viable mineral deposit;
- dependence on key personnel;
- being a small, junior mineral exploration company in an industry dominated by many larger companies;
- access to supplies and materials;
- inherent dangers involved in mineral exploration;
- becoming subject to burdensome government regulation or other legal uncertainties;
- new mineral exploration companies having a high failure rate;
- fluctuations in metal prices;
- availability of capital in the future;
- the speculative nature of exploration and development properties;
- environmental and other risks;
- climate change;
- title to property issues;
- risks related to global financial uncertainty;
- the Company's ability to obtain and renew licenses and permits;
- risks inherent in acquisitions;
- dilution of the Company's Common Shares;
- share prices falling due to future sales by existing shareholders;
- the profitability of the Company;
- insurance and uninsured risks;
- indigenous land claims;
- dependent on information technology systems;
- the possibility of litigation;
- dependence on outside parties;
- risks related to possible fluctuations in revenues and results;
- potential conflicts of interest;
- force majeure;
- land reclamation requirements may be burdensome;
- health and safety compliance;
- competition;
- infrastructure remaining intact;
- trends, risks and uncertainties;
- risks related to market demands;
- fluctuation of stock exchange prices; and
- availability of a market for the Company's securities.

Although the forward-looking statements contained in this Prospectus are based upon what the Company's management believes are reasonable assumptions, these risks, uncertainties, assumptions and other factors could cause the Company's actual results, performance, achievements and experience to differ materially from its expectations, future results, performances or achievements expressed or implied by the forward-looking statements.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. See "*Risk Factors*".

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated on October 19, 2016 pursuant to the BCBCA under the name "1093683 B.C. LTD.", and on December 3, 2019 changed its name to Graycliff Exploration Limited. The Company's head and registered and records office is located at 890-1140 West Pender Street, Vancouver, British Columbia, V6E 2R9.

Intercorporate Relationships

The Company currently has no subsidiaries.

BUSINESS OF THE COMPANY

General Description of the Business

The Company is a junior mining exploration company. Its current focus is to conduct the proposed exploration program on the Shakespeare Property as more particularly set out in the Technical Report, along with continuing to identify and potentially acquire additional property interests, assess their potential and engage in exploration activities.

It is the intention of the Company to remain in the mineral exploration business. Should the Shakespeare Property not be deemed viable, the Company shall explore opportunities to acquire interests in other properties.

Company's History from Incorporation

On October 19, 2016, the Company was incorporated as a wholly-owned subsidiary of Monterey Minerals, Inc. ("**Monterey**") under the laws of British Columbia under the name 1093683 B.C. LTD. Monterey is a reporting issuer in British Columbia and Ontario with its common shares listed on the CSE under the trading symbol "MREY". The Company was incorporated for the purpose of completing Monterey's proposed plan of arrangement, as described below.

On November 29, 2016, Monterey received court approval for a plan of arrangement that was intended to result in Monterey divesting itself of each of 1093681 B.C. LTD., 1093682 B.C. LTD., 1093684 B.C. LTD. (now Blue Aqua Holdings Ltd.) and the Company. On April 16, 2018, Monterey announced that it would be implementing the plan of arrangement through the spin-out of its four wholly-owned subsidiaries noted above to Monterey's shareholders of record as at April 18, 2018.

On June 12, 2018, the spin-out of Blue Aqua Holdings Ltd. ("**Blue Aqua**") from Monterey was completed through the authorization of the issuance of 1,010,549 common shares of Blue Aqua to shareholders of Monterey. On August 1, 2018, the spin-out of Monterey's remaining subsidiaries, including the Company was completed and 1,010,549 common shares of each of the subsidiaries were issued to the shareholders of Monterey.

On July 30, 2018, the Company entered into a non-binding letter of intent with Time Machine Capital Limited ("**TMC**") regarding a proposed reverse-takeover transaction whereby the Company would acquire all of the issued and outstanding shares in the capital of TMC. In connection with the letter of intent, the Company issued 12,114,451 Common Shares. However, as the proposed transaction with TMC was never completed, these Common Shares were subsequently cancelled, with 7,614,451 Common Shares being cancelled on May 6, 2019 and the remaining 4,500,000 Common Shares being cancelled on October 7, 2019.

From the date of incorporation until August 23, 2019, being the date of the Option Agreement (as defined and described in greater detail below), the Company had not undertaken any significant business activity other than raising capital through private placement financings and building its management team and board of directors. Since the completion of the transactions set out in the Option Agreement, the Company has effectively carried on the business of exploration of the Shakespeare Property, as described in greater detail below.

Private Placements

On October 24, 2019, the Company completed a private placement financing, pursuant to which it issued 8,100,000 Common Shares at a price of $0.02 per Common Share for aggregate gross proceeds of $162,000. In connection with this financing, 300,000 common shares were issued to settle trade debt of $6,000.

On November 8, 2019, the Company completed a private placement financing, pursuant to which it issued 322,500 Common Shares at a price of $0.10 per Common Share for aggregate gross proceeds of $32,250.

On November 28, 2019, the Company completed a private placement financing, pursuant to which it issued 388,500 Common Shares at a price of $0.10 per Common Share for aggregate gross proceeds of $38,850.

On December 17, 2019, the Company completed a private placement financing, pursuant to which it issued 3,000,000 Common Shares at a price of $0.15 per Common Share for aggregate gross proceeds of $450,000.

Related Party Transactions

In the interim period ended September 30, 2019, the Company paid fees to Venex Capital Corp. ("**Venex**") in the amount of $127,000, for corporate advisory services. Former directors of the Company are currently (and were at the time the above-noted payment was made) shareholders of Venex, and Samuel Hardy currently serves in the role of Vice-President of Venex. The Company has not entered into any formal agreement with respect to the services provided by Venex, and does not anticipate that any further fees will be paid to Venex over the next 12 months.

Other Recent Events

On August 23, 2019, the Company entered into an Option Agreement (the "**Option Agreement**") with respect to the Shakespeare Property, described in greater detail below.

On October 1, 2019, Michael Kraemer resigned as a director of the Company and James Macintosh was appointed as a new director of the Company. Gary Handley and Samuel Hardy remained on the board of directors. On October 2, 2019, Julio DiGirolamo was appointed as a director of the Company.

Effective November 21, 2019, David Lees was as a director of the Company and Samuel Hardy was appointed Non-Executive Chairman of the Company, in addition to his role as Director.

On November 28, 2019, Gary Handley resigned as Chief Executive Officer, Chief Financial Officer and as a director of the Company. On the same date, James Macintosh was appointed President and Chief Executive Officer of the Company, in addition to his role as Director, and Julio DiGirolamo was appointed Chief Financial Officer and Corporate Secretary of the Company, in addition to his role as Director.

MINERAL PROJECT - TECHNICAL REPORT ON THE SHAKESPEARE PROPERTY

Current Technical Report

The Technical Report relating to the Shakespeare Property is titled "NI 43-101 Technical Report on the Shakespeare Property" and dated effective September 21, 2019. The authors of the Technical Report were Stewart A. Jackson, P. Geo. and Case Lewis, P. Geo.

Abbreviations and Units of Measure

asl	Above sea level		in	Inch(es)

Au	gold		Kg	Kilogram(s)
%	Percent		m	Metre(s)
<	Less than		Ma	Million years ago
>	Greater than		m^2	Square metre(s)
Cm	Centimetre		mm	Millimetre(s)
Cu	copper		NI 43-101	Canadian National Instrument 43-101
DDH	Diamond drill hole		P.Geo.	Professional Geoscientist
EM	Electromagnetic		ppb	Parts per billion
GPS	Global positioning system		ppm	Parts per million
ha	Hectare(s)		QA	Quality Assurance
ICP-MS	Inductively coupled plasma mass spectrometry		QC	Quality Control
ICP	Inductively coupled plasma		QP	Qualified Person
			nT	nanotesla

1. SUMMARY

ClaimHunt Inc. (the "**Consultants**" or "**ClaimHunt**") was retained by Graycliff Exploration Limited ("**Graycliff**" or the "**Company**") (formerly 1093683 B.C. Ltd.) to prepare a Technical Report (the "**Report**") on the Shakespeare Property (the "**Property**") located in Webbwood, Ontario, Canada.

Dr. Stewart A. Jackson, P.Geo. and Case Lewis, P.Geo. (the "**Authors**") are jointly responsible for all sections of the Report. Mr. Lewis conducted an independent personal inspection of the Property on February 8, 2020. In completing the Report, the Authors held discussions with management and reviewed data pertaining to the Property. The Authors are each a "Qualified Person" who are "independent" of Graycliff within the meaning of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"). The purpose of the Report is to summarize historical work on the Property.

The Shakespeare Property is located in the Sudbury Mining Division of Ontario and is centred at coordinates 434,000 mE / 5,128,000 mN NAD 83, UTM Zone 17 (46°18'10"N / 81°50'50"E), approximately 80km west of Sudbury, Ontario. The Property consists of 24 mineral claims covering 516.8 ha (**Figure 4.2, Table 4.1**) in two contiguous blocks.

The Property is located in the area of the historic Shakespeare gold mine, which was in operation from 1903 to 1907. A total of 2,959 oz of Au were produced from six underground levels (Gordon et al., 1979). Historic exploration was completed on the property intermittently between 1938 and 2014, including trenching, sampling and limited drilling. An IP survey completed in 2012 delineated a zone of high chargebility, however, this anomaly was not interpreted in a geological context. In 2014, GeoNovus Minerals Corp. completed three diamond drill holes totaling 371 metres; a thin mineralized zone was delineated in the area of the historic mine workings. GeoNovus Minerals Corp. did not complete any step-out holes to determine the continuation of this zone. In 2017, BTU Capital Corp, commissioned an Independent Technical Report on the property. Also in 2017, BTU Capital Corp carried out a short drilling campaign on the Property. One sample in hole S-1-17 @ 172-173m in a schist unit returned a value of 0.194 g/t Au.

On August 23rd, 2019, the Company entered into an Option to Purchase Agreement (the "**Option Agreement**") with Steven Anderson ("**Anderson**"), Mona McKinnon ("**McKinnon**"), Kidridge Capital Inc. ("**Kidridge**") and 2554022 Ontario Ltd. ("**2554022**"), collectively referred to as the "**Optioners**", wherein the Optioners have agreed to grant an Option to the Company to acquire one hundred percent (100%) undivided interest in the unpatented mining claims associated with the Property, All surface, water, access and other non-mineral rights of and to any lands comprising the Property, including surface rights held in fee or under lease, license, easement, right of way or other rights of any kind (and all renewals, extensions, and amendments thereof or substitutions therefor) acquired by or on behalf of the Optionor, and any and all data, maps, surveys, technical reports, legal title opinions and all other information in relation to the Property and the Related Rights, (the "**Option**") upon the terms and conditions set forth below. None of the Optionors are related parties to the Company.

To maintain the Option in good standing, the Company is required to:

(1) provide to the Optionors the right to subscribe for a total of 500,000 Common Shares in the capital of the Company at an issuance price of $0.02 per Common Share, which Common Shares will be divided between the Optionors as follows:

(a) Anderson: 125,000 Common Shares;
(b) McKinnon: 125,000 Common Shares;
(c) 2554022: 125,000 Common Shares; and
(d) Kidridge: 125,000 Common Shares;

(2) fund or incur an aggregate total of $300,000 in exploration expenditures (including costs reasonably incurred in holding the Property and maintaining, exploring and developing the Property and inclusive of any and all taxes imposed or levied by any government or government authority or agency on the Property) as follows:

(a) $100,000 within 12 months of the listing of the Common Shares on the CSE; and
(b) $200,000 on or before that date which is 24 months from the listing of the Common Shares on the CSE, and an additional 500,000 Common Shares.

If, in any given time period, the Company should pay an amount, issue Common Shares or incur or fund exploration expenditures in excess of the amount required in such time period, the amount of such excess shall be credited towards the Company's obligations in subsequent time periods.

Further, the Option Agreement provides that in the event the Company completes all issuances of Common Shares described above and funds all exploration expenditures described in the Option Agreement, the Company will have been deemed to have exercised the Option. The Company completed the issuances of Common Shares set out in (1) above on October 24, 2019, at which time the Optionors subscribed for an aggregate of 500,000 Common Shares at a price of $0.02 per Common Share.

In addition to the consideration described above, upon the deemed exercise of the Option, the Optionors shall be entitled to a royalty (the "**Royalty**") of 2.0% on Net Smelter Returns. Notwithstanding the foregoing, the Company may, in its sole discretion but without obligation, purchase one-half of such Royalty (being 1.0%) for cancellation in consideration of $2,000,000, such that upon such purchase, the Royalty shall be reduced to 1.0% of Net Smelter Returns.

Property Geology and Mineralization

The property is located at the southern edge of the Superior Province, close to the contact with the Southern Province of the Canadian Shield. Middle Precambrian clastic metasedimentary rocks of the Huronian Supergroup and Early to Late Precambrian felsic plutonic rocks cut by Middle Precambrian mafic dikes are the dominant rock types on the property. A prominent fault, the Murray fault, strikes east-northeast and dips steeply to the south. The mineralized zone of the historic Shakespeare Mine was hosted by quartz-rich metasedimentary rocks and chlorite schists of the Matinenda Fm. Gold occurs as native metal with only minor amounts of sulfides, including pyrrhotite, pyrite, chalcopyrite and arsenopyrite. Sulfides are disseminated but also occur in small quartz veins.

Exploration Recommendations

The Authors recommend the following two phases of work on the Property:

Phase 1 – Data Compilation and Mapping

Compiling the 2014 and 2017 drilling programs and the 2012 magnetic and IP surveys in 3D and interpreting the geophysical results in a geological context will be valuable for understanding the factors that control the location of the mineralization; in addition, such a 3D model will help with future targeting. It is unclear at this point what caused the chargeability anomaly delineated by the 2012 IP survey. In addition, the underground mine workings should be digitized and also included in the 3D model to avoid drilling into the workings in the future.

Geological descriptions in historical drill logs should be reviewed to determine the nature of disseminated gold mineralization in relation to the fault zone and potential stratigraphic controls.

Consistent with the 2017 Independent Technical Report on the Property, the Authors recommend completing a detailed 3D and downhole IP survey. The purpose of the IP survey is to determine the extent of the mineralization intersected by the 2014 drilling. The results from such a survey will then be integrated with the geological model to determine drill targets.

Total cost for Phase 1 will be approximately $100,000.

Phase 2 – Exploration Diamond Drilling

Independent of the success of Phase 1, a diamond drilling campaign of approximately 1,000 metres should be completed.

Total cost for Phase 2 will be approximately $300,000. Both phases combined will total $400,000.

2. INTRODUCTION

2.1. Introduction and Terms of Reference

ClaimHunt Inc. was retained by Graycliff Exploration Limited ("**Graycliff**") (formerly 1093683 B.C. Ltd.), a private company located in British Columbia, Canada, to prepare an NI 43-101 Technical Report for the Shakespeare Property in accordance with Canadian National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (NI 43-101), NI 43-101 Form F1, and Canadian Institute of Mining, Metallurgy and Petroleum (CIM) "Best Practices and Reporting Guidelines."

The Shakespeare Property is located in the Sudbury Mining Division of Ontario and is centred at coordinates 434,000 mE / 5,128,000 mN NAD 83, UTM Zone 17 (46°18'10"N / 81°50'50"E).

2.2. Qualifications of Authors

The Qualified Persons responsible for the Report are Dr. Stewart A. Jackson, P.Geo. (APGO member #1908) and Case Lewis, P.Geo. (APGO member #2444). Both authors are registered in good standing with their respective professional organizations and are each a Qualified Person as defined by NI 43-101. The following Table 2.1 identifies each section for which Qualified Person is responsible (if both authors are listed, theys are jointly responsible):

Table 2.1. Responsibility of authors.

Section	Responsible Qualified Person
1 – Summary	S. Jackson & C. Lewis
2 – Introduction	S. Jackson (2.1, 2.2, 2.4, 2.5) C. Lewis (2.1, 2.2, 2.3, 2.4, 2.5)
3 – Reliance on Other Experts	S. Jackson & C. Lewis
4 – Property Description and Location	S. Jackson & C. Lewis
5 – Accessibility, Climate, Local Resources, Infrastructure, and Physiography	S. Jackson & C. Lewis
6 – History	S. Jackson & C. Lewis
7 – Geological Setting and Mineralization	S. Jackson & C. Lewis
8 – Deposit Types	S. Jackson & C. Lewis
9 – Exploration	S. Jackson & C. Lewis
10 – Drilling	S. Jackson & C. Lewis
11 – Sample Preparation, Analyses, and Security	S. Jackson
12 – Data Verification	S. Jackson
13 – Mineral Processing and Metallurgical Testing	S. Jackson & C. Lewis
14 – Mineral Resource Estimates	S. Jackson & C. Lewis

15 to 22 – N/A (no content)	S. Jackson & C. Lewis
23 – Adjacent Properties	S. Jackson & C. Lewis
24 – Other Relevant Data and Information	S. Jackson & C. Lewis
25 – Interpretation and Conclusions	S. Jackson & C. Lewis
26 – Recommendations	S. Jackson & C. Lewis
27 – Selected References	S. Jackson & C. Lewis
28 – Certificates of Qualified Persons	(Each author responsible for their own certificate)
Appendix	S. Jackson & C. Lewis

2.3. Qualified Person Site Visit

Mr. Lewis visited the Property for the purposes of an independent site visit on February 8, 2020. During this time Mr. Lewis made observations across key points of interest on the Property.

The field visit included verifying access to the Property and the condition of the Shakespeare mine shaft, which is currently blocked off with a concrete slab. Mr. Lewis observed that access to the shaft is via a trail from Firehall Road which is now partially overgrown. No zones of mineralization are accessible, given the fact the shaft is covered by a concrete slab and mineralization is at depth. Verification samples of the drill core were not taken as the mineralized intervals of drill core were not available at the time of the site visit.

2.4. Sources of Information Used in the Report

The information, conclusions, opinions, and estimates contained herein are based on:

- Data, reports, maps, and other information supplied by Graycliff and its representatives, and other third-party sources as indicated in the text;
- Data obtained from the archives of the MNDM of Ontario;
- Mapping and reports supplied by the current Property owners;
- Other experts as detailed in Section 3;
- The field observations from site visit of the Qualified Person as outlined in Section 2.3.

2.5. Units Used in the Report

Unless otherwise indicated, all units of measurement used in the Report are metric, amounts are in Canadian Dollars, and coordinates are in the UTM system, NAD 83, Zone 17N.

3. RELIANCE ON OTHER EXPERTS

For the purpose of the Report, the Authors have relied solely on ownership information provided by Graycliff, particularly in respect the property acquisition, property deals, rights, property ownership and title, and any other rights of Graycliff, as referenced in Section 4. Mineral titles were validated on the effective date of the report using the MNDM online claim system.

The Authors are relying entirely on Graycliff in matters of environmental opinions regarding Property. The Authors offer no opinion on the state of the environment on the Property. Known environmental liabilities are outlined in Section 4.

This information is believed to be complete and correct to the best of each of the Authors' knowledge and no information has been intentionally withheld that would affect the conclusions made herein. The Authors express no legal opinion as to the ownership status of the Property.

4. PROPERTY DESCRIPTION AND LOCATION

The Shakespeare property is located in Shakespeare Township, approximately 80 kilometres west of Sudbury, Ontario, as shown in Figure 4.1 Property Location Map. The property consists of 24 mineral claims covering 516.80 ha (Figure 4.2, Table 4.1) in two contiguous blocks. Claim renewal dates range from June 10, 2021 to June 10, 2022. The property is centred at 434,000 mE and 5,128,000 mN, NAD 83, Zone 17, or a latitude of 46° 18' 10" N and longitude of 81° 50' 50" E. A total of $8,200 worth of work will be required to renew all claims by their respective anniversary dates.

Legal access to the property is on public roads.

Table 4.1. Property mineral tenures

Tenure Number	Title Type	Status	Issue Date	Anniversary	Holder	Area (ha)
339640	Single Cell Mining Claim	Active	4/10/2018	8/30/2021	(100) STEVEN DEAN ANDERSON	22.3
107419	Single Cell Mining Claim	Active	4/10/2018	6/10/2021	(100) STEVEN DEAN ANDERSON	22.3
105909	Single Cell Mining Claim	Active	4/10/2018	8/30/2021	(100) STEVEN DEAN ANDERSON	22.3
117443	Boundary Cell Mining Claim	Active	4/10/2018	6/10/2021	(100) STEVEN DEAN ANDERSON	17.0
127323	Single Cell Mining Claim	Active	4/10/2018	6/21/2021	(100) STEVEN DEAN ANDERSON	22.3
145526	Single Cell Mining Claim	Active	4/10/2018	6/10/2021	(100) STEVEN DEAN ANDERSON	22.3
147410	Single Cell Mining Claim	Active	4/10/2018	8/30/2021	(100) STEVEN DEAN ANDERSON	22.3

163953	Single Cell Mining Claim	Active	4/10/2018	8/30/2021	(100) STEVEN DEAN ANDERSON	22.3
162566	Single Cell Mining Claim	Active	4/10/2018	6/10/2021	(100) STEVEN DEAN ANDERSON	22.3
171811	Single Cell Mining Claim	Active	4/10/2018	8/30/2021	(100) STEVEN DEAN ANDERSON	22.3
174117	Single Cell Mining Claim	Active	4/10/2018	6/10/2021	(100) STEVEN DEAN ANDERSON	22.3
182018	Single Cell Mining Claim	Active	4/10/2018	8/30/2021	(100) STEVEN DEAN ANDERSON	22.3
191550	Single Cell Mining Claim	Active	4/10/2018	6/10/2021	(100) STEVEN DEAN ANDERSON	22.3
200975	Single Cell Mining Claim	Active	4/10/2018	8/30/2021	(100) STEVEN DEAN ANDERSON	22.3
220595	Single Cell Mining Claim	Active	4/10/2018	8/30/2021	(100) STEVEN DEAN ANDERSON	22.3
231250	Single Cell Mining Claim	Active	4/10/2018	8/30/2021	(100) STEVEN DEAN ANDERSON	22.3
240705	Single Cell Mining Claim	Active	4/10/2018	8/30/2021	(100) STEVEN DEAN ANDERSON	22.3
297936	Single Cell Mining Claim	Active	4/10/2018	8/30/2021	(100) STEVEN DEAN ANDERSON	22.3
307342	Single Cell Mining Claim	Active	4/10/2018	8/30/2021	(100) STEVEN DEAN ANDERSON	22.3
308682	Single Cell Mining Claim	Active	4/10/2018	6/10/2021	(100) STEVEN DEAN ANDERSON	22.3
308683	Single Cell Mining Claim	Active	4/10/2018	6/10/2021	(100) STEVEN DEAN ANDERSON	22.3
313584	Single Cell Mining Claim	Active	4/10/2018	6/10/2021	(100) STEVEN DEAN ANDERSON	22.3

334977	Single Cell Mining Claim	Active	4/10/2018	6/21/2021	(100) STEVEN DEAN ANDERSON	22.3
336294	Boundary Cell Mining Claim	Active	4/10/2018	6/10/2022	(100) STEVEN DEAN ANDERSON	9.2

Required Work

Each year, exploration work of $400 must be completed on each Single Cell Mining Claim and $200 of work on each Boundary Cell Mining Claim to keep the claims in good standing.

Option

On August 23rd, 2019, the Company entered into the Option Agreement, as defined and described above under the heading "*Summary*", wherein the Optioners (as defined above) have agreed to grant an option to the Company to acquire one hundred percent (100%) undivided interest in the unpatented mining claims associated with the Property, all surface, water, access and other non-mineral rights of and to any lands comprising the Property, including surface rights held in fee or under lease, license, easement, right of way or other rights of any kind (and all renewals, extensions, and amendments thereof or substitutions therefor) acquired by or on behalf of the Optionors, and any and all data, maps, surveys, technical reports, legal title opinions and all other information in relation to the Property.

Under the Option Agreement, the Optionors are also entitled to a royalty of 2.0% on Net Smelter Returns, on the terms as described above under the heading "*Summary*".

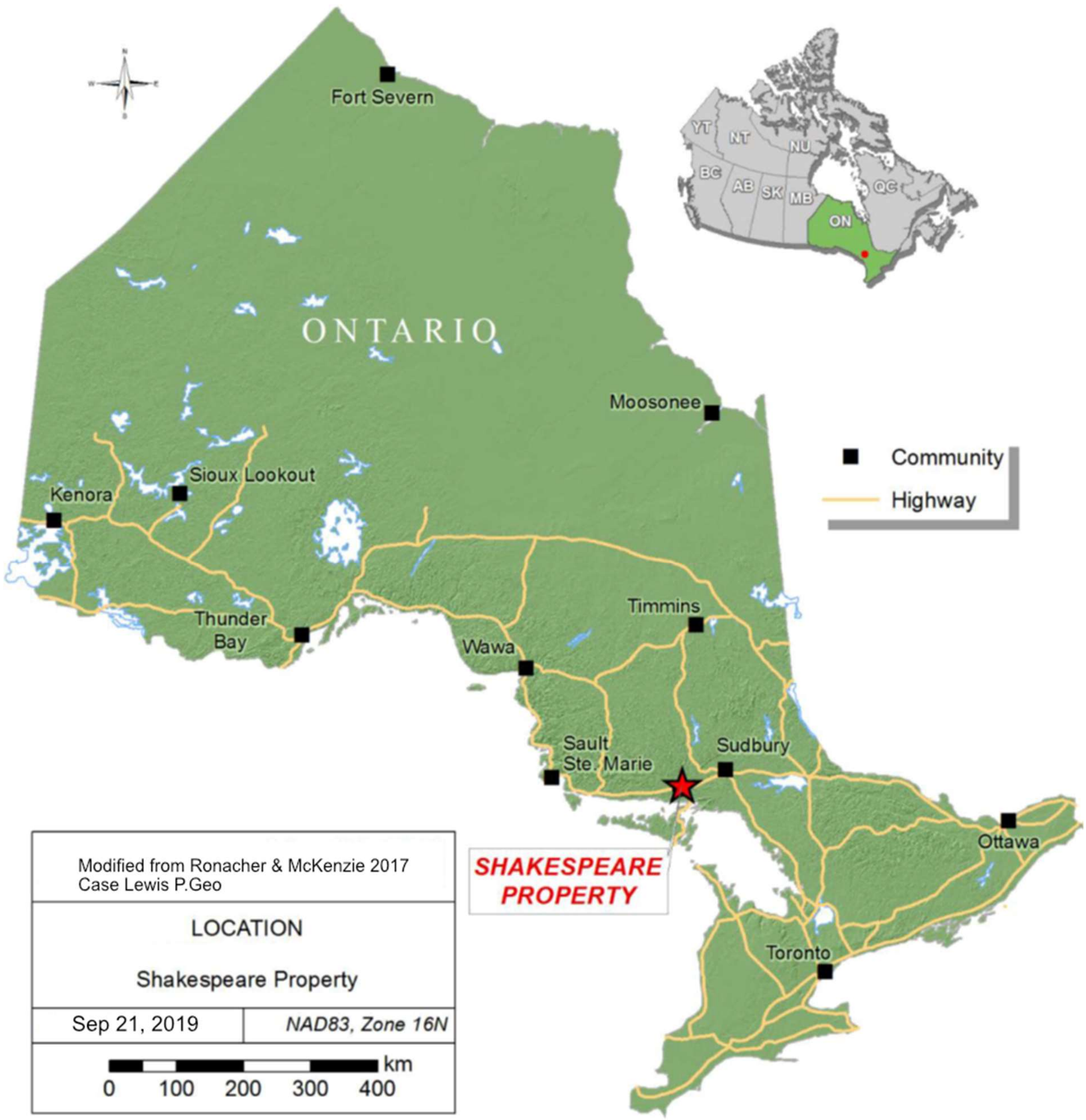

Figure 4.1 Property Location Map

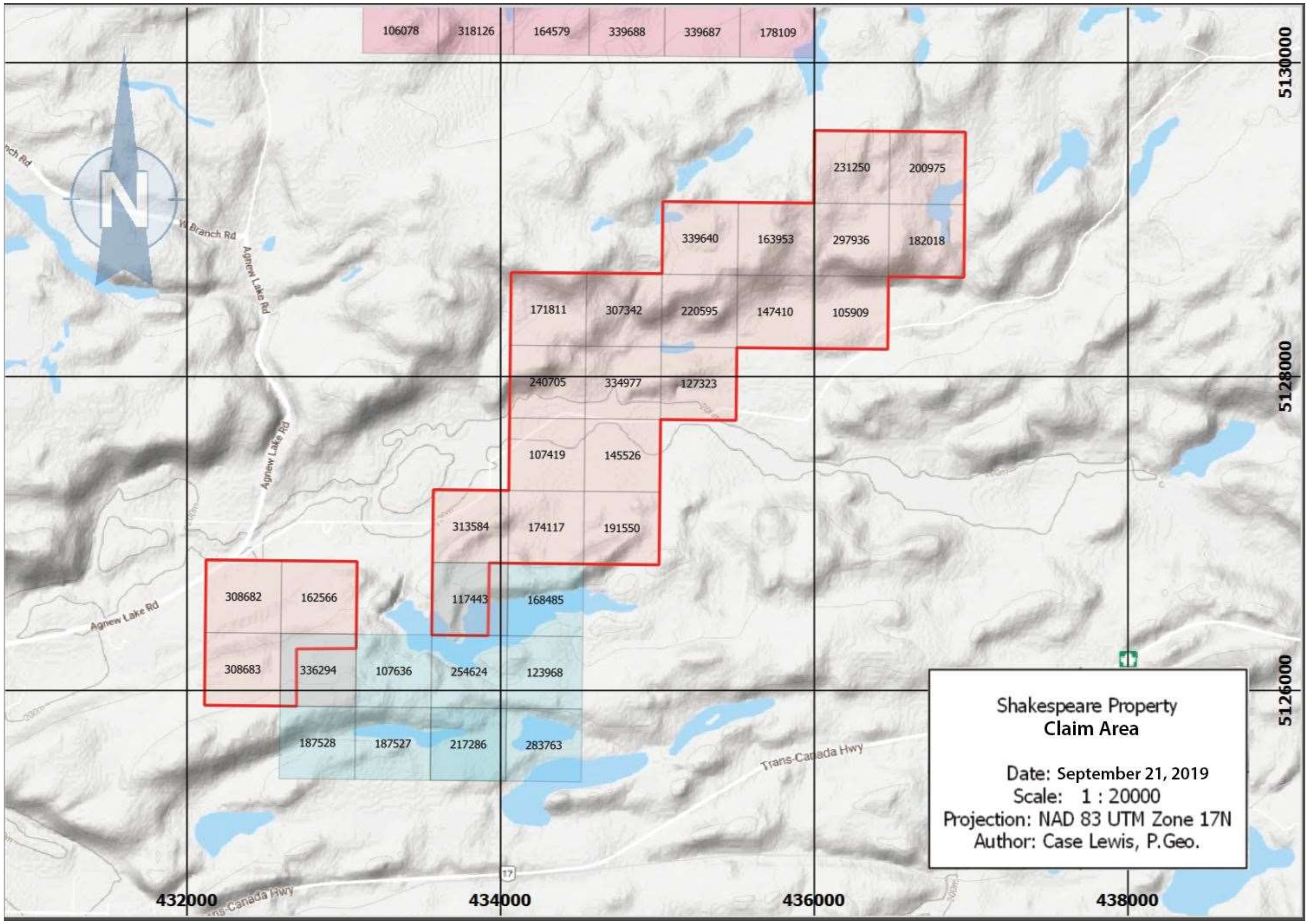

Figure 4.2. Shakespeare claim boundary. Red = Current boundary; blue/pink = claims owned by other holders.

4.1. Required Permits

In Ontario, permits are generally required for exploration on unpatented mineral claims or leases.

Exploration activities such as geophysical activities requiring a power generator, line cutting where the line width is less than 1.5 m, mechanized drilling where the total weight of the rig is less than 150 kg, mechanized surface stripping where the total stripped area is less than 100 m^2, or pitting and trenching of a volume of 1 to 3 m^3 on unpatented mineral claims or leases require an exploration plan. Exploration permits are required for line cutting where the line width exceeds 1.5 m, for drilling where the weight of the drill exceeds 150 kg, mechanized stripping of an area greater than 100 m^2 and for pitting and trenching where the total volume of rock is more than 3 m^3. Plan and permit applications are submitted to the Ministry of Northern Development and Mines for review, posting on the Environmental Registry (30 days) and circulation to First Nations communities who have areas of cultural significance. Plans are typically approved within 30 days and permits within 60 days. Plans are valid for two years and permits are valid for three years (www.mndm.gov.on.ca). All surface rights holders must be notified of the application in advance of the submission.

Active Permits

The following active exploration permits have been issued for legacy claim 4255249, which was converted to cell claims 257680 and boundary claims 117443, 117444, and 220476.

PR17-11119: Drilling – *Issued for the period of 2017-Jul-12 to 2020-Jul-11*

PR17-11187: Physical stripping – *Issued for the period of 2017-Nov-16 to 2020-Nov-15*

4.2. Environmental Liabilities

Several historic mine workings are listed by the Abandoned Mines Information System (AMIS) maintained by the Ontario Ministry of Northern Development and Mines ("**MNDM**"). Some of them are classified as active hazards, such as the historic shaft on claim 313584. The shaft is currently filled in. However, Graycliff is not liable in respect of the rehabilitation of mine hazards unless Graycliff will convert the mineral claims to leases or patents (cf. Ontario Mining Act, 153 (3)).

The Authors are not aware of any environmental liabilities for the claim area.

In addition, there are no known significant factors or risks that may affect access, title or the right or ability to perform work on the claim area.

4.3. Surface Rights and Access

Graycliff does not hold the surface rights; surface rights owners include a combination of private landowners and the Crown.

There are no known significant factors or risks that may affect access, title, or the right or ability to perform work on the Property.

5. ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1. Access

The property can be reached on Highway 17 from Sudbury, Ontario. At the town of Webbwood, ~80 kilometres west of Sudbury, Agnew Lake Road turns north from Highway 17 towards the property. After ~4 kilometres, Firehall Road turns east onto the property. Agnew Lake Road is fully paved; Firehall Road is paved for 2 kilometres to point 433551 mE / 5127069 mN. Beyond this point, Firehall Road consist of one lane only and is unpaved. Those parts of the property without road access can be reached by ATV or by foot.

The closest town is Webbwood, 4 kilometres south of the property. According to Statistics Canada, Webbwood had a population of 458 in 2011 (www.statcan.gc.ca). The town of Espanola is located ~11 kilometres east of Webbwood; it had a population of 5,364 in 2011 (www.statcan.gc.ca).

5.2. Climate

The climate in area of the Shakespeare property is continental with long, cold winters and warm summers. The daily average temperature is 25 °C in July and –18 °C in January. The average yearly rainfall is 675 mm with most of the rain falling between May and October. Average snowfall is 263 cm with the highest accumulations between December and February (cf. Environment Canada: www.weather.gc.ca). Exploration is possible year-round on the property.

5.3. Physiography and Vegetation

Elevations on the property range from 200m to 315m ASL on the property. A northeast-southwest striking hill characterizes the area of the historic Shakespeare gold mine near the centre of the claim block.

Much of the property is densely vegetated with birch and pine as the dominant species.

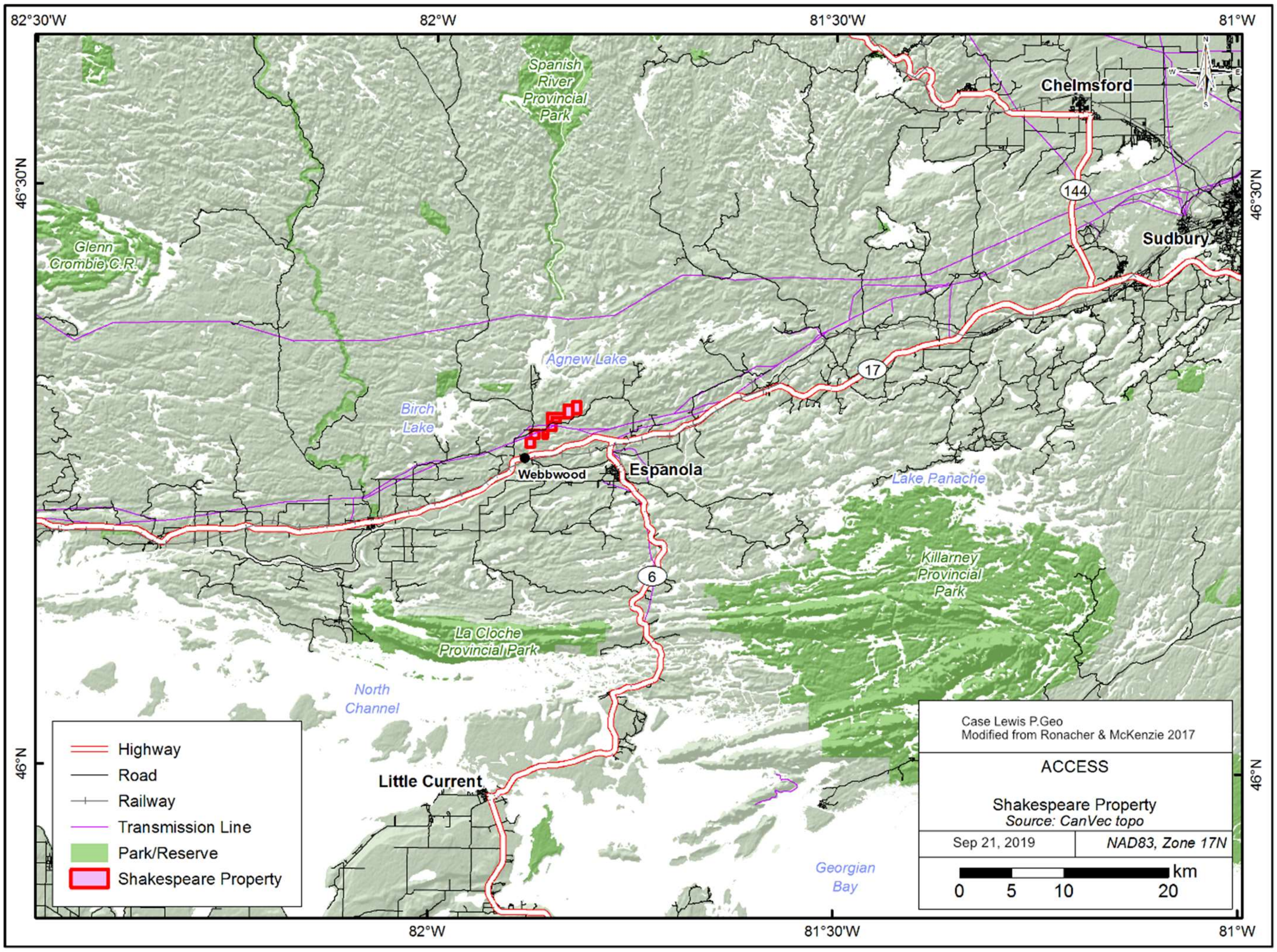

Figure 5.1. Map showing the access to the Shakespeare property

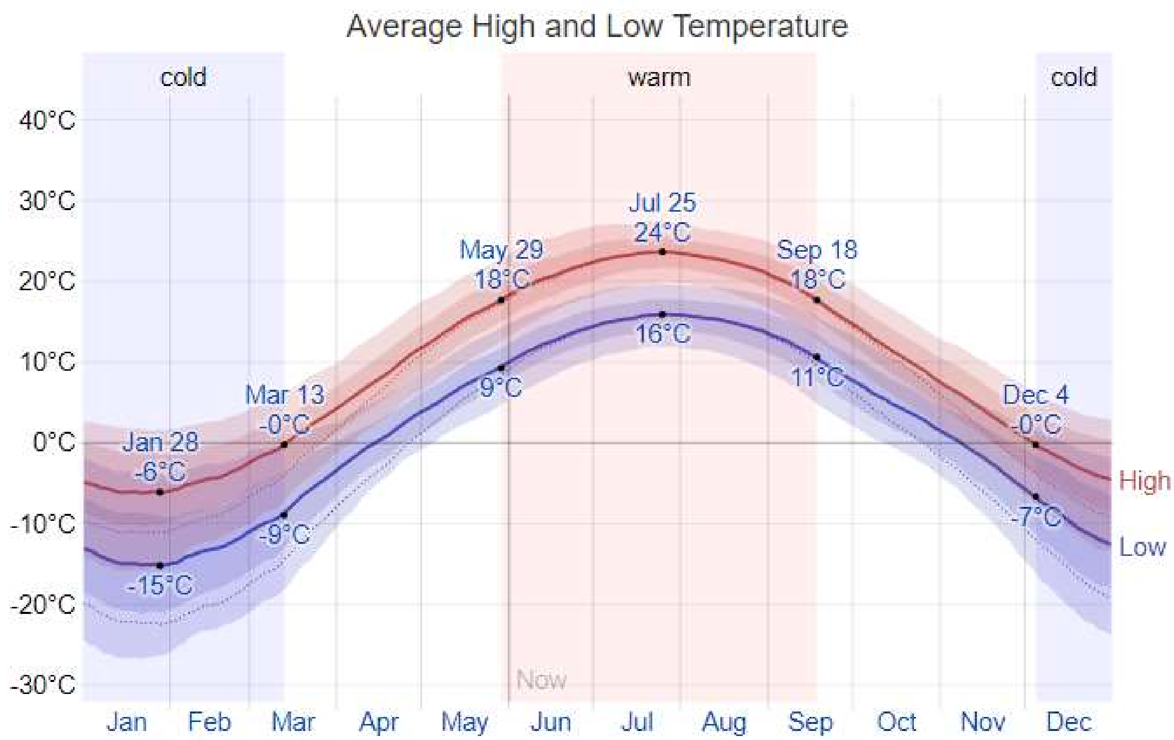

Figure 5.2. Average high and low temperature for Espanola, Ontario.

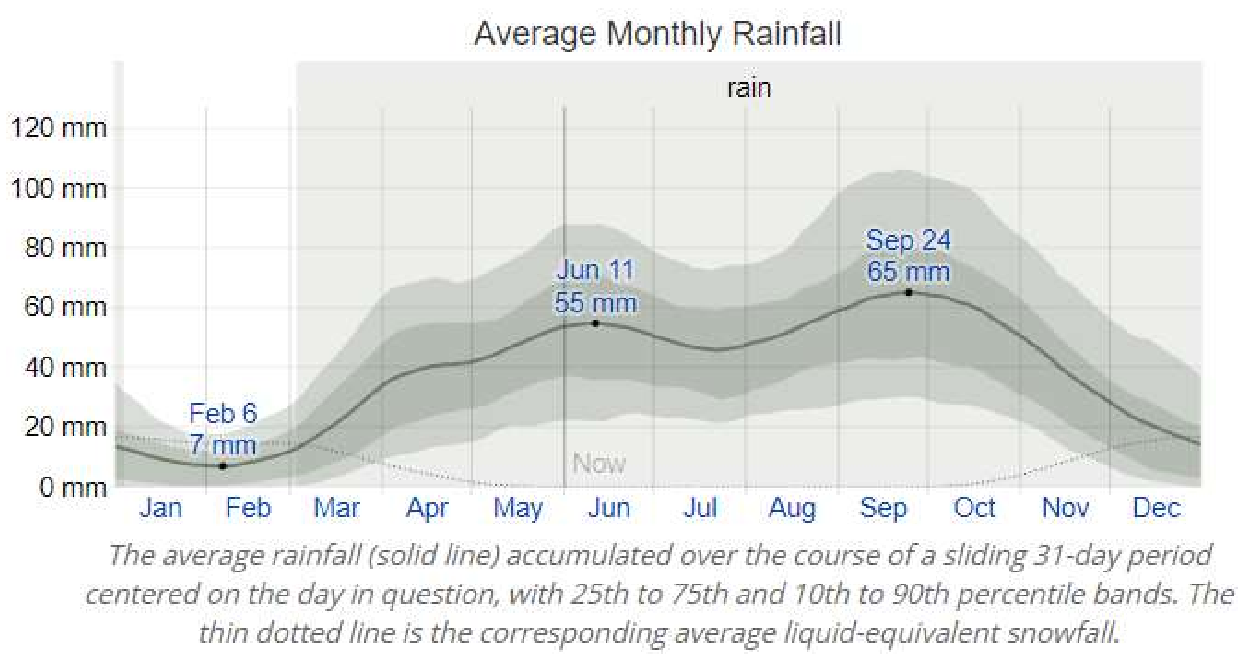

Figure 5.3. Average daily precipitation for Espanola, Ontario. Dashed line represents rainfall, solid line represents snowfall.

5.4. Infrastructure

5.4.1. Air Transport

The closest airport is located in the city of Sudbury, Ontario.

5.4.2. Rail

A rail line runs parallel to Highway 17, ~2 kilometres south of the property.

5.4.3. Power

5.5. Local Resources

Water is readily available from streams and lakes on the property. General resources are available at the nearby towns of Espanola and Webbwood, including housing and accommodation, fuel, mechanic, supplies and food, local skilled workers, and heavy equipment. The closest major city is Sudbury.

6. HISTORY

Historical Production

The original showings at the Shakespeare property are located around the area of the historic Shakespeare gold mine. This underground gold mine (MDI number MDI41I05SW00015) was in operation from 1903 to 1907, at which point the mine was shut down (Gordon et al., 1979).

Production data is listed in **Table 6.1** is from Gordon et al. (1979). Note that there is no reference within the documentation regarding the identity of the company operating the mine in 1948.

Table 6.1. Historical production from Shakespeare mine (Gordon et al., 1979)

		Gold Production		
Production Year	**Ore Milled (t)**	**Recovered Grade (g/t Au)**	**Recovered Grade (oz/t Au)**	**Total Gold Produced (oz Au)**
1905	4,550	13.03	0.38	1,723
1906	Unknown			512
1907	4,040	2.74	0.08	339
1941	unknown			1
1945	9	901.71	26.30	237
1948				147
TOTALS	2,959			8,599

Table 6.2 lists relevant historic exploration activities on the property.

Table 6.2. List of relevant historic exploration activities on the property.

Date	Operator / Company	Type of Work	Summary	Ass. Rpt. #

1903-1907	Shakespeare Gold Mining Company Ltd.	- Underground mining	produced 2,574 oz Au	Gordon et al., 1979
1936	Ensign Gold Mines	- Dewatered underground workings - Surveying and sampling	Failed to report results	Gordon et al., 1979
1942-1945	Webbwood Copper Syndicate	- Dewatered underground workings - Underground drilling	Recovered 237 oz Au	Gordon et al., 1979
1950-1961	Greenray Mines Ltd	- Diamond Drilling: 435m in 8 holes - Dewatered underground workings	Failed to report results	Gordon et al., 1979
1950	Perron Gold Mines	- Diamond Drilling: 644.35m in 9 holes	Highest Au values between 1.37 and 39.76 g/t	41I05SW0091
1959	Vermont Mines Ltd.	- Geophysics: Magnetic / EM survey	8 magnetic anomalies No conductive zones	20006894
1960	Vermont Mines Ltd.	- Dewatered underground workings - Mapping and Sampling	Highest Au values between 49.01 and 82.26 g/t	41I05SW0071
1961	Vermont Mines Ltd.	- Diamond Drilling: 453.09m in 9 holes	Assays N/A	41I05SW0116
1968	Shawnigan Mining and Smelting	- Diamond Drilling: 98.45m in 3 holes	No significant results	41I05SW0108
1968-1969	Aggressive Mining Ltd.	- Diamond Drilling: 763.22m in 2 holes	Failed to report assays	2007186
1973	Rodney Gold Mines Ltd.	- Mapping	Mapping / geological interpretation	41I05SW0100
1973	Peter Blue	- Diamond Drilling: 11.58m in 1 hole	No significant results	41I05SW0102
1973	Peter Blue	- Diamond Drilling	No significant results	41I05SW0110
1974	Peter Blue	- Assays: 3 samples from historical claim 369223	No significant gold grades	41I05SW0092
1975	Peter Blue	- Assays: 3 samples from historical claim 369223	No significant results	41I05SW0088
1976	Peter Blue	- Trenching and blasting	Maps showing trenches	41I05SW0073
1976	Peter Blue	- Assays: 6 samples from historical claim 460724	No significant results	41I05SW0081

1976	Peter Blue	- Assays: 6 samples from historical claim 460724	No significant results (trace Au)	41I05SW0087
1977	Peter Blue	- Sampling & assaying	No significant results	41I05SW0072
1977	Peter Blue	- Assays: samples from historical claim 460724	No significant results	41I05SW0076
1979	John Galbraith	- Drilling: DH 79-1 (9.1m)	Up to 1.03 g/t Au	41I05SW0064
1979-1981	John Galbraith	- Drilling: DH 81-1 (30.9m)	Failed to report assays	41I05SW0068
1979	Peter Blue	- Assays: samples unknown	No significant results	41I05SW0065
1980	Peter Blue	- Sampling & assaying	No significant results	41I05SW0059
1980	Peter Blue	- Assays: 5 samples from historical claim 543810	No significant results	41I05SW0057
1981	Peter Blue	- Sampling	No significant results	41I05SW0051
1981	Highland-Crow Resources Ltd.	- Mapping - Sampling	Failed to provide maps	41I05SW0053
1981	Peter Blue	- Assays	No significant results	41I05SW0054
1981	Peter Blue	- Trenching	Maps showing trenched areas	41I05SW0074
1981	Peter Blue	- Trenching - Sampling + Assaying: 20 samples on historical claims 460724 & 543810	Highest Au assays: 1.71g/t, 0.34g/t, 0.10g/t	41I05SW0078
1982	John Galbraith	- Drilling: DH 82-1 (32.3m)	Failed to report assays	41I05SW0052
1982	John Galbraith	- Drilling	Failed to report assays	41I05SW0060
1982	Peter Blue	- Assays: (on historical claim 575769)	No significant results	41I05SW0049
1984	Peter Blue	- Trenching + Sampling: (on historical claim 460724)	No significant results	41I05SW0040
1987	Peter Blue	- Trenching - Assays	No significant results	41I05SW0120
1988	Peter Blue	- Land surveying - Trenching - Sampling - Assays	No Au results reported	41I05SW0119
1990	Peter Blue	- Drilling: 10.67m in 3 holes on historical claim S43810	No assays reported	41I05SW0063

2004	Daniel Patrie	- Prospecting - Geophysics: Magnetometer survey	Identified historical trenches, and zones of quartz veining and sulphides	20001007 41I05SW2020
2007	Peter Blue	- Soil sampling: 10 samples	Highest Au value: 18 ppb	20004220
2008	Peter Blue	- Soil sampling: 13 samples	Highest Au value: 54 ppb	20006062
2008	Peter Blue	- Soil sampling: 10 samples	Highest Au value: 15 ppb	20005645
2009	Peter Blue	- Soil sampling: 11 samples	1-3 ppb Au range	20007696
2012	NY85 Capital Inc.	- Line cutting - Geophysics: Magnetic + IP	Magnetic survey identified various rock units, IP survey delineated chargeability zone	20011382 2.54204
2014	GeoNovus Minerals Corp.	- Diamond Drilling: 317m in 3 holes	Best Au result: 44.8 g/t over 1m	
2017	BTU Capital Corp	- Diamond Drilling: 3 holes	No significant results	
2017	BTU Capital Corp	- Independent technical report	Technical Report	

6.1. Historical Work Summaries

Shakespeare Gold Mining Company Limited – 1903-1907

The Shakespeare Gold Mining Company drove an 18 metre long tunnel and a 91 metre long adit into a mineralized ridge. A 96 metre deep shaft with six levels at 15 metre intervals was also completed. The company operated a mill intermittently. A total of 2,574 oz was produced (Gordon et al., 1979; Ronacher and McKenzie, 2017).

Ensign Gold Mines Limited – 1936

Dewatered, surveyed and sampled the mine workings. A 136 kg sample was sent to the Canada Centre for Mineral and Energy Technology in Ottawa for testing. No additional information is available (Gordon et al., 1979; Ronacher and McKenzie, 2017).

Webbwood Copper Mining Syndicate – 1942-1945

Dewatered shaft and conducted underground diamond drilling from 1942 to 1945. A 9 metre long adit was also driven. In 1944, the Syndicate leased the mine to N. Oreck who extracted 9 tons of high-grade (237 oz Au) ore by hand (Gordon et al., 1979; Ronacher and McKenzie, 2017).

Greenray Mines Limited – 1950-1961

Partially dewatered the shaft in 1950 (Gordon et al., 1979). In addition, Greenray collected samples and drilled eight diamond drillholes totaling 600 metres and also collected a bulk sample of 1.36 tons which averaged 345 g/t (Poutanen 1950; Assessment Report 20006894). From 1956 to 1961, Greenray drilled nine diamond drillholes totaling 453 metres, completed a magnetic survey and mapped the second and third levels of the Shakespeare Mine. No other information exists on the results of the exploration (Gordon et al., 1979; Ronacher and McKenzie, 2017).

Perron Gold Mines Limited – 1950

Drilled nine diamond drill holes totaling 644.35 metres in the area of the Shakespeare Mine, Apparently targeting remnant mineralization that had not been exploited by underground mining. (Assessment Report 41l05SW0091; Ronacher and McKenzie, 2017) A list of assay highlights is provided in **Table 6.3**.

Table 6.3. Assay highlights of the Perron Mines drilling in 1950

Hole #	From (m)	To (m)	Interval (m)	Au (g/t)
1	96.99	97.54	0.55	15.77
1	97.54	98.82	1.28	39.76
6	51.51	52.12	0.61	1.37
8	42.67	43.28	0.61	21.94

Vermont Mines Limited – 1959-1961

Dewatered, partially mapped and sampled a part of the third level of the Shakespeare Mine in order to outline gold ore zones and determine the association between mineralization and rock structure. (Poutanen, 1960: Assessment Report 41I05SW0071)

Approximately 4 kilograms of chip samples were taken. The highest gold grades were 82.26 g/t Au, 63.41 g/t Au and 49.01 g/t Au. Host rocks for the samples with the highest gold grades is grey "quartz or quartzite" varying in width from a few centimeters to 85 centimetres. Fault and shear zones did not appear to host significant gold grades nor is there an apparent association between sulfide content and gold grade. Gold-rich samples contain minor or no pyrite and chalcopyrite. Although free gold was not observed, it is concluded that gold occurs as native gold.

In 1961, Vermont Mines drilled nine diamond drill holes totaling 453 metres, but no assay results were reported (Assessment Report 41l05SW0116).

Prior to the exploration completed in 1960, Vermont Mines had completed a pace and compass ground magnetic survey and partial electromagnetic survey on the property in late 1959 (Poutanen, 1959; Assessment Report 20006894). The survey was run on pace and compass traverses from chained picket lines with readings taken at 30.5 metre intervals on each traverse and 152.4 metre line spacing using a Sharpe Model A2 magnetometer, with a 20 nT scale constant. Two readings were taken at each station.

The survey failed to define any definite geological contacts. A large, 70 nT zone was identified north of the north baseline and was interpreted to indicate a change in geology to a more basic rock. The anomaly was not ground truthed due to overburden cover. A possible fault zone was also noted at the western end of the lake on the property. Titled 'Anomaly H', a zone that strikes perpendicular to the general strike of the geology of the area, has an intensity of 200 nT. This anomaly was considered to be upgraded for potential to host gold mineralization. In total, eight anomalies were identified, labelled A-H. Several of these were found to be parallel to the strike of the local geology.

An electromagnetic survey was conducted on the lake surface only, using a Sharpe Model SE100 unit but readings were not recorded. No conductive zones were identified for follow-up. (Ronacher and McKenzie, 2017)

Shawinigan Mining and Smelting – 1968

Drilled three diamond drill holes totaling 98.45 metres on historic claim S139279. Samples were assayed for Cu, Ni, Ag, Au and platinum group elements, however no significant assay results were reported. (Assessment Report 41I05SW0108)

Rodney Gold Mines Limited – 1973

Mapped the area the shaft and nearby claims. The mapping and a review of old level plans indicated that gold occurs in quartzite, near or at the contact with greywacke (but not the quartz pebble conglomerate), close to and on both sides of the Murray fault in quartz veins parallel to bedding with or without sulphides. It goes on to report that mineralized zones trend northerly away from and east-west fault, an additional east-west striking fault located approximately 150 metres south of the fault mentioned above has not been tested. (Ogden, 1972: Assessment Report 41I05SW0100, Ronacher and McKenzie, 2017).

Peter Blue – 1973–2007

Peter Blue drilled one diamond drill hole totaling 11.58 metres in the northwest corner of historical claim 369223 in 1973 (no exact coordinates). No significant gold assay results were returned (Blue, 1973: Assessment Reports 41l05SW0102 and 41l05SW0110). From 1974 to 1988, Peter Blue stripped and trenched various locations on the property and collected samples from these trenches, dominantly on historic claims 543810 and 460724. None of the samples returned significant gold grades (Assessment reports 41l05SW0051, 41I05SW0054, 41I05SW0059, 41I05SW0065, 41I05SW0120). The highest gold grade returned was 0.210 g/t Au (41I05SW0120) from historical claim 460724 in 1987. In 1990, Peter Blue drilled three additional holes totaling 10.67 metres (Blue, 1990; Assessment Report 41l05SW0063). No assay results were provided.

In 2007, Peter Blue collected 10 soil samples from the property (Blue, 2007; Assessment Report 20004220). The gold values were below 3 ppb except one, which was 18 ppb. Additional 23 soil samples were collected in 2008 (Blue, 2008 a, b; Assessment Reports 20005645 and 20004220). The highest gold values were 54 ppb, 17 ppb, 15 ppb and 14 ppb, with the remaining values being 6 ppb and below. Eleven soil samples were collected in 2009 (Blue, 2009; Assessment Report 20007696). Gold values for these samples range from 1 to 3 ppb. (Ronacher and McKenzie, 2017)

John Galbraith – 1979–1982

Drilled four diamond drillholes totaling 107.2 metres on the property between 1979 and 1982. Holes intersected greywacke, siltstone and quartzite (Assessment Reports 41I05SW0052, 41I05SW0060, 41I05SW0064, 41I05SW0068). Assay results are only available for underground hole 79-1: no significant gold grades were recorded.

Table 6.4 shows drillholes completed.

Table 6.4. Drillholes completed by John Galbraith between 1979 and 1982.

Hole ID	Location	Elevation (m)	Azimuth (°)	Dip (°)	Claim ID	Total Depth (m)
79-1	558ft from NE claim post, S49W	3rd level adit, ~128m below surface	135	-11	S 515028	9.1
81-1	421 feet from NE claim post S28°27"W	Surface	320	-65	S 515028	30.9
82-1	380 feet S and 208 feet W of claim post 1	Surface	310	-33	S 515028	32.3
82-2	381 feet S and 208 feet W of claim post 1	Surface	310	0	S 515028	34.7

Highland-Crow Resources Ltd. – 1980–198X

Staked 13 claims in the area of the Shakespeare property. Conducted mapping, rock sample collection, but no sample results are provided in the report. (Innes, 1981; Assessment Report 41I05SW0053).

Daniel Patrie Exploration Ltd. – 2004

Prospecting located old trenches and zones with quartz veins and sulfides. A ground magnetic survey was completed on part of claim 3004645 in November 2004. A total of 36 line-kilometres were recorded using an Envi Magnetometer from Scintrex Ltd. The survey line spacing was 50 metres and station spacing was 25 metres (Patrie, 2004; Assessment Report 41I05SW2020).

A high, circular magnetic zone, with amplitude ranging from 200-1200 nT, was interpreted as a potential fold and recommended for follow-up as a possible gold and base metal target. (Ronacher and McKenzie, 2017)

NY85 Capital Inc./Alchemist Mining Inc. – 2012 – 2013

NY85 Capital Inc. ("NY85") and Alchemist Mining Inc. entered into an option agreement as announced in a press release by NY85 on July 23, 2012 (see also Farrow and Bardeggia, 2013, p. 7). NY85 commissioned Vision Exploration to complete line cutting and a ground magnetic survey along 21 kilometres of grid lines, using a GEM GSM19T magnetometer, in an area of approximately 2 kilometres north of the village of Webbwood. The line interval was 100 metres, with 12.5 metre station spacing (Assessment Report 20011382).

The survey results were interpreted as successfully delineating a change between geological units, specifically on claim 4255247. The conclusion of this work program recommended an IP survey to followup the magnetic results (Assessment Report 20011382).

In November 2012, Vision Exploration completed a time-domain induced polarization ("IP") survey covering 12 line-kilometrem over 14 of the original 21 kilometre grid lines (Anderson, 2013: Assessment Report 2.54204).

The IP survey was completed using a BRGM IP-6 receiver and GDD IP-II.1.4K va transmitter, at 100 metre line intervals. The survey was completed using a Pole-Dipole array, with "a" spacing = 25 metre and N=1-6. The pulse duration was 2 seconds on, 2 seconds off.

The results show a prominent, 1.6 kilometre-long and northeast striking high chargeability zone. This zone appears on strike with the historic gold mine. The anomaly was interpreted to be associated with sulfides or disseminated sulfides but was not interpreted fully in a geological context. Further geological mapping, stripping, sampling and diamond drilling were recommended. (Ronacher and McKenzie, 2017)

GeoNovus Minerals Corp. – 2014

GeoNovus Minerals Corp. ("Geonovus") entered into an option agreement with the Optionors on October 7, 2013. Geonovus drilled three diamond drillholes totaling 371 metres (**Table 6.5, Figure 6.1**). The purpose of the drilling program was to test for mineralization continuity at depth and determine the relation of the fault zone to historical workings and gold mineralization. 132 samples were submitted to Activation Laboratories. Assay highlights are shown in **Table 6.6**.

Table 6.5. Drillhole details for GeoNovus' drilling program in 2014

Hole ID	**Easting (m)**	**Northing (m)**	**Elev (m)**	**Azimuth (°)**	**Dip (°)**	**Total Depth (m)**	**Target**
C-14-01	433808	5126904	234	310	-45	101	Below stoped areas
C-14-02	433808	5126904	234	310	-70	151	Below stoped areas
C-14-03	433809	5126904	234	352	-48.5	119	Test below level 3
						371	**Grand total**

Table 6.6. Assay highlights of the 2014 drillhole samples as reported by Geonovus in 2014

Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)
C-14-01	70.0	70.5	1.0	4.03
C-14-01	70.5	71.5	1.0	5.76
C-14-02	106.0	107.0	1.0	7.02
C-14-02	107.0	108.0	1.0	5.04
C-14-02	108.0	109.0	1.0	48.80
C-14-03	63.0	64.0	1.0	2.56
C-14-03	68.0	68.5	0.5	1.85

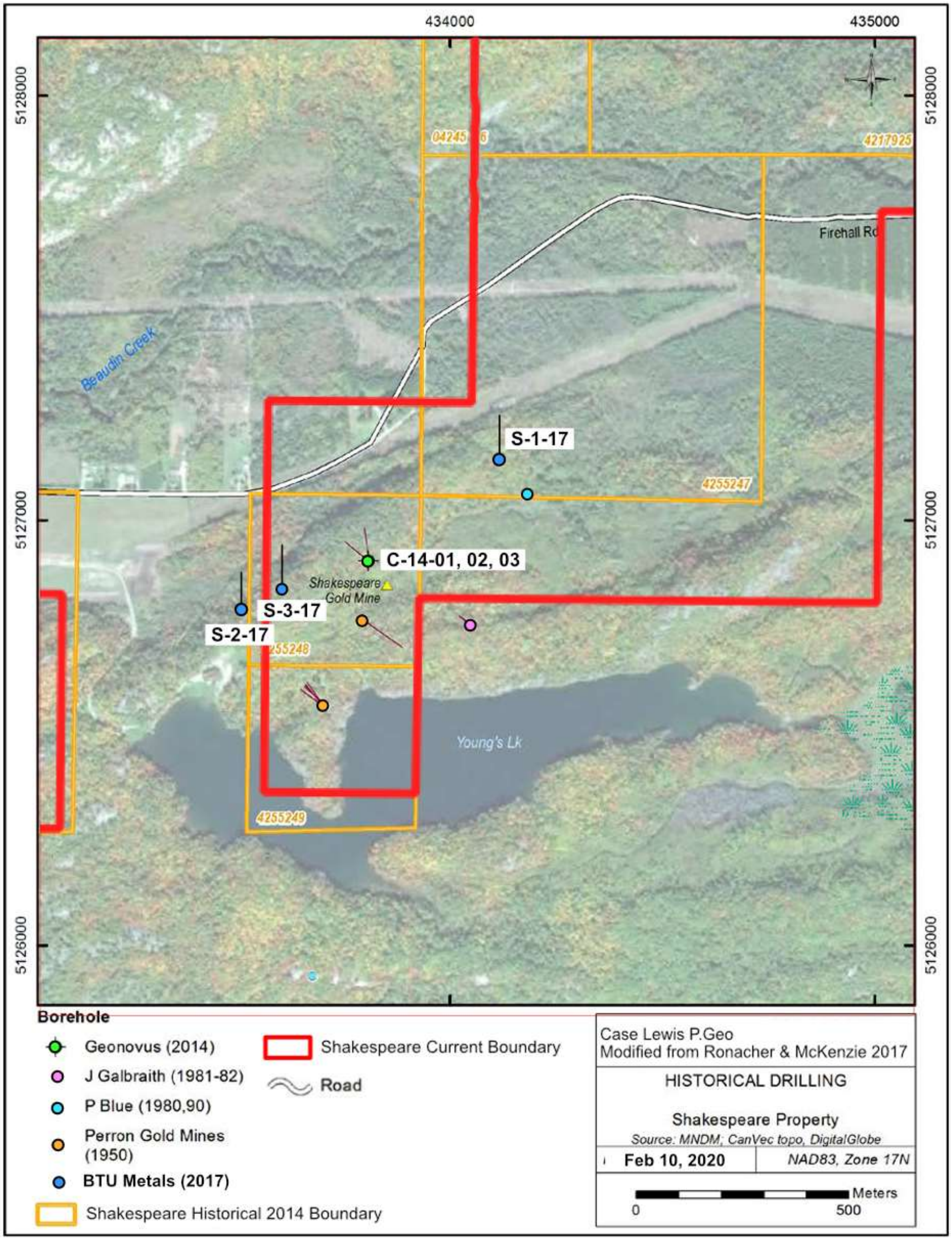

Figure 6.1. All drill hole locations (1950 through 2017).

BTU Capital Corp – 2017-2018

BTU Metals Corp commissioned an Independent Technical Report on the property, completed by Ronacher McKenzie Geosciences and also commissioned a three-hole diamond drilling program. (Ronacher and McKenzie, 2017)

Results from the 2017 drilling program are summarized below.

Table 6.7. Drill hole collars.

Hole ID	Easting (m)	Northing (m)	Azimuth (º)	Dip (º)	Depth (m)
S-1-17	434111	5127147	0	- 60	203
S-2-17	433509	5126774	0	- 60	152
S-3-17	433610	5126828	0	- 60	199

All drill hole locations are UTM Zone 17N

Drill hole locations are shown in **Figure 6.1.**

Drill holes S-1-17, S-2-17, and S-3-17 encountered largely unaltered rocks with low concentrations of sulfides. Lithology in each hole consists mostly of muscovite schist and quartzite, with a spectrum of composition ranging from quartzite- schist to schistose quartzite. Hole S-3-17 contains localized zones of intermediate to mafic volcanics.

One sample in hole S-1-17 @ 172-173m in a schist unit returned a value of 0.194 g/t Au.

Sampling failed to identify any zones of significant gold mineralization in any of the three drill holes. The discontinuous nature of mineralization along the fault hosting the gold mineralization at the historical Shakespeare Mine makes drill targeting particularly difficult.

7. GEOLOGICAL SETTING AND MINERALIZATION

7.1. Regional Geology

The Property is located near the contact of the Southern and Superior Provinces of the Canadian Shield. The Precambrian rocks include felsic plutonic rocks of the Superior Province (Early Precambrian) and supracrustal rocks of the Huronian Supergroup of the Southern Province (Middle Precambrian). Mafic intrusions of several ages cross-cut these rock units. The Huronian Supergroup passive margin sequence is interpreted to have been deposited during Early Proterozoic crustal stretching along the southern margin of the Superior Province Archean craton (Zolnai, Price and Helmstaedt 1984), interpreted to be stretching due to the formation of an ocean basin. Syn-depositional normal faulting of the metasedimentary rocks created variations of thickness and variable facies of the Huronian sedimentary rocks. (Card and Palonen 1976; Ronacher and McKenzie, 2017)

Cumulative thickness of the Huronian Supergroup in the area exceeds 10,700 metres, representing the thickest, most complete section of the sequence in existence. Much of the apparent southwardthickening of the Huronian is quite abrupt across zones now marked by major faults of the Murray Fault System. (Ronacher and McKenzie, 2017)

Rocks of both provinces in the property area were affected by Middle Precambrian orogenic events. Ductile deformation of the Huronian rocks during the Penokean Orogeny (~1,900 Ma) was likely caused by an overriding allochthonous terrane. Syn-depositional normal faults reactivated as north-verging listric thrust faults. Late Penokean brittle deformation, manifested as conjugate strike-slip faults, indicating north-south compression in a rising fold belt (Zolnai et al., 1984). Grenville orogeny (~1,000 Ma) northwestward compression also caused right-lateral strike slip faulting, along the Murray Fault Zone crossing the Shakespeare property. (Ronacher and McKenzie, 2017)

Regional geology is shown in **Figure 7.1**.

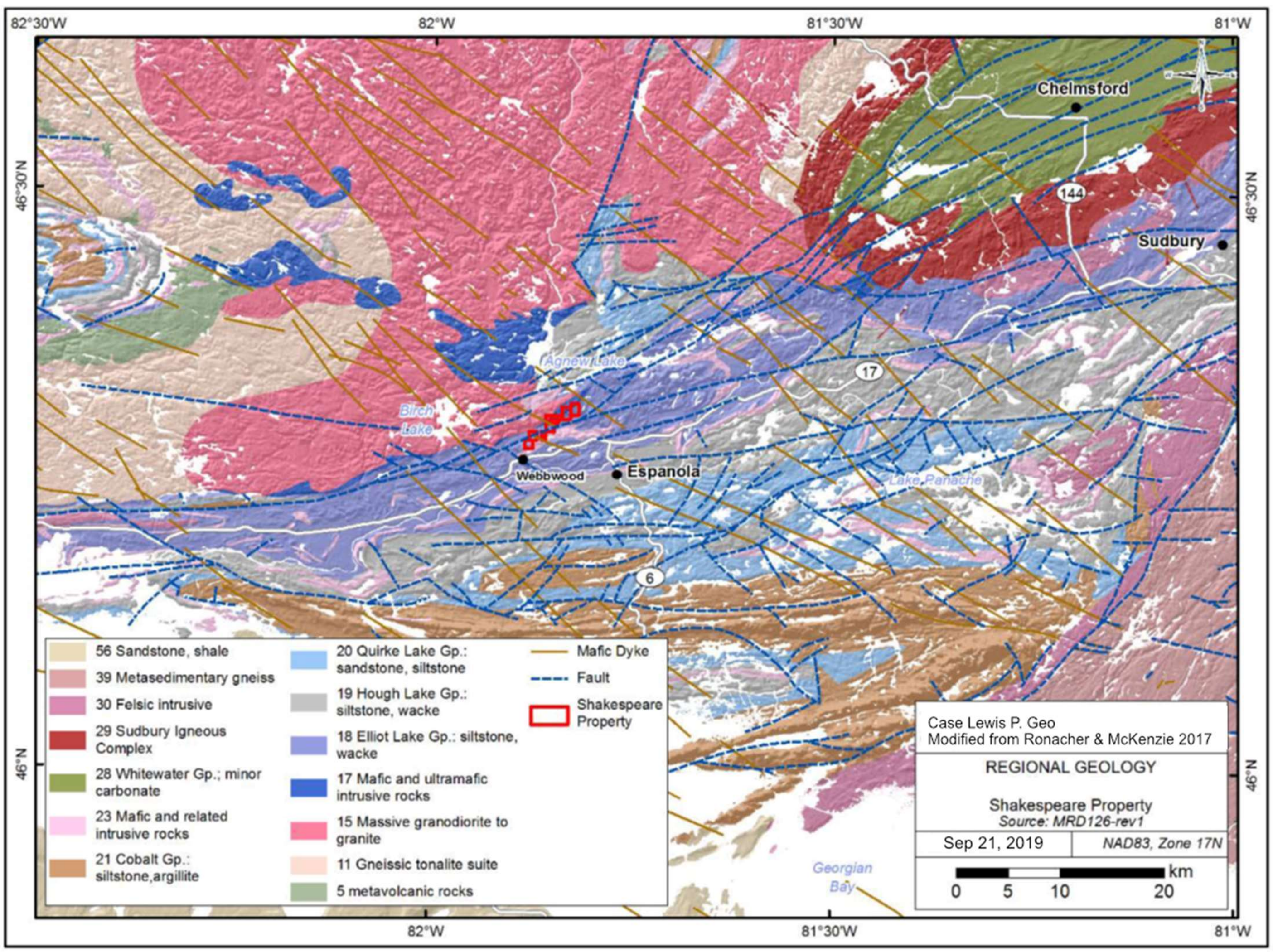

Figure 7.1. Geological map of the area around the Shakespeare property. (modified from Ronacher, E. & Mckenzie. J., 2017))

7.2. Local Geology

The geology in the vicinity of the Property is dominated by Middle Precambrian clastic metasedimentary rocks of the Huronian Supergroup, including quartz-feldspar sandstone, conglomerate, siltstone and greywacke, unconformably overlying Early to Late Precambrian quartz monzonite and other felsic plutonic rocks. These units are cross-cut by Early to Middle Precambrian mafic dikes and Middle Precambrian layered gabbro-anorthosite intrusions. (Card and Palonen 1976; Ronacher and McKenzie, 2017).

Six formations of the Huronian Supergroup occur in the Shakespeare Township: Matinenda, McKim, Ramsey Lake, Pecors, Mississagi and Bruce Formations. They are interpreted to be derived from Early Precambrian granitoids to the north and deposited in a marginal marine and deltaic environment. Mafic to intermediate volcanic flows and pyroclastic rocks are intercalated with these metasedimentary formations. The volcanics may be fissure eruptions related to tectonic activity along a developing Huronian depositional basin (Card and Palonen 1976). Both Nipissing diabase and other Middle to Late Precambrian diabase dikes intrude the basement and Huronian rocks. Overlying the older rocks are Cenozoic glacial and glaciofluvial deposits. The basement rocks are metamorphosed to greenschist and amphibolite facies. (Ronacher and McKenzie, 2017)

Table 7.2. Geological Formations (Huronian Supergroup)

Group	**Formation**	**Lithology**
Quirke Lake *Gp*	Bruce *Fm.*	Conglomerate, siltstone, sandstone
Hough Lake *Gp*	Mississagi *Fm.*	Sandstone
	Pecors *Fm.*	Argillite, siltstone, greywacke
	Ramsey Lake *Fm.*	Conglomerate, sandstone
Elliot Lake *Gp.*	McKim *Fm.*	Argillite, siltstone, sandstone, greywacke, siltstone, pelitic metasediments
	Matinenda *Fm.*	Sandstone, conglomerate, pelitic metasediments
	Metavolcanics	Mafic to intermediate metavolcanics, metagabbro, metadiorite

Matinenda Fm

The Matinenda Formation includes an interfingering sequence of sandstone, pelite, and conglomerate; in that order of abundance. Going eastward the Matinenda Formation shows a progressive increase in the amount of pelitic and volcanic rocks occurs at the expense of sandstone and oligomictic quartz-pebble conglomerate. (Card and Palonen, 1976)

The Matinenda Formation sandstones are typically medium to coarse grained, greenish or pinkish, and rich in feldspars and micas. Most are feldspathic protoquartzites with lesser amounts of greywacke, subgreywacke, arkose, and orthoquartzite. (Card and Palonen, 1976)

McKim Fm

The McKim Formation is comprised of a thick accumulation of greywacke, siltstone, and aluminous pelite that shows indications of turbidity currents, such as Bouma cycles, graded beds, ripple marks, and cross-laminations. The three lithological facies comprise the McKim Formation: a greywacke facies, a laminated argillite facies, and a quartz sandstone facies.

The greywacke facies consists of interbedded greywacke and siltstone with minor laminated argillite and siltstone. The laminated argillite facies consists of laminated argillite, siltstone, and subordinate amounts of fine- to medium-grained greywacke. The quartz sandstone facies displays fine- to medium-grained argillaceous sandstone rich in quartz and feldspar. Interbeds and units of these rocks occur throughout the McKim Formation. Conformably overlies the Matinenda Formation. (Card and Palonen, 1976)

Ramsay Lake Fm

The Ramsay Lake Formation is primarily a polymictic paraconglomerate and pebbly sandstone, ranging in thickness from 60 to 180 metres. The basal two-thirds of the Ramsay Lake Formation shows polymictic paraconglomerate and pebbly sandstone with a few interbeds of sandstone, silt stone, and greywacke. The upper one-third of the formation displays sandstone with pebbly sandstone and polymictic paraconglomerate lenses. Conformably overlies the McKim Formation. (Card and Palonen, 1976)

Pecors Fm

Similar to the McKim Formation, the Pecors Formation siltstone, argillite, greywacke, and quartzfeldspar sandstone, Graded beds, ripple marks, and cross-laminations are well developed. Sequences displaying Bouma divisions. Conformably overlies the Ramsay Lake Formation gradationally over an interval of about 6 metres. (Card and Palonen, 1976)

Mississagi Fm

In the project area, the Mississagi Formation sandstones range in composition from ortho quartzite to arkose to greywacke in a sequence of coarsening-upward sedimentary cycles consisting mainly of sandstone with subordinate siltstone. Individual cycles are lensoid, up to 76 metres thick with sharp, but non-erosional basal contacts. Conformably overlies the Pecors Formation, gradationally over an interval of 30 to 60 metres. (Card and Palonen, 1976)

Bruce Fm

The Bruce Formation consists of a sparsely pebbled polymictic paraconglomerate composed of plutonic igneous pebbles, cobbles, and boulders set in a sandstone matrix. Interstratified units of pebbly subgreywacke and protoquartzite, feldspathic sandstone, greywacke, and siltstone appear locally. Conformably overlies the Mississagi Formation. (Card and Palonen, 1976)

Local geology is shown in **Figure 7.2**.

7.3. Property Geology

The primary lithologies within the southern part of the Shakespeare Property are Middle to Upper Matinenda Formation sedimentary rocks and intercalated mafic volcanics. The northern part hosts metagabbro and granophyre (Innes, 1981; Assessment Report 41l05SW0053; Ontario Geological Survey Map 2313, 1975). Nipissing dikes also occur on the Property.

On the Shakespeare Property, the Matinenda Formation metasedimentary rocks are dominated by medium to thick well bedded, strongly foliated feldspathic sandstone with lesser intercalated siltstone, greywacke and quartz-pebble conglomerate. with up to 2% disseminated pyrite in the sandstone and conglomerate. The general geologic trend is northeast (averaging about 030-035 degrees) and dipping steeply to the southeast. (Innes 1981; Ronacher and McKenzie, 2017)

The northern part of the property shows an altered mafic flow, medium- to coarse-grained, massive, rich in amphibole and chlorite, with locally intercalated siltstone. These rocks have also been identified as meta-gabbros by Innes, 1981. (Ronacher and McKenzie, 2017)

The Nipissing dikes are northwest trending coarse-grained hornblende gabbro with minor disseminated pyrite, pyrrhotite and chalcopyrite, with silicified breccias and quartz veins (Innes 1981).

Property geology is shown in **Figure 7.2**.

Structure

The Murray fault trends northeast across the property. The right-lateral strike slip motion along the Murray fault has been interpreted to be related to northwestward compression during the Grenville orogeny at approximately 1,000 Ma. Most of the deformation on the Property occurred during one event that formed the east-northeast trending structures. (Zolnai et al., 1984)

The area around the historic Shakespeare mine is strongly sheared. Poutanen (1960) observed narrow shear zones of 2.5 cm to 30 cm width in the mine area. These zones are characterized by abundant sericite but only minor sulfides.

In contrast with the folds, faults and foliations occuring in the Huronian rocks, cataclastic granulation is dominant in the basement rocks (Card and Palonen 1976). Changes in thickness and character of the Huronian metasedimentary rocks and changes in metamorphic facies and structural style were observed along the Murray Fault Zone (Zolnai et al., 1984). (Ronacher and McKenzie, 2017)

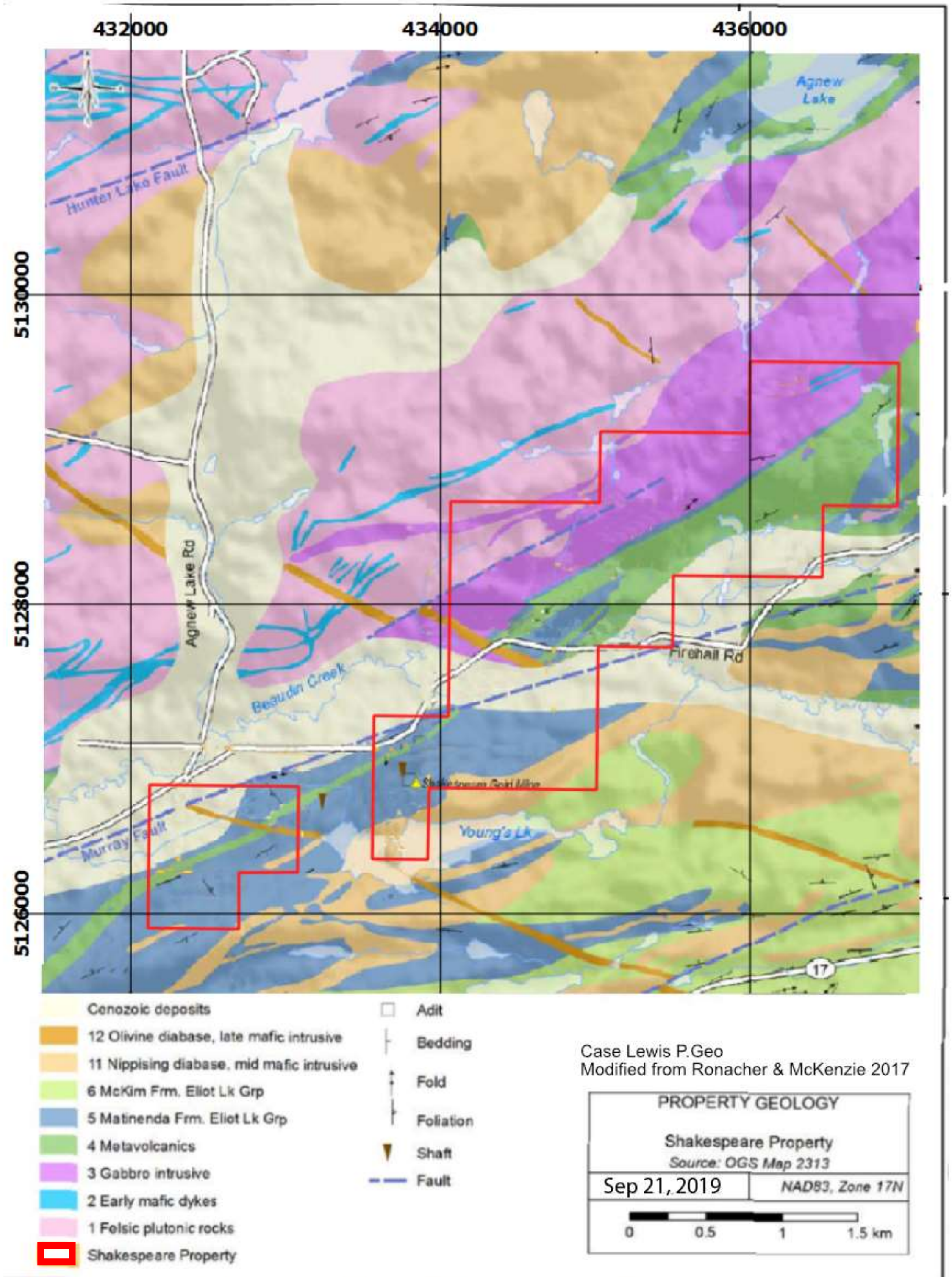

Figure 7.2. Local and Property geology. (modified from 2017 Independent Technical Report on the Shakespeare Property)

Folds

Rocks of the Huronian Supergroup have been folded into tight to moderately open, upright, complex folds. The major Baldwin Anticlinorium, located in the east-central part of the Shakespeare Township, immediately north of the Murray fault, consists of *en echelon*, faulted synclines and anticlines that trend and plunge east-northeast. (Card and Palonen, 1976; Ronacher and McKenzie, 2017).

Faults

The major fault on the property, the Murray fault, is host to the Shakespeare Mine and strikes about 070° and dips 75°-90° to the south, with fault branches that can be traced over 320 metres. Movement along these faults is interpreted to have started prior to the deposition of the Huronian rocks because of thickness variations within those rocks. The movement lasted until after the emplacement of the Nipissing dikes. Post-Huronian movement was south side up and west. Offsets of marker units of up to 1.6 metres were reported from elsewhere in the area. Faults causing shearing, brecciation and displacement of geological contacts and rock units are typically marked by quartz veins and hematitization. (Card and Palonen 1976; Ronacher and McKenzie, 2017).

West-northwest (striking 300° strike), steeply dipping faults including the Webbwood Fault occur in the northeastern part of Shakespeare Township, with counterparts potentially exhibiting on the Property. Roughly north-south striking faults occur in the southern part of Shakespeare Township. (Card and Palonen 1976; Ronacher and McKenzie, 2017).

7.4. Mineralization

Mineralization at the Shakespeare mine is constrained within the south-dipping Murray fault zone which strikes roughly ENE across the Property. Gold mineralization occurs in the metasedimentary micaceous sandstone and siltstones of the Matinenda Formation. This unit is characterized by grey, quartz-rich metasedimentary rocks bordered by a chlorite schist (Card and Palonen 1976). The mineralized zone, strikes northeast and dips steeply to the south, measuring up to 7.6 metres wide. Less than 5% sulfides, including pyrrhotite, pyrite, chalcopyrite and arsenopyrite, occur as disseminations but small quartz veins also occur. Gold occurs as native gold. The nature of the mineralization trending parallel to bedding suggests possible volcanic exhalative silica as part of the sedimentary accumulation.

According to Card and Palonen (1976), narrow, apparently discontinuous zones which contain appreciable amounts of gold characterize mineralization at the Shakespeare mine and the report proposes that exploration would probably reveal other deposits in the area.

Gold grades do not often correlate positively with sulphide content within the mineralized zone, and gold can occur outside of the shear zone, although it has been identified to be more concentrated within shears and faults (Card and Palonen, 1976; Poutanen, 1960). Card and Palonen (1976) reported a western and eastern zone of mineralization, reporting 38.4 to 63.4 g/t Au over 1 metres in the western zone and more erratic intervals of 15.4 g/t Au over 0.2 m and 49.03 g/t Au over 0.36 m. Some of these intervals may represent stratigraphic units rather than veins in the standard sense. (Ronacher and McKenzie, 2017)

Extent of Gold Mineralization

Historical workings appear to have followed the shear zone along the Murray fault. High-grade gold intervals identified in 2014 drillholes targeting the zone beneath the historical shaft confirmed that the mineralized zone is still open at depths beneath the historical underground workings. No constraints to mineralization laterally or along strike have been identified and continuity along length, width, or depth are unknown.

Historical work has not identified a direct correlation of shearing with mineralization on the Property, as gold has been observed in both the fault structure and disseminated within the system, but the Murray fault has clearly been established as a structural control on mineralization.

The qualified persons have been unable to verify the information above and the information is not necessarily indicative of the mineralization on the property that is the subject of the technical report.

8. DEPOSIT TYPES

The deposit model for mineralization at the Shakespeare Mine is interpreted as orogenic gold, based on historical reports and lithological logs from drilling data.

Orogenic Gold Deposits

Archean orogenic lode gold deposits are the result of large, complex mineralizing systems that have developed within many Archean terranes. Deposits belonging to Archean orogenic lode gold mineralizing systems comprise epigenetic mineralization that formed as a result of focused fluid flow late during active deformation and metamorphism of volcano-plutonic terranes. They can occur in any lithology and formed at a range of paleocrustal levels through site-specific and local physical and chemical processes. The key feature of Archean orogenic lode gold systems is a broadly uniform low-moderate salinity, mixed aqueous-carbonic fluid that can carry Au but has limited capacity to transport base metals. (Hagemann and Cassidy, 2000)

Mineralization is typically hosted by veins filling shears and faults; mineralization is concentrated at jogs or changes in strike along the larger-scale fault zones. The timing of the mineralization is typically syn- to late-deformation. Stockworks, breccias, crack-seal veins, sigmoidal veins, and disseminations in deeper parts are all common. Swarms of lamprophyre dikes and intermediate to felsic porphyritic intrusions are also common in orogenic deposits. (Dubé and Gosselin, 2007; Ronacher and McKenzie, 2017; Groves, et al. 2003; Hagemann and Cassidy, 2000)

World-class orebodies are generally 2 to 10 kilometres long, about 1 kilometre wide, and are mined downdip to depths up to 2 to 3 kilometres. Most orogenic gold deposits contain 2 to 5 percent sulfide minerals. Carbonates, sericite/muscovite, chlorite, K-feldspar, biotite, tourmaline and albite are typical alteration minerals. Arsenopyrite and pyrite are the dominant sulfide minerals, whereas pyrrhotite is more important in higher temperature ores and base metals can also be found. Tungsten-, bismuth-, and tellurium-bearing mineral phases can be common and are dominant in the relatively sulfide poor intrusion-related gold deposits. Veins are common in orogenic deposits, in addition to disseminated mineralization (Groves, et al. 2003; Goldfarb et.al, 2005; Ronacher and McKenzie, 2017).

9. EXPLORATION

No exploration work has been carried out by the Issuer.

Historical exploration is summarized in Section 6.

10. DRILLING

No drilling has been carried out by the Issuer.

Historical drilling is summarized in Section 6.

11. SAMPLE PREPARATION, ANALYSES, AND SECURITY

Sampling Method and Sample Preparation

Core sampling was carried out by Case Lewis, P.Geo in 2014 and 2018 (for 2017 drilling). Core was cut into two halves along the entire length of each sample interval using a diamond core saw, with one side being placed into a single bag for each interval, sealed with zip ties the and sent for analysis. The other half of each sampled interval was retained in storage in core racks at Shining Tree, Ontario. All sampling during this drilling was supervised by Case Lewis.

Quality Assurance and Quality Control (QA/QC)

Standards and blanks were inserted by the logging geologist into the sample sequence during the logging and sampling process carried out in 2014 and 2018 (2017 drilling) before dispatch of the samples to the analytical laboratory. The standards used in the logging carried out were produced by CDN Resource Laboratories Ltd. of Langley, BC, which conforms to the standards of ISO 9001:2015. All samples passed quality control procedures.

Efforts were made to reduce contamination error by cleaning the sampling surfaces and tools before and after each sample. No jewelry was allowed in the core shack or sampling area.

Security

Samples from the 2014 and 2017 drilling programs were sealed under the supervision of Case Lewis and kept in secure storage for the duration of the sampling collection process. The sample shipment was then delivered directly to the laboratory in Timmins by Mr. Lewis.

Analyses

Samples from 2017 drilling campaign were submitted to Activation Laboratories Inc (Actlabs) of Timmins, Ontario. All holes were sent for standard fire assay with metallic screen re-assay on high Au values.

Actlabs is accredited by Standards Council of Canada (SCC) and conforms to the requirements of ISO/IEC 17025.

Analytical procedures at Activation Laboratories Inc. of Timmins, Ontario are considered satisfactory by Dr. Jackson.

Relationship of Laboratory to the Issuer

Activation Laboratories is independent of Graycliff and the Optionors.

Conclusion

Dr. Jackson has reviewed the sampling procedures carried out for the 2014 and 2017 drilling and concluded that sample preparation, analyses, security, and chain of custody for these were carried out adequately.

Historical data and reports prior to the 2014 and 2017 drilling programs lack information on analytical quality control methods and sample preparation, analysis, and security methods could not be verified by Dr. Jackson.

12. DATA VERIFICATION

Dr. Jackson reviewed data and reports available from various publications, news releases and technical reports and field visits, drilling, and core logging work on the property were obtained. Direct verification of historical results and data was not possible.

Verification sampling could not be completed on the property as mineralized drill core intervals was not available at the time of the site visit. No surface verification samples were taken as historically reported mineralization is located at depth.

Dr. Jackson carried out all data verification. It is of Dr. Jackson's opinion that the data presented in this technical report is adequate for the purposes of the Report and for purposes of recommending a preliminary drilling program on the Property.

13. MINERAL PROCESSING AND METALLURGICAL TESTING

No mineral processing and metallurgical testing have been completed on the Property.

14. MINERAL RESOURCE ESTIMATES

No mineral resource estimates have been completed on the Property.

15. TO 22. DO NOT APPLY TO THE PROPERTY

The Property is still at an early stage of exploration and in this case, Items 15 through 22 do not apply to the Property.

23. ADJACENT PROPERTIES

No major properties exist adjacent to the Shakespeare property. Two mineral claims are immediately adjacent to the property (Peter G. Blue). No information on recent activities by the claim owner is available.

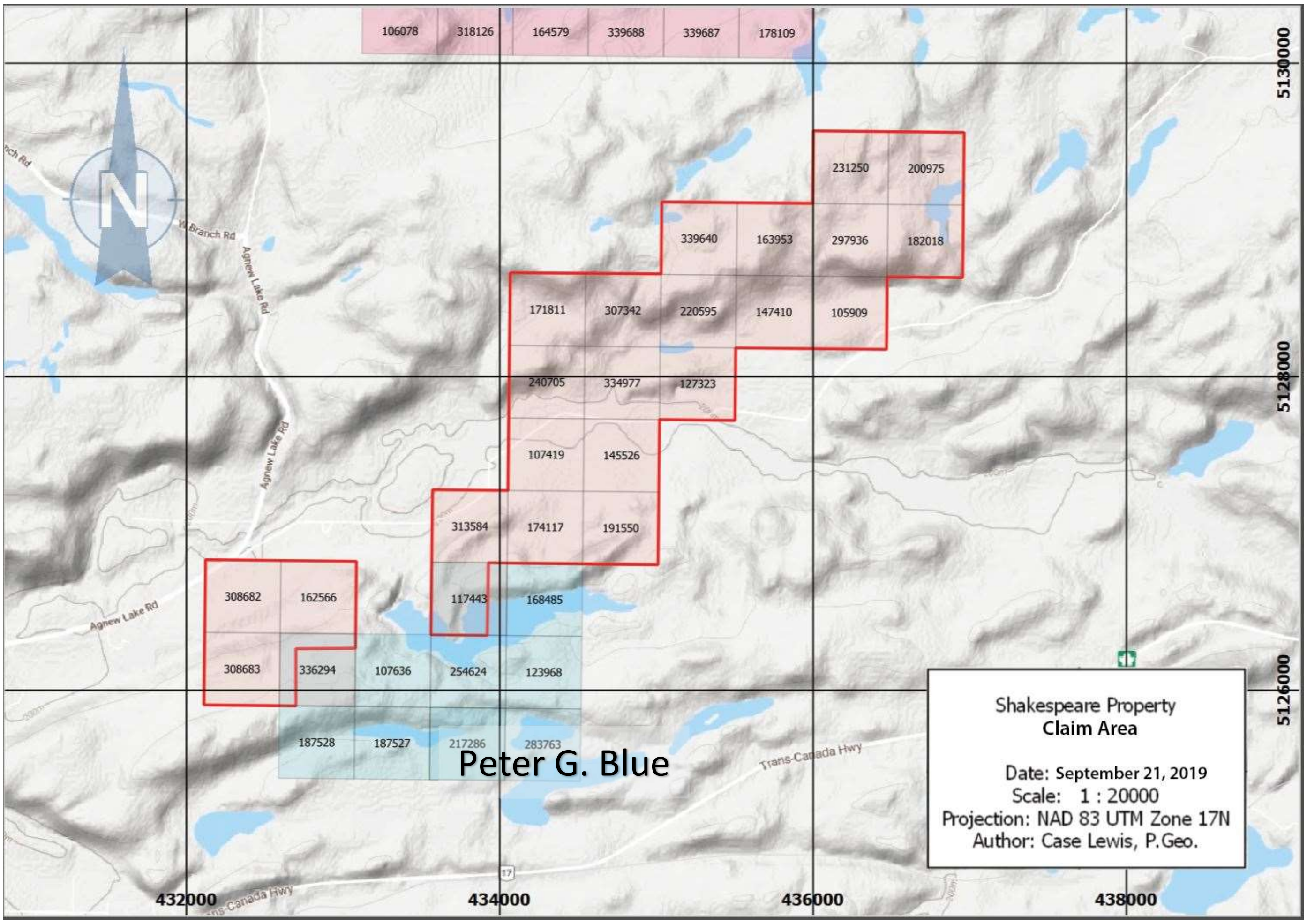

Figure 23.1. Adjacent Properties.

24. OTHER RELEVANT DATA AND INFORMATION

This Technical Report contains no formal disclosure relating to:

- mineral resources
- mineral reserves
- mining methods
- project infrastructure
- market studies and contracts
- capital and operating costs
- economic analysis

There is no additional information or explanation necessary to ensure that the Report is understandable and not misleading.

25. INTERPRETATION AND CONCLUSIONS

The Shakespeare property is located in the area of the historic Shakespeare mine, ~80 kilometres west of Sudbury, Ontario. The mine is reported to have produced more than 2,900 oz of gold in the early 1900s. The dominant rock types on the property are metasedimentary rocks of the Matinenda Fm and intercalated mafic metavolcanic rocks. The mineralization is hosted by strongly sheared quartzite and quartz-sericite schist. Gold occurs as native gold with little sulfide. Gold may be of either orogenic or volcanic exhalative nature with different exploration approaches needed to recognize both possible types

A significant amount of historic exploration was completed on the property between 1903 and 2014, including geophysical surveys, trenching and diamond drilling. The recent exploration is of particular interest: the 2012 IP survey delineated a chargeability anomaly and the 2014 diamond drilling delineated a thin, steeply dipping mineralized zone. The geophysical data was not interpreted in a geological context and the geological reason for the chargeability anomaly was not determined.

Of some concern on the Shakespeare Property is the lack of accurate mapping of the underground workings. As the mine has been sealed off, it is not currently possible to ensure the location any of the underground workings. As such, drilling near the historical workings must be carried out with extreme care, as encountering unexpected void space in the workings may result in the loss of drilling equipment or survey tools.

Consistent with the 2017 Independent Technical Report on the Shakespeare Property by Ronacher McKenzie, based on the recent historic exploration data and the geology of the property, the Authors conclude that potential exists for a mineralized zone in and around the historical mineshaft and mineralized intervals of historical drilling, which must be verified by a drilling program.

26. RECOMMENDATIONS

The Authors recommend the following two phases of work on the Property

26.1 Phase 1 – Data Compilation, Downhole IP

Data Compilation

Compiling the 2014 and 2017 drilling programs and the 2012 magnetic and IP surveys in 3D and interpreting the geophysical results in a geological context will be valuable for understanding the factors that control the location of the mineralization; in addition, such a 3D model will help with future targeting. It is unclear at this point what caused the chargeability anomaly delineated by the 2012 IP survey. In addition, the underground mine workings should be digitized and also included in the 3D model to avoid drilling into the workings in the future.

Consistent with the 2017 Independent Technical Report on the Property, the Authors recommend completing a detailed 3D and downhole IP survey. The purpose of the IP survey is to determine the extent of the mineralization intersected by the 2014 drilling. The results from such a survey will then be integrated with the geological model to determine drill targets.

Total cost for Phase 1 will be approximately **$100,000.**

26.2 Phase 2 – Exploration Diamond Drilling

Independent of the success of Phase 1, a diamond drilling campaign of approximately 1,000 metres should be completed to verify historically reported gold results and test the area around the Shakespeare mine shaft.

It is necessary to consider distribution of gold values within the geological context when evaluating a property in this geological setting. The "nugget effect" for gold is particularly difficult to measure and requires specialized assaying procedures, including metallic screen fire assay techniques. Mineralogical distribution of the gold within quartz vein materials, and various sulfide materials needs to be examined in detail at an early stage in core evaluation. Failure to do such can result in false interpretations and conclusions.

Geological descriptions in historical drill logs should be reviewed to determine the nature of disseminated gold mineralization in relation to the fault zone and potential stratigraphic controls.

Total cost for Phase 2 will be approximately **$300,000**. Both phases combined will total **$400,000.**

Table 26.1. Estimated Budget for Phase 1 (excluding tax)

Item	Qty	Unit	Cost/unit	Subtotal
Data compilation / modeling (x2 personnel)	10	days x 2 persons	$1,000	$20,000
Data compilation: Reporting and interpretation	1	units	$10,000	$10,000
Downhole IP Survey Personnel (x2)	10	days x 2 persons	$1,600	$16,000
Food and lodging (IP Survey)	10	days x 2 persons	$200	$4,000
Downhole IP Survey and Modeling	4 - 6	holes	$40,000	$40,000
Downhole IP Survey: Reporting and Interpretation	1	units	$10,000	$10,000
			Total	**$100,000**

Table 26.2. Estimated Budget for Phase 2 (excluding tax)

Item	Qty	Unit	Cost/unit	Subtotal
Drilling	1000	metres	$220	$220,000
Assays	250	samples	$45	$11,250
Project Geologist / QP	14	days	$900	$12,600
Geotechnicians (x 1)	14	days	$500	$7,000
Equipment and Personnel Mobilization / Travel Costs	1	units	$10,000	$10,000

Food and lodging	14	days x 2 persons	$200	$5,600
Reporting and interpretation	1	units	$6,000	$6,000
Budget contingency (~10%)				***$27,550***
			Total	**$300,000**

USE OF AVAILABLE FUNDS

Management believes that the Company will have sufficient working capital to continue operations for the next 12 months. Should a shortfall occur, the Company intends to access additional capital through the capital markets.

As at March 31, 2020, the Company had working capital of approximately $320,000. The primary business objectives and milestones that the Company hopes to achieve through use of these funds include completing Phase 1 of the proposed exploration program as set out in the Technical Report, and fulfilling cost requirements relating to the Company's application to list the Common Shares on the CSE. Specifically, the anticipated uses of the Company's estimated available funds available over the next 12 months, as well as the anticipated timelines for achieving certain business objectives in respect of such activities (where applicable), are set out in the table below:

Principal Purposes:	
Total funds available	**$320,000**
To pay the estimated cost of the remainder of the recommended exploration program, option obligations and budget on the Shakespeare Property as outlined in the Technical Report	$60,000(1)
Prospectus and CSE listing costs	$32,000(2)
Operating expenses for 12 months	$140,000(3)
Unallocated working capital	$88,000(4)
Estimated Total Funds Used:	**$320,000**

Notes

(1) The Company expects to have expended the remaining $60,000 of the $100,000 budgeted expenditures by Q3 2020.

(2) Expected to be completed by April 2020.

(3) Estimated operating expenses for the next 12 months include the following: rent ($12,000), salaries ($102,000), transfer agent fees ($3,000), SEDAR filing fees ($2,000), exchange fees ($9,000) and travel and related expenses ($12,000).

(4) This amount will be used in part for additional exploration expenditures as necessary, and general working capital.

The Company intends to spend the funds available to it as stated in this Prospectus. However, there may be circumstances where, for sound business reasons, a reallocation of the funds may be necessary. The amounts set forth above may increase if the Company is required to carry out due diligence investigations with regard to any prospective investment or business opportunity or if the costs of the Prospectus or listing the Common Shares of the Company on the CSE are greater than anticipated.

Since inception, the Company has not generated any cash flow from its operations and has incurred certain operating losses. Such losses and negative operating cash flow are expected to continue since funds will be expended to pay the Company's administrative expenses and to conduct the recommended exploration program on the Shakespeare Property.

In the future, the Company may pursue private placement debt or equity financing based upon its working capital needs from time to time, including without limitation, to fund future exploration of the Company's mineral property. However, there can be no assurance that such financing will be available or completed on terms that are favourable to the Company.

The Company has historically generated negative cash flows and there is no assurance that the Company will not experience negative cash flow from operations in the future. Please see "*Risk Factors – Negative Cash Flow from Operations*".

DIVIDENDS OR DISTRIBUTIONS

To date, the Company has not paid any dividends on its Common Shares, and the Board does not expect to declare or pay any dividends on the Common Shares in the foreseeable future. Payment of any dividends will be dependent upon the Company's future earnings, if any, its financial condition, and other factors the Board determines are relevant.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Please see the MD&A of the Company for the year ended December 31, 2018 and the nine-month period ended September 30, 2019.

DESCRIPTION OF SECURITIES

Common Shares

The Company is authorized to issue an unlimited number of Common Shares, of which 15,354,882 Common Shares are issued and outstanding as at the date of this Prospectus. Holders of Common Shares are entitled to one vote per Common Share at all meetings of the holders of Common Shares of the Company and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Common Shares, to participate ratably in any distribution of the Company's property or assets upon liquidation or wind-up. The Common Shares are without par value and without restrictions attached. There are no pre-emptive, redemption, retraction, purchase or conversion rights attaching to the Common Shares.

Warrants

As at the date of this Prospectus, the Company has not issued any warrants.

CONSOLIDATED CAPITALIZATION

The following table sets forth the number of outstanding securities of the Company as of the date of this Prospectus:

Description of Security	Amount Authorized	Weighted Average Price	Outstanding as at September 30, 2019	Outstanding as at the Date of the Prospectus
Common Shares	Unlimited	$0.045	5,510,549	15,354,882
Options	1,535,488	$0.15	NIL	800,000

OPTIONS TO PURCHASE SECURITIES

Stock Option Plan

The Company created a stock option plan that was approved by the Board on December 4, 2019 (the "**Stock Option Plan**"). The purpose of the Stock Option Plan is to assist the Company in attracting, retaining and motivating directors, officers, employees and consultants (together, "**service providers**") of the Company and of its affiliates and to closely align the personal interests of such service providers with the interests of the Company and its shareholders.

The Stock Option Plan provides that, subject to the requirements of the CSE, the aggregate number of Common Shares reserved for issuance pursuant to options granted under the Stock Option Plan will not exceed 10% of the number of Common Shares of the Company issued and outstanding from time to time.

The Stock Option Plan is administered by the Board, which has full and final authority with respect to the granting of all options thereunder subject to the express provisions of the Stock Option Plan.

Options may be granted under the Stock Option Plan to such directors, employees, consultants or management company employees of the Company and its subsidiaries, if any, as the Board may from time to time designate. The exercise prices are determined by the Board, but may not, in any event, be less than the closing market price of the Common Shares on the CSE on the trading day prior to the earlier of dissemination of a news release disclosing the issuance of the option grant, or the posting of notice of the proposed option grant with the CSE. The Stock Option Plan complies with National Instrument 45-106 *Prospectus Exemptions* and provides that the number of Common Shares which may be reserved for issuance on a yearly basis to any one related person upon exercise of all stock options held by such individual may not exceed 5% of the issued Common Shares calculated at the time of grant. Moreover, the Company cannot issue grants to related persons if in the aggregate their grants would, on a fully diluted basis, exceed 10% of the issued and outstanding Common Shares of the Company.

The Stock Option Plan is the Company's only equity compensation plan. As of the date of this Prospectus, the Company has 800,000 options outstanding to purchase Common Shares. The following table is a summary setting out the options which have been granted to directors, officers, employees, consultants or others as at the date of this Prospectus:

Group	**Options to purchase common shares**	**Exercise Price**	**Expiry Date**	**Grant Date**	**Closing Price on grant date**
Executive officers and past executive officers	450,000	$0.15	December 4, 2024	December 4, 2019	N/A
Directors and past directors not included in the above	300,000	$0.15	December 4, 2024	December 4, 2019	N/A
Consultants	50,000	$0.15	December 4, 2024	December 4, 2019	N/A
Total	800,000				

PRIOR SALES

During the 12 months preceding the date of this Prospectus, the Company has issued the following securities[1]:

Date of Issue	**Type of Security**	**Number of Securities**	**Issue or Exercise Price per Security**	**Reason for Issue**
August 1, 2018	Common Shares	1,010,549[2]	N/A	Issued pursuant to spin-off
October 1, 2019	Common Shares	2,533,333	$0.005	Shares issued for cash and advisory services[3]

October 24, 2019	Common Shares	8,100,000[4]	$0.02	Private Placement
November 8, 2019	Common Shares	322,500	$0.10	Private Placement
November 28, 2019	Common Shares	388,500	$0.10	Private Placement
December 4, 2019	Options	800,000[5]	$0.15	Option Grants
December 17, 2019	Common Shares	3,000,000	$0.15	Private Placement

Notes

(1) On July 30, 2018, the Company issued 12,114,451 Common Shares in connection with a non-binding letter of intent it had entered into regarding a proposed reverse-takeover transaction. However, as the proposed transaction was never completed, these Common Shares were subsequently cancelled, with 7,614,451 Common Shares being cancelled on May 6, 2019 and the remaining 4,500,000 Common Shares being cancelled on October 7, 2019.

(2) 140,000 of these Common Shares, being 13.85% of the Common Shares issued on this date, were issued to Insiders of the Company.

(3) These Common Shares were issued to certain individuals who paid $0.005 for each Common Share and who provided certain advisory services to the Company.

(4) 400,000 of these Common Shares, being 4.94% of the Common Shares issued on this date, were issued to Insiders of the Company.

(5) 600,000 of these Options, being 75% of the Options granted on this date, were granted to Insiders of the Company.

TRADING PRICE AND VOLUME

As of the date of this Prospectus, the Company does not have any of its securities listed or quoted in Canada, has not applied to list or quote any of its securities, and does not intend to apply or list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S, marketplace, or a marketplace outside of Canada and the United States of America.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

Escrowed Securities

The policies and notices of the CSE require that securities held by certain shareholders of the Company are required to be held in escrow in accordance with the escrow requirements set out in CSE Policy 2 – *Qualification for Listing*.

Under the applicable policies and notices of the Canadian Securities Administrators securities held by Principals (as defined below) are required to be held in escrow in accordance with the national escrow regime applicable to initial public distributions. Equity securities, including Common Shares, owned or controlled by the Principals of the Company are subject to the escrow requirements.

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

a. directors and senior officers of the Company, as listed in this Prospectus;

b. promoters of the Company during the two years preceding the listing on the CSE;

c. those who own and/or control more than 10% of the Company's voting securities immediately after completion of the listing on the CSE if they also have appointed or have the right to appoint a director or senior officer of the Company or of a material operating subsidiary of the Company;

d. those who own and/or control more than 20% of the Company's voting securities immediately after completion of the listing on the CSE; and

e. associates and affiliates of any of the above.

The Principals of the Company include all of the directors and senior officers of the Company.

The Company intends to enter into an agreement (the "**Escrow Agreement**") with the Escrow Agent and the Principals of the Company, pursuant to which the Principals would agree to deposit in escrow their Common Shares (the "**Escrowed Securities**") with the Escrow Agent. The Escrow Agreement will be prepared in accordance with Form 46-201F1 *Escrow Agreement*, and as the Company is an "emerging issuer", it will provide that 10% of the Escrowed Securities will be released from escrow upon the date of the Company listing its Common Shares on the CSE, with an additional 15% to be released upon each six month interval thereafter, over a period of 36 months.

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

a. transfers to continuing or, upon their appointment, incoming directors and senior officers of the Company or of a material operating subsidiary, with approval of the Board;

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

c. transfers upon bankruptcy to the trustee in bankruptcy;

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

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

The following table sets forth details of the Escrowed Securities that are expected to be subject to the Escrow Agreement. The numbers and percentages set out in the table below are current as of the date of this Prospectus:

Name and municipality of residence of security holder	Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class[1]
Julio DiGirolamo Ontario, Canada	Common Shares	100,000	0.65%[2]
Samuel Hardy British Columbia, Canada	Common Shares	240,000	1.56%[3]
David Lees Western Australia, Australia	Common Shares	100,000	0.65%[4]
James Macintosh Ontario, Canada	Common Shares	100,000	0.65%
Total		**540,000**	**3.52%**

Notes
(1) Percentage is based on 15,354,882 outstanding Common Shares as of the date of this Prospectus.
(2) These Common Shares are held by Front Street Management Inc., of which Julio DiGirolamo is the founder, president and a director.
(3) These Common Shares are held by Cronin Capital Corp., of which Samuel Hardy is the founder, president and a director.
(4) These Common Shares are held by Peninsula Investments (WA) Pty Ltd., of which David Lees is the founder, president and a director.

PRINCIPAL SECURITYHOLDERS

To the knowledge of the Company's directors and officers, there are no persons who beneficially own, control, direct or will own, control or direct as of the date of this Prospectus, directly or indirectly, 10% or more of the issued and outstanding Common Shares.

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets out particulars of the current directors and executive officers of the Company as at the date of the Prospectus. The term of each director will expire at the close of the next annual general meeting, unless such director resigns or otherwise vacates office before that time.

Name, Province or State & Country of Residence, and Position(s) with the Company	Principal Occupation, Business or Employment for Past 5 Years	Term of Office	Number and Percentage of Common Shares[(1)] Beneficially Owned or Controlled Directly or Indirectly as of the Date of this Prospectus
Julio DiGirolamo Ontario, Canada Chief Financial Officer, Corporate Secretary and Director	Chief Financial Officer, Corporate Secretary and Director of the Company. Director of Capricorn Business Acquisitions Inc. from December 2009 to December 2016. Director of GTA Financecorp Inc. from November 2016 to present. Chief Financial Officer, Corporate Secretary and Director of Monterey Minerals Inc. from August 2018 to present. Director of Rex Opportunity Corp. from January 2019 to present.	Director since October 2, 2019. Chief Financial Officer and Corporate Secretary since November 28, 2019.	100,000[(2)] 0.65%
Samuel Hardy British Columbia, Canada Non-Executive Chairman and Director	President of Cronin Capital Corp. (formally Ridge Resources Ltd.) from January 2007 to present.	Director since March 13, 2018. Non-Executive Chairman and Director since November 21, 2019.	240,000[(3)] 1.56%

	Vice President of Venex Capital Corp. from February 2016 to present. President of Cronin Services from February 2018 to present. Director of Monterey Minerals Inc. from April 2018 to present. Secretary of Ironwood Capital Corp. from June 2019 to present. Chairman and Chief Executive Officer of Imperial X Plc from July 2019 to present.		
David Lees Western Australia, Australia Director	Managing Director of Peninsula Investments (WA) Pty Ltd from 2007 to present. Managing Director of Casey Lees International Pty Ltd from 2017 to present. Non-Executive Director of Sultan Resources Ltd. from March 2019 to present.	Director since November 28, 2019.	100,000 (4) 0.65%
James Macintosh Ontario, Canada President, Chief Executive Officer and Director	President, Chief Executive Officer and Director of the Company. President, Chief Executive Officer and Director of Continental Mining and Smelting Limited from October 2010 to November 2016.	Director since October 1, 2019. President and Chief Executive Officer since November 28, 2019.	100,000 0.65%

	President, Chief Executive Officer and Director of GTA Resources and Mining Inc. from November 2016 to August 2017. President and Chief Executive of Southern Pioneer Resources Corp. from April 2018 to present. President, Chief Executive Officer and Director of Monterey Minerals Inc. from August 2018 to present.		
TOTAL			**540,000** **3.51%**

Notes:

(1) Based upon 15,354,882 issued and outstanding Common Shares as at the date of this Prospectus.

(2) These Common Shares are held by Front Street Management Inc., of which Julio DiGirolamo is the founder, president and a director.

(3) These Common Shares are held by Cronin Capital Corp., of which Samuel Hardy is the founder, president and a director.

(4) These Common Shares are held by Peninsula Investments (WA) Pty Ltd., of which David Lees is the founder, president and a director.

Other than the 800,000 options to purchase Common Shares described in greater detail under the heading "*Options to Purchase Securities*", none of the directors or officers of the Company has the right to acquire any additional securities pursuant to warrants, conversion privileges or other rights. No Common Shares are pledged as security.

As of the date of this Prospectus, the directors and officers of the Company, as a group, directly or indirectly, beneficially own 540,000 Common Shares of the Company, representing 3.51% of the issued and outstanding Common Shares of the Company on an undiluted basis. See "*Principal Shareholders*".

Management of the Company

The following are descriptions of the background of the directors and officers of the Company, including a description of each individual's principal occupation(s) within the past five years. None of the Company's directors or officers are employees of the Company, and none of the Company's directors or officers have entered into non-competition or non-disclosure agreements with the Company.

James Macintosh, President, Chief Executive Officer and Director (age 58) has over 30 years of experience in the mining industry and as a mining analyst. For the past 25 years he has held various executive and directorial positions with numerous public and private companies in Canada and the United States. Mr. Macintosh has advanced a number of public issuer mining exploration and development companies to prospective mine status. His commitment to the Company is leading the Company to advance the current property via its upcoming work program and review potential exploration projects that enhance shareholder value. Mr. Macintosh is currently President, Chief Executive Officer and a Director of Monterey Minerals Inc., a public exploration company listed on the Canadian Securities Exchange (CSE: MREY). Mr. Macintosh was recently the Lead Director and Chairman of the audit committee for Carlisle Goldfields Limited, a Canadian gold company sold to Alamos Gold Inc. Mr. Macintosh graduated from Queen's University with a B.Sc. (Honours, Geological Sciences) and sits on the Queen's University Geology Council. It is expected that Mr. Macintosh will devote approximately 40% of his time to his role with the Company.

Julio DiGirolamo, Chief Financial Officer and Corporate Secretary and Director (age 51) is a Chartered Professional Accountant with over 24 years of senior-level public company experience including, including four and a half years as Chief Financial Officer of Carlisle Goldfields Limited, a TSX-listed gold exploration company with projects located in northern Manitoba, Canada, until its sale to Alamos Gold Inc. in January 2016. Among his other responsibilities, Mr. DiGirolamo is currently also Chief Financial Officer, Corporate Secretary and Director of Monterey Minerals Inc. as well as Chief Financial Officer and Corporate Secretary of Idaho Champion Gold Mines Canada Inc. and Chief Financial Officer for each of 55 North Mining Inc. and Satori Resources Inc. He began his public market experience while holding various senior roles during his five years with Greenstone Resources Ltd., a TSX and NASDAQ-listed gold mining company with activities focused in four Latin American countries. Mr. DiGirolamo was also previously the Chief Financial Officer of Bunker Hill Mining Corp., A CSE-listed company, as well as Asia Now Resources Corp., a TSX Venture Exchange-listed junior exploration company, and Chief Financial Officer and Corporate Secretary of Innovium Media Properties Corp., a TSX Venture Exchange-listed early stage investor. During his time at Innovium, he also acted as interim Chief Financial Officer at Seed Media Group LLC and as Chief Financial Officer, Corporate Secretary and member of the Board of Directors of Atlantis Systems Corp. Over his career, Mr. DiGirolamo has served on the boards of various public and non-profit organizations. Mr. DiGirolamo graduated from the Schulich School of Business at York University with a Bachelor of Business Administration (Accounting and Economics). It is expected that Mr. DiGirolamo will devote approximately 25% of his time to his role with the Company.

Samuel (Kyler) Hardy, Director and Non-Executive Chairman (age 36) is a natural resources focused entrepreneur. He has been involved in the sector for over 16 years with both private and public businesses. During his career he has gained a wide array of natural resource specific experience including diamond driller, project manager, exploration service contractor, business consultant, public company management and private equity investor. He has built businesses from early stage start-ups to advanced operating companies in several sectors. He was a founder and former Chief Executive Officer of a large geosciences and logistics management business specializing in grassroots to brownfields exploration and development. Mr. Hardy is experienced in project generation, exploration management, logistics, structuring, raising capital, corporate development and developing strategic alliances and partnerships. He is currently Chief Executive Officer of the Cronin Group (a natural resource focused merchant bank), Chief Executive Officer of Linceo Media Group, Advisor to Venex Capital Corp., director of Hexa Resources Ltd., Chairman of Cloudbreak Capital Corp., and Chairman and Chief Executive Officer of Imperial X Plc. It is expected that Mr. Hardy will devote approximately 10% of his time to his role with the Company.

David Lees, Director (age 41)

Mr. Lees has over 20 years' experience in the financial services industry, beginning his career as a stockbroker before moving into investment and funds management, with a primary focus on natural resources. Through these roles, Mr. Lees has gained extensive experience with capital raising, business development, portfolio management, business relationships and corporate governance.

Mr. Lees currently serves as a non-executive director of ASX-listed Sultan Resources Ltd. (ASX: SLZ). His education qualifications include a Bachelor of Economics from Murdoch University in Western Australia and a post graduate diploma in Applied Finance and Investment from the Securities Institute. It is expected that Mr. Lees will devote approximately 10% of his time to his role with the Company.

Cease Trade Orders, Bankruptcies or Sanctions

Except as specified below, as at the date of this Prospectus, and within the last 10 years before the date of the Prospectus, neither the CEO or CFO, nor any director (or any of their personal holding companies) of the Company was a director, CEO or CFO of any company (including the Company) that:

(a) was subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days while that person was acting in the capacity as director, CEO or CFO;

(b) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation in each case for a period of 30 consecutive days, that was issued after the person ceased to be a director, CEO or CFO in the company and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO;

(c) is as at the date of this Prospectus or has been within 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

(d) 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, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

Mr. DiGirolamo served as an officer of Asia Now Resources Corp. ("**ANR**") from August 2013 to August 2015. Mr. Macintosh also served as a director of ANR from June 2012 to August 2015 and was the Chair of the Special Committee of the Board of Directors. The Special Committee of the Board of Directors of ANR determined to that it was in ANR's best interests to facilitate a "going private" transaction whereby its majority shareholder and secured debtholder, China Gold Pte. Ltd. ("**China Gold**"), would purchase the shares of ANR it did not already own. In July 2015, a sufficient number of ANR's minority shareholders voted against this proposal such that the transaction was not approved, and ultimately resulted in a default on ANR's secured debt with China Gold. Mr. DiGirolamo and Mr. Macintosh both resigned from their roles at ANR. Subsequently, a receiver was appointed in August 2015 with a view to liquidating ANR's remaining assets. This process has been completed through the courts in Ontario.

Mr. DiGirolamo is a former officer of, and Mr. Macintosh is a former officer and director of, Innovium Media Properties Corp. ("**Innovium**"). As a result of not filing its annual financial statements for the year ended December 31, 2010 by the date upon which such financial statements were due to be filed, on May 10, 2011, the British Columbia Securities Commission (the "**BCSC**") issued a cease trade order against all officers, directors, insiders and control persons of Innovium. The Autorité des marchés financiers issued a similar cease trade order against Innovium on May 20, 2011. As of this date, the aforementioned cease trade orders remain in effect and Innovium is inactive and has been delisted from the TSX Venture Exchange.

Mr. Macintosh was a director of Acadian Energy Inc. ("**Acadian**"). As a result of not filing its annual financial statements for the year ended December 31, 2010 and interim financial statements for the first quarter ended March 31, 2011, on August 5, 2011, the BCSC issued a cease trade order against Acadian. The Ontario Securities Commission issued a similar cease trade order on August 16, 2011. Acadian filed the aforementioned annual and interim financial statements on November 8, 2011, and the cease trade orders were subsequently revoked.

Penalties or Sanctions

No director, officer, insider or promoter of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has: (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

There are potential conflicts of interest to which the directors, officers, insiders and promoters of the Company will be subject in connection with the operations of the Company. Some of the directors, officers, insiders and promoters are engaged in and will continue to be engaged in corporations or businesses which may be in competition with the business of the Company. Accordingly, situations may arise where the directors, officers, insiders and promoters will be in direct competition with the Company. The directors and officers of the Company are required by law to act in the best interests of the Company. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives. None of the directors or officers of the Company have entered into non-competition or non-disclosure agreements with the Company. Conflicts, if any, will be subject to the procedures and remedies as provided under the BCBCA*,* the CSE, and applicable securities laws, regulations and policies.

EXECUTIVE COMPENSATION

Based on the requirements of Form 51-102F6V *Statement of Executive Compensation – Venture Issuers* (“**Form 51-102V6**”) all direct and indirect compensation provided to certain executive officers, and directors for, or in connection with, services they have provided to the Company or a subsidiary of the Company must be disclosed. The Company is required to disclose annual and long-term compensation for services in all capacities to the Company and its subsidiaries for the two most recently completed financial years in respect of the Chief Executive Officer, the Chief Financial Officer and the most highly compensated executive officers of the Company whose individual total compensation for the most recently completed financial year exceeds $150,000, and any individual who would have satisfied these criteria but for the fact that the individual was not serving as an officer at the end of the most recently completed financial year (the “**Named Executive Officers**” or “**NEOs**”).

The compensation provided to directors and NEOs is disclosed in accordance with Form 51-102F6V in the tables below as follows:

(1) Table of compensation excluding compensation securities; and

(2) Stock options and other compensation securities.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table states the names of each NEO and director and his annual compensation, consisting of salary, consulting fees, bonuses and other annual compensation, excluding compensation securities, for each of the Company's two most recently completed financial years.

Table of compensation excluding compensation securities							
Name and position	**Year**	**Salary, consultin g fee, retainer or**	**Bonu s ($)**	**Committ ee or meeting fees ($)**	**Value of perquisites ($)**	**Value of other compe n-**	**Total compensatio n ($)**
Julio DiGirolamo Director,	2018	N/A	N/A	N/A	N/A	N/A	N/A
	2017	N/A	N/A	N/A	N/A	N/A	N/A
Samuel Hardy Non-Executive Chairman	2018	N/A	N/A	N/A	N/A	N/A	N/A
	2017	N/A	N/A	N/A	N/A	N/A	N/A
David Lees Director	2018	N/A	N/A	N/A	N/A	N/A	N/A
	2017	N/A	N/A	N/A	N/A	N/A	N/A
James Macintosh Director, President and Chief	2018	N/A	N/A	N/A	N/A	N/A	N/A
	2017	N/A	N/A	N/A	N/A	N/A	N/A
Gary Handley Former Chief Executive Officer, Chief Financial	2018	NIL	NIL	NIL	NIL	NIL	NIL
	2017	NIL	NIL	NIL	NIL	NIL	NIL
Michael Kraemer	2018	NIL	NIL	NIL	NIL	NIL	NIL
	2017	NIL	NIL	NIL	NIL	NIL	NIL
Ron Ozols Former Chief Executive Officer and	2018	N/A	N/A	N/A	N/A	N/A	N/A
	2017	NIL	NIL	NIL	NIL	NIL	NIL

Notes

(1) Mr. Handley was appointed as Chief Executive Officer and Chief Financial Officer and Director on March 13, 2018 and resigned from each of these positions on November 28, 2019.

(2) Mr. Kraemer was appointed as Director on March 13, 2018 and resigned on October 1, 2019.

(3) Mr. Ozols was appointed Chief Executive Officer and Director on October 19, 2016 and resigned from each of these positions on March 13, 2018.

Stock Options and Other Compensation Securities

Compensation Securities							
Name and position	**Type of compen-sation security**	**Number of compensati on securities, number of underlying securities**	**Date of issue or grant**	**Issue conve r- sion or exercis e price**	**Closing price of security or underlyi ng security**	**Closing price of security or underlyin g security**	**Expiry date**
Julio DiGirolamo Director, Corporate Secretary and Chief Financial	Options to purchase Commo n Shares	# of securities: 200,000 # of underlying securities:	December 4, 2019	0.15	N/A	N/A	Decemb er4, 2024
Samuel Hardy Non-Executive Chairman and Director	Options to purchase Commo n Shares	# of securities: 150,000 # of underlying securities:	December 4, 2019	0.15	N/A	N/A	Decemb er 4, 2024
David Lees Director	Options to purchase Commo n Shares	# of securities: 150,000 # of underlying securities:	December 4, 2019	0.15	N/A	N/A	Decemb er 4, 2024
James Macintosh Director, President and Chief Executive	Options to purchase Commo n Shares	# of securities: 250,000 # of underlying securities:	December 4, 2019	0.15	N/A	N/A	Decemb er 4, 2024
Gary Handley Former Chief Executive Officer, Chief Financial	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Michael Kraemer Former	N/A	Nil	N/A	N/A	N/A	N/A	N/A

Ron Ozols Former Chief Financial Off...	N/A	Nil	N/A	N/A	N/A	N/A	N/A

Notes

(1) Percentage of class calculation is based on 16,154,882 fully diluted outstanding Common Shares as of the date of this Prospectus.

(2) Mr. Handley was appointed as Chief Executive Officer and Chief Financial Officer and Director on March 13, 2018 and resigned from each of these positions on November 28, 2019.

(3) Mr. Kraemer was appointed as Director on March 13, 2018 and resigned on October 1, 2019.

(4) Mr. Ozols was appointed Chief Executive Officer and Director on October 19, 2016 and resigned from each of these positions on March 13, 2018.

No compensation securities were exercised by any directors or NEOs within the last financial year.

Stock Option Plans and Other Incentive Plans

The Stock Option Plan is the Company's only equity compensation plan. As of the date of this Prospectus, the Company has 800,000 options outstanding to purchase Common Shares.

Employment, Consulting and Management Agreements

Management of the Company is performed by the directors and officers of the Company and not by any other person.

There are no plans in place with respect to compensation of the Named Executive Officers in the event of a termination of employment without cause or upon the occurrence of a change of control.

The Company has not entered into any consulting agreements.

Oversight and Description of Director and Named Executive Officer Compensation

Given the Company's size and stage of operations, it has not appointed a compensation committee or formalized any guidelines with respect to compensation at this time. The amounts paid to the Named Executive Officers are determined by the independent Board members. The Board determines the appropriate level of compensation reflecting the need to provide incentives and compensation for the time and effort expended by the Company's executives, while taking into account the financial and other resources of the Company.

Pension Plan Benefits

As of the date of this Prospectus, the Company does not maintain any defined benefit plans, defined contribution plans or deferred compensation plans.

Statement of Executive Compensation

As at the date of this Prospectus, the only compensation that has been determined by the Company to be paid in the coming year will be $5,000 per month payable to the Chief Executive Officer and $3,500 per month payable to the Chief Financial Officer.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors or officers of the Company or any of their respective associates or affiliates has been indebted to the Company as at the date of this Prospectus or at any time since the date of the Company's incorporation.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Pursuant to National Instrument 52-110 *Audit Committees* ("**NI 52-110**"), the Company is required to have an audit committee. The general function of the audit committee is to review the overall audit plan and the Company's system of internal controls, to review the results of the external audit and to resolve any potential dispute with the Company's auditor. In addition, the audit committee must review and report to the directors of the Company on the financial statements of the Company and the auditor's report before they are published.

The Audit Committee's Charter

The Audit Committee Charter of the Company is attached hereto as Schedule "A".

Composition of the Audit Committee

At a meeting of the Company's Board on December 4, 2019, the Board approved an audit committee (the "**Audit Committee**"). The Audit Committee is currently comprised of Samuel Hardy, David Lees and Julio DiGirolamo. David Lees serves as the chair of the Audit Committee.

Audit Committee Member	Title	Independent or Not	Financially Literate
Samuel Hardy	Non-Executive Chairman and Director	Yes	Yes
David Lees (Chair)	Director	Yes	Yes
Julio DiGirolamo	Chief Financial Officer, Corporate Secretary and Director	No	Yes

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company's Board, reasonably interfere with the exercise of a member's independent judgment.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

Relevant Education and Experience

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

Samuel Hardy – Mr. Hardy has been involved in the financing, administration and growth of several companies bringing a wide range of experience within the mineral exploration and mining industry.

David Lees – Mr. Lees has over 20 years' experience in the financial services industry, and has extensive experience with capital raising, business development, portfolio management, business relationships and corporate governance. Mr. Lees has a Bachelor of Economics from Murdoch University in Western Australia and a post graduate diploma in Applied Finance and Investment from the Securities Institute.

Julio DiGirolamo – Mr. DiGirolamo is a Chartered Professional Accountant with over 24 years of senior-level public company experience, including serving as chief financial officer for several companies, which has given him extensive experience in financial review and management.

In addition to each member's general business experience, each member of the Audit Committee has adequate education and experience that would provide the member with:

(a) an understanding of the accounting principles used by the Company to prepare its financial statements;

(b) the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

(c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising individuals engaged in such activities; and

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

Audit Committee Oversight

At no time since incorporation has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

Reliance on Certain Exemptions

At no time since incorporation has the Company relied on the exemption in section 2.4 of NI 52-110 (*De Minimis Non-Audit Services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. Part 8 of NI 52-110 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by Clearhouse LLP (formerly SDVC LLP), for the years ended December 31, 2017 and December 31, 2018, to the Company to ensure auditor independence. Fees billed for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table:

Nature of Services	Fees Billed by Auditor for the Year Ended December 31, 2018	Fees Billed by Auditor for the Year Ended December 31, 2017
Audit Fees(1)	$1,950	$1,950
Audit-Related Fees(2)	$0	$0
Tax Fees(3)	$0	$0
All Other Fees(4)	$0	$0
TOTAL:	**$1,950**	**$1,950**

Notes:

(1) "Audit fees" include fees necessary to perform the annual audit the Company's financial statements. Audit fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements.

(2) "Audit-related fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax fees" include fees for all tax services other than those included in "audit fees" and "audit-related fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All other fees" include all other non-audit services.

Exemption

The Company has relied upon the exemption provided in section 6.1 of NI 52-110, which exempts a "venture issuer" from the requirement to comply with the restrictions on the composition of its Audit Committee.

CORPORATE GOVERNANCE

General

Corporate governance refers to the policies and structure of the Board of a company whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the Board from executive management and the adoption of policies to ensure the Board recognizes the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

Effective June 30, 2005, National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**") and National Policy 58-201 *Corporate Governance Guidelines* ("**NP 58-201**") were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices. This section sets out the Company's approach to corporate governance and describes the measures taken by the Company to comply with NI 58-101.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Company's Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Company's Board facilitates its exercise of independent judgement in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Company's Board requires management to provide complete and accurate information with respect to the Company's activities and to provide relevant information concerning the industry in which the Company operates in order to identify and manage risks. The Company's Board is responsible for monitoring the Company's officers, who in turn are responsible for the maintenance of internal controls and management information systems.

The following members of the Board are non-independent: James Macintosh and Julio DiGirolamo.

The following members of the Board are independent: Samuel Hardy and David Lees.

Directorships

The following directors of the Company are currently directors of other reporting issuers:

Director	Reporting Issuer:	Exchange Listed on and Symbol:
Julio DiGirolamo	GTA Financecorp. Inc.	TSX Venture Exchange: GTA
	Monterey Minerals Inc.	CSE: MREY
Samuel Hardy	Imperial X Plc	NEX (London): IMPP
	Ironwood Capital Corp. (Secretary)	TSX Venture Exchange: IRN.P
David Lees	Sultan Resources Ltd	ASX: SLZ
	Monterey Minerals Inc.	CSE: MREY
James Macintosh	Monterey Minerals Inc.	CSE: MREY

Orientation and Continuing Education

When new directors are appointed, they receive an orientation, commensurate with their previous experience, on the Company's properties, business, technology and industry and on the responsibilities of directors.

Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. Further, the Company's auditor has full and unrestricted access to the Audit Committee at all times to discuss the audit of the Company's financial statements and any related findings as to the integrity of the financial reporting process.

Nomination of Directors

The Company's management is continually in contact with individuals involved in the mineral exploration industry and public-sector resource issuers. From these sources, the Company has made numerous contacts and continues to consider nominees for future board positions. The Company conducts diligence and reference checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in the area of strategic interest to the Company, the ability to devote the time required and willingness to serve. The Board does not currently have a nominating committee.

Compensation

The Board as a whole determines the salary and benefits of the executive officers and directors of the Company, as well as the Company's general compensation structure, policies and programs.

Other Board Committees

The Board currently has no other committees other than the Audit Committee.

Assessments

The Board works closely with management, and, accordingly, the Board is in a position to assess the performance of individual directors on an ongoing basis.

LISTING APPLICATION AND CONDITIONAL LISTING APPROVAL

The Company has applied to list its Common Shares on the CSE. The CSE has not approved the listing of the Common Shares. Listing is subject to the Company fulfilling all the listing requirements of the CSE.

As at the date of the Prospectus, the Company does not have any of its securities listed and quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside of Canada and the United States of America.

RISK FACTORS

An investment in the Common Shares of the Company involves a substantial risk of loss. You should carefully consider these risk factors, together with all of the other information included in this Prospectus. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with the Company's operations. There may be other risks and uncertainties that are not known to the Company or that the Company currently believes are not material, but which also may have a material adverse effect on its business, financial condition, operating results or prospects. In that case, the future trading price of the Common Shares could decline substantially, and investors may lose all or part of the value of the Common Shares held by them. An investment in securities of the Company should only be made by persons who can afford a significant or total loss of their investment.

The Company has identified the following risks relevant to its business and operations, which could materially affect the Company's operating results, financial performance and the value of the Common Shares. Prospective future investors should carefully consider their personal circumstances and consult their broker, lawyer, accountant or other professional adviser before making an investment decision. The information below does not purport to be an exhaustive summary of the risks affecting the Company and additional risks and uncertainties not currently known to the officers or directors of the Company or not currently perceived as being material may have an adverse effect on the business of the Company.

An investment in the Company is highly speculative in nature and future investors could lose part or all of their investment.

An investment in the Company involves a high degree of risk and is appropriate only for investors who are prepared to have their money invested for a long period of time, and have the capacity to absorb a loss of some or all of their investment. While the Company has applied to list the Common Shares on the CSE, there is currently no public trading market for the securities. This means that there is currently no central place, like a stock exchange or stock quotation system, for investors to resell their Common Shares.

The Company does not expect to pay any cash dividends.

The Company may not achieve a level of profitability that would permit payments of cash dividends to shareholders.

If the Company does not obtain additional financing, its business may fail.

The Company's current operating funds are sufficient to carry out current exploration plans on its mineral claims. The Company may need to obtain additional financing in order to complete any additional exploration on such mineral claims, if deemed necessary. The Company expects that the exploration of its present mineral claims will cause the Company to incur significant expenses. The Company believes the only realistic sources of future funds presently available to it are through the sale of equity capital or from loans. Any sale of share capital will result in dilution to existing shareholders. At the present time, the Company has not made any plans to raise additional money and there is no assurance that the Company will be able to raise additional money in the future.

If the Company requires additional funding and is unable to raise it, the Company may be required to suspend or cease operations, which could adversely affect the Company's share price. In addition, depending on the number of properties that the Company may acquire and the size of such properties, the Company may not have sufficient funds to maintain the minimum exploration expenditures required for it to keep such property(ies). This may cause the Company to lose its rights to any properties that it may acquire, which could further adversely affect the Company's share price.

The Company has limited operating history and no revenue which would permit you to judge the probability of the Company's success.

The Company was incorporated in October 2016 and it has not commenced substantial operations, nor has it realized any revenues. This lack of operating history makes it very difficult for potential investors to make an investment decision based upon an evaluation of the Company's managerial skill.

The Company is subject to risks inherent in the establishment of a new business enterprise.

The Company is subject to risks inherent in the establishment of a new business enterprise including limited capital resources, possible delays in the exploration of any properties that the Company may acquire, and possible cost overruns. If the Company is not able to address these events, should they occur, it may have to curtail or suspend its operations.

The Company's mineral property does not contain a known commercially viable mineral deposit.

The Company holds mining claims under option, but such claims do not contain any known commercially viable mineral deposits. Both the size of a deposit and the cost of extracting ore are key factors in determining whether a mineral deposit is commercially viable. If the Company does not find any viable mineral reserves on the claims or if it cannot develop a mineral reserve that may be found, either because of insufficient funds or because it will not be economically feasible to do so, the Company may have to cease operations.

Management and directors.

The Company's management may not be successful in managing its business and the Company may fail as a result. Further, management is under no contractual obligation to remain with the Company and management's departure could cause its business to fail. The Company is dependent on the services of directors and officers who have varied business interests and are involved with other companies. No member of management has signed a written employment agreement with the Company and the Company may not always be able to afford to pay management at industry-competitive rates. In the event that any or all of the Company's directors and officers decide to resign, the Company may be unable to attract other qualified officers or directors, and their departure could cause its business to fail.

The Company's business is also dependent on retaining the services of a small number of key personnel of the appropriate caliber as the business develops. The future success of the Company will, to a significant degree, be reliant upon the retention of such key personnel.

Compared to other mineral exploration companies, the Company is very small, has few resources and must limit its exploration.

The Company is a small, junior mineral exploration company in an industry dominated by many larger companies that have substantial amounts of capital and management expertise. The Company does not have the human resources or financial resources to compete with senior mineral exploration companies, which could and probably would spend more time and money exploring mineral exploration properties and have better odds of finding a mineral reserve. As a result, the Company must limit its exploration and it may be unsuccessful in finding a mineral reserve or, if it does, it may not have sufficient financial resources or management expertise to effectively develop such a reserve, which means that future investors could lose a portion or all of any funds they invest in the Company.

The Company will have to suspend its exploration plans if it does not have access to all of the supplies and materials needed in order to carry out such plans.

Competition and unforeseen limited sources of supplies in the industry could result in occasional spot shortages of supplies and equipment that the Company might need to conduct exploration. If it cannot find the products and equipment needed, the Company will have to suspend its exploration plans until it is able to find the products and equipment that are needed. This could have a negative impact on the Company's share price.

There are inherent dangers involved in mineral exploration and the Company may incur liability or damages as it conducts its business.

The search for valuable minerals involves numerous hazards. As a result, the Company may become subject to liability for such hazards, including pollution, cave-ins and other hazards against which the Company cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material adverse effect on the Company's financial position.

If the Company becomes subject to burdensome government regulation or other legal uncertainties, there could be a negative impact on the Company's business.

There are numerous provincial and federal governmental regulations that materially affect the operations of mineral exploration and mining companies. In addition, the legal and regulatory environment that pertains to the exploration and development of mineral exploration properties is uncertain and may change. Uncertainty and new regulations could increase the costs of doing business and prevent the Company from exploring or developing mineral deposits. The growth of demand for minerals may also be significantly slowed. This could delay growth in potential demand for and limit the Company's ability to generate revenues. In addition to new laws and regulations being adopted, existing laws may be applied to mineral exploration activities that are carried out by companies in the mining industry, which may negatively affect the Company. New laws may be enacted that may increase the cost of doing business which may have an adverse impact on the Company's financial condition and results of operations.

New mineral exploration companies have a high failure rate.

New mineral exploration companies generally encounter numerous difficulties and there is high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration of the mineral properties that the Company hopes to undertake. These potential problems include, but are not limited to, unanticipated problems relating to exploration, and additional costs and expenses that may exceed current estimates. Very few mineral exploration properties actually contain commercially viable mineral deposits. The Company has no history upon which to base any assumption as to the likelihood that its business will prove successful, and the Company can provide no assurance that it will generate any operating revenues or ever achieve profitable operations. If the Company is unsuccessful in addressing these risks, its business could fail.

Fluctuations in commodity prices may adversely affect the Company's prospective revenue, profitability and working capital position.

The Company's future revenues and cash flows are subject to fluctuations in commodity prices. Commodity prices are affected by a variety of factors beyond the Company's control including interest rate changes, exchange rate changes, international economic and political trends, inflation or deflation, fluctuations in the value of the Canadian dollar and foreign currencies, global and regional supply and demand, changes in industrial demand and the political and economic conditions of major commodity producing countries throughout the world.

The Company's exploration and development properties may not be successful and are highly speculative in nature.

The Company's activities are focused on the exploration for and the possible future development of mineral deposits. The exploration for, and development of, mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge cannot eliminate. While the discovery of a mineral deposit may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical and unpredictable; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of precious metals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital or abandoning or delaying the development of a mineral project. There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries of commercial quantities of such minerals.

The exploration and development of natural resources involve a high degree of risk and few properties which are explored are ultimately developed into producing properties. Although the mineral resource figures set out herein have been carefully prepared by independent mining experts, these amounts are estimates only and no assurance can be given that an identified mineral resource will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions.

Short-term factors, such as the need for orderly development of deposits or the processing of new or different grades, may have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations.

Material changes in reserves or resources, grades, dilution estimates or recovery rates may affect the economic viability of a project. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish mineral resources through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that resources will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

Aboriginal title and land claims

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

Environmental and other regulatory risks may adversely affect the Company.

All phases of the Company's operations are subject to environmental regulation in the jurisdiction in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will likely 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. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties. Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent that such approvals are required and not obtained, the Company may be curtailed or prohibited from continuing its operations or from proceeding with planned exploration or development of 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 be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties 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. Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

The Company's operations are subject to receiving and maintaining permits from appropriate governmental authorities. Although the Company's operations currently have all required permits for their operations as currently conducted, there is no assurance that delays will not occur in connection with obtaining all necessary renewals of such permits for the existing operations, additional permits for any possible future changes to operations, or additional permits associated with new legislation. Prior to any development on its property, the Company must receive permits from appropriate governmental authorities. There can be no assurance that the Company will continue to hold all permits necessary to develop or continue operating at any particular property.

Climate change may adversely affect the Company.

Governments are moving to enact climate change legislation and treaties at the international, national, state/provincial and local levels. Where legislation already exists, regulations relating to emission levels and energy efficiency are becoming more stringent. Some of the costs associated with meeting more stringent regulations can be offset by increased energy efficiency and technological innovation. However, if the current regulatory trend continues, meeting more stringent regulations is anticipated to result in increased costs.

Title to some of the Company's mineral properties may be challenged or defective.

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to mining claims may be disputed. Although the Company believes it has taken reasonable measures to ensure proper title to its current property, there is no guarantee such title will not be challenged or impaired. Third parties may have valid or invalid claims underlying portions of its interest, including prior unregistered liens, agreements, transfers or claims, including formal aboriginal land claims, informal aboriginal land claims accompanied by hostile activity, and title may be affected by, among other things, undetected defects. As a result, the Company may be constrained in its ability to operate its properties or unable to enforce its rights with respect to its current property or any future properties that it may acquire an interest in. An impairment to or defect in its title to its properties could have a material adverse effect on its business, financial condition or results of operations.

Current global financial conditions may adversely impact the Company and the value of the Common Shares.

Current global financial conditions have been subject to increased volatility and numerous financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to public financing has been negatively impacted by both the credit market crisis and the liquidity crisis affecting the asset-backed commercial paper market. These factors may impact the ability of the Company to obtain equity or debt financing in the future and, if obtained, on terms favourable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted, and the value of the Common Shares could be adversely affected.

Obtaining and renewing licenses and permits.

In the ordinary course of business, the Company will be required to obtain and renew governmental licenses or permits for exploration, development, construction and commencement of mining at the Shakespeare Property. Obtaining or renewing the necessary governmental licenses or permits is a complex and time-consuming process involving public hearings and costly undertakings on the part of the Company. The duration and success of the Company’s efforts to obtain and renew licenses or permits are contingent upon many variables not within the Company’s control, including the interpretation of applicable requirements implemented by the licensing authority. The Company may not be able to obtain or renew licenses or permits that are necessary to its operations, including, without limitation, an exploitation license, or the cost to obtain or renew licenses or permits may exceed what the Company believes they can recover from the Shakespeare Property. Any unexpected delays or costs associated with the licensing or permitting process could delay the development or impede the operation of a mine, which could adversely impact the Company’s operations and profitability.

Risks inherent in acquisitions.

The Company may actively pursue the acquisition of exploration, development and production assets consistent with its acquisition and growth strategy. From time to time, the Company may also acquire securities of or other interests in companies with respect to which the Company may enter into acquisitions or other transactions. Acquisition transactions involve inherent risks, including but not limited to:

- accurately assessing the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition candidates;
- ability to achieve identified and anticipated operating and financial synergies;
- unanticipated costs;
- diversion of management attention from existing business;
- potential loss of its key employees or key employees of any business acquired;

- unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition; and
- decline in the value of acquired properties, companies or securities.

Any one or more of these factors or other risks could cause us not to realize the anticipated benefits of an acquisition of properties or companies and could have a material adverse effect on the Company's financial condition.

Dilution

Securities of the Company, including Common Shares and rights, warrants, special warrants, subscription receipts and other securities to purchase, convert into or exchange into Common Shares, may be created, issued, sold and delivered on such terms and conditions and at such times as the Board may determine. In addition, the Company may issue additional Common Shares from time to time pursuant to share purchase warrants and options to purchase Common Shares issued from time to time by the Board. The issuance of these Common Shares could result in dilution to existing shareholders.

Future sales by existing shareholders could cause the Company's share price to fall.

Future sales of Common Shares by the Company or other shareholders could decrease the value of the Common Shares. The Company cannot predict the size of future sales by the Company or other shareholders, or the effect, if any, that such sales will have on the future market price of the Common Shares. Sales of a substantial number of Common Shares, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares.

Profitability of the Company.

There can be no assurance that the Company's business and strategy will enable it to become profitable or sustain profitability in future periods. The Company's future operating results will depend on various factors, many of which are beyond the Company's direct control, including the Company's ability to develop its mining projects and commercialize mineral reserves, its ability to control its costs and general economic conditions. If the Company is unable to generate profits in the future, the market price of the Common Shares could decline.

Insurance and uninsured risks.

The Company is exposed to risks inherent in the mining industry, including adverse environmental conditions and pollution, personal injury or death, labour disputes, unusual or unexpected geological conditions, legal liability, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena, property damage, floods, earthquakes, delays in mining and monetary losses and dust storms.

While the Company has obtained insurance to address certain risks in such amounts as it considers being reasonable, such insurance has limitations on liability that may not be able to cover all the potential liabilities and the insurance may not continue to be available or may not be adequate to cover any resulting liability. Moreover, such risks may not be insurable in all instances or, in certain instances, the Company may elect not to insure against certain risks because of high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Company and the occurrence of an event in which the Company is not fully insured against, could have a material adverse effect upon its business, operating results and financial condition.

Litigation

All industries, including the mining industry, are subject to legal claims, with and without merit. Legal proceedings may arise from time to time in the course of the Company's business. Such litigation may be brought from time to time in the future against the Company. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. The Company is not currently subject to material litigation, nor has the Company received any indication that any material claims are forthcoming. However, due to the inherent uncertainty of the litigation process, the Company could become involved in material legal claims or other proceedings with other parties in the future. The results of litigation or any other proceedings cannot be predicted with certainty. The cost of defending such claims may take away from management's time and effort in operating the business of the Company, and if the Company is incapable of resolving such disputes favourably, the resulting litigation could have a material adverse impact on the Company's financial condition, cash flow and results from operation.

Dependence on outside parties.

The Company will rely upon consultants, engineers, contractors and other parties for exploration, development, construction and operating expertise. Substantial expenditures are required to construct mines, to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract metal from ore and, in the case of new properties, to develop the exploration and mineral processing infrastructure at any particular site. Deficient or negligent work or work not completed in a timely manner could have a material adverse effect on the Company.

Risks related to possible fluctuations in revenues and results.

The Company may experience significant fluctuations in its quarterly and annual results of operations for a variety of reasons, many of which are outside of the Company's control. Any fluctuations may cause the Company's results of operations to fall below the expectations of securities analysts and investors. This could have an adverse impact on the ability of a shareholder to dispose of Common Shares, or on the market price of the Common Shares if trading of the Common Shares is possible in a marketplace.

Negative cash flow from operations.

The Company has positive working capital but negative cash flow from operating activities. The Company's cash flow is directly related to revenues generated from production and milling activities. In addition to cash flow from operations, ongoing operations may be dependent on the Company's ability to obtain equity financing by the issuance of capital and to generate profitable operations in the future. Significant amounts of capital expenditures are required in order for the

Company to execute its business plan and there are no assurances that the Company will have sufficient funds for this purpose.

Although the Company anticipates it will have positive cash flow from operating activities in future periods, to the extent that the Company has negative cash flow in any future period(s), it will need to raise additional funds to cover this shortfall.

Potential conflicts of interest.

The Company may be subject to potential conflicts of interests, as certain directors or officers of the Company are, and may continue to be, engaged in the mining industry through their participation in other companies, partnerships or joint ventures that are potential competitors of the Company. Situations may occur in relation to potential transactions or investments where the other interests of these directors or officers may conflict with the interests of the Company.

Force majeure.

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

Land reclamation requirements may be burdensome.

Land reclamation requirements are generally imposed on companies with mining operations or mineral exploration companies in order to minimize long term effects of land disturbance. Reclamation may include requirements to:

- control dispersion of potentially deleterious effluents; and
- reasonably re-establish pre-disturbance landforms and vegetation.

In order to carry out reclamation obligations imposed on the Company in connection with exploration, potential development and production activities, the Company must allocate financial resources that might otherwise be spent on exploration and development programs. If the Company is required to carry out unanticipated reclamation work, its financial position could be adversely affected.

Risks relating to health and safety.

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities due to accidents that could result in serious injury or death. The impact of such accidents could affect the profitability of the Company's operations, cause an interruption to operations, lead to a loss of licenses, affect the reputation of the Company and its ability to obtain further licenses, damage community relations and reduce the perceived appeal of the Company as an employer.

There is no assurance that the Company has been or will at all times be in full compliance with all laws and regulations or hold, and be in full compliance with, all required health and safety permits. The potential costs and delays associated with compliance with such laws, regulations and permits could prevent the Company from proceeding with the development of a project or the operation or further development of a project, and any noncompliance therewith may adversely affect the Company's business, financial condition and results of operations. 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 exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties.

Risks related to infrastructure.

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

Risks related to market demands.

The markets that the Company participates in may not grow as expected or at all. While the Company's goal is to increase its revenues, there can be no assurance that it will succeed in doing so. As a result, revenues may stagnate or decline, which may increase the Company's losses.

Fluctuation and volatility in stock exchange prices.

The market price of a publicly traded stock is affected by many variables, including the availability and attractiveness of alternative investments and the breadth of public market for the stock. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such variations will not affect the price of the Company's securities in the future and that the price of the Common Shares will not decrease after listing on the CSE.

Market for the company's securities.

There has been no public trading market for the Common Shares. There can be no guarantee that an active and liquid trading market will develop or be maintained, the failure of which may have a material adverse effect on the value of the Common Shares and the ability of a shareholder to dispose of the Common Shares in a timely manner, or at all. In addition, the market price of the securities of the Company at any given point in time may not accurately reflect the long-term value of the Company.

PROMOTERS

There are no promoters of the Company.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not a party to any legal proceedings or regulatory actions against it, nor to the best of its knowledge are any legal proceedings or regulatory actions threatened or pending.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No insider, director or executive officer of the Company and no associate or affiliate of any director, executive officer or insider has any material interest, direct or indirect, in any transaction within the three years before the date of the Prospectus that has materially affected or is reasonably expected to materially affect the Company.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditor of the Company is Clearhouse LLP (formerly SDVC LLP), located at 2560 Matheson Blvd. East, Suite 527, Mississauga, Ontario, L4W 4Y9.

The registrar and transfer agent for the Common Shares of the Company is Integral Transfer Agency Inc., located at 203-100 Queen Street East, Toronto, Ontario, M5C 1S6.

MATERIAL CONTRACTS

The Option Agreement dated August 23, 2019 is the only material contract entered into by the Company since incorporation which are currently in effect and considered to be material. Once it has been entered into, the Escrow Agreement will also be a material contract of the Company.

EXPERTS

The following persons or companies whose profession or business gives authority to a statement made by the person or company are named in the Prospectus as having prepared or certified a part of that document or a report of valuation described in the Prospectus:

1. Stewart A, Jackson, Registered Professional Geologist in the Province of British Columbia and Case Lewis, Registered Professional Geologist in the Province of British Columbia, of ClaimHunt Inc. are both a “qualified person” as defined in NI 43-101. Mr. Jackson and Mr. Lewis are the authors responsible for the preparation of the Technical Report.
2. The financial statements of the Company included with this Prospectus have been subject to audit by Clearhouse LLP (formerly SDVC LLP) and their audit report is included herein. Clearhouse LLP is independent of the Company in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

Based on information provided by the persons named above, none of such persons have received or will receive any direct or indirect interests in the property of the Company, nor do they have any beneficial ownership, direct or indirect, of securities of the Company.

OTHER MATERIAL FACTS

To management's knowledge, there are no other material facts about the Company which are not otherwise disclosed in this Prospectus.

FINANCIAL STATEMENTS AND MD&A

The following financial statements and MD&A are attached to this Prospectus:

1. Audited financial statements of the Company for the years ended December 31, 2018 and December 31, 2017.
2. MD&A of the Company for the year ended December 31, 2018.
3. Unaudited financial statements of the Company for the nine-month period ended September 30, 2019.
4. MD&A of the Company for the nine-month period ended September 30, 2019.

Audited financial statements of the Company for the years ended December 31, 2018 and December 31, 2017.

1093683 B.C. LTD.
Annual Audited Financial Statements

For the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

SDVC LLP ASSURANCE | ACCOUNTING | TAX
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
1093683 BC LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of 1093683 BC LTD. (the Company), which comprise the statements of financial position as at December 31, 2018 and 2017, and the statements of loss and comprehensive loss, statements of changes in equity and statements of cash flows and for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Relating to Going Concern

We draw your attention to Note 1 in the financial statements, which indicates that the Company incurred a comprehensive loss of $6,775 during the year ended December 31, 2018. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the annual management's discussion and analysis, but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

SDVC LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
December 20, 2019

1093683 B.C. LTD.

Statements of Financial Position

As at December 31, 2018 and 2017

Expressed in Canadian dollars

		2018		2017
ASSETS				
Current assets				
GST/HST receivable	**$**	**406**		---
	$	**406**	$	---
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**7,181**	$	---
		7,181		---
Shareholders' (deficiency) equity				
Share capital *(Note 6)*		**---**		---
Deficit		**(6,775)**		---
		(6,775)		---
	$	**406**	$	---

Nature of Operations and Going Concern *(Note 1)*

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

On behalf of the Board,

"Signed"
Samuel Hardy
Samuel Hardy
Director

"Signed"
James Macintosh
James Macintosh
Director

1093683 B.C. LTD.

Statements of Loss and Comprehensive Loss

For the years ended December 31, 2018 and 2017

Expressed in Canadian dollars

	2018	2017
Expenses		
General administrative	**$ 6,125**	$ ---
Transfer agent	**650**	---
Total expenses	**6,775**	---
Net loss and comprehensive loss	**$ (6,775)**	$ ---
Basic and diluted loss per common share *(Note 10)*	**$ (0.00)**	$ ---
Weighted average number of shares outstanding during the year - basic and diluted	**5,044,064**	---

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

1093683 B.C. LTD.

Statements of Changes in Shareholders' (Deficiency) Equity

For the years ended December 31, 2018 and 2017

Expressed in Canadian dollars

	Shares Outstanding	Share Capital	Deficit	Total
Balance at December 31, 2016	**---**	**$ ---**	**$ ---**	**$ ---**
Net loss for the year	---	---	---	---
Balance at December 31, 2017	**---**	**$ ---**	**$ ---**	**$ ---**
Net loss for the year	**---**	**---**	**(6,775)**	**(6,775)**
Issue of share capital – spin out *(Notes 1 and 6)*	**1,010,549**	**---**	**---**	**---**
Issue of share capital – proposed transaction *(Note 6)*	**11,114,451**	**---**	**---**	**---**
Balance at December 31, 2018	**12,125,000**	**$ ---**	**$ (6,775)**	**$ (6,775)**

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

1093683 B.C. LTD.

Statements of Cash Flows

For the years ended December 31, 2018 and 2017

Expressed in Canadian dollars

		2018		2017
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Net loss for the year	**$**	**(6,775)**	$	---
Net change in non-cash working capital balances:				
GST/HST receivable		**(406)**		---
Accounts payable and accrued liabilities		**7,181**		---
Net cash flows used in operating activities		**---**		---
Net increase in cash		**---**		---
Cash, beginning of the year		**---**		---
Cash, end of the year	**$**	**---**	$	---

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

1. Nature of Operations and Going Concern

1093683 B.C. Ltd., a company incorporated under the laws of British Columbia, Canada (the "**Company**" or "**Graycliff**") is engaged in the acquisition, exploration, development and extraction of natural resources, specifically precious metals. Its head office is located at 890-1140 West Pender Street, Vancouver, BC, V6E 4G1, Canada. The Company intends on completing a prospectus for the purposes of going public and changing its name to Graycliff Exploration Ltd.

The Company was incorporated on October 19, 2016 as a wholly-owned subsidiary of Monterey Minerals Inc. ("Monterey"). On August 1, 2018, Monterey completed a plan of arrangement whereby it issued 1,010,549 common shares of the Company to Monterey shareholders (the "spinout") for $NIL consideration.

Mineral exploration projects, even when successful, require large amounts of exploration investment to prove mineable reserves, generally over long periods of time, prior to commencement of production. The ability of the Company to continue as a going concern is dependent upon, among other things, being able to obtain additional financing, the continued support of its existing shareholders, and the outlining and development of commercial deposits of metals at its project to generate positive cash flows from operations. While the Company has been successful in securing financing in 2019 and identifying suitable properties to date, there is no assurance that the Company will continue to be successful in achieving these objectives. The Company incurred a net loss of $6,775 during the year ended December 31, 2018 and had a working capital deficiency of $6,775 as of that date. These conditions indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern.

The ability of the Company to realize the costs it has incurred to date on its properties is dependent upon the Company being able to identify economically recoverable reserves, to finance their development costs and to resolve any environmental, regulatory or other constraints, which may hinder the successful development of the reserves. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and development activities and in which it has an interest, in accordance with industry standards for the current stage of exploration and development of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, and non-compliance with regulatory and environmental requirements.

The accompanying annual financial statements have been prepared using International Financial Reporting Standards applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern. It would, in this situation, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying Financial Statements. Such adjustments could be material.

2. Basis of Presentation

Statement of compliance:

The financial statements for the years ended December 31, 2018 and 2017 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretation Committee ("IFRIC").

The policies applied in these Financial Statements are based on the IFRS issued and outstanding as of December 20, 2019, the date the Board of Directors approved the Financial Statements

Basis of Measurement:

The financial statements have been prepared on a historical cost basis, with the exception of certain financial assets and liabilities which are measured at fair-value, as explained in the accounting policies.

2. Basis of Presentation (Cont'd)

Functional and presentation currency:

The financial statements are presented in Canadian dollars, which is also the functional currency of the corporate offices located in Canada.

Use of Estimates and Judgments:

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the financial statements are disclosed in Note 4. These financial statements are presented in Canadian dollars, which is the Company's functional currency.

3. Summary of Significant Accounting Policies

The accounting policies set out below have been adopted for the years ended December 31, 2018 and 2017 and have been applied consistently to all periods presented in these financial statements, unless otherwise indicated.

a) 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. 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, services or obligations between related parties.

b) Finance Income and Expenses

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues using the effective interest method. Finance income is considered an operating activity for cash flow purposes.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions and impairment losses recognized on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized using the effective interest method. Finance costs are considered an operating activity for cash flow purposes.

c) Taxes

Tax expense comprises current and deferred tax. Tax is recognized in the statement of loss except to the extent it relates to items recognized in other comprehensive loss or directly in equity.

i) Current Income tax

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

3. Summary of Significant Accounting Policies (Cont'd)

c) Taxes (Con't'd)

ii) Deferred tax

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the statement of financial position and their corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases.

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if where the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

iii) Deferred Tax Liabilities:

- are generally recognized for all taxable temporary differences;
- are recognized for taxable temporary differences arising on investments in subsidiaries except where the reversal of the temporary difference can be controlled, and it is probable that the difference will not reverse in the foreseeable future;
- are not recognized on temporary differences that arise from goodwill which is not deductible for tax purposes;
- are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized; and
- are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are not recognized in respect of temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination.

d) Loss Per Share

Basic Loss Per Share is calculated by dividing total loss from continuing operations attributable to owners of the Company (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period. The denominator (number of shares) is calculated by adjusting the shares issued at the beginning of the period by the number of shares bought back or issued during the period, multiplied by a time-weighting factor.

Diluted Loss Per Share is calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential shares. The effects of anti-dilutive potential shares are ignored in calculating diluted Loss Per Share. All options are considered anti-dilutive when the Company is in a loss position.

3. Summary of Significant Accounting Policies (Cont'd)

e) Financial assets and liabilities

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either FVPL or FVOCI, and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Cash and amounts receivable held for collection of contractual cash flows are measured at amortized cost.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Subsequent measurement – Financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statements of loss. The Company does not measure any financial assets at FVPL.

Subsequent measurement – Financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the statements of loss when the right to receive payments is established.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company's only financial assets subject to impairment are other accounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

3. Summary of Significant Accounting Policies (Cont'd)

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, and advance payable received and loans payable, which are each measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statements of loss.

4. Critical Judgments and Accounting Estimates

Measurement Uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of the accounting policies to financial information presented. Actual results may differ from the estimates, assumptions and judgments made. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes made to estimates are reflected in the period the changes are made.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Significant accounting judgments

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimations that have the most significant effect on the amounts recognized in the Company's financial statements, are related to the functional currency assessment, related parties, when and if deferred taxes are recoverable and the assumption that the Company will continue as a going concern.

Expressed in Canadian dollars unless otherwise indicated

5. New Accounting Standards

New accounting policy

Effective January 1, 2018, the Company adopted IFRS 9, *Financial Instruments*, which resulted in changes in accounting policies as described below. In accordance with the transitional provisions in the standard, the Company adopted retrospectively. There was no impact to these financial statements as a result of the adoption of the standard other than as outlined below:

IFRS 9, *Financial Instruments*

IFRS 9 replaces International Accounting Standard ("IAS") 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 introduces new requirements for the classification, measurement and impairment of financial assets and hedge accounting. It establishes two primary measurement categories for financial assets: (i) amortized cost and (ii) fair value either through profit or loss ("FVPL") or through other comprehensive income ("FVOCI"); establishes criteria for the classification of financial assets within each measurement category based on business model and cash flow characteristics; and eliminates the existing held for trading, held to maturity, available for sale, loans and receivable and other financial liabilities categories. IFRS 9 also introduces a new expected credit loss model for the purpose of assessing the impairment of financial assets and requires that there be a demonstrated economic relationship between the hedged item and hedging instrument.

The following table shows the previous classification under IAS 39 and the new classification under IFRS 9 for the Company's financial instruments:

	Financial instrument classification	
	Under IAS 39	**Under IFRS 9**
Financial assets		
GST/HST receivable	Loans and receivables	Amortized cost
Financial liabilities		
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

Accounting Standards Issued, But Not Yet Effective

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that were effective for periods beginning January 1, 2019 or later. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below. None of these is expected to have a significant effect on the Financial Statements of the Company.

IFRS 16 Leases ("IFRS 16") was issued by the IASB in January 2016 and will replace IAS 17 Leases ("IAS 17"). Under IFRS 16, a lease will exist when a customer controls the right to use an identified asset as demonstrated by the customer having exclusive use of the asset for a period of time. IFRS 16 introduces a single accounting model for lessees and all leases will require an asset and liability to be recognized on the statement of financial position at inception. The accounting treatment for lessors will remain largely the same as under IAS 17. The standard is effective for the annual periods beginning on or after January 1, 2019. The Company has not yet assessed the impact of this standard.

Expressed in Canadian dollars unless otherwise indicated

6. Share Capital

Authorized

Unlimited number of common shares

Common Shares Issued:

	Number of Shares		Amount
Balance, December 31, 2016 and 2017	**---**	**$**	**---**
Issued as part of spinout	1,010,549		---
Issued as part of proposed transaction	11,114,451		---
Balance, December 31, 2018	**12,125,000**	**$**	**---**

On August 1, 2018, Monterey completed a plan of arrangement whereby it issued 1,010,549 common shares of the Company to Monterey shareholders for $NIL consideration (see Note 1).

Also on August 1, 2018, the Company issued 11,114,451 common shares to various shareholders as part of a Letter of Intent ("LOI") to execute an acquisition and public listing transaction. The LOI was assigned a $nil value by management. This proposed transaction was never completed and the associated common shares were cancelled in 2019.

7. Capital Management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying natural resource properties. The Company's objective is met by retaining adequate equity to guard against the possibility that cash flows from assets will not be sufficient to meet future cash flow requirements. The Company considers its capital structure to include cash and working capital. In order to maintain or adjust the capital structure, the Company may from time to time issue shares and adjust its capital spending to manage current and projected debt levels. To assess capital and operating efficiency and financial strength, the Company continually monitors its net cash and working capital. The Company is not subject to externally imposed capital requirements.

8. Financial Instruments and Risk Management

Set out below is a comparison, by category, of the carrying amounts and fair values of all of the Company's financial instruments that are carried in the financial statements and how the fair value of financial instruments is measured.

Fair values

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act.

The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

The following table provides an analysis of the financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

8. Financial Instruments and Risk Management (Cont'd)

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. prices) or indirectly (derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 31, 2018 and 2017, the Company did not have any financial instruments measured at fair value.

Categories of Financial Instruments	December 31, 2018	December 31, 2017
Financial Assets—amortized cost		
GST/HST receivable	**$ 406**	$ ---
Financial Liabilities—amortized cost		
Accounts payable and accrued liabilities	**$ 7,181**	$ ---

The fair values of all the Company's financial instruments approximate the carrying value due to the short-term nature of the financial instruments. The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (currency fluctuations, interest rates and commodity prices). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Credit Risk

Credit risk is the risk of a financial loss to the Company if a customer is unable to meet its contractual obligations and arises principally from the Company's accounts receivable.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company has established a standard of ensuring that it has enough resources available to withstand any downturn in the industry. As the Company's industry is very capital intensive, the majority of its spending is related to its capital programs. The Company prepares periodic capital expenditure budgets, which are regularly monitored and updated as considered necessary. Further, the Company utilizes authorizations for expenditures on both operated and non-operated projects to further manage capital expenditures. The Company's goal is to prudently spend its capital while maintaining its credit reputation amongst its suppliers.

Market Risk

Market risk is the risk that changes in interest rates, foreign exchange rates and commodity and equity prices will affect the Company's net earnings or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

Commodity and equity risk

The Company is exposed to price risk with respect to commodity and equity prices. Commodity price risk is the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Equity price risk is the potential adverse impact on the Company's comprehensive earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of certain precious and base metals. Precious and base metal prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals are produced in the future, a profitable market will exist for them.

Expressed in Canadian dollars unless otherwise indicated

9. Related Party Transactions

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties). The Company's related party transactions for the years ended December 31, 2018 was $nil. (2017-$nil)

10. Loss Per Share

The calculation of basic loss per share for the years ended December 31, 2018 and 2017 was based on total loss attributable to common shareholders of $6,775 (2017 - $NIL) and a weighted average number of common shares outstanding of 5,044,064 (2017 – NIL).

Diluted loss per share equals basic loss per share as all outstanding options and warrants were anti-dilutive for all periods presented.

11. Income Taxes

a) Provision for income tax

The following table reconciles the amount of reported income taxes in the statement of comprehensive loss with income taxes calculated at statutory income tax rates of 13.50%. The statutory income tax rate is the combined Canadian rates applicable in the jurisdictions in which the Company does business. The tax rate for deferred income taxes is 26.5%.

	Year ended December 31,	
	2018	**2017**
Loss before income taxes	**(6,775)**	-
Expected Income tax recovery based on statuary rate	**(914)**	-
Adjustments to expected income tax benefit:		
Differences in current and deferred tax rates and other	**(881)**	
Benefit of tax loses not recognized	**1,795**	-
Deferred income tax recovery	**-**	-

b) Deferred income taxes

The primary differences that give rise to the deferred income tax balances December 31, 2018 are as follows:

	December 31, 2018
	$
Non-capital loss carry forwards	**1,795**
	1,795
Less: valuation allowance	**(1,795)**
Total unrecognized deferred tax assets	**-**

At December 31, 2018, the Company had recorded a 100% valuation allowance against its deferred income balances due to the uncertainty surrounding their realization.

c) Tax loss carry forward balances

At December 31, 2018, the Company has non-capital losses, available to offset future taxable income for income tax purposes, of $6,775, which expire in 2038.

12. Subsequent Events

On August 23, 2019, the Company signed an option agreement to acquire the Shakespeare Property in Ontario. Pursuant to this agreement, the Company allotted 500,000 common shares to the individuals from whom this property was optioned. These shares were subscribed and paid for as part of the October 24, 2019 financing.

On October 1, 2019, the Company issued 2,533,333 common shares at $0.005 per share for proceeds of $12,667.

On October 24, 2019, the Company issued 8,100,000 common shares at $0.02 per share for proceeds of $162,000. In connection with this financing, 300,000 common shares were issued to settle trade debt of $6,000.

On November 8, 2019, the Company issued 322,500 common shares at $0.10 per share for proceeds of $32,250.

On November 8, 2019, the Company issued 388,500 common shares at $0.10 per share for proceeds of $38,850.

On December 3, 2019, the Company changed its name to Graycliff Exploration Limited.

On December 4, 2019, the Board of Directors approved 10% Rolling Stock Option Plan. The aggregate number of common shares reserved for issuance pursuant to options granted under the Stock Option Plan will not exceed 10% of the number of common shares of the Company issued and outstanding from time to time.

On December 4, 2019, 800,000 stock options were granted to the executive officers and directors of the Company. The stock options are exercisable at $0.15/option for a period of five years and vest on the date the common shares become listed for and commence trading on a recognized exchange in Canada.

On December 17, 2019, the Company issued 3,000,000 common shares at $0.15 per share for proceeds of $450,000.

During the period from June to December 2019, the Company cancelled 15,598,951 common shares for no consideration.

MD&A of the Company for the year ended December 31, 2018.

1093683 BC LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED December 31, 2018

The following Management Discussion & Analysis ("MD&A") is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of 1093683 BC Ltd. (hereinafter "Graycliff" or the "Company") for the year ended December 31, 2018. The MD&A should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2018. The MD&A has been prepared effective December 20, 2019.

SCOPE OF ANALYSIS

The following is a discussion and analysis of Graycliff. The Company reports its financial results in Canadian dollars and in accordance with *IAS 34 – Interim Financial Reporting* as issued by the International Accounting Standards Board. All reported interim financial information includes the financial results of Monterey and its subsidiaries.

FORWARD LOOKING STATEMENTS

The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words 'believes,' 'expects,' 'anticipates,' 'estimates,' 'intends,' 'plans,' 'forecasts,' or similar expressions. Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on current expectations that involve numerous risks and uncertainties, including, but not limited to, those identified in the Risks Factors section. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The Company may not provide updates or revise any forward-looking statements, except those otherwise required under paragraph 5.8(2) of NI 51-102, whether written or oral that may be made by or on the Company's behalf.

TRENDS

Other than as disclosed in this MD&A, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect upon its revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

GENERAL BUSINESS AND DEVELOPMENT

The Company is incorporated under the laws of British Columbia, Canada and is engaged in the acquisition, exploration, development and extraction of natural resources, specifically precious metals. Its head office is located at 890-1140 West Pender Street, Vancouver, BC, V6E 4G1, Canada. The Company intends on completing a prospectus for the purposes of going public and change its name to Graycliff Exploration Ltd.

The Company was incorporated on October 19, 2016 as a wholly-owned subsidiary of Monterey Minerals Inc. ("Monterey"). On August 1, 2018, Monterey completed a plan of arrangement whereby it issued 1,010,549 common shares of the Company to Monterey shareholders (the "spinout") for $NIL consideration.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2018 and 2017, the Company had a cash balance of $NIL. The Company had negative working capital $6,775 at December 31, 2018 (December 31, 2017 - $NIL).

The continuation of the Company as a going-concern is dependent on its ability to raise additional capital or debt financing, including on reasonable terms, in order to meet business objectives towards achieving profitable business operations.

SHARE CAPITAL AND OUTSTANDING SHARE DATA

Common Shares

Authorized – Unlimited Common shares without par value; and

Issued and Outstanding as at December 31, 2018: 12,125,000 (December 31, 2017: 1,010,549)

On August 1, 2018, Monterey completed a plan of arrangement whereby it issued 1,010,549 common shares of the Company to Monterey shareholders for $NIL consideration.

Also on August 1, 2018, the Company issued 11,114,451 common shares to various shareholders as part of a Letter of Intent ("LOI") to execute an acquisition and public listing transaction. The LOI was assigned a $nil value by management. This proposed transaction was never completed and the associated common shares were cancelled in 2019.

On August 23, 2019, the Company signed an option agreement to acquire the Shakespeare Property in Ontario. Pursuant to this agreement, the Company allotted 500,000 common shares to the individuals from whom this property was optioned. These shares were subscribed and paid for as part of the October 24, 2019 financing.

On October 1, 2019, the Company issued 2,533,333 common shares at $0.005 per share for proceeds of $12,667.

On October 24, 2019, the Company issued 8,100,000 common shares at $0.02 per share for proceeds of $162,000.

On November 8, 2019, the Company issued 322,500 common shares at $0.10 per share for proceeds of $32,250.

On November 8, 2019, the Company issued 388,500 common shares at $0.10 per share for proceeds of $38,850.

On December 17, 2019, the Company issued 3,000,000 common shares at $0.15 per share for proceeds of $450,000.

RESULTS OF OPERATIONS

SELECTED QUARTERLY INFORMATION

During the year ended December 31, 2018, the Company incurred a net loss of $6,775 (year ended December 31, 2017 – loss of $NIL). Through fiscal 2018, operations have been minimal, with the Company waiting for the right opportunity to go public and acquire assets. Consequently, costs have been insignificant. Activities ramped up during 2019, which will be reflected in the financial statements for the 2019 year-end.

SUMMARY OF FINANCIAL RESULTS FOR EIGHT MOST RECENTLY COMPLETED QUARTERS

The following table summarizes the financial results of operations for the eight most recent fiscal quarters:

	Dec. 31, 2018 $	**Sep. 30, 2018 $**	**June 30, 2018 $**	**Mar. 31, 2018 $**
Expenses	**(4,332)**	**(2,443)**	---	---
Net loss	**(4,332)**	**(2,443)**	---	---
Loss per share - basic & diluted	**(0.00)**	**(0.00)**	0.00	0.00
	Dec. 31,2017 $	**Sep. 30, 2017 $**	**June 30, 2017 $**	**Mar. 31,2017 $**
Expenses	---	---	---	---
Net loss	---	---	---	---
Income per share - basic & diluted	0.00	0.00	0.00	0.00

RELATED PARTY TRANSACTIONS

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties). The Company's related party transactions for the years ended December 31, 2018 was $nil. (2017-$nil).

CRITICAL JUDGMENTS AND ACCOUNTING ESTIMATES

Measurement Uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of the accounting policies to financial information presented. Actual results may differ from the estimates, assumptions and judgments made. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes made to estimates are reflected in the period the changes are made.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the consolidated financial statements are:

Taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Significant accounting judgments

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimations that have the most significant effect on the amounts recognized in the Company's financial statements, are related to the functional currency assessment, related parties, the provision for reclamation and obligation, when and if deferred taxes are recoverable and the assumption that the Company will continue as a going concern.

The Company made a determination that its functional currency and that of its subsidiaries is the Canadian dollar. Management considered all of the relevant factors in making this determination.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Set out below is a comparison, by category, of the carrying amounts and fair values of all of the Company's financial instruments that are carried in the financial statements and how the fair value of financial instruments is measured.

Fair values

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act.

The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

The following table provides an analysis of the financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. prices) or indirectly (derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 31, 2018 and December 31, 2017, the Company did not have any financial instruments measured at fair value.

Categories of Financial Instruments	**December 31, 2018**	**December 31, 2017**
Financial Assets—amortized cost		
GST/HST receivable	**$ 406**	$ ---
Financial Liabilities—amortized cost		
Accounts payable and accrued liabilities	**$7,181**	$ ---

The fair values of all the Company's financial instruments approximate the carrying value due to the short-term nature of the financial instruments. The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (currency fluctuations, interest rates and commodity prices). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Credit Risk

Credit risk is the risk of a financial loss to the Company if a customer is unable to meet its contractual obligations and arises principally from the Company's accounts receivable. The Company's cash is held with Canadian chartered banks.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company has established a standard of ensuring that it has enough resources available to withstand any downturn in the industry. As the Company's industry is very capital intensive, the majority of its spending is related to its capital programs. The Company prepares periodic capital expenditure budgets, which are regularly monitored and updated as considered necessary. Further, the Company utilizes authorizations for expenditures on both operated and non-operated projects to further manage capital expenditures. The Company's goal is to prudently spend its capital while maintaining its credit reputation amongst its suppliers.

Market Risk

Market risk is the risk that changes in interest rates, foreign exchange rates and commodity and equity prices will affect the Company's net earnings or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in certificates of deposit issued by a Canadian chartered bank with which it keeps its bank accounts. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of the Canadian chartered bank.

Commodity and equity risk

The Company is exposed to price risk with respect to commodity and equity prices. Commodity price risk is the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Equity price risk is the potential adverse impact on the Company's comprehensive earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of certain precious and base metals. Precious and base metals have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals are produced in the future, a profitable market will exist for them.

CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying natural resource properties. The Company's objective is met by retaining adequate equity to guard against the possibility that cash flows from assets will not be sufficient to meet future cash flow requirements. The Company considers its capital structure to include cash and working capital. In order to maintain or adjust the capital structure, the Company may from time to time issue shares and adjust its capital spending to manage current and projected debt levels. To assess capital and operating efficiency and financial strength, the Company continually monitors its net cash and working capital.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

MANAGEMENT’S RESPONSIBILITY

Management is responsible for all information contained in this report. The December 31, 2018 financial statements have been prepared in accordance with IFRS and include amounts based on management’s informed judgments and estimates.

RISKS AND UNCERTAINTIES

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Only investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment should undertake such investment. Prospective investors should carefully consider the risk and uncertainties that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this discussion, including information as to future activities, events and financial or operating performance of the Company and its projects, constitute forward-looking statements. Such forward-looking statements involve known and unknown risks and uncertainties that could cause actual events or results to, differ materially from estimated or anticipated activities, events or results implied or expressed in such forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies.

Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, “believes”, or variations of such words and phrases. Forward-looking information may also be identified in statements where certain actions, events or results “may”, “could", "would”, “might” or “will be taken”, “occur” or “be achieved”.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made.

Many factors could cause actual activities and events and the Company’s actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. These include metal prices, exploitation and exploration successes, continued availability of capital and financing and general economic, market or business conditions.

These forward-looking statements are made as of the date hereof and the Company disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise. Investors are cautioned that forward-looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainly therein.

Unaudited financial statements of the Company for the nine-month period ended September 30, 2019.

1093683 B.C. LTD.

Condensed Interim Financial Statements
(Unaudited)

Three and Nine Months Ended September 30, 2019 and 2018

(Expressed in Canadian Dollars)

10 - 259 Traders Blvd E, Mississauga, ON L4Z 2E5
O: 647.969.7382 | F: 1.855.296.5040
info@sdvcllp.com | www.sdvcllp.com

REVIEW REPORT ON CONDENSED INTERIM FINANCIAL INFORMATION

To the Audit Committee of the Board of Directors of
1093683 B.C. LTD.

In accordance with our engagement letter dated November 29, 2019, we have performed an interim review of the statement of financial position of 1093683 B.C. LTD. (the "Company") as at September 30, 2019, the statement of comprehensive loss, the statement of changes in equity and statement of cash flows for the three and nine-month periods then ended. These financial statements are the responsibility of the Company's management.

We performed our interim review in accordance with Canadian generally accepted standards for a review of interim financial statements by an entity's auditor.

An interim review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements. Accordingly, we do not express such an opinion. An interim review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit.

Based on our interim review, we are not aware of any material modification that needs to be made for these interim financial statements to be in accordance with International Financing Reporting Standards.

This report is solely for the use of the Audit Committee of 1093683 B.C. LTD. to assist it in discharging its regulatory obligation to review these financial statements and should not be used for any other purpose.

SDVC LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
December 24, 2019

1093683 B.C. Ltd.

Condensed Interim Statements of Financial Position
(unaudited)

Expressed in Canadian dollars

As at,		September 30, 2019		December 31, 2018
ASSETS				
Current assets				
Cash	**$**	**14,449**	$	---
GST/HST receivable		**3,302**		406
	$	**17,751**	$	406
LIABILITIES AND SHAREHOLDERS' DEFICIENCY				
Current liabilities				
Accounts payable and accrued liabilities *(Note 4)*	**$**	**24,915**	$	7,181
		24,915		7,181
Shareholders' deficiency				
Shares to be Issued *(Notes 3 and 6)*		**162,567**		---
Deficit		**(169,731)**		(6,775)
		(7,164)		(6,775)
	$	**17,751**	$	406

Nature of operations and going concern *(Note 1)*
Subsequent events *(Note 6)*

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

On behalf of the Board,

"Signed"
Samuel Hardy
Samuel Hardy
Director

"Signed"
James Macintosh
James Macintosh
Director

1093683 B.C. Ltd.

Condensed Interim Statements of Loss and Comprehensive Loss (unaudited)

For the three and nine months ended September 30, 2019 and 2018

Expressed in Canadian dollars

	Three Months		Nine Months	
	2019	**2018**	**2019**	**2018**
Operating Expenses				
Exploration and evaluation (note 5)	**$ 20,000**	$ ---	**$ 20,000**	$ ---
Corporate advisory (note 4)	**118,000**	---	**127,000**	---
Management fees	**10,825**	---	**10,825**	---
Professional fees	**2,400**	---	**2,400**	---
General and administrative	**1,121**	2,443	**2,731**	2,443
Net loss and comprehensive loss for the period	**$ (152,346)**	$ (2,443)	**$ (162,956)**	$ (2,443)
Basic and diluted loss per common share	**$ (0.03)**	$ (0.00)	**$ (0.02)**	$ (0.00)
Weighted average number of shares outstanding during the period – basic and diluted	**5,510,549**	---	**8,539,144**	---

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

1093683 B.C. Ltd.

Condensed Interim Statements of Changes in Shareholders' (Deficiency) Equity

(unaudited)

For the nine months ended September 30, 2019 and 2018

Expressed in Canadian dollars

	Shares Outstanding	Share Capital	Shares to be Issued	Deficit	Total
Balance at December 31, 2017	**---**	**$ ---**	**$ ---**	**$ ---**	**$ ---**
Issue of share capital – spin out *(Note 3)*	1,010,549	---	---	---	---
Issue of share capital – proposed transaction *(Note 3)*	11,114,451				
Net loss for the period	---	---	---	(2,443)	(2,443)
Balance at September 30, 2018	**12,125,000**	**$ ---**	**$ ---**	**$ (2,443)**	**$ (2,443)**
Balance at December 31, 2018	**12,125,000**	**$ ---**	**$ ---**	**$ (6,775)**	**$ (6,775)**
Issue of share capital - private placements *(Note 3)*	**---**	**---**	**162,567**	**---**	**162,567**
Issue of share capital - proposed transaction *(Note 3)*	**1,000,000**	**---**	**---**	**---**	**---**
Shares cancelled *(Note 3)*	**(7,614,451)**	**---**	**---**	**---**	**---**
Net loss for the period	**---**	**---**	**---**	**(162,956)**	**(162,956)**
Balance at September 30, 2019	**5,510,549**	**$ ---**	**$ 162,567**	**$ (169,731)**	**$ (7,164)**

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

1093683 B.C. Ltd.

Condensed Interim Statements of Cash Flows

(unaudited)

For the nine months ended September 30, 2019 and 2018

Expressed in Canadian dollars

	2019	2018
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the period	**$ (162,956)**	$ ---
Net change in non-cash working capital balances:		
GST/HST receivable	**(2,896)**	---
Accounts payable and accrued liabilities	**17,734**	---
	(148,118)	---
FINANCING ACTIVITIES		
Shares to be issued *(Notes 3 and 5)*	**162,567**	---
	162,567	---
Net increase in cash	**14,449**	---
Cash, beginning of the period	**---**	---
Cash, end of the period	**$ 14,449**	$ ---

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

1. Nature of Operations and Going Concern

1093683 BC Ltd., a company incorporated under the laws of British Columbia, Canada (the "**Company**" or "**Graycliff**") is engaged in the acquisition, exploration, development and extraction of natural resources, specifically precious metals. Its head office is located at 890-1140 West Pender Street, Vancouver, BC, V6E 4G1, Canada. The Company intends on completing a prospectus for the purposes of going public and change its name to Graycliff Exploration Ltd.

The Company was incorporated on October 19, 2016 as a wholly-owned subsidiary of Monterey Minerals Inc. ("Monterey"). On August 1, 2018, Monterey completed a plan of arrangement whereby it issued 1,010,549 common shares of the Company to Monterey shareholders (the "spinout") for $NIL consideration.

Mineral exploration projects, even when successful, require large amounts of exploration investment to prove mineable reserves, generally over long periods of time, prior to commencement of production. The ability of the Company to continue as a going concern is dependent upon, among other things, being able to obtain additional financing, the continued support of its existing shareholders, and the outlining and development of commercial deposits of metals at its project to generate positive cash flows from operations. While the Company has been successful in securing financing in 2019 and identifying suitable properties to date, there is no assurance that the Company will continue to be successful in achieving these objectives. As at September 30, 2019, the Company had a working capital deficiency of $7,164 and an accumulated deficit of $169,731. The Company's ability to continue operations is dependent on management's ability to secure additional financing, and while it has been successful in doing so in the past, there can be no assurances that it will be able to do so in the future. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The ability of the Company to realize the costs it has incurred to date on its properties is dependent upon the Company being able to identify economically recoverable reserves, to finance their development costs and to resolve any environmental, regulatory or other constraints, which may hinder the successful development of the reserves. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and development activities and in which it has an interest, in accordance with industry standards for the current stage of exploration and development of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, and non-compliance with regulatory and environmental requirements.

These unaudited condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the realization of assets and discharge of liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern. It would, in this situation, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying Financial Statements. Such adjustments could be material.

2. Basis of Presentation

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim financial statements are based on IFRS issued and outstanding as of December 24, 2019, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim

2. Basis of Presentation (Cont'd)

financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2018, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2019 could result in restatement of these unaudited condensed interim financial statements.

Basis of presentation

These unaudited condensed interim financial statements have been prepared on a historical cost basis, with the exception of financial instruments classified at fair value through profit or loss ("FVTPL"). In addition, these unaudited interim condensed financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Functional and presentation currency

These unaudited condensed interim financial statements are presented in Canadian Dollars, which is also the functional currency of the Company. All financial information is expressed in Canadian Dollars otherwise stated and has been rounded to the nearest dollar.

New accounting policies

Mineral properties

The Company charges to operations all mineral property acquisition costs and exploration and evaluation expenses incurred prior to determination of economically recoverable reserves. These costs would also include periodic fees such as license and maintenance fees. Mineral property acquisition costs include cash consideration and he fair value of common shares issued for mineral property interest, pursuant to the terms of the relevant agreement.

IFRS 16 – Leases ("IFRS 16")

Effective January 1, 2019, the Company adopted IFRS 16. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognize the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. The adoption of IFRS 16 did not have a significant impact on the Company's financial statements.

Recent Accounting Pronouncements

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020.

Business Combinations ("IFRS 3")
In October 2018, the IASB issued an amendment to IFRS 3, effective for annual periods beginning on or after January 1, 2020 with early adoption permitted. The amendment clarifies that a business must include, at minimum, an input and a substantive process that together contribute to the ability to create outputs, and assists companies in determining whether an acquisition is a business combination or an acquisition of a

2. Basis of Presentation (Cont'd)

group of assets by providing supplemental guidance for assessing whether an acquired process is substantive. The Company has decided to early adopt the amendments to IFRS 3 effective January 1, 2019 and shall apply the amended standard in assessing business combinations on a prospective basis. For acquisitions that are determined to be acquisitions of assets as opposed to business combinations, the Company allocates the transaction price to the individual identifiable assets acquired and liabilities assumed on the basis of their relative fair values, and no goodwill is recognized. Acquisitions that continue to meet the definition of a business combination are accounted for under the acquisition method, without any changes to the Company's accounting policy. There was no impact on the Company's interim financial statements.

3. Share Capital

Common Shares Authorized

Unlimited number of common shares with no par value

Common Shares Issued

On August 1, 2018, Monterey completed a plan of arrangement whereby it issued 1,010,549 common shares of the Company to Monterey shareholders for $NIL consideration (see Note 1).

Also on August 1, 2018, the Company issued 11,114,451 common shares to various shareholders as part of a Letter of Intent ("LOI") to execute an acquisition and public listing transaction. An additional 1,000,000 common shares were issued on May 6, 2019. The LOI was assigned a $nil value by management. This proposed transaction was never completed, and the associated common shares were cancelled: 7,614,451 on May 6, 2019 and the remaining 4,500,000 on October 7, 2019.

During the quarter ended September 30, 2019, the Company received $162,567 from subscribers for shares not issued until subsequent to quarter-end. In October and November 2019, treasury directions were provided to the Company's transfer agent for these subscribers and additional subscribers received subsequent to quarter-end and these shares were officially issued at that time – see subsequent event Note 6.

4. Related Party Transactions

During the three months ended September 30, 2019, the Company incurred corporate advisory costs of $127,000 from a company in which its former directors are shareholders, with a $10,000 balance remaining in accounts payable. Also during this period, three of the Company's directors billed $2,000 each for services provided. These fees are also included in accounts payable at September 30, 2019.

5. Mineral Property Interests

On August 23, 2019, the Company signed an option agreement to acquire the Shakespeare Property in Ontario. Pursuant to this agreement, the Company allotted 500,000 common shares to the individuals from whom this property was optioned. These shares were subscribed and paid for as part of the October 24, 2019 financing – see subsequent events Note 6.

6. Subsequent Events

On October 1, 2019, the Company issued 2,533,333 common shares at $0.005 per share for proceeds of $12,667.

On October 24, 2019, the Company issued 8,100,000 common shares at $0.02 per share for proceeds of $162,000. In connection with this financing, 300,000 common shares were issued to settle trade debt of $6,000.

6. Subsequent Events (Cont'd)

On November 8, 2019, the Company issued 322,500 common shares at $0.10 per share for proceeds of $32,250.

On November 8, 2019, the Company issued 388,500 common shares at $0.10 per share for proceeds of $38,850.

On December 3, 2019, the Company changed its name to Graycliff Exploration Limited.

On December 4, 2019, the Board of Directors approved 10% Rolling Stock Option Plan. The aggregate number of common shares reserved for issuance pursuant to options granted under the Stock Option Plan will not exceed 10% of the number of common shares of the Company issued and outstanding from time to time.

On December 4, 2019, 800,000 stock options were granted to the executive officers and directors of the Company. The stock options are exercisable at $0.15/option for a period of five years and vest on the date the common shares become listed for and commence trading on a recognized exchange in Canada.

On December 17, 2019, the Company issued 3,000,000 common shares at $0.15 per share for proceeds of $450,000.

MD&A of the Company for the nine-month period ended September 30, 2019.

1093683 BC LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2019

FORM 51-102F1

The following Management Discussion & Analysis ("MD&A") is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of 1093683 BC Ltd. (hereinafter "Monterey" or the "Company") for the interim period ended September 30, 2019. The MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements for the period ended September 30, 2019 and audited consolidated financial statements and MD&A for the year ended December 31, 2018. The MD&A has been prepared effective December 23, 2019.

SCOPE OF ANALYSIS

The following is a discussion and analysis of Monterey Minerals Inc. The Company reports its financial results in Canadian dollars and in accordance with *IAS 34 – Interim Financial Reporting* as issued by the International Accounting Standards Board. All reported interim financial information includes the financial results of Monterey and its subsidiaries.

FORWARD LOOKING STATEMENTS

The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words 'believes,' 'expects,' 'anticipates,' 'estimates,' 'intends,' 'plans,' 'forecasts,' or similar expressions. Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on current expectations that involve numerous risks and uncertainties, including, but not limited to, those identified in the Risks Factors section. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The Company may not provide updates or revise any forward-looking statements, except those otherwise required under paragraph 5.8(2) of NI 51-102, whether written or oral that may be made by or on the Company's behalf.

TRENDS

Other than as disclosed in this MD&A, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect upon its revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

GENERAL BUSINESS AND DEVELOPMENT

The Company is incorporated under the laws of British Columbia, Canada and is engaged in the acquisition, exploration, development and extraction of natural resources, specifically precious metals. Its head office is located at 890-1140 West Pender Street, Vancouver, BC, V6E 4G1, Canada. The Company intends on completing a prospectus for the purposes of going public and change its name to Graycliff Exploration Ltd.

The Company was incorporated on October 19, 2016 as a wholly-owned subsidiary of Monterey Minerals Inc. ("Monterey"). On August 1, 2018, Monterey completed a plan of arrangement whereby it issued 1,010,549 common shares of the Company to Monterey shareholders (the "spinout") for $NIL consideration.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2019, the Company had a cash balance of $14,449 compared to a cash balance of $NIL at December 31, 2018. The Company had negative working capital $7,164 at September 30, 2019 (December 31, 2018 – negative working capital of $6,775).

The continuation of the Company as a going-concern is dependent on its ability to raise additional capital or debt financing, including on reasonable terms, in order to meet business objectives towards achieving profitable business operations.

SHARE CAPITAL AND OUTSTANDING SHARE DATA

Common Shares

Authorized – Unlimited Common shares without par value; and

Issued and Outstanding as at September 30, 2019: 12,125,000 (December 31, 2018: 1,010,549)

On August 1, 2018, Monterey completed a plan of arrangement whereby it issued 1,010,549 common shares of the Company to Monterey shareholders for $NIL consideration.

Subsequent to quarter-end, the Company raised capital through three separate financings:

On October 1, 2019, the Company issued 2,533,333 common shares at $0.005 per share for proceeds of $12,667.

On October 24, 2019, the Company issued 8,100,000 common shares at $0.02 per share for proceeds of $162,000. In connection with this financing, 300,000 common shares were issued to settle trade debt of $6,000.

On November 8, 2019, the Company issued 322,500 common shares at $0.10 per share for proceeds of $32,250.

On November 8, 2019, the Company issued 388,500 common shares at $0.10 per share for proceeds of $38,850.

On December 17, 2019, the Company issued 3,000,000 common shares at $0.15 per share for proceeds of $450,000.

During the period from June to December 2109, the Company cancelled 15,598,951 common shares for no consideration.

RESULTS OF OPERATIONS

SELECTED QUARTERLY INFORMATION

During the three and nine-month periods ended September 30, 2019, the Company incurred a net loss of $152,346 and $162,956, respectively (three and nine months ended September 30, 2018 – losses of $2,443 and $2433, respectively). In 2018, other than $650 for transfer agent costs the balance was general administrative in nature. The insignificant expenses in 2018 are reflective of the Company still being inactive. The same generally holds true for 2019, with only $10,000 in costs incurred through the first six months of the year, $9,000 of that in corporate advisory fees paid to a related entity. In the third quarter of 2019 $10,825 was paid for management fees, $20,000 for technical reports as part of due diligence work, and an additional $118,000 in corporate advisory fees paid to a related entity.

SUMMARY OF FINANCIAL RESULTS FOR EIGHT MOST RECENTLY COMPLETED QUARTERS

The following table summarizes the financial results of operations for the eight most recent fiscal quarters:

	Sep. 30, 2019 $	June 30, 2019 $	Mar. 31, 2019 $	Dec. 31, 2018 $
Expenses	**(152,346)**	**(10,010)**	**(600)**	**(6,775)**
Net loss	**(152,346)**	**(10,010)**	**(600)**	**(6,775)**
Loss per share - basic & diluted	**(0.03)**	**(0.01)**	**(0.00)**	**(0.00)**
	Sep. 30, 2018 $	**June 30, 2018 $**	**Mar. 31, 2018 $**	**Dec. 31,2017 $**
Expenses	**(2,443)**	---	---	---
Net loss	**(2,443)**	---	---	---
Loss per share - basic & diluted	**(0.00)**	0.00	0.00	0.00

RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, close family members, other key management individuals and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Related party transactions conducted in the normal course of operations are measured at the fair value and approved by the Board of Directors in strict adherence to conflict of interest law and regulations.

The Company incurred the following charges with directors and/or officers of the Company and/or companies controlled by them for the nine months ended September 30, 2019 and 2018:

	September 30, 2019 ($)	September 30, 2018 ($)
Consulting – Company's directors	6,000	-
Advisory Fees – Venex Capital	127,000	-

As at September 30, 2019, included in accounts payable and accrued liabilities is $16,000 (December 31, 2018 - $nil) due to directors and companies controlled by directors of the Company.

CRITICAL JUDGMENTS AND ACCOUNTING ESTIMATES

Measurement Uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of the accounting policies to financial information presented. Actual results may differ from the estimates, assumptions and judgments made. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes made to estimates are reflected in the period the changes are made.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the consolidated financial statements are:

Taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Significant accounting judgments

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimations that have the most significant effect on the amounts recognized in the Company's financial statements, are related to the functional currency assessment, related parties, the provision for reclamation and obligation, when and if deferred taxes are recoverable and the assumption that the Company will continue as a going concern.

The Company made a determination that its functional currency and that of its subsidiaries is the Canadian dollar. Management considered all of the relevant factors in making this determination.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Set out below is a comparison, by category, of the carrying amounts and fair values of all of the Company's financial instruments that are carried in the financial statements and how the fair value of financial instruments is measured.

Fair values

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act.

The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

The following table provides an analysis of the financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. prices) or indirectly (derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at September 30, 2019 and December 31, 2018, the Company did not have any financial instruments measured at fair value.

Categories of Financial Instruments	**September 30, 2019**	**December 31, 2018**
Financial Assets—other receivables		
Cash	**$14,449**	$ ---
Accounts receivable	**3,302**	406
Financial Liabilities—other financial liabilities		
Accounts payable and other liabilities	**24,915**	3,681

The fair values of all the Company's financial instruments approximate the carrying value due to the short-term nature of the financial instruments. The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (currency fluctuations, interest rates and commodity prices). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Credit Risk

Credit risk is the risk of a financial loss to the Company if a customer is unable to meet its contractual obligations and arises principally from the Company's accounts receivable. The Company’s cash is held with Canadian chartered banks.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company has established a standard of ensuring that it has enough resources available to withstand any downturn in the industry. As the Company’s industry is very capital intensive, the majority of its spending is related to its capital programs. The Company prepares periodic capital expenditure budgets, which are regularly monitored and updated as considered necessary. Further, the Company utilizes authorizations for expenditures on both operated and non-operated projects to further manage capital expenditures. The Company's goal is to prudently spend its capital while maintaining its credit reputation amongst its suppliers.

Market Risk

Market risk is the risk that changes in interest rates, foreign exchange rates and commodity and equity prices will affect the Company's net earnings or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in certificates of deposit issued by a Canadian chartered bank with which it keeps its bank accounts. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of the Canadian chartered bank.

Commodity and equity risk

The Company is exposed to price risk with respect to commodity and equity prices. Commodity price risk is the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Equity price risk is the potential adverse impact on the Company's comprehensive earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of certain precious and base metals. Precious and base metals have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals are produced in the future, a profitable market will exist for them.

CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying natural resource properties. The Company's objective is met by retaining adequate equity to guard against the possibility that cash flows from assets will not be sufficient to meet future cash flow requirements. The Company considers its capital structure to include cash and working capital. In order to maintain or adjust the capital structure, the Company may from time to time issue shares and adjust its capital spending to manage current and projected debt levels. To assess capital and operating efficiency and financial strength, the Company continually monitors its net cash and working capital.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

MANAGEMENT’S RESPONSIBILITY

Management is responsible for all information contained in this report. The September 30, 2019 financial statements have been prepared in accordance with IFRS and include amounts based on management’s informed judgments and estimates.

RISKS AND UNCERTAINTIES

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Only investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment should undertake such investment. Prospective investors should carefully consider the risk and uncertainties that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this discussion, including information as to future activities, events and financial or operating performance of the Company and its projects, constitute forward-looking statements. Such forward-looking statements involve known and unknown risks and uncertainties that could cause actual events or results to, differ materially from estimated or anticipated activities, events or results implied or expressed in such forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies.

Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, “believes”, or variations of such words and phrases. Forward-looking information may also be identified in statements where certain actions, events or results “may”, “could", "would”, “might” or “will be taken”, “occur” or “be achieved”.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made.

Many factors could cause actual activities and events and the Company’s actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. These include metal prices, exploitation and exploration successes, continued availability of capital and financing and general economic, market or business conditions.

These forward-looking statements are made as of the date hereof and the Company disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise. Investors are cautioned that forward-looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainly therein.

SCHEDULE "A"

GRAYCLIFF EXPLORATION LIMITED

(THE "COMPANY")

AUDIT COMMITTEE CHARTER

I. MANDATE

The Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Graycliff Exploration Limited (the "**Company**") shall assist the Board in fulfilling its financial oversight responsibilities. The Committee's primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

1. The quality and integrity of the Company's financial statements and other financial information;
2. The compliance of such statements and information with legal and regulatory requirements;
3. The qualifications and independence of the Company's independent external auditor (the "**Auditor**"); and
4. The performance of the Company's internal accounting procedures and Auditor.

II. STRUCTURE AND OPERATIONS

A. Composition

The Committee shall be comprised of three or more members.

B. Qualifications

Each member of the Committee must be a member of the Board.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement.

C. Appointment and Removal

In accordance with the Articles of the Company, the members of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

D. <u>Chair</u>

Unless the Board shall select a Chair, the members of the Committee shall designate a Chair by the majority vote of all of the members of the Committee. The Chair shall call, set the agendas for and chair all meetings of the Committee.

E. <u>Meetings</u>

The Committee shall meet as frequently as circumstances dictate. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee feels it is necessary or appropriate, at every other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Company.

At each meeting, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Company's financial statements in a manner consistent with Section III of this Charter.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

III. DUTIES

A. <u>Introduction</u>

The following functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to the Company's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of, but shall remain subject to, the Board.

B. Powers and Responsibilities

The Committee will have the following responsibilities and, in order to perform and discharge these responsibilities, will be vested with the powers and authorities set forth below, namely, the Committee shall:

Independence of Auditor

1. Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and the Company.

2. Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.

3. Require the Auditor to report directly to the Committee.

4. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Company.

Performance and Completion by Auditor of its Work

1. Be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, including resolution of disagreements between management and the Auditor regarding financial reporting.

2. Review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-election by the Company's shareholders of the existing, Auditor for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company.

3. Recommend to the Board the compensation of the Auditor.

4. Pre-approve all non-audit services, including the fees and terms thereof, to be performed for the Company by the Auditor.

Internal Financial Controls and Operations of the Company

1. 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.

Preparation of Financial Statements

1. Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.

2. Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.

3. Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.

4. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

5. Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:

   (a) The adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggested by the Auditor, internal auditor or management.

   (b) The management inquiry letter provided by the Auditor and the Company's response to that letter.

   (c) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

Public Disclosure by the Company

1. Review the Company's annual and interim financial statements, management's discussion and analysis (MD&A) and earnings press releases before the Board approves and the Company publicly discloses this information.

2. Review the Company's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from its financial statements, other than

disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.

3. Review disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process of the Company's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

Manner of Carrying Out its Mandate

1. Consult, to the extent it deems necessary or appropriate, with the Auditor, but without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.

2. Request any officer or employee of the Company or the Company's outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

3. Meet, to the extent it deems necessary or appropriate, with management, any internal auditor and the Auditor in separate executive sessions.

4. Have the authority, to the extent it deems necessary or appropriate, to retain special independent legal, accounting or other consultants to advise the Committee advisors.

5. Make regular reports to the Board.

6. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

7. Annually review the Committee's own performance.

8. Provide an open avenue of communication among the Auditor, the Company's financial and senior management and the Board.

9. Not delegate these responsibilities.

C. Limitation of Audit Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditor.

CERTIFICATE OF THE COMPANY

Dated: April 9, 2020

This amended and restated prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the Company as required by securities legislation of British Columbia and Ontario.

"James Macintosh"	*"Julio DiGirolamo"*
James Macintosh President, Chief Executive Officer and Director	Julio DiGirolamo Chief Financial Officer, Corporate Secretary and Director

ON BEHALF OF THE BOARD OF DIRECTORS

"David Lees"	*"Samuel Hardy"*
David Lees Director	Samuel Hardy Director and Non-Executive Chairman