

Highlander Silver Corp.

**CSE Form 2A
Listing Statement**

Dated as of August 12, 2021

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Schedule A – Annual Financial Statements of CAPPEX Mineral Ventures Inc.

Schedule B – Annual MD&A of CAPPEX Mineral Ventures Inc.

Schedule C – Interim Financial Statements of CAPPEX Mineral Ventures Inc.

Schedule D – Interim MD&A of CAPPEX Mineral Ventures Inc.

Schedule E – Pro Forma Financial Statements

EXPLANATORY NOTES

This Form 2A Listing Statement has been prepared in connection with a proposed fundamental change of Lido Minerals Ltd. pursuant to a reverse takeover transaction with CAPPEX Mineral Ventures Inc.

FORWARD LOOKING INFORMATION

Certain statements contained in this Listing Statement constitute forward-looking statements. These statements relate to future events or future performance. All statements other than statements of historical fact are forward-looking statements. The use of any of the words “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, “projection”, “should”, “believe”, “budget”, “plan”, “potential”, “intend” and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Although management of Lido and CAPPEX believe that the expectations reflected in such forward-looking statements are reasonable and represent Lido’s and CAPPEX’s expectations and belief at this time, such statements involve known and unknown risks and uncertainties which may cause Lido’s and CAPPEX’s actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, including interest rates, business competition, changes in government regulations or in tax laws, in addition to those factors discussed or referenced in Item 17 – *Risk Factors*. These factors should not be considered exhaustive. Many of these risk factors are beyond Lido’s and CAPPEX’s control and each contributes to the possibility that the forward-looking statements will not occur or that actual results, performance or achievements may differ materially from those expressed or implied by such statements. The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these risks, uncertainties and factors are interdependent, and management’s future course of action depends upon our assessment of all information available at that time.

The forward-looking statements made herein relate only to events or information as of the date of this Listing Statement and are expressly qualified by this cautionary statement. Except as required by law, Lido and CAPPEX undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

Lido and CAPPEX may, from time to time, provide oral forward-looking information or statements. Lido and CAPPEX advise that the above paragraph and the risk factors described in this Listing Statement and in Lido’s and CAPPEX’s other documents filed with the Canadian securities commissions should be read for a description of certain risks, uncertainties and factors that could cause the actual results, performance, events or achievements of Lido and CAPPEX to materially differ from those in the oral forward-looking information and statements. Lido and CAPPEX disclaim any intention or obligation to update or revise any oral or written forward-looking information and statements whether as a result of new information, future events or otherwise, except as required by applicable law.

1. INTERPRETATION

1.1 Glossary

The following words and terms shall have the following meanings:

“**1303554 BC Ltd.**” means 1303554 B.C. Ltd. a wholly-owned subsidiary of Lido that was incorporated pursuant to the laws of British Columbia for the purpose of completing the Transaction;

“**Alta Victoria Project**” means the silver-polymetallic exploration project located in central Peru consisting of 18 mining concessions, which are 100% owned by CAPPEX Peru or to which CAPPEX Peru holds an option to earn an indirect 100% interest;

“**Alta Victoria Technical Report**” means the technical report on the Alta Victoria Project entitled “NI 43-101 Technical Report Alta Victoria-Polymetallic Property, Huaros and Marcapomacocha Districts, Canta and Yauli Provinces, Departments of Lima and Junin, Peru”, with an effective date of April 30, 2021;

“**Amalco**” means CAPPEX Mineral Ventures Inc. following completion of the Transaction, being the wholly-owned subsidiary of the Resulting Issuer formed by the amalgamation of CAPPEX and 1303554 BC Ltd. pursuant to the BCBCA on close of the Transaction;

“**Amalgamation Agreement**” means the amalgamation agreement dated May 18, 2021 between Lido, CAPPEX, and 1303554 BC Ltd.;

“**BCBCA**” means the *Business Corporations Act* (British Columbia), as amended, including all regulations promulgated thereunder;

“**Business Day**” means a day, other than Saturdays, Sundays and statutory holidays, when the banks conducting business in the city of Vancouver, British Columbia are generally open for the transaction of banking business;

“**C\$**” or “**\$**”, means the lawful currency of Canada.

“**CAPPEX**” means CAPPEX Mineral Ventures Inc. prior to completion of the Transaction, a company incorporated under the BCBCA on September 20, 2017;

“**CAPPEX Peru**” means Minera CAPPEX S.A.C. prior to and following completion of the Transaction, a company incorporated pursuant to the General Law of Companies of Peru under the name Rock Point Geoservices S.A.C. on March 26, 2010, and subsequently renamed Minera CAPPEX S.A.C. on April 17, 2017, which is 99.99% owned by CAPPEX;

“**CAPPEX Shares**” means the common shares of CAPPEX;

“**CEO**” means Chief Executive Officer;

“**CEO Agreement**” has the meaning set out under “*Executive Compensation – Statement of Executive Compensation of the Resulting Issuer – Employment, Consulting and Management Agreements*”;

“**CFO**” means Chief Financial Officer;

“**Consolidation**” means Lido’s consolidation of its issued and outstanding common shares on the basis of one post consolidation share for every ten pre-consolidation shares, which was completed on December 14, 2018.

“**CSE**” or “**Exchange**” means the Canadian Securities Exchange;

“**Definitive Agreement**” means the business combination agreement dated May 18, 2021 between Lido, CAPPEX, and 1303554 BC Ltd.;

“**DIA**” has the meaning set out under “*Narrative Description of the Business – The Alta Victoria Project – Property Description and Location*”;

“**Escrow Agent**” means National Securities Administrators Ltd.;

“**Hercules Property**” has the meaning set out under “*General Development of the Business - General Development of the Business of Lido Prior to the Transaction*”;

“**Lido**” means Lido Minerals Ltd. prior to completion of the Transaction, a company incorporated under the BCBCA on October 19, 2016 under the name 1093684 B.C. Ltd., subsequently renamed Blue Aqua Holdings Ltd. on March 28, 2018, Commonwealth Cannabis Corp. on December 14, 2018, and Lido Minerals Ltd. on February 11, 2020;

“**Lido Escrow Agreement**” means the escrow agreement dated July 28, 2020 entered into by Lido, the Escrow Agent and certain securityholders of Lido in compliance with the requirements of the CSE and Form 46-201F1;

“**Lido Shares**” means the common shares of Lido;

“**Listing Statement**” means this listing statement and any appendices, schedules or attachments hereto;

“**LOI**” has the meaning set out under “*General Development of the Business - General Development of the Business of Lido Prior to the Transaction*”;

“**Management Agreement**” has the meaning set out under “*Executive Compensation – Statement of Executive Compensation of the Resulting Issuer – Employment, Consulting and Management Agreements*”;

“**MD&A**” means management’s discussion and analysis;

“**Minera Yantac**” means Minera Yantac S.A.C. prior to and following completion of the Transaction, a company incorporated pursuant to the General Law of Companies of Peru on February 6, 2018, which CAPPEX Peru has an option to acquire pursuant to the Option Agreement;

“**Mining Lease Agreement**” has the meaning set out under “*General Development of the Business - General Development of the Business of CAPPEX Prior to the Transaction – Property Agreements*”;

“**Monterey**” has the meaning set out under “*General Development of the Business - General Development of the Business of Lido Prior to the Transaction*”;

“**Name Change**” means the change of name of Lido to “Highlander Silver Corp.” on completion of the Transaction;

“**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;

“**NI 52-107**” means National Instrument 52-107 – *Acceptable Accounting Principles and Auditing Standards*;

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees*;

“**NI 58-101**” means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*;

“**Nimpkish Option Agreement**” has the meaning set out under “*General Development of the Business - General Development of the Business of Lido Prior to the Transaction*”;

“**Nimpkish Optionor**” has the meaning set out under “*General Development of the Business - General Development of the Business of Lido Prior to the Transaction*”;

“**Nimpkish Property**” means the polymetallic exploration project located on northeastern Vancouver Island, British Columbia consisting of one mineral claim, and which Pacific West holds an option to earn a 100% interest in;

“**NP 46-201**” means National Policy 46-201 – *Escrow for Initial Public Offerings*;

“**NSR**” means net smelter returns royalty;

“**Option Agreement**” has the meaning set out under “*General Development of the Business - General Development of the Business of CAPPEX Prior to the Transaction – Property Agreements*”;

“**Optioned Property**” has the meaning set out under “*General Development of the Business - General Development of the Business of CAPPEX Prior to the Transaction*”;

“**Options**” means stock options to purchase Lido Shares granted by the board of directors of Lido to certain directors, officers, employees and consultants of Lido pursuant to the Plan;

“**Order**” means (a) a cease trade order; (b) an order similar to a cease trade order; or (c) an order that denied the relevant person or company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days;

“**Orley**” has the meaning set out under “*General Development of the Business - General Development of the Business of Lido Prior to the Transaction*”;

“**Pacific West**” means Pacific West Exploration Services Inc. prior to and following the Transaction, a company incorporated under the BCBCA on May 20, 2014, and Lido’s wholly-owned subsidiary;

“**Partum**” has the meaning set out under “*Executive Compensation – Statement of Executive Compensation of the Resulting Issuer – Employment, Consulting and Management Agreements*”;

“**Private Placement**” means the non-brokered private placement offering of a total of 10,000,000 Subscription Receipts of Lido at a price of \$0.15 per Subscription Receipt for gross proceeds of \$1,500,000;

“**Qualified Person**” or “**QP**” means a “qualified person” as defined under NI 43-101;

“**Resulting Issuer**” means Highlander Silver Corp. upon completion of the Transaction and Name Change, a company incorporated pursuant to the BCBCA on October 19, 2016 under the name 1093684 B.C. Ltd., subsequently renamed Blue Aqua Holdings Ltd. on March 28, 2018, Commonwealth Cannabis Corp. on December 14, 2018, Lido Minerals Ltd. on February 11, 2020 and Highlander Silver Corp. on completion of the Transaction;

“**Resulting Issuer Escrow Agreement**” means the escrow agreement entered into by the Resulting Issuer, the Escrow Agent and certain securityholders of the Resulting Issuer in compliance with the requirements of the CSE and NP 46-201;

“**Resulting Issuer Shares**” means the common shares of the Resulting Issuer;

“**Stock Option Plan**” means Lido’s 2020 stock option plan;

“**Subscription Receipts**” means the subscription receipts of Lido issued in the Private Placement which automatically converted into one Resulting Issuer Share and one share purchase warrant of the Resulting Issuer upon completion of the Transaction, with each warrant exercisable to acquire one Resulting Issuer Share at an exercise price of \$0.25 per Resulting Issuer Share for a period of two years from the close of the Transaction;

“**Surface Access Agreement**” has the meaning set out under “*General Development of the Business - General Development of the Business of CAPPEX Prior to the Transaction – Property Agreements*”;

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder, as amended;

“**Transaction**” means the reverse takeover of Lido by CAPPEX, completed by way of three-cornered amalgamation pursuant to the Definitive Agreement;

“**Transfer Agreement**” has the meaning set out under “*General Development of the Business - General Development of the Business of CAPPEX Prior to the Transaction – Property Agreements*”;

“**U.S. Person**” has the meaning ascribed to it in Rule 902(k) of Regulation S under the U.S. Securities Act;

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended;

“**U.S.**” or “**United States**” means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia; and

“**US dollar**” or “**US\$**”, means the lawful currency of the United States.

1.2 Technical Terms

The following technical terms and abbreviations are used in this Listing Statement:

Description	Abbreviation
Antimony	Sb
Arsenic	As
Atomic absorption	AA
Centimetre(s)	cm
Copper	Cu
Global Positioning System	GPS
Gold	Au
Gram(s)	g
Grams per metric ton	g/t
Greater than	>
Induced coupled plasma	ICP
International Organization for Standardization	ISO
Kilometre(s)	km
Lead	Pb
Less than	<
Liter(s)	l

Description	Abbreviation
Manganese oxide	MnO or MnOx
Mercury	Hg
Metre(s)	m
metric tonne	mt
Millimetre(s)	mm
Molybdenum	Mo
Mass Spectrometre	MS
Ounces (Troy)	oz
ounces per ton	opt
Parts per billion	ppb
Parts per million	ppm
Plus or minus	±
Quality Assurance/Quality Control	QA/QC
Selenium	Se
Silver	Ag
Tellurium	Te
Ton (metric, 1,000 kg or 2,204.6 lbs)	t
Troy ounce (31.1035 grams)	oz
Troy ounces per short ton	opt
Universal Transverse Mercator	UTM
X-Ray Fluorimetre / p =portable)	XRF or pXRF
Zinc	Zn

2. CORPORATE STRUCTURE

2.1 Corporate Name and Head and Registered Office

The full corporate name of the Resulting Issuer is Highlander Silver Corp. The registered office and the head office of the Resulting Issuer is Suite 600, 1090 West Georgia Street, Vancouver, British Columbia, Canada.

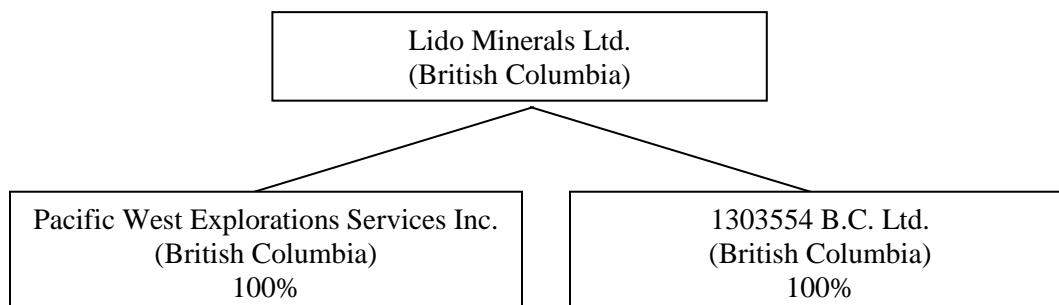
2.2 Jurisdiction of Incorporation

Lido was incorporated pursuant to the BCBCA under the name 1093684 B.C. Ltd. on October 19, 2016. On March 28, 2018, it changed its name to Blue Aqua Holdings Ltd., on December 14, 2018, it changed its name to Commonwealth Cannabis Corp., and on February 11, 2020, it changed its name to Lido Minerals Ltd. On close of the Transaction, Lido changed its name to “Highlander Silver Corp.”.

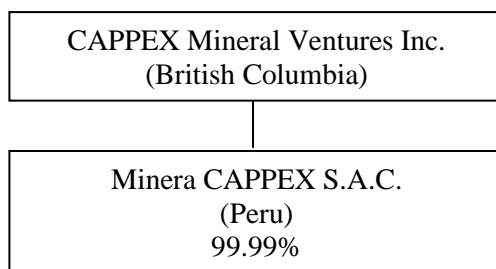
CAPPEX was incorporated pursuant to the BCBCA under the name CAPPEX Mineral Ventures Inc. on September 20, 2017. On close of the Transaction, CAPPEX amalgamated with 1303554 BC Ltd. to form Amalco, which amalgamated company continued as “CAPPEX Mineral Ventures Inc.”, a wholly-owned subsidiary of the Resulting Issuer.

2.3-2.4 Intercorporate Relationships

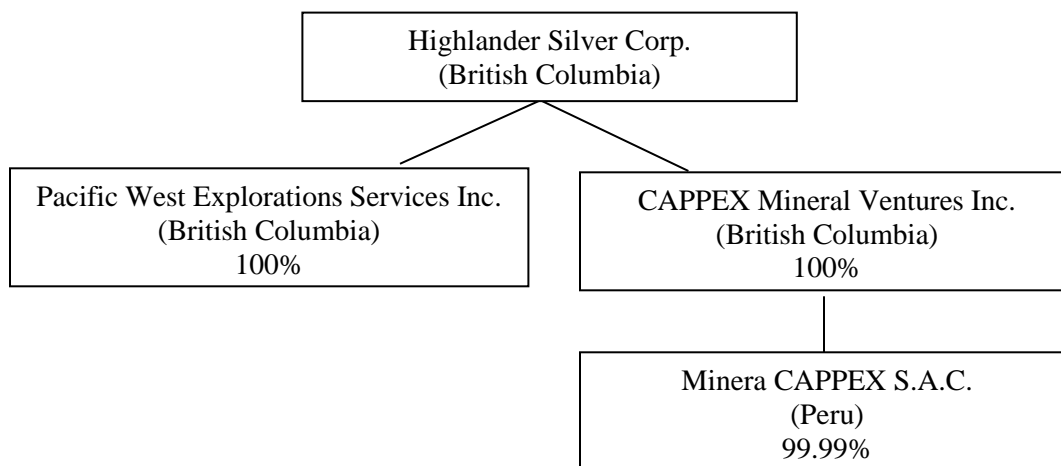
The corporate structure of Lido prior to the Transaction was as follows:



The corporate structure of CAPPEX prior to the Transaction was as follows:



Upon completion of the Transaction, the corporate structure of the Resulting Issuer is as follows:



3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 General Development of the Business

General Development of the Business of Lido Prior to the Transaction

Lido is a reporting issuer in the Provinces of British Columbia, Alberta and Ontario. Lido's common shares trade on the CSE. Lido is engaged in the acquisition and exploration of mining properties.

On June 12, 2018, Lido was spun-out from Monterey Minerals Inc. (“**Monterey**”) and became a separate reporting issuer in British Columbia and Alberta pursuant to a court approved plan of arrangement. The plan of arrangement and spin out of Lido from Monterey was completed through the authorization of the issuance of 1,010,549 Lido Shares to Monterey shareholders at a price of \$0.001 per Lido Share (101,054 Lido Shares at a price of \$0.01 per Lido Share after giving effect to the Consolidation). Also on that date, Lido issued 500,000 Lido Shares to its President at a price of \$0.02 per Lido Share (50,000 Lido Shares at a price of \$0.20 per Lido Share after giving effect to the Consolidation) in settlement of \$10,000 in accrued management fees.

Immediately following the spin out from Monterey, Lido had intended to proceed in the mining and exploration sector. However, upon further review and investigation, its principal business became the identification and evaluation of assets or businesses with a view to completing a transaction with The Orley Group Pty Ltd. (“**Orley**”), an Australian company founded to grow, produce and manage hemp seeds and stems for the Australian market as well as other Pacific Rim and Asian countries. On October 31, 2018, Lido entered into an agreement with Orley and the shareholders of Orley for the acquisition of a 51% interest in Orley, for a total purchase price of approximately \$996,600. Lido and Orley terminated the agreement and abandoned the transaction during Lido’s financial year ended September 30, 2019.

On October 1, 2018, Lido completed a non-brokered private placement of 23,320,000 special warrants at a price of \$0.02 per special warrant for total proceeds of \$466,400. Pursuant to their terms, following the Consolidation, the special warrants converted into an aggregate of 2,332,000 Lido Shares at a price of \$0.20 per Lido Share, effective February 4, 2019.

On December 14, 2018, Lido completed the Consolidation and changed its name from Blue Aqua Holdings Ltd. to Commonwealth Cannabis Corp. under the BCBCA. Prior to the Consolidation, Lido had 1,510,549 Lido Shares outstanding. Following the Consolidation, it had 151,054 Lido Shares outstanding.

On January 31, 2019, Lido completed a non-brokered private placement of 8,552,000 Lido Shares at a price of \$0.10 per Lido Share for total proceeds of \$855,200.

On March 28, 2019, Lido entered in a loan agreement with an independent third party lender, Chun Hao Chen, for a 24 month term loan in the principal amount of \$100,000 for the purpose of supplementing its working capital. The loan from Mr. Chen was unsecured and provided for an annual interest of 5%, accrued on a daily basis and payable upon maturity. The loan and interest owing thereunder was repaid in full on September 17, 2019.

On February 20, 2020, Lido entered into an agreement, pursuant to which it acquired all the outstanding common shares of Pacific West, an arm’s length party. Pacific West is a privately held mineral exploration company that holds an option to earn up to a 100% interest in the Nimpkish Property. In consideration for the outstanding common shares of Pacific West, Lido issued 2,000,000 Lido Shares with a fair value of \$200,000.

On February 20, 2020, Pacific West, as optionee, is party to an option agreement dated as of May 2, 2019 (the “**Nimpkish Option Agreement**”) with respect to the Nimpkish Property, under which Pacific West has the exclusive and irrevocable right to acquire a 100% interest in the Nimpkish Property from the registered owners of the Nimpkish Property (collectively, the “**Nimpkish Optionor**”). Under the terms of the Nimpkish Option Agreement, and in order to exercise the option, Pacific West made a cash payment of \$30,000 to the Nimpkish Optionor, and is required to incur a total of \$425,000 in exploration expenditures on the Nimpkish Property, in various stages, to December 31, 2023.

On August 10, 2020, Lido granted incentive stock options to certain members of the board of directors, management, and consultants entitling them to purchase up to 1,210,000 Lido Shares at an exercise price of \$0.27 per Lido Share, pursuant to the Stock Option Plan. The options are valid for a period of five years and will expire on August 10, 2025.

On September 21, 2020, Lido executed a non-binding letter of intent (“**LOI**”) which was amended on November 18, 2020 to acquire 100% of the Hercules Silver property (the “**Hercules Property**”) by the way of an asset purchase with 1218530 B.C. Ltd. (“**1218530**”) and 1218530’s sole shareholder. The Hercules Property is located in Washington County, Idaho, USA and is prospective for silver mineralization. The transaction contemplated by the LOI would provide Lido with the option to acquire 100% of the Hercules Property by making aggregate cash payments of \$175,000 and by issuing an aggregate of 700,000 Lido Shares to 1218530. In addition, Lido would be required to pay an additional \$1,000,000 bonus payment to 1218530 upon the commencement of commercial production on the Hercules, and grant to 1218530 a 2.0% NSR on Hercules. Completion and execution of a definitive agreement was subject to Lido completing detailed due diligence on the Hercules property and 1218530. On March 29, 2021, Lido terminated the LOI with 1218530 for the Hercules property.

On March 1, 2021, Lido granted 25,000 incentive stock options to a director to purchase up to 25,000 Lido Shares at an exercise price of \$0.18 per Lido Share, pursuant to the Stock Option Plan. The options are valid for a period of five years from grant.

On May 18, 2021, Lido announced that it had entered into the Definitive Agreement with CAPPEX and 1303554 BC Ltd. See “*General Development of the Business – The Transaction*” below.

General Development of the Business of CAPPEX Prior to the Transaction

CAPPEX was a private company engaged in the acquisition, exploration, and evaluation of mineral resource properties. CAPPEX’s material property is the Alta Victoria Project. CAPPEX, through its wholly owned Peruvian subsidiary, CAPPEX Peru, holds an interest in the Alta Victoria Project, located in Peru. CAPPEX staked eight mining concessions forming part of the Alta Victoria Project between 2017 and 2018, and has an option to acquire 100% of the shares of Minera Yantac, a Peruvian company, which holds title to an additional ten mining concessions forming part of the Alta Victoria Project (the “**Optioned Property**”).

See “*Narrative Description of the Business – Alta Victoria Project*” for a description of CAPPEX’s exploration activities on the Alta Victoria Project to date.

Property Agreements

Pursuant to an option agreement between CAPPEX Peru and the shareholders of Minera Yantac dated December 26, 2018, as amended July 27, 2020 (the “**Option Agreement**”), CAPPEX Peru has the option to acquire Minera Yantac, holder of the Optioned Property, by paying a total of US\$4,000,000 over six years and four months. Minera Yantac acquired the Optioned Property pursuant to a mining property transfer agreement dated December 18, 2018, as amended July 27, 2020 (the “**Transfer Agreement**”), and a portion of the payments under the Option Agreement are to be made to the prior owners of the Optioned Property to satisfy the requirements of the Transfer Agreement, with the balance paid to the shareholders of Minera Yantac.

CAPPEX Peru is required to make the following payments pursuant to the Option Agreement:

- US\$60,000 (paid);

- US\$5,000 per month for 32 months from August 2018 to March 2020 and from August 2020 to July 2021 (a total of US\$160,000, of which US\$130,000 has been paid in cash and US\$30,000 was satisfied by the issuance of 200,001 CAPPEX Shares and 200,001 warrants to purchase CAPPEX shares, more particularly described below);
- US\$10,000 per month for 28 months starting August 2021 and ending in November 2023 (a total of US\$280,000); and
- US\$3,500,000 on December 4, 2023.

The parties agreed to suspend the payments under the Option Agreement and Transfer Agreement for the months of April, May, June and July 2020 as a result of the COVID-19 pandemic.

Pursuant to an agreement dated July 27, 2020, CAPPEX issued 200,001 CAPPEX Shares and 200,001 warrants to purchase CAPPEX Shares at a deemed price of US\$0.15. The warrants are exercisable at C\$0.25 per CAPPEX Share until July 20, 2022. These securities were issued in satisfaction of payments due pursuant to the Option Agreement and the Transfer Agreement for the 6 month period between August 2019 and January 2020.

Pursuant to the Transfer Agreement, the Optioned Property is subject to a net smelter returns royalty of 1.5% on all metallic metals and 3.00 Soles per ton of non-metallic metals produced from the Optioned Property. The net smelter returns royalty was granted by Minera Yantac to Minera Flor de Maria S.A.C., one of the former titleholders of the Optioned Property.

CAPPEX has the right to conduct exploration activities on the Optioned Property pursuant to a mining lease agreement dated June 8, 2018, as amended December 18, 2018 and May 21, 2021 (the “**Mining Lease Agreement**”). Pursuant to the Mining Lease Agreement, CAPPEX was required to pay US\$100 (which has been paid) and to incur US\$500,000 in work commitments on the Optioned Property by February 28, 2022 (which requirement has been met). The mining lease agreement expires on December 4, 2023.

CAPPEX also entered into a surface access agreement with The Community of San Francisco de Asis de Yantac in April 2018 for a 2 year term, and a second surface access agreement January 24, 2020 that is valid until January 24, 2022 (the “**Surface Access Agreement**”). Pursuant to the Surface Access Agreement, CAPPEX may build road and drill platforms, as well as drill on the Alta Victoria Project. CAPPEX made a land use payment for 2020 of 45,000 Soles and has agreed to pay 60,000 Soles for 2021.

Share Issuances

Since 2017, CAPPEX has issued shares in consideration for services of its directors, officers and consultants as follows:

Date Issued	Number of CAPPEX Shares	Issue Price per Security (\$)	Nature of Consideration
September 20, 2017	5,000,000	US\$0.02	Expenses and compensation
November 9, 2017	5,500,000	US\$0.02	Expenses and compensation
November 9, 2017	1,765,542	US\$0.07	Expenses and compensation
April 17, 2018	455,069	US\$0.07	Compensation
March 31, 2019	163,414	US\$0.07	Consulting fees
April 4, 2019	800,000	US\$0.15	Compensation
February 6, 2020	35,000	US\$0.15	Compensation

Date Issued	Number of CAPPEX Shares	Issue Price per Security (\$)	Nature of Consideration
February 10, 2020	20,000	US\$0.15	Legal fees
May 26, 2020	50,000	US\$0.15	Compensation
August 17, 2020	333,333	C\$0.15	Consulting fees
August 18, 2020	2,002,631	C\$0.15	Compensation

Note:

- (1) Included 333,333 warrants exercisable at C\$0.25 per CAPPEX Share until the later of August 5, 2023 and the second anniversary of the listing of the CAPPEX Shares.

CAPPEX also completed a number of private placements, summarized below.

On April 3, 2018, CAPPEX completed a private placement of 6,073,568 CAPPEX Shares at a price of US\$0.07 per CAPPEX Share for proceeds of US\$424,949.70.

On December 10, 2019, CAPPEX completed a private placement of 400,000 CAPPEX Shares at a price of US\$0.15 for proceeds of US\$60,000. On June 10, 2020 CAPPEX also issued 400,000 warrants to purchase CAPPEX Shares to this investor, with each warrant exercisable into one CAPPEX Share at a price of C\$0.25 until June 10, 2022.

On February 27, 2020 CAPPEX completed a private placement of 133,333 CAPPEX Shares at a price of US\$0.15 per CAPPEX Share for proceeds of C\$26,420. On June 10, 2020 CAPPEX also issued 133,333 warrants to purchase CAPPEX Shares to this investor, with each warrant exercisable into one CAPPEX Share at a price of C\$0.25 until June 10, 2022.

On June 10, 2020, CAPPEX completed a private placement of 70,000 CAPPEX units at a price of C\$0.20 per CAPPEX unit for proceeds of C\$14,000 and 266,667 CAPPEX units at a price of US\$0.15 for proceeds of US\$40,000. Each unit is comprised of one CAPPEX Share and one warrant of CAPPEX. Each warrant is exercisable to purchase CAPPEX Shares at a price of C\$0.25 per CAPPEX Share until June 10, 2022.

On August 5, 2020, CAPPEX completed a private placement of 7,866,670 units at a price of C\$0.15 per unit for proceeds of C\$1,180,000.50. Each unit is comprised of one CAPPEX Share and one warrant of CAPPEX. Each warrant is exercisable into one CAPPEX Share at an exercise price of C\$0.25 per CAPPEX Share until the later of August 5, 2023 and the second anniversary of the listing of the CAPPEX Shares.

On September 14, 2020, CAPPEX issued a total of 5,725,417 CAPPEX Shares at a price of C\$0.15 per CAPPEX Share for proceeds of C\$858,812.55 pursuant to a private placement. On September 15, 2020, CAPPEX issued a further 166,667 CAPPEX Shares at a price of C\$0.15 per CAPPEX Share for proceeds of C\$25,000.05, followed on September 25, 2020 by 133,500 CAPPEX Shares at C\$0.15 per CAPPEX Share for proceeds of C\$25,025, in additional tranches of the private placement.

The Transaction

On May 18, 2021, Lido, CAPPEX, and 1303554 BC Ltd. entered into the Definitive Agreement, pursuant to which Lido agreed to acquire all of the issued and outstanding shares of CAPPEX in exchange for common shares of Lido. The Transaction constituted a reverse takeover of Lido by CAPPEX and a “fundamental change” of Lido pursuant to Exchange Policy 8 – *Fundamental Changes*.

Pursuant to the Definitive Agreement, the Transaction was structured as a three-cornered amalgamation, with CAPPEX amalgamating with 1303554 BC Ltd. under the BCBCA and becoming a wholly-owned subsidiary of Lido. Shareholders of CAPPEX received one common share in the capital of Lido in exchange for each outstanding common share of CAPPEX held by them. Following close of the Transaction, each warrant of CAPPEX outstanding is exercisable to purchase that number of Resulting Issuer Shares equal to the number of CAPPEX Shares subject to such warrant immediately before the effective time of the Transaction, at an exercise price per Resulting Issuer Share equal to the exercise price per CAPPEX Share subject to such warrant immediately before the close of the Transaction.

The Resulting Issuer will continue to carry on the business of CAPPEX and the exploration of the Alta Victoria Project as well as targeting the acquisition of additional mineral projects by leveraging the team's significant experience in Peru and South America more widely.

Concurrently with the execution of the Definitive Agreement, Lido completed the Private Placement of 10,000,000 Subscription Receipts. The Subscription Receipts were issued at a price of \$0.15 per Subscription Receipt for gross proceeds of \$1,500,000. On closing of the Transaction on or before November 15, 2021, each Subscription Receipt was automatically converted into one Resulting Issuer Share and one warrant of the Resulting Issuer. Each warrant is exercisable into one Resulting Issuer Share at an exercise price of \$0.25 per Resulting Issuer Share for a period of two years from the close of the Transaction.

As a result of the Transaction, former shareholders of CAPPEX hold approximately 61.5% of the Resulting Issuer, shareholders of Lido hold approximately 22.0% of the Resulting Issuer, and 16.5% of the Resulting Issuer is held by Augusta Investments Inc., subscriber to the Private Placement.

The proceeds of the Private Placement were held in escrow and released to the Resulting Issuer on close of the Transaction. The proceeds of the Private Placement will be used to fund the exploration of the Alta Victoria Project and for general working capital purposes.

3.2 Significant Acquisition and Disposition

Lido has not completed a significant acquisition or significant disposition (as defined in CSE policies and Canadian securities laws) within the previous or current financial year.

CAPPEX has not completed a significant acquisition or significant disposition (as defined in CSE policies and Canadian securities laws) within the previous or current financial year.

3.3 Significant Trends and Commitments

There are no trends, commitments, events or uncertainties known to management which could reasonably be expected to have a material effect on the Resulting Issuer's business, financial condition or results of operations, apart from those discussed in Item 17 – *Risk Factors*.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

4.1 Business of Lido

Business Objectives

Prior to completion of the Transaction, Lido's primary business objective was exploration and development of the Nimpkish Property in British Columbia, Canada. Following the Transaction, Lido has re-focused its operations on CAPPEX's Alta Victoria Project.

Phase I exploration activities for the Nimpkish Property were delayed due to the COVID-19 pandemic and the logistical difficulties and health and safety concerns in completing field work in British Columbia during such time. The Resulting Issuer plans to seek an extension of the option payments under the Nimpkish Option Agreement. The Resulting Issuer has no plans to explore the Nimpkish Property in the 12-month period following completion of the Transaction.

4.2 Business of CAPPEX and the Resulting Issuer

Business Objectives

The primary business objective of CAPPEX was the acquisition, exploration and development of mineral properties. CAPPEX's principal focus was the exploration and development of the Alta Victoria Project, and following completion of the Transaction, the business of CAPPEX is the business of the Resulting Issuer.

In the 12 months following the Transaction, the Resulting Issuer's principal focus will be on the exploration of the Alta Victoria Project. In the near term, planned activities at the Alta Victoria Project include the completion of the recommended program set forth in the Technical Report.

Significant Events or Milestones

The significant events or milestones proposed to occur during the 12-month period following the Transaction are as follows:

Milestone	Target Date	Estimated Cost ⁽¹⁾⁽²⁾
Complete Phase I Exploration of the Alta Victoria Project ⁽¹⁾	July 2022	\$1,622,500
Acquire additional silver projects in Peru and other regions ⁽²⁾	July 2022	\$1,282,500

Notes:

- (1) Based on the recommended Phase I Exploration Budget under the Technical Report. Proceeding to Phase II will be contingent on the results of Phase I.
- (2) To the extent necessary, the Resulting Issuer will evaluate and potentially acquire additional mineral properties to further diversify its silver property portfolio in Peru and other regions.

Total Funds Available

It is anticipated that the following funds will be available to the Resulting Issuer following the Transaction:

Description of Funds	Amount
Estimated working capital of Lido as at July 31, 2021	\$1,800,000
Estimated working capital of CAPPEX as at July 31, 2021	\$350,000
Proceeds of Private Placement ⁽¹⁾	\$1,500,000
Total	\$3,650,000

Note:

- (1) On May 18, 2021, Lido completed the Private Placement of 10,000,000 Subscription Receipts. The Subscription Receipts were issued at a price of \$0.15 per Subscription Receipt for gross proceeds of \$1,500,000. On closing of the Transaction each Subscription Receipt automatically converted into one Resulting Issuer Share and one warrant of the Resulting Issuer. Each warrant is exercisable into one Resulting Issuer Share at an exercise price of \$0.25 per Resulting Issuer Share for a period of two years from the close of the Transaction.

Use of Funds

The Resulting Issuer intends to use the available funds as set out below. The use of the funds may be re-adjusted depending the Resulting Issuer's operating needs, on exploration geological, geophysical and geochemical results from the Alta Victoria Project programs and any changes in the business environment.

Use of Funds	Funds to be Expended
Fundamental Change Transaction and CSE listing costs ⁽¹⁾	\$195,000
Phase I Exploration of the Alta Victoria Project ⁽²⁾	\$1,622,500
Operating Expenses for 12 months ⁽³⁾	\$550,000
Unallocated working capital ⁽⁴⁾	\$1,282,500
Total	\$3,650,000

Notes:

- (1) These costs are approximately comprised of \$150,000 in legal fees, \$30,000 in professional fees – audit and accounting, and \$15,000 in listings and other filing fees.
- (2) Based on the recommended Phase I Exploration Budget under the Alta Victoria Technical Report. Proceeding to Phase II will be contingent on the results of Phase I.
- (3) Estimated operating expenses for the next 12 months include: \$380,000 for board and management fees; \$15,000 for office and miscellaneous costs (includes office supplies and computers); \$20,000 for corporate travel; \$60,000 for bookkeeping, accounting, financial reporting, and compliance consulting services; \$25,000 for professional fees (audit and legal); and \$50,000 for Transfer Agent, listing and filing fees.
- (4) To the extent necessary, the Resulting Issuer will evaluate and potentially acquire additional mineral properties to further diversify its silver property portfolio in Peru and other regions.

Due to the nature of the business of mineral exploration, budgets are regularly reviewed with respect to both the success of the exploration program and other opportunities which may become available to the Resulting Issuer. Accordingly, if the results of the Phase I exploration program are not supportive of proceeding with Phase II, or if continuing with the Phase I exploration program becomes inadvisable for any reason, the Resulting Issuer may abandon in whole or in part its interest in the Alta Victoria Project or may, as work progresses, alter the recommended work program, or may make arrangements for the performance of all or any portion of such work by other persons or companies and may use any funds so diverted for the purpose of conducting work or examining other properties acquired by the Resulting Issuer, although the Resulting Issuer has no present plans in this respect.

Competitive Conditions

The mineral exploration industry is competitive, with many companies competing for the limited number of precious and base metals acquisition and exploration opportunities that are economic under current or foreseeable metals prices, as well as for available investment funds and contracting exploration services. Competition is also high for the recruitment of qualified personnel and equipment. Significant and increasing competition exists for mineral opportunities in Peru. There are a number of large established mineral exploration companies in Peru, both local and international, with substantial capabilities and greater financial and technical resources than the Resulting Issuer.

Bankruptcy and Receivership

None of Lido, CAPPEX or their subsidiaries has been the subject of any bankruptcy or any receivership or similar proceedings against Lido, CAPPEX or their subsidiaries, or any voluntary bankruptcy, receivership or similar proceedings by Lido, CAPPEX or their subsidiaries, within the three most recently completed financial years or the current financial year.

Material Restructuring

Other than the Transaction, Lido and CAPPEX have not been subject to any material restructuring transaction within the three most recently completed financial years nor are Lido or CAPPEX proposing any material restructuring transaction for the current financial year.

Social and Environmental Policies

Lido and CAPPEX did not have any social and environmental policies in place, however the Resulting Issuer intends to implement social and environmental policies if required by applicable authorities in Canada and Peru.

4.3 Asset-Backed Securities

The Resulting Issuer does not have any outstanding asset-backed securities.

4.4 The Alta Victoria Project

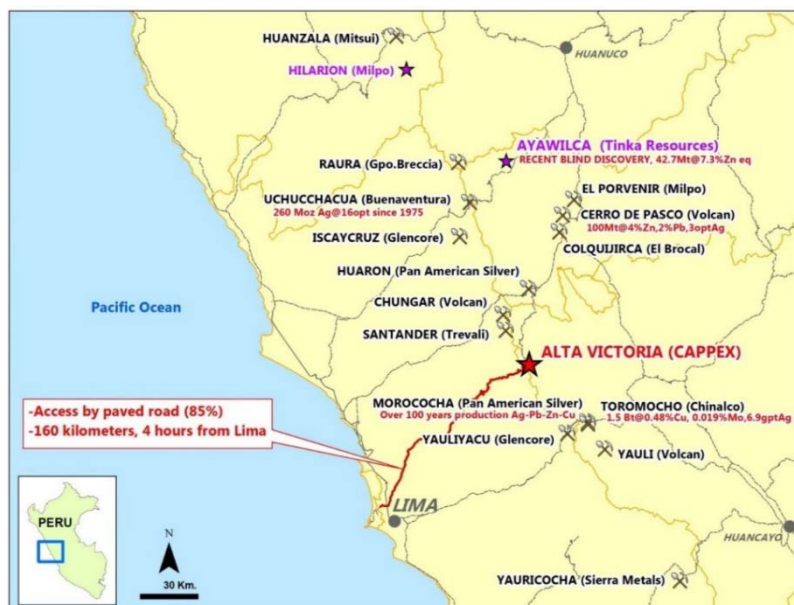
CAPPEX commenced exploration of the Alta Victoria Project in 2017, with the most recent substantive exploration being a drill program starting in 2020. In the year ended December 31, 2020 and the three months ended March 31, 2021, CAPPEX incurred a total of approximately \$859,684 in qualifying expenditures, which included costs for drilling, geology, assaying and geologic analysis. A breakdown of exploration expenditures on the Alta Victoria Project for the years ended December 31, 2020, as well as the interim period ended March 31, 2021, is provided in note 5 of each of CAPPEX's annual and interim financial statements. The annual and interim financial statements of CAPPEX are attached to this Listing Statement as Schedules "A" and "C", respectively.

The following information is summarized from the Alta Victoria Technical Report on the Alta Victoria Project entitled "NI 43-101 Technical Report Alta Victoria-Polymetallic Property, Huaros and Marcapomacocha Districts, Canta and Yauli Provinces, Departments of Lima and Junin, Peru" with an effective of April 30, 2021, prepared by Walter La Torre, MAusIMM (CP), a Qualified Person. The Alta Victoria Technical Report was prepared in accordance with the requirements of NI 43-101. Mr. La Torre is independent of Lido, CAPPEX and the Resulting Issuer as defined under NI 43-101. The disclosure in this Listing Statement has been prepared with the consent of the Qualified Person.

Unless stated otherwise, the information in this section is summarized, compiled or extracted from the Alta Victoria Technical Report and is qualified in its entirety by the Alta Victoria Technical Report. Portions of the following information are based on assumptions, qualifications and procedures which are not fully described herein. Not all of the figures and tables from the Alta Victoria Technical Report are reproduced in this Listing Statement, but are contained in the Alta Victoria Technical Report. The Alta Victoria Technical Report is available for review under the Resulting Issuer’s profile on the SEDAR website at www.sedar.com.

Property Description and Location

The Alta Victoria Project is located 160 km northeast of Lima within the Huaros and Marcapomacocha Districts of Canta and Yauli Provinces, in the Departments of Lima and Junín, Peru (see **Figure 1** below).



The Alta Victoria Project is centered at UTM coordinates 346285 mE by 8,7444459 mN at an elevation of 4,650 m, WGS84 datum, Zone 18S on national map sheet 23-K Ondores.

The Alta Victoria Project is comprised of 18 mining and exploration concessions. Ten concessions are held through the Option Agreement and eight were staked by CAPPEX Peru or CAPPEX Peru personnel where title was subsequently transferred into CAPPEX Peru. These concessions are divided into two blocks separated by ~1 km at their closest points. The northern block comprises 3 concessions; one by option and two through staking. These concessions cover a total of 850 hectares of exploration rights. The southern block makes up the majority of the property comprising 15 concessions whereby nine of these concessions are part of the option to purchase and six are held 100% through staking. The area of exploration rights covered in this southern block total 6,282 hectares.

Tables 1 and 2 below lists the concessions in two parts; those held by option and those held 100% by CAPPEX Peru through staking. The table of concessions acquired by staking shows the area of each concession which is the area applied for and titled, or in process of being titled. However, this does not represent the actual area where CAPPEX controls “exploration rights”. In most cases the concessions staked by CAPPEX Peru partly overlap pre-existing concessions of 3rd parties including in some cases, the owners of the 10 concessions under option. Overlap of claims is a direct result of a decision by government authorities to change the coordinate datum system used for staking, from PSAD-56 to WGS-84. This

change was implemented in 2016. CAPPEX Peru first began staking open ground in the area in February 2017.

Table 1: Mineral Concessions Held by Option Agreement

MINERA CAPPEX S.A.C. - MINING CONCESSIONS WITH OPCION AGREEMENT							
Name	Code	Has.	Title Holder	District	Province	Department	Status
Victoria I-1980	08021671X01	150	Option to Purchase in December 2023	Marcapomacocha	Yauli	Junin	Titled
Victoria 2004	010002804	477		Marcapomacocha	Yauli/Canta	Junin/Lima	Titled
Sanguinetti	08020110X01	32		Marcapomacocha	Yauli	Junin	Titled
Buenas Estrellas	08020269X01	98		Marcapomacocha	Yauli	Junin	Titled
Adriana Berta	08023074X01	119		Marcapomacocha	Yauli/Canta	Junin	Titled
Yantac I	010304807	100		Marcapomacocha	Yauli	Junin	Titled
Yantac 2007	010304707	400		Marcapomacocha	Yauli	Junin	Titled
Marca 2007	010305007	400		Santa Barbara	Yauli	Junin	Titled
Triunfamos 2008	620004608	300		Marcapomacocha	Yauli	Junin/Lima	Titled
Gian 2300	010063316	300		Marcapomacocha Santa Barbara de Carhuacayan	Yauli/Canta	Junin/Lima	Titled
Marca II	010312407	299		Marcapomacocha Huaros	Yauli	Junin/Lima	Titled
Total Area (hectares)		2,675					

Table 2: Mineral Concessions 100% CAPPEX

MINERA CAPPEX S.A.C. MINING CONCESSIONS & PETITIONS IN PROCESS OF TITLE							
Name	Code	Has.	Title Holder	District	Province	Department	Status
Ninarupa 1	01-01689-17	900	Minera CAPPEX S.A.C.	Marcapomacocha	Yauli/Canta	Junin/Lima	Titled
Ninarupa 2	01-01690-17	900	Philip Wells Anderson	Marcapomacocha Huaros	Yauli/Canta	Junin/Lima	In Process
Ninarupa 3	01-01687-17	1,000	Minera CAPPEX S.A.C.	Marcapomacocha	Yauli	Junin	Titled
Vic Norte	01-01688-17	1,000	Philip Wells Anderson	Marcapomacocha	Yauli	Junin	In Process
Vic Norte II	01-02835-18	900	Minera CAPPEX S.A.C.	Santa Barbara de Carhuacayan	Yauli	Junin	Titled
Vic Norte III	01-02836-18	600	Minera CAPPEX S.A.C.	Marcapomacocha Santa Barbara de Carhuacayan	Yauli	Junin/Lima	Titled
Sapicancha I	01-02833-18	600	Minera CAPPEX S.A.C.	Marcapomacocha	Yauli	Junin	Titled
Sapicancha II	01-02832-18	700	Minera CAPPEX S.A.C.	Marcapomacocha	Yauli	Junin	Titled
Total Area (hectares)		6,600					

Figure 2 is a map of the entire property and shows the subsequent reduction of the application area where overlap occurs on pre-existing concessions. The area applied for in the staking process is 6,600 hectares. After reduction of the staked area due to overlap of pre-existing concessions, CAPPEX ultimately holds “exploration rights” on 4,650 hectares of the staked ground, and a total of 7,132 hectares counting all concessions between the two claim blocks.

Figure 2 also shows the area covered by the drill permit, known as a Declaración de Impacto Ambiental (“DIA”). This area outlines the “Area of Indirect Influence” which is the outer limit of the DIA permit. Seven concessions under option are incorporated into the permit area which covers 1,650 hectares.

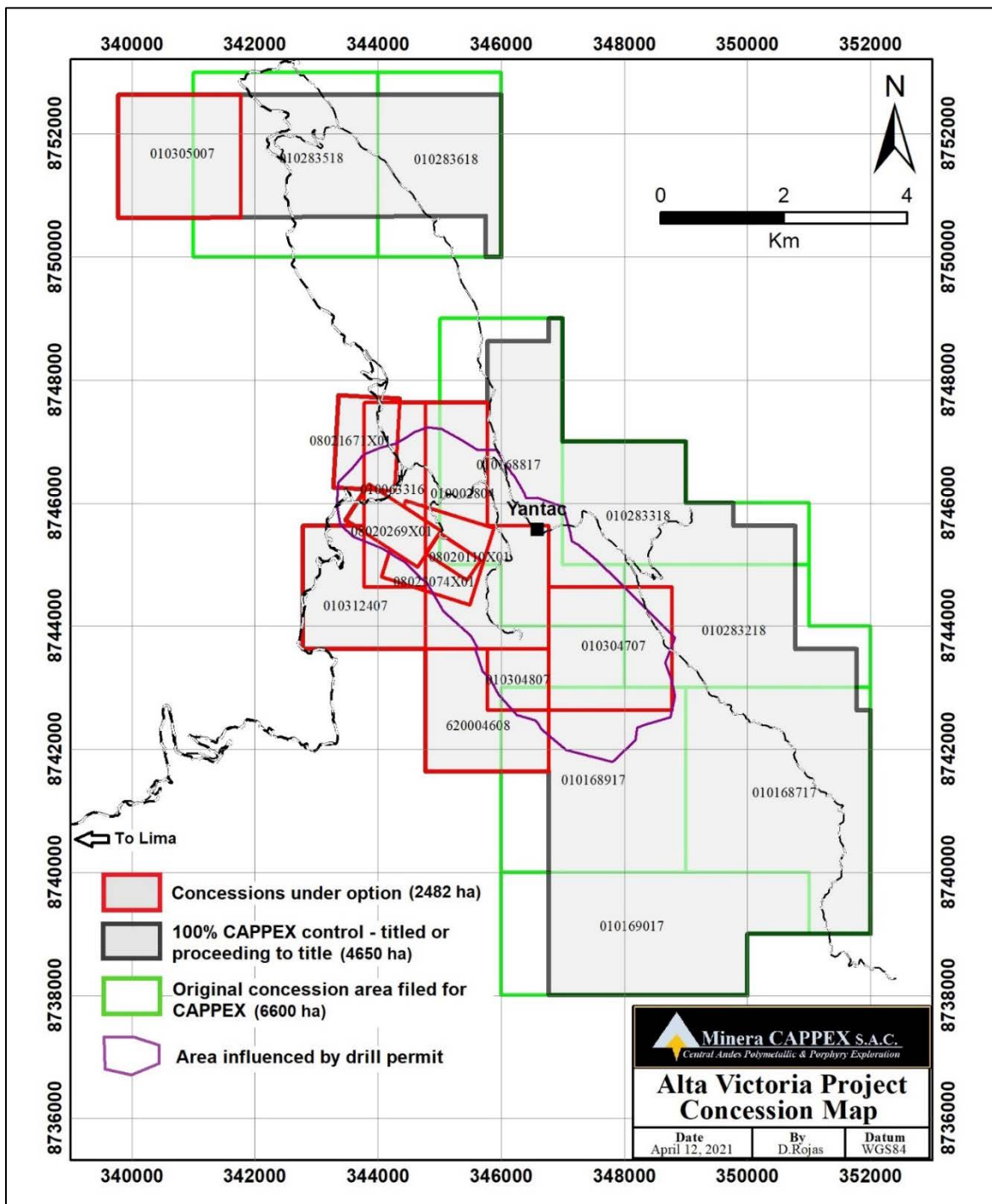


Figure 2: Mineral Tenure Plan

The concessions are registered and titled in the public registry office or Superintendencia Nacional de Registros Públicos (SUNARP) to CAPPEX Peru with an office in the San Isidro Municipality of Lima, Peru. CAPPEX Peru is a private, wholly-owned subsidiary of CAPPEX incorporated in British Columbia, Canada.

See “General Development of the Business – General Development of the Business of CAPPEX Prior to the Transaction – Property Agreements” for a description of the Option Agreement with Minera Yantac, as well as the Mining Lease Agreement and Surface Access Agreement relating to the Alta Victoria Project.

Mineral Rights and Regulations in Peru

Mining concessions can be granted separately for metallic and non-metallic minerals. Concessions can range in size from a minimum of 100 ha to a maximum of 1,000 ha and are structured around a 100-hectare (ha) (1km x 1km) square (cuadrícula) that are always oriented N-S, E-W. Claims at orientations rotated off the cardinal coordinates and have sizes less than 100 ha received title pre-1992.

A granted mining concession will remain valid providing the concession owner:

- Pays annual concession taxes or validity fees (derecho de vigencia), currently USD\$3/ha, paid annually. An exception is made to claimants that qualify as “small miners” where they are required to pay only USD\$1/ha as long as the individual or company maintains 2,000ha or less.
- Meets minimum expenditure commitments or production levels. The minimum are divided into two classes:
 - Achieve “Minimum Annual Production” by the first semester of Year 11 counted from the year after the concession was granted title, or pay a penalty for non- production on a sliding scale, as defined by Legislative Decree N° 1320 which became effective on 1 January 2019. “Minimum Annual Production” is defined as one tax unit (UIT) per hectare per year, which is S/4,200 in 2019 (about US\$1,220). The UIT (*UNIDAD IMPOSITIVA TRIBUTARIA*) “value” is determined at the end of each calendar year for the subsequent year by the Ministry of Economy and Finance (MEF) as a “tool” to have a reference value that determines the scale of fines and taxes in Peru.
 - Alternatively, no penalty is payable if a “Minimum Annual Investment” is made of at least 10 times the amount of the penalty.

The penalty structure sets out that if a concession holder cannot reach the minimum annual production on the first semester of the 11th year from the year in which the concessions were granted, the concession holder will be required to pay a penalty equivalent to 2% of the applicable minimum production per year per hectare until the 15th year. If the concession holder cannot reach the minimum annual production on the first semester of the 16th year from the year in which the concessions were granted, the concession holder will be required to pay a penalty equivalent to 5% of the applicable minimum production per year per hectare until the 20th year. If the holder cannot reach the minimum annual production on the first semester of the 20th year from the year in which the concessions were granted, the holder will be required to pay a penalty equivalent to 10% of the applicable minimum production per year per hectare until the 30th year. Finally, if the holder cannot reach the minimum annual production during this period, the mining concessions will automatically expire.

Mining concessions will lapse automatically if any of the following events take place:

- The annual fee is not paid for two consecutive years.
- The applicable penalty is not paid for two consecutive years.
- The Minimum Annual Production Target is not met within 30 years following the year after the concession was granted.

Beneficiation concessions follow the same rules as for mining concessions. A fee must be paid that reflects the nominal capacity of the processing plant or level of production. Failure to pay such processing fees or fines for two years would result in the loss of the beneficiation concession.

Royalties and Obligations

Peru established a sliding scale mining royalty late in 2004. Calculation of the royalty payable is made monthly and is based on the gross value of the concentrate sold (or its equivalent) using international metal prices as the base for establishing the value of metal. The sliding scale is applied as follows:

- First stage: up to US\$60 million annual revenue; 1.0 percent of gross value.
- Second stage: in excess of US\$60 million up to US\$120 million annual value; 2.0 percent of gross value; and
- Third stage: in excess of US\$120 million annual value; 3.0 percent of gross value.

Environmental Regulations and Exploration Permits

The Ministry of Mines and Energy (MINEM) is the environmental authority, although the administrative authority is the Directorate of Environmental Affairs (DGAAM) of MINEM. The environmental regulations for mineral exploration activities were defined by Supreme Decree No. 020- 2008-EM of 2008. New regulations for exploration were defined in 2017 by Supreme Decree No. 042-2017-EM.

An Environmental Technical Report (Ficha Técnica Ambiental or FTA) is a study prepared for approval of exploration activities with non-significative environmental impacts and the applicant is seeking permission to construct less than 20 drill platforms. The environmental authority has 10 working days to make observations.

An Environmental Impact Declaration (Declaración de Impacto Ambiental or DIA) must be presented for Category I exploration activities which have a maximum of 40 drill platforms or disturbance of surface areas of up to 10 ha. The environmental authority has 45 working days to make observations.

A semi-detailed Environmental Impact Study (Estudio de Impacto Ambiental Semi- Detallado or EIAsd) is required for Category II exploration programs which have between 40–700 drill platforms or a surface disturbance of more than 10 ha. The environmental authority has 96 working days to make observations. The total process including preparation of the study by a registered environmental consulting company can take 6–8 months.

A full detailed Environmental Impact Study (Estudio de Impacto Ambiental Detallado or EIAd) must be presented for mine construction. The preparation and authorization of such a study can take as long as two years.

By application No. 2848463, dated August 29, 2018, CAPPEX Peru presented the Environmental Impact Statement for the Alta Victoria Project (hereinafter, DIA of the Alta Victoria Project), located in the Marcapomacocha district, Yauli province, department Junín. CAPPEX Peru has completed all necessary environmental studies in support of a 40 platform 45-hole drill program.

The initial Declaration DIA was compiled in 2018, and included baseline information on physical, biological, and social conditions, and an evaluation regarding archaeological sites (CIRA). No detailed studies were required at this time and the DIA was approved in late October 2019.

Environmental Considerations/Monitoring Programs

Wetlands

Peruvian legislation (Law 28611-2005, General Law of the Environment and Ministerial Resolution N° 092-2014-MEM/DM) identifies wetlands (bofedales) and high-altitude lakes as “ecosystems of significance”. There are bofedales and small high-altitude lakes in the project area, and the exploration permit specifies that activities will respect a 50m buffer between any camps, roads, or drill platforms to these features.

Higher levels of permitting will require more detailed studies, and subject of additional environmental evaluation. Peruvian legislation (Ministerial Resolution N° 398-2014-MINAM Guidelines for Environmental Compensation, MINAM 2014) requires implementation of mitigation measures if ecosystems of significance are impacted and can require compensation measures.

Species of Conservation Concern

Initial baseline studies have identified no flora and fauna species in the general project area that have been listed as either critically endangered (CR), endangered (EN) or vulnerable (VU), under Peruvian legislation (S.D. N° 043-2006-AG and S.D. N° 004-2014-MINAGRI) or are listed in the Appendices of the Convention on International Trade in Endangered Species (CITES) or the Red List of the International Union for Conservation of Nature (IUCN). Additional studies may be required to better document species of concern, determine the likelihood of project impact on the species, and to develop appropriate mitigation measures where required.

Monitoring Programs

Monitoring was initiated as part of the permitting process and will be ongoing. CAPPEX Peru has collected 6 water quality samples before the onset of the drill program, it will revisit the collection sites and sample during and after the drill program.

Reclamation Plan

The DIA for the project includes a conceptual closure and post closure monitoring plan to obtain drill permit approval. If and when drill activities cease, drill platforms and roads will be reclaimed and monitored for up to 18 months after the cessation of the Alta Victoria Project. A final inspection and release will follow approval of the closure. This is part of the permitting procedure and CAPPEX Peru’s reclamation plan has been ratified.

Other Considerations

In April 2012, Peru’s Government approved the Consulta Previa Law (prior consultation) and its regulations approved by Supreme Decree N° 001-2012-MC. This requires prior consultation with any indigenous communities as determined by the Ministry of Culture, before any infrastructure or projects, particularly mining and energy projects, are initiated in their areas. The Yantac Community was not identified as an indigenous community at this time.

Pre-existing Disturbance

The MINEM has listed three liabilities that fall within the Alta Victoria Project. Two on the ADRIANA BERTA concession and one on the SANGUINETTI concession, recorded in the Environmental Mining Liabilities (PAM in the Spanish acronym) registry. As required by Peruvian law, and particularly important

in avoiding future liabilities, CAPPEX Peru prepared a list of historical mining activity areas in 2018, and provided that list to MINEM. The CAPPEX Peru survey documented 43 mining-related sites, which included adits, waste rock dumps, prospecting pits, glory holes, underground mine workings, and trenches. Under Law No. 28271, the responsibility for the remediation of environmental liabilities lies with the person or company that generated the liability so therefore it is important to document these impacts. The state-owned company Activos Mineros S.A.C. is charged with remediation on behalf of the government where the entity or individual that generated the environmental liability is not known.

Protected Areas

The Alta Victoria Project is not within any natural or protected areas or within any buffer zones to such areas.

Accessibility, Physiography, Climate, Local Resources, and Infrastructure

The Alta Victoria Project is located 160km NE of the capital city of Lima, Peru. Road access from the city of Lima is by:

- Lima – Canta 105 km of paved road (3 hours)
- Canta – Project 50 km of mostly paved road (85%) and is presently being upgraded as part of the national infrastructure upgrade projects.

The climate in this part of Peru is typical of the Puna or Altiplano (high plain) with annual precipitation levels varying depending on the altitude. At elevations greater than 4,000 metres, precipitation ranges from 700 mm to 900 mm per year. Typically, three-quarters of annual precipitation falls during the December to March “wet-season”, equally divided between rain and light-to-moderate snowfall. Throughout the remainder of the year, precipitation as rainfall is sporadic. Average daily temperatures vary with season. Between June and August, daily highs range from 10°C to 16°C and lows range from 0°C to 5°C; from December to March, daily highs range from 5°C to 8°C and lows range from -5°C to -1°C. Mid afternoon thunderstorms and associated lightening can be common and often require mitigation plans to work on the high open plain safely. However, exploration and mining can be performed year-round.

Other than the good road access that passes through Canta (fuel, banking, restaurants, hotels), nearby infrastructure is basic. The local community of Yantac (elev. 4,641m) is located within the project area and has basic services of medical post and communal kitchen for the 40 family residents and community members.

The nearby communities are able to provide unskilled labor, but sources of skilled labor are generally found from outside the area. The primary land use on the property is pastoral with members of the local community keeping primarily sheep, llama, alpaca, and vicuña. The project is about 20 km from the national power grid. Mining infrastructure in the district is well developed and could facilitate mineralized material handling and processing in an eventual mining operation at Alta Victoria. Smelting facilities are located in La Oroya approximately 110 km by road to the southeast of the project while the Cajamarquilla smelter operates on the outskirts of Lima. Two nearby operating mines, Santander 20 km to the northeast and Morococha, 30km to the southeast, could provide mineralized material handling and processing options. Peru’s largest deep-water port is located in Callao (Lima) 120 km from the Project.

The Alta Victoria Project is located along the western edge of the Peruvian Altiplano. Elevations within the project area vary from 4600 to 4900 metres above sea level. The Viuda Mountains with elevations up to 5,200 metres bounds the project area to the southwest. Lower lying ground within the project area comprises undulating grasslands with small lakes and marshes, typical of the central Peruvian highlands.

History

The Alta Victoria Project may have been prospected in Spanish colonial times as was much of the district. More recent mining activity has been carried out over the last 40 years off and on up until 2018. The oldest concessions included as part of the CAPPEX option were staked in the 1970's. Based on extent of underground workings, mine tailings, incomplete production records and conversations with most recent operators; total historic production is estimated to be no more than 5000 tonnes from 4 principal workings on the property. Polymetallic mineralization as thin veins and mantos would have been hand selected from this material.

Prior to the CAPPEX acquisition, companies that previously examined the Alta Victoria Project include Sociedad Minera Corona S.A., Pan American Silver, Minera Los Quenuales S.A. (Glencore), Minera Solitario Peru S.A.C., and Rockpoint Geological Services.

A chronological summary of historical work completed on the Alta Victoria Project is as follows:

1980s Minera Flor de María S.A.C. (MFM)

MFM began to consolidate the property arriving at an agreement with the Yantac community for surface use and obtains permits as a small miner. Their focus was at the Victoria Mine and exploiting Ag, Pb, Zn oxide ores. Total production from this mineralized zone is estimated to be 1500 mt of 10 opt Ag, 10% Pb. July of 2007 MFM contracts Jose Arce to run pole-pole IP over 37.2-line km over 41 lines.

Sociedad Minera Corona S.A.

Sampled and described the prospects in a report dated July 5th, 2007, collected, and described 37 samples that are located only by the name of the working where they were collected. Their best results were 1.2g/t Au, 376 g/t (12.1 opt) Ag, 0.1% Cu, 11.9% Pb and 33.0% Zn.

Pan American Silver (PAS)

Took 2 days collecting 17 samples and reported on their results of up to 1.6g/t Au, 420 g/t (13.5opt) Ag, 0.37% Cu, 16.9% Pb and 21.5% Zn in August of 2007. A report dated February 26th, 2010 by Minera Flor de Maria summarizes the work that had been conducted to date on their property but also incorporates the Arce Geophysics into their evolving database.

Rock Point Geological Services (RPG)

RPG, precursor company to CAPPEX Peru presently exploring the project, visited in April of 2010 and collected 10 samples. Their best results were 0.83 g/t Au, 101 g/t (3.25 opt) Ag, 1.77% Cu, 2.57% Pb, and 3.28% Zn.

Empresa Minera Los Quenuales (Glencore)

From October into December of 2013 Glencore collected 295 samples and mapped the workings, completing the most detailed and systematic evaluation work to date on the Property. Their sampling results ran up to 4.03 g/t Au, 1150 g/t (36.97 opt) Ag, 0.77% Cu, 40.74% Pb and 12.5% Zn.

Minera Solitario Peru (MSP)

Sample dates in their database that span from May of 2007 until January 2016 but reported on the bulk of their results in 2012 after completing most of their fieldwork in 2011. Solitario's geologic and prospect mapping and sampling corroborated much of the Glencore work. Rock sampling yielded values up to 9.6 g/t Au, 2,239 g/t (72 opt) Ag, 10.85% Cu, 24.5% Pb and 30.1% Zn. In addition, they collected 61 soil samples over an area resulting from the Minera Flor de Maria IP survey (chargeability anomaly). Individual samples ran up to 1.1 g/t Au, 2.4 g/t Ag, 72 ppm Cu, 469 ppm Pb, and 703 ppm Zn.

Geological Setting

Regional Geology

The formation of the Andean Cordillera is the result of the subduction of the oceanic Nazca plate producing east-northeast to west-southwest compression, which produced a complex fold and thrust sequence spanning the length of the west coast of Peru. Mountain building commenced in the late Triassic and continues to the present day.

Subduction during the lower Cretaceous period, formed a depositional basin recognized as the Western Peruvian Trough (WPT) that collected a thick sedimentary sequence deposited under marine and deltaic conditions. These rocks belong to the Chimú, Santa, Carhuaz and Farrat Formations - dominantly clastic facies, which are part of the early Cretaceous Goyllarizquizga Group. Mid-Cretaceous saw transgressive limestone deposition now represented by the mid-Cretaceous Pariahuanca, Chulec, Pariatambo Formations, and deposition of the late Cretaceous Jumasha Formation, host for most of the base metal mineralization in the district.

The Alta Victoria Project is situated within the Central Cordillera of Peru along its western margin in the widely recognized Miocene Polymetallic Mineral Belt (**Figure 3**). The mineral belt is comprised of a mix of intrusive rock types, Mesozoic calcareous and siliciclastic sediments that are unconformably overlain by Miocene volcanic rocks. This feature is at least 60km wide and extends along the western margin of central Peru hosting dozens of mineral deposits and prospects.

These deposits are often spatially related to the regional Alpamarca (Chonta) Fault, where rocks are folded, faulted, and altered by Miocene age intrusive. Predominantly east-northeast verging compression formed regional north to northwest trending asymmetric folds and thrust faults. Tensional transverse, east west and northeast striking faults cut the regional trend. These structural intersections are sites of Tertiary volcanism and the emplacement of intrusive rocks, producing conduits for mineralizing fluids leading to the formation of polymetallic mineral deposits in the region.

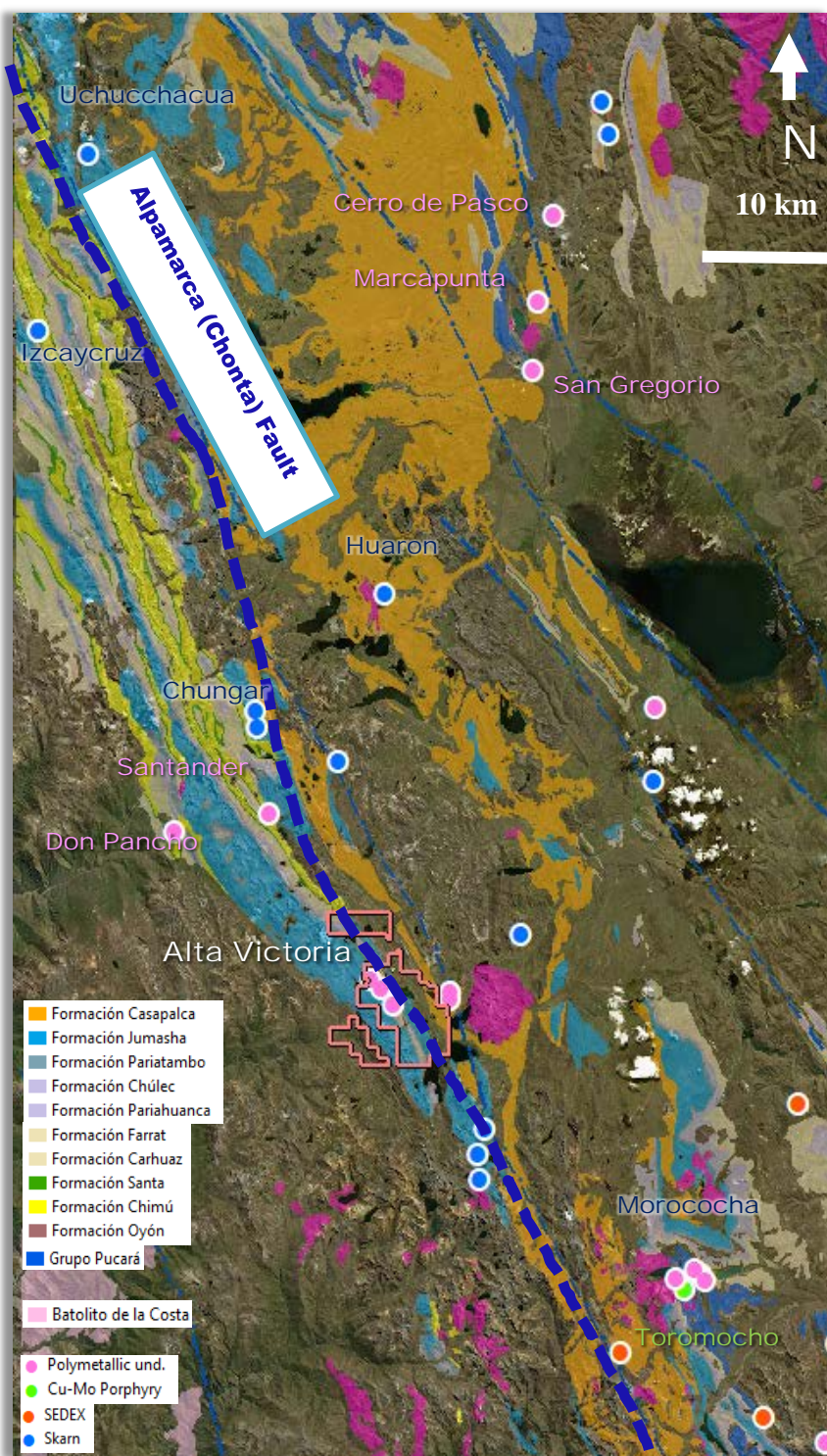


Figure 3: Regional Geological Map & Principal Mines

Property Geology

The property geology comprises a thick pile of mid-late Cretaceous, siliciclastic, and overlying carbonate sedimentary rocks which are asymmetrically folded and thrust faulted verging to the ENE in typical Andean fashion. The NNW trending fold doubly plunges to the SE and NW and exposes the older

siliciclastic section in the core of the antiform. A generalized map of the property scale geology is shown below in **Figure 4**.

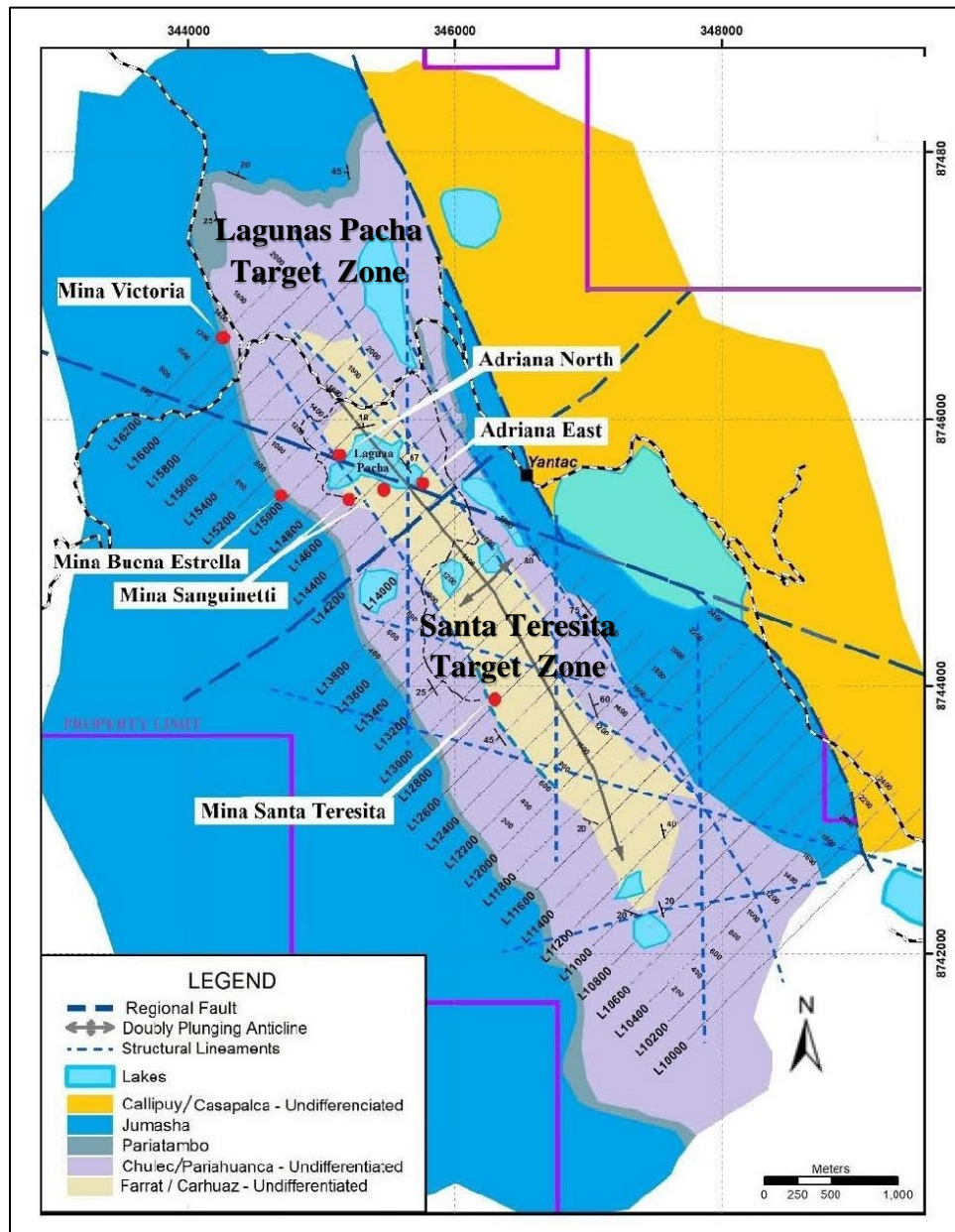


Figure 4: Property Geology Map and Local Prospects

There are 6 (six) mid-late Cretaceous stratigraphic units exposed in the project area. Each of these units is described below. Exposed thickness of the overlying limestone stratigraphy is approximately 500m thick with no consideration to structural thickening or thinning. The underlying siliciclastic rocks of the Farrat and Carhuaz formations have an apparent thickness of at least 300m based on the current drilling evidence.

Carhuaz Formation

Sequence of light gray to greenish-gray sandstone, fine to medium grain in layers of 0.30 to 0.40 metres thick, interbedded with levels of calcareous sandstone and gray shale of 0.50 to 0.80 metres thick, beds of orthoquartzite to quartzite sandstone in layers of 0.30 up to 1.50 metres thick, locally interbedded with gray to greenish colored shale. Towards its upper contact, it shows levels of reddish to greenish siltstone interlayered with thin beds of sandstones of 0.15 metres thick.

Farrat Formation

This unit overlaps concordantly on to the Carhuaz Fm and is approximately 95 metres thick, comprised of interbedded 0.40 to 0.60 metres thick beds of medium grain white quartzite interlayered with orthoquartzites 1.50 metres thick. Near the upper part of the Formation the orthoquartzite becomes interbedded with fine to medium grain gray quartz sandstone.

Pariahuanca Formation

The Pariahuanca Formation overall is 95-110m thick and is comprised of carbonate mudstone made up of thin layers beige to gray in color 0.15 to 0.30 metres thick, interbedded with grey to light grey shale from 1-2m thick. Near the base isolated levels with oolites.

Chulec Formation

This Formation lies conformably on top of the Pariahuanca Formation with a variable thickness ranging from 130 to 150 metres on the west side of the project area, thickening to approximately 250 metres to the north. At the base is a sequence of nodular limestone layers with common bivalve fossils in layers up to 0.30m, interbedded with a bed of dark-gray calcareous shale with a consistent thickness of 1.00m. Middle portion of the Formation is composed of limestone with fissile sequences (> 50%) with thicknesses between 8-10 metres, interbedded with levels of calcareous shales and limestone beds of up to 0.70 metres thick.

Pariatambo Formation

This Formation in the study area is recognizable by its characteristic dark gray color and extends as thinly laminated (striped appearance) with a thickness between 45 to 50 metres and is made up of dark gray laminated calcareous mudstone beds 0.30 metres thick interlayered with black shale up to 0.70 metres thick, locally with ammonite fossils reaching 10's of centimetres in size near the top of the section.

Jumasha Formation

The Jumasha Formation lies conformably on the Pariatambo Formation and 3 sequences have been recognized. Jum-1- made up of thin beds 0.15-0.25 metres thick of dark gray limestone with mudstone texture interspersed with levels of 0.10 metres of slightly nodular black chert. Total thickness of approximately of 80 metres. Jum-2- consists of layers of dark gray calcareous nodular mudstone up to 1.00-metre-thick with a local chert and fossil remains 90 metres average thickness. Jum-3- consists of greater than 1.00-metre-thick beds of light gray to beige calcareous mudstone.

Intrusive Rocks

There are generally small outcrop exposures of thin porphyritic dikes and/or sills of intermediate to felsic composition. The most common and widespread of these intrusive rocks is a low iron, feldspar-hornblende monzonite which is also seen in drill core (Hole AV20-07).

The most common and widespread intrusive rock exposed in the project area is an allotriomorphic biotite-hornblende-feldspar porphyry with moderate chlorite-sericite alteration & trace of disseminated pyrite. This same feldspar porphyry was encountered in drill hole AV20-07 as thin, 20-30 cm thick sills encapsulated in hornfelsed sediments. This feldspar porphyry is likely associated with the large, annular shaped magnetic feature in the NW portion of the map area and highlighted by the ground mag survey. Presently thought to be pre-mineral with later mineralization forming along its margins associated with chargeability highs & coincident resistivity lows.

Weakly porphyritic to aphanitic, andesitic dikes and sills are poorly exposed in outcrop, not exceeding 10 metres strike length and less than 2 metres thick. These rocks generally have low magnetite content and incipient silica-chlorite-pyrite alteration. Restricted recrystallized halos are formed in contact with limestone, with local bleaching and/ or epidote rich bands.

Structure

The local structural geology is characterized by asymmetric anticlines and synclines – locally overturned - with steep easterly dips and shallow westerly dips that are associated with thrust faults. Mineral occurrences evident by old mine workings are generally localized where E-W to NE-SW structures cut the axial plane to the NW trending anticline. In addition, “bedding plane slip” due to rheological differences of the sedimentary rock sequence is important for improving permeability and porosity that leads to manto formation (Ramirez, 2012).

Mineralization

The Alta Victoria Project hosts polymetallic mineralization in carbonate and siliciclastic sedimentary rocks as stratabound mantos and high angle veins, as well as mineralized breccias. The best exposures of mineralization are found in the old mine workings where near vertical veins of base and precious metal sulfides and sulfosalts with quartz pyrite +/- barite, calcite, dolomite, rhodochrosite “feed” receptive stratigraphic horizons of increased permeability and porosity due to fault and bedding plane movement, as well as chemical removal of the matrix due to hydrothermal alteration.

Santa Teresita Target Area

Mineralization occurs in a 400m diameter area defined by surface soil and rock sampling, centered on a structural intersection located on the NNW trending ridge of Cerro Pucara. A broad 50m-100m wide NS trending structural corridor is crossed and slightly offset by WNW left lateral faults and NE trending tensional fractures. Moderate to high grade Au-Ag and base metal mineralization is hosted in brecciated Farrat Fm feldspathic sandstone at the faulted contact of gently west dipping Farrat Fm and steeply east dipping to overturned Pariahuanca Fm limestone and calcareous sandstone. Sampling of a 10cm quartz-galena-barite vein in brecciated sandstone ran 9.6 g/t Au, 2,240 g/t Ag, 0.2% Cu, 9.5% Pb, 2.3% Zn with highly anomalous Sb and Hg. The Pariahuanca Fm on the east side of the north trending structural corridor, hosts moderate grade Ag-Pb-Zn mineralization on surface associated with high grade MnOx (manganese oxides) after oxidized alabandite (MnS) in thin veins, vein stockwork and irregular to tabular replacement bodies. Santa Teresita is considered a distal, precious metals +Mn rich zone of the mineralizing system at

the Alta Victoria Project. Reported production from the Santa Teresita Mine from the 1980's included approximately 200m of underground mining and development.

The 40m-50m thick, upper red bed siltstone layer of the Carhuaz Fm is generally illite-pyrite altered, and in core can be clearly seen to form stratabound impermeable horizons compared to underlying coarser grained feldspathic sandstone. This clay rich, pyritic member of the Carhuaz Fm likely contributes to the IP chargeability anomalism at Santa Teresita. Replacement textures are quite common in coarser grained sandstone beds and can vary from pseudo-breccia textures to complete leaching of sandstone matrix material. In contrast, stockwork carbonate veining is the most common alteration in the Pariahuanca Fm Limestone. Detailed classification of these carbonate veins is effectively used as an exploration guide at Uchucchacua. In outcrop the limestone appears to be dolomitized in areas of strong stockwork veining.

Laguna Pachas Target Area

The Victoria Mine is located just north of the main access road from Canta. In this area there are both vein and manto style mineralization, with the mantos being also structurally controlled with mineralization having been emplaced along dip slip interbed movement during folding. Hosted in Pariahuanca Fm limestone, surface sampling ran up to 1.48 g/t Au, 1,423 g/t (45.76 opt) Ag, 0.64% Cu, 24.05% Pb and 5.99% Zn from select samples of veins and mantos over 0.1 to 1.3m widths. Also, Sb, Te, Mo, Se, and Hg are highly anomalous. Three inclined, parallel adits across ~50 metres have been developed over recent years. An underground ramp reportedly 115 m long (now collapsed) designed to intersect mineralization 30m below surface stopped short. However, property owners have reported that two structures were intersected near the end of the ramp with grades of: "8m @ 400g/t Ag, 19%Pb and 3.7m @ 152g/t Ag, 3.06%Pb". This mineralization has not been confirmed by CAPPEX or a Qualified Person nor other workers. The most recent production from of any of the prospects within the area has come from Victoria where up until 2018 production totaled approximately 1500 mt with an average grade of 10 opt Ag, 10% Pb.

The Buenas Estrellas prospect consists of 2 levels separated by about 25m vertically. Mineralization is hosted by the Pariatambo Formation limestone, cut by quartz-barite-sulfide-oxide "feeder" veins that trend NE60°SW and dip 82°NW, pyrite, with Zn, Pb, and Cu oxides. Samples from a 0.3m thick sub-horizontal manto in the upper level, assayed 228g/t (7.33 opt) Ag, 0.45% Cu, 11.3% Pb, and 30.1% Zn from select sampling. Molybdenum runs up to 0.14%. Narrow bands of both garnet skarn and hornfels occur along a feldspar porphyry sill. These NE-SW trending veins appear to continue further SW into the Jumasha formation limestone.

The Adriana North prospect consists of an 18m long drift, where they mined a 0.25m thick quartz-galena-pyrite vein trending N85E. Sampling of the vein by Solitario in 2012 ran up to 2.15g/t Au 208g/t Ag, and 5.35% Pb. Bedding parallel mineralization comprised of quartz-galena-sphalerite-arsenopyrite forms a manto hosted in the Farrat Fm quartz sandstone at the contact with overlying Pariahuanca Fm limestone. Chip sampling across 0.65m thick manto ran 263g/t (8.5 opt) Ag, 7.1% Pb and 6% Zn. Approximately 175m along strike to the N-NW, CAPPEX personnel collected a grab sample from a NE-SW trending, 1m wide structural zone, containing 4,820 g/t Ag (154 opt Ag).

The Sanguinetti mine consists of shallow open cut in a NW orientation approximately 40m long and variable width that follows NW and NE feeder veins and small replacement bodies. A 70m long drift was developed 10 to 20 metres below the surface workings. There are both mineralized mantos and veins present, with the crosscutting veins having been preferentially mined. The veins have a predominant NE30°-40°SW trend, generally ranging from 0.1m 0.2m with one vein noted as 1.1m thick. Samples contain up to, 6.2 g/t Au 220 g/t (7.1 opt) Ag, 0.37% Cu, 18.7% Pb, and 22.9% Zn and up to 165ppm Hg in the veins, whereas in the mantos Hg is <10ppm. The mineralization is hosted in the Pariahuanca Fm

limestone. The intersection of the veins and the mantos were likely mined in the pit, providing a larger tonnage target. Indium ran up to 70 ppm from this prospect which is the highest In value to date on the property.

The Lower Sanguinetti prospect along the south shore of Laguna Pachas consists of three historic workings. A small open cut 220m NE of the main Sanguinetti mine hosts mineralization spatially associated with a NE trending, 1.5-metre-thick porphyritic andesite dike intruding Carhuaz Fm siliciclastic rocks. Sampling from this zone ran up to 2.15 g/t Au, 208 g/t (6.69 opt) Ag, and 5.35% Pb, 0.7% Zn. Further to the east along the lakeshore, two adits were driven on subvertical, mineralized structures. Sampling from these workings contain up to 2.27 g/t Au, 118 g/t (3.8 opt) Ag, 1.93% Pb.

The Adriana East prospect consists of thin feeder veining with manto-form mineralization is hosted in Carhuaz Fm siltstone, with locally developed vuggy silica, sooty oxides and greenish scorodite from oxidized sulfosalts. A total of 18 samples have been collected by 3 companies with values assaying up to 0.3 g/t Au, 264 g/t (8.5 opt) Ag, 0.13% Cu, 7.1% Pb and 6.0% Zn, including highly anomalous As, Sb, Hg, and Se.

Exploration Information

The objective of CAPPEX's exploration program from 2017 - 2020 was to generate drilling targets that could lead to a potential polymetallic discovery. CAPPEX confirmed the presence and surface extent of polymetallic mineralization and defined targets ready for drill testing. This included a program of surface rock chip sampling to confirm the results of previous investigators; expand known mineralization and continuity by implementing an extensive soil grid also used for IP and ground mag surveys, and geologic mapping. A scout diamond drilling program to test IP / geochemistry anomalies from rock and systematic soil sampling combined with geological mapping was then completed and is discussed below. The scout drilling program consisted of seven (7) diamond drill holes for a total of 2,300.3 metres and a maximum hole depth of 447.1 metres.

Geochemical sampling

Rock sampling at the Alta Victoria Project was carried out both on the surface and in underground workings. CAPPEX compiled available information and used it to guide exploration, employing a sampling grid that covered the areas of historic mining, which included areas between prospects and possible extensions. The systematic nature of grid sampling increased the size of mineralization and identified unknown areas of alteration and mineralization. The author compared sample results from the various investigations as well as underground versus surface rock sample results and found that most anomalies were repeatable regardless of which company took the sample and which laboratory and analytical procedures were used.

In 2017, CAPPEX conducted a 969-soil sample geochemical survey (**Table 3**). Samples were collected on 50m sample spacing with 200m line separation with lines oriented in a NE-SW orientation covering an area approximately 1-1.5km NE/SW by 5.5km NW/SE. The sampling grid also served the IP and magnetics geophysical surveys. The grid area incorporates most of the historical mine activity. Both soil and geophysics results show correspondingly anomalous levels over and around historic workings and also highlights other, previously unknown areas that may result in development of new drill targets.

Table 3: Summary Statistics for CAPPEX Soil Samples

	AU_ PPB	AG_ PPM	CU_ PPM	PB_ PPM	ZN_ PPM	AS_ PPM	SB_ PPM	BA_ PPM	MN_ PPM	TE_ PPM	MO_ PPM	SE_ PPM
MAX	310.00	13.00	147.40	2193.00	2196.00	8972.00	1330.00	>10000	>10000	33.40	223.58	51.00
MIN	-5.00	-0.02	3.10	6.40	26.00	2.00	0.29	40.00	45.00	-0.05	0.82	-2.00
AVE	10.78	0.53	27.98	105.33	229.77	195.29	14.23	428.89	1620.62	0.65	12.87	0.34

Soil results were further evaluated based on utilizing factor analysis at the Alta Victoria Project using a multi-space regression technique factor analysis to identify clusters of similar data and trends within the CAPPEX soil dataset, which was also implemented to discriminate between primary lithologic features and later alteration / mineralization events. This investigation established a matrix of components identified as Factors 1 to 5 based on associations of related elements, summarized in Table 4 below:

Table 4: Factors and Interpretations

	Major Components	Interpretation	Type of Factor
Factor 1	V Ni Cd Mo Zn Tl Cu	Metalliferous Black Shale	Rock Factor
Factor 2	Pb Te Au Ag Bi Zn Cu Sb	Proximal Base Metal-rich Mineralization	Mineralization Factor
Factor 3	Ti La Co Fe K Na Mg	Feldspathic Sediments	Rock Factor
Factor 4	Ca Sr -Cr	Carbonates	Rock Factor
Factor 5	Mn As Ba Sb Au Ag Tl	Distal Precious Metal-rich Mineralization	Mineralization Factor

As one can see in the table above, certain families of elements have affinities to certain lithologic units while others characterize hydrothermal alteration and/or mineralization and their relative proximity to a central mineralizing source.

In this analysis of soils at the Alta Victoria Project, Factor 2 “Proximal Base Metal-Rich Mineralization” resides in the Lagunas Pachas area while Distal Precious Metal-Rich Mineralization lands in the Santa Teresita area.

Preliminary orientation work using a handheld XRF analyses in shallow soil pits corroborate geochemical anomalies from the conventional soil program. Further use of this tool is warranted particularly in reconnaissance level work to quickly evaluate potential of covered areas.

Geophysical Targeting

In 2007, Arce Geofísicos S.A.C. carried out an Induced Polarization (IP) survey consisting of a Pole-Pole configuration totaling 37.2-line km generating 41 profiles. Electrodes were spaced at 50, 100, 150, 200, 250, 300, 350 metres along lines while the lines were spaced 100 m.

In 2017, Zissou Peru S.A.C. was contracted by CAPPEX to carry out additional IP surveying, using a Pole-Dipole configuration with electrode spaces every 100m and line spacings every 200m, expanding the grid both to the NW and SE. Individual NE/SW line lengths vary from 800 to 2400 metres. CAPPEX did not completely repeat the Arce grid, but there was enough overlap that Zissou was able to merge the two sets of data adding 39.7 linear km. The Zissou survey sufficiently overlapped the Arce survey to the SE and NW where the merged data resulted in an acceptable final model.

IP results, particularly chargeability was a significant factor in determining drill targets for the scout drilling program. Holes drilled in and around the Santa Teresita target were primarily based on surface rock geochemistry but also 3 holes were specifically drilled to also test a large, >35 mV/V chargeability anomaly. While in the case of hole AV20-02, significant gold mineralization was encountered on either side of the

low-to-high chargeability transition, the remaining rock to the total depth of the hole did not encounter significant mineralization, although the drill hole tested the core of this anomaly. Pyritic alteration is ubiquitous and variable from trace levels to semi-massive replacements along lithologic contacts, but does not appear to explain the magnitude of chargeability anomaly. The source of the chargeability anomalies tested in holes AV20-01, AV20-02 and AV20-06 remains enigmatic.

The Laguna Pachas Target produced larger, broader magnetic anomalies with less intense chargeability often along the “shoulder” of the magnetic anomalies. Drill hole AV20-07 was designed to test the continuation at depth of surface and near surface mineralization at the Sanguinetti Mine as well as a moderate, 16-21 mV/V chargeability anomaly. The chargeability correlates well with stratigraphy mapped on the surface. The moderately west dipping, limestone-siliciclastic stratigraphic contact, presented a favorable target to host manto and/or replacement mineralization at depth. Drill hole AV20-07 tested this target concept. Barren hornfels with incipient skarn was drilled in association with two thin feldspar porphyry sills from 150m to 165m.

Drilling

A scout diamond drilling program on the Alta Victoria Project started on September 11, 2020 and ended on November 8, 2020. This was the first drilling program to be carried out in the project area. The objective was to test targets generated by anomalies from surface rock and soil sampling with coincident IP anomalies in favorable stratigraphic and structural/geologic settings. The scout drilling program was focused on the Santa Teresita Zone where 6 of the 7 drill holes were collared. Three of these drill hole collars fell within a radius of approximately 150 m. All of the drill holes were inclined, except for hole AV20-06 which was a vertical hole. CAPPEX drilled a total of 2,300.3 metres during this scout drilling program (**Table 5**). Hole AV20-07 was drilled to intercept the depth extension of the Sanguinetti Mine mineralization, but was lost due to problematic ground conditions, otherwise the holes were completed based on geological observations. **Figure 5** shows drill hole locations plotted with simplified geology.

Table 5: Scout Drill Hole Locations

Drillhole ID	Target	UTM WGS 84-18S		Elevation (metres)	Azimuth	Dip	Depth (metres)
		Eastings	Northing				
AV20-01	Sta Teresita	346703	8744096	4833	45	-60	416.3
AV20-02	Sta Teresita	346743	8744173	4850	225	-75	474.1
AV20-03	Sta Teresita	346839	8744096	4857	10	-60	210.5
AV20-04	Sta Teresita	346729	8744363	4816	295	-70	99.3
AV20-05	Sta Teresita	346671	8744322	4828	215	-70	320.2
AV20-06	Sta Teresita	346765	8743840	4733	0	-90	443.7
AV20-07	Sanguinetti	345080	8745359	4679	95	-65	336.2



Figure 5: Scout Drill Hole Location Map

Drilling was completed by AK Drilling using their track-mounted Sandvik core diamond drill and activities were supervised by geological staff of CAPPEX. Core was collected at the drill at the end of each shift and transported to CAPPEX's core facility, where it was cleaned, inspected, labeled, and photographed before quick logging and sampling. Initially core was sampled at 2 metre intervals in hole AV20-01 but by hole AV20-03 sampling was conducted with the aid of a pXRF. Sample intervals were then based on structural and lithological contacts. Slightly less than 50% of the drill core was split and sampled at the outset but CAPPEX geologists have re-logged the core and are taking additional samples. Initially core was not sampled when it appeared unaltered and unmineralized.

Core recovery levels were generally near 100%. Poor recoveries were encountered in zones of intense faulting and in the case of hole AV20-03, core was absent over 4.3 m where the drill hole entered a void which may be historical mine workings. Recoveries and rock quality determination (RQD) were continuously recorded and noted in all the drill hole logs. Hole AV20-07 had to be abandoned at 336.2 metres due to hole instability and caving.

All drill holes were located with a handheld GPS monitor, and all drill setups were done with a Brunton compass. The first 5 drill hole deviations were measured using Reflex instrumentation. No oriented core was drilled. The drill collars are well marked and covered by a concrete slab and can easily be identified.

Drill Hole Summaries

Drill holes AV20-01, 02, 03, & 05 encountered significant silver mineralization and are summarized below. Holes AV20-4, 06, and 07 did not return significant mineralization. **Table 6** lists the most significant intercepts.

Table 6: Alta Victoria Drill Program Significant Intercepts

Drill hole	From (m)	To (m)	Interval (m)	Au g/t	Ag g/t	Cu (%)	Pb (%)	Zn (%)	AgEq* opt	Remarks
AV20-01	92	96	4	0.21	48.6	0.04	0.07	0.23	2.3	4.0m @ 2.3 opt AgEq
	110	113	3	0.02	22.3	-	0.72	1.44	2.8	3.0m @ 2.8 opt AgEq
	179.2	184.2	5	0.63	7.8	-	0.06	0.25	1.9	5.0m @ 1.9 opt AgEq
<i>incl</i>	179.2	180.2	1	1.97	30.4	-	0.07	0.26	5.6	1.0m @ 5.6 opt AgEq
AV20-02	23.3	36	12.7	0.09	2.7	-	-	-	1.4	12.7m @ 1.4 opt AgEq
<i>incl</i>	26.1	27.6	1.5	0.1	91.4	-	0.07	-	3.2	1.5m @ 3.2 opt AgEq
<i>incl</i>	33.1	34.6	1.5	0.3	108	-	0.06	0.11	4.3	1.5m @ 4.3 opt AgEq
	108.2	109.2	1	0.04	29.9	0.12	0.218	0.63	2.2	1.0m @ 2.2opt AgEq
AV20-02	190.4	192.1	1.7	4.3	14.4	0.02	0.88	0.53	11	1.7m @ 11.0 opt AgEq
AV20-02	232	248	16	0.56	6.3	-	0.04	0.14	1.6	16.0m @ 1.6 opt AgEq
<i>incl</i>	236	238	2	0.53	31.7	0.03	0.13	0.38	2.7	2.0m @ 2.7 opt AgEq
<i>incl</i>	242	246	4	1.1	4.3	-	0.03	0.13	2.7	4.0m @ 2.7 opt AgEq
AV20-03	0	20	20	0.02	86.6	0.03	0.11	0.2	3.2	20.0m @ 3.2 opt AgEq
<i>incl</i>	2	10	8	0.02	108.2	0.04	0.11	0.16	3.4	8.0m @ 3.7 opt AgEq
AV20-03	118.3	119	0.7	1.81	0.85	-	-	-	4	0.7m @ 4.0 opt AgEq
AV20-04	No significant intercepts									
AV20-05	37	42.5	5.5	0.02	12.2	-	0.28	0.41	1.1	5.5m @ 1.1 opt AgEq
AV20-06	No significant intercepts									
AV20-07	No significant intercepts									

Notes:

- *AgEq was calculated using the following price assumptions: Au=\$1838/oz, Ag= \$27.00/oz, Cu=\$3.71/lb, Pb= \$0.94/lb, Zn= \$1.22/lb. Reported in ounces per ton.
- Reported intervals likely do not represent true thickness.
- Numbers in this table may not add exactly as numbers have been rounded to the nearest decimal.

Drill holes AV20-01 and AV20-02 were drilled to cut both stratigraphy and the N-S and E-W structural intersection and corridor which hosts much of the surface mineralization at the Santa Teresita target. This structural zone also coincides with the NNW trending anticlinal fold nose and reverse/thrust faulting. Both holes drilled across and down the ~100 metre wide zone and intersected highly anomalous As-Sb-Mn from near surface down to 250 metres depth in AV20-02. Alteration of variable intensity consisted of quartz-carbonate-sericite (illite)-pyrite in siliciclastic and calcareous sandstones and siltstones. In holes AV20-01 and 02 multiple zones, 1 to 14 metres thick contained highly anomalous base and precious metals however none of these intercepts would constitute mineable grade and width.

These mineralized intervals are localized at stratigraphic/lithological contacts that may represent manto style mineralization, similar to alteration and mineralization visible at surface and underground exposures in other parts of the property. Perhaps these occurrences indicate potential for an increase in thickness and grade down dip to the west and will serve as an important tool for vectoring.

Drill hole AV20-03 was drilled to cut prominent E-W & NE trending tensional structures & replacement bodies containing high grade silver, MnO (alabandite) and possibly oyonite, (Ag₃Mn₂Pb₄Sb₇As₄S₂₄) on surface and shallow, small scale, open pit mine workings. The drill hole intersected 20 metres of 86.6 g/t Ag from surface in high grade manganese replacement in the calcareous sandstone base of Pariahuanca Fm limestone. This is the best mineralized intercept of the drilling program located near the high angle fault contact between relatively flat lying, to gently west dipping Farrat feldspathic quartz sandstone, and the moderate to steeply east dipping limestone (overturned?) that makes up the ridge crest. This ridge is part of a regional anticline that when intersected by E-W or NE-SW structures often controls mineral deposition. The drill hole passed through a 4.3-metre void which may be from historical underground mining of which there was no previous knowledge.

Drill hole AV20-04 was not originally planned prior to starting the program. While constructing access road for drill hole AV20-05, gossanous material was exposed directly below the vegetative layer 10cm-20cm from surface. This iron oxide rich material is highly anomalous in zinc and arsenic. AV20-04 was set up to drill to test depth extension of this material and the potential sulfide mineralization that may have been occurring under the oxidized horizon. No significant mineralization was encountered from surface to the end of hole at 99.3 metres.

Drill hole AV20-05 was collared in the same gossanous surface material as mentioned above. The gossan does not persist to any significant depth and is now thought to be an accumulation of ferrocrete from erosion of pyritic sandstone and mobilized, acid leached low grade mineralization of the Farrat Fm directly up slope from the AV20-05 drill pad. Hole AV20-05 was principally targeting the prospective structural-stratigraphic setting (principal NNW trending anticlinal axis), with coincident anomalous zone of chargeability high. In addition, anomalous soil geochemistry and potential NW extension from AV20-01 and AV20-02, of high-grade surface mineralization at surface were significant components of the drill target. The drill hole encountered 51 metres of anomalous Pb, Zn, As, Sb, Mn from 4 to 55 metres depth, including 5.5 metres of 1.1 opt Ag from 37 metres (Table 10.2). From 42.5 metres to the end of the hole at 320.2 metres depth, three zones of anomalous Pb-Zn-As-Sb +/- Cu, Mn were encountered.

- 115.7 -135m (19.3m) up to 0.1% Cu, 0.35% Zn, 3180 ppm As, 732 ppm Sb
- 176.9 - 203.1m (26.2m) up to 0.2% Pb, 0.32% Zn, 1700 ppm As, 535ppm Sb, 2% Mn
- 235.1 - 239.1m (4.0m) up to 23.5ppm Ag, 718 ppm Pb, 0.15% Zn, 1310 ppm As, 7.0% Mn

These mineralized intervals are hosted by interbedded sandstones and siltstones of the Carhuaz Formation and demonstrate potential for significant “manto” style mineralization.

Drill hole AV20-06 was drilled vertically to a total depth of 443.7 metres. The hole targeted geophysical anomalies comprising >35 mV/V chargeability from 75 to 275 metres depth and a flat lying resistivity low, starting at 350 metres postulated by CAPPEX geologists to possibly represent mineralized, flay lying Santa Fm limestone. The Santa Formation does not crop out anywhere on the property but is known to host mineralization in the district. Four weak zones of base metal mineralization show traces of sphalerite and galena were encountered from 190m to 330m depth, with values up to 824 ppm Pb, 1750 ppm Zn, 1910 ppm As, 478 ppm Sb, and 6390 ppm Mn. The drill hole did not reach underlying Santa Fm limestones.

Drill hole AV20-07 was located near the historical Sanguinetti Mine with the aim of drilling depth extensions of veins and mantos of the mine mineralization. Stratigraphy in this area dips moderately to the west and southwest with clear outcrop exposure on surface. The contact between Pariahuanca limestone and underlying Farrat Fm quartz sandstone is considered prospective for manto mineralization similar to the Adriana North prospect just 200 metres to the north. This contact furthermore coincides with a moderately high, 16-21 mV/V chargeability anomaly from 100 to 250 metres depth. No mineralization resembling the historical mine mineralization was encountered in this drill hole. Faulting occurs from 103 to 120 metres and appears to have served to offset mineralization. In addition, this fault zone was problematic in completing the drill hole and ultimately forced the termination of the hole. The best mineralization encountered in this drill hole was a 1 metre interval from 258.7 metres depth with 0.11% Pb and 0.12% Zn. Pyritic alteration and mineralization in coarser sandstone units appeared to be increasing from 301 metres to the end of the hole at 336.2 metres depth.

Sampling and Analysis and Security of Samples

A total of 772 samples were analyzed during the 2020 scout drilling program. The QA/QC protocol was set up whereby 24 Certified Reference Material (CRM) or “Standards, 16 coarse blanks and 8 duplicate samples were inserted into 14 sample batches. Control samples comprised approximately 7% of the total samples, an industry acceptable standard. In addition, 5 pulp duplicate samples were sent for check assays to CERTIMIN S.A. also a certified laboratory located in Lima, Peru. Assay results of standards and duplicates were within the range of tolerance. Of the 16 coarse blank samples, results were within the tolerance range for all elements with the exception of copper which varied outside tolerance levels. It needs to be pointed out that the total number of samples (16) is not statistically significant therefore no definitive conclusions regarding lab cross-contamination nor sample handling can be made.

All drill core retrieved from drilling was HQ diameter. Drill core was place in 68cm x 38cm corrugated plastic core boxes with 3 metre HQ core length capacity. Core box lids were then secured with large rubber bands and transported by Toyota Hilux pickup truck from the drill rig to the base of operations (Obrajillo town), where core logging and storage facilities are located. Upon arrival to the core storage/logging/office facility in Obrajillo, full core boxes were immediately stacked on the cement floor. Then, depending on space available, they were then organized and place on cleverly designed, modular rebar core logging benches, two boxes per bench. Logging bench capacity provided by the 30 logging benches is 180 metres of core.

Sample length was most commonly chosen over 1 or 2 metre core lengths more or less systematically over multi-metre intervals however, select samples were taken from variable lengths at the geologists discretion ranging from 0.5 metres up to 2.8 metre lengths. Samples were carefully marked to be cut into two equally representative halves. Detailed and accurate records of sample lengths were retained, as were records of box intervals.

Prior to sampling all core was cleaned and well labeled then photographed. All sample intervals were laid out prior to sampling, with sample numbers marked with tags and sample numbers, provided by ALS Global, and intervals carefully documented. Each sample’s number was stapled to the side of the core box

at the start of each respective sample interval. After initial photographs and quick logging, the core was re-examined using an Olympus hand-held XRF for spot measurements every 1-2m. The results guided in selecting sample intervals. Core was cut by an electric powered diamond core saw. One half of the cut core was placed in thick plastic industry-standard sample bags, rolled and taped securely, placed in new, unused rice bags and zip-tied with sturdy cable ties. Tied rice bags containing multiple individual samples were then loaded into company field trucks and transported to ALS Global Labs in Lima. The cutting/splitting area, including tables and floors, was swept clean at the end of each day.

Once samples were cut and bagged, the remaining ½ core sample was placed back into its appropriate place in the core box and stored in ordered sequence by hole on core racks. Core storage capacity is limited in the Obrajillo base of operations therefore approximately half of the core drilled during this scout drilling program was transported to Carabayllo where the company rents additional storage. For transportation, core box lids were securely tapped, loaded into a 2 1/2 tonne cargo truck and transported accompanied by company personnel to the storage facility in Carabayllo. Core storage facilities, both in Obrajillo and Carabayllo are lockable, secure, weatherproof, and safe from damage or vandalism.

Analytical work was done by ALS Global in Lima, Peru, which has a Certification ISO 9002, and is independent of CAPPEX and Lido Minerals. Five duplicate samples split for check assays were sent to Certimin S.A., which has a Certification ISO 9001 and is also independent of CAPPEX and Lido Minerals.

All samples were crushed and prepared and analyzed for 48 elements using a four-acid digestion and ICP-MS and ore grade gold using 30g charge Fire Assay/AA finish. Over limit analysis was done on Ag, Pb, Zn using four acid digestion, ICP-AES.

The Qualified Person is of the opinion that the quality of the analytical results from the 2020 scout diamond drilling program are sufficiently reliable to support their use in the Technical Report, and for future exploration planning and resource estimation. Sample preparation, analysis, security procedures, and QAQC procedures undertaken by CAPPEX staff were performed in strict accordance with CIM exploration best practices and mining industry standards.

Data Verification

Site Visit

The Qualified Person completed a personal inspection (site visit) of the Alta Victoria Project on July 16, 17 and 18, 2020. Logistics to visit the property involved a 1 hour drive from a hotel base in Canta, the nearest town with adequate amenities. Quality of road access to the property from Canta varies from 20 km of excellent paved road to poor, unfinished gravel where upgrading continues.

Once on the property, vehicle access exists to the three main areas of historical mining activity which also has been the initial focus of the scout drilling program. Road access thanks to the scout drilling program, has now been added to access drill pads and zones previously accessible only by walking. Four separate areas of historic mining activity were visited and examined in their geologic context and check sampling was carried out to confirm historic sampling by multiple workers of which make up part of the present database.

The Qualified Person walked from the lower of 2 underground workings (poorly accessible) to the top of the ridge (4860m elevation) where past small scale mining activity focused on high grade, limestone hosted MnOx mineralization which contains significant silver. Structural controls and check sampling of this material where carried out where two samples containing alabandite (MnS) were collected (Sample 28693, 28694). Adjacent to the limestone hosted Mn-Ag is mineralization hosted by medium grained, quartz sandstone. Previous sampling from a 1x1x5m inclined prospect pit driven on a 25cm sub-vertical quartz-

sulfide vein has returned values up to 9.6 g/t Au, 2200 g/t Ag. This vein was check sampled as well. Re-sampling of this vein returned 1.4 g/t Au, 664 g/t Ag, 8.5% Pb, 0.3% Zn from Sample # 28692.

Access road leads directly to the historic Sanguinetti Mine which comprises multiple small open pits and one principle underground mine of around 100m workings. The underground workings are not accessible. Here the author took 3 samples from mineralization exposed in open cuts. See Samples 28691, 28695, 28696. Check sample #28696 contained over 30% Zn confirming other high-grade samples from this prospect.

Approximately 300m north of the main Sanguinetti Mine lies the Adriana North underground prospect on the west edge of Laguna (Lake) Pachas. The author investigated the nature of this manto mineralization occurring at the siliciclastic-limestone contact and feeder structure. Two samples were collected. Sample #28697 was a grab from a small stockpile of material and Sample #28698 was a chip sample from the manto mineralization.

The Victoria Mine was the last of the historical mines to be active. The last mining activity there was carried out as late as early 2017. High grade Ag-Pb-Zn mineralization was selectively mined in the past from 3 parallel inclined shafts. Underground access has been covered and surface exposure of mineralization is poor. Here the author noted structure and lithologic characteristics and collected one chip sample from a small zone of calcite veinlets (Sample 28699).

Database Audit

The database contains information from multiple sources over a span of more than 12 years. Improvements could be made in the organization of the information based on chronology and the companies and/or individuals involved.

Furthermore, regarding verification of all geochemical data, there is significant sample data without lab identification, lab assay certificates, and/or information on analytical method used. We now know that all certificates are available for samples taken by CAPPEX, Solitario, Panamerican Silver, Rock Point Geoservices and Glencore. Sample data certification for samples taken by Minera Corona are not available.

Results are generally in agreement between surface samples, underground samples, and nearby drill sample outcomes. Thus, drilling results at the Alta Victoria Project are believed to be reliable.

Mineral Processing and Metallurgical Testing

There has been no mineral processing or metallurgical testing on the Alta Victoria Project by CAPPEX.

Mineral Resource and Mineral Reserve Estimates

There have been no resource or reserve estimates determined for the Alta Victoria Project by CAPPEX.

Interpretation and Conclusions

Exploration work by CAPPEX on the Alta Victoria Project has confirmed manto style replacement and structurally controlled polymetallic mineralization. The thickest, highest grade intercept was encountered in a calcareous sandstone unit, the apparent base of the Pariahuanca Fm limestone. Other altered and mineralized zones within in siliciclastic units demonstrate that permeability contrast between siltstone and coarser grain sandstone, with or without a carbonate component, are essential in providing conduits for fluid flow and mineralized manto formation.

A seven hole (2300.3 metre) scout drilling program completed in 2020 partially tested two target areas identified by field work initiated in 2017. Modifications by simply re-orienting future drill holes will likely improve results, a conclusion resulting from core logging and additional detailed mapping. Future targeting work will include exploring the extensions of these partially tested targets. In addition, continued exploration on a reconnaissance and detailed level will generate additional drill targets in the short to mid-term. The vast majority of the property has yet to be explored in detail.

Given the location of the Alta Victoria Project, the major scale footprint of the mineralizing system, and encouraging drill results from the recent scout drilling program, the Alta Victoria Project clearly warrants further exploration. CAPPEX is not aware of any significant risks or uncertainties that could be expected to affect the reliability or confidence in the early-stage exploration information discussed in this document.

Recommendations

There are a number of notable areas where the Resulting Issuer can immediately start work to advance the project at a relatively low cost that will lead to refining/generating targets and completing permitting modifications in time to drill in 2021. Given the large land position held and having entered the third year of a 6 year option agreement, the Resulting Issuer should have a program of surface target work so as to evaluate and prioritize future drilling.

A follow up diamond drill program is warranted after encouraging results of the scout drilling program completed Q4-2020. There are a number of mineral showings and drill targets that have yet to be tested and the majority of the property has yet to be explored on any level. Scout drilling tested a total area of 5 hectares within a property package of over 7,000 hectares. There is a reasonable if not high probability that additional drill targets will be identified.

Follow up diamond drilling should continue on and around the Santa Teresita Target area where the best intercept was encountered (20m @ 86.6 g/t Ag). Other target areas are in the process of being mapped and sampled in detail and this work will continue in a systematic fashion. As known targets are refined and new targets are generated, the scope of permitting will need to be updated.

Phase I exploration work on the Alta Victoria Project leading to a diamond drilling program includes the following tasks and their associated costs (see **Table 7** below):

- Immediate reconnaissance of outlying areas of interest within the CAPPEX controlled land package.
- Additional detailed mapping and sampling +/- added geophysics, in known target areas and individual prospects.
- Commence work to expand and/or modify scope of drill permitting.
- Expand mapping and sampling +/- geophysics within the permitted “Area of Influence” to develop additional targets besides the known prospects indicated from historic mining or prospecting.
- Develop prospective areas into drill targets, (or not) with ranking based on probability of exploration success i.e., potential size, grade, depth to target and environmental risks.
- Followed by a 3,000 metre diamond drilling program during Phase I.
- Completion of Phase 2 work program is contingent upon the results of Phase I work program.

Table 7: Exploration Program Budget for Phase I & II

Exploration Program Budget - Alta Victoria Project – Phase I		
Phase I Budget	Detailed geological mapping, sampling and sample analysis of new areas	\$150,000
	Alta Victoria Ground Geophysics	\$75,000
	Alta Victoria Diamond Drilling (3,000 metres)	\$1,200,000
	Alta Victoria Environmental Studies	\$50,000
	Subtotal	\$1,475,000
	10% Contingency	\$147,500
	Total Phase I	\$1,622,500
Exploration Program Budget - Alta Victoria Project – Phase II**		
Phase II Budget	Detailed geological mapping, sampling and sample analysis of new areas	\$150,000
	Alta Victoria Ground Geophysics	\$75,000
	Alta Victoria Diamond Drilling (10,000 metres)	\$4,000,000
	Subtotal	\$4,225,000
	10% Contingency	\$422,500
	Total	\$4,647,500

*** Completing the Phase II work program is contingent upon the results of the Phase I work program*

The Alta Victoria Project has 40 permitted platforms and 45 permitted holes. Modifying the drill permit will be necessary to accommodate expanded exploration outside the present “Area of Influence” as recognized in the current DIA (drill permit). This will be required in the case where new drill targets have emerged from ongoing, near-term target generation work. Adding drill holes to already permitted drill platforms is a relatively simple process and requires approximately two months. Both processes can proceed in parallel.

It is the opinion of the author of the Alta Victoria Technical Report that the character of the Alta Victoria Project is of sufficient merit to justify the Phase I recommended program.

4.5 Emerging Market Issuer Disclosure

Pursuant to OSC Staff Notice 51-720 and policies of the CSE, which provide guidance to issuers that are considered “emerging market issuers”, being in general terms issuers that have operations or management principally located in outside of Canada, in regions such as Asia, Africa, South America and Eastern Europe, the Resulting Issuer provides the following information regarding Peru.

Business and operating environment

1. What role does the foreign government and regulatory authorities have in the foreign operations?

CAPPEX Peru was incorporated in Peru. The Alta Victoria Project is located in Peru, therefore CAPPEX Peru and all mining operations involving the Alta Victoria Project are subject to the corporate laws and the legal framework pertaining to the mining industry in Peru as described under “*Narrative Description of the Business – The Alta Victoria Project – Mineral Rights and Regulations in Peru*”.

- 2. Have restrictions or conditions been imposed, or can they be imposed, by the foreign government and regulatory authorities on the company's ability to operate in the foreign jurisdiction?*

According to the Peruvian Political Constitution and applicable legal framework, foreign investment is subject to the same treatment as local investment. To the knowledge of management of the Resulting Issuer and CAPPEX Peru, no restrictions or conditions have been imposed by the foreign government and regulatory authorities on the ability of the Resulting Issuer, indirectly through a subsidiary, to operate in Peru.

- 3. Who in the company manages the relationship with the foreign government and regulatory authorities?*

Phil Anderson, who acts as General Manager of CAPPEX Peru, manages the relationship with foreign government and regulatory authorities, with advice from local legal counsel.

- 4. What is the legal environment of the foreign jurisdiction? How does the legal system operate and how may it impact the company?*

Peru's legal system is a civil law based system. Many laws and regulations in Peru conflict with one another and the system often does not operate effectively to resolve such conflicts. Additionally, Peru rates fairly high on the 2020 Corruption Perceptions Index of Transparency International (placing 94 out of 180).¹ There are risks associated with the Resulting Issuer's proposed operations in Peru, as more particularly described below in Item 17 - Risk Factors.

- 5. What regulatory requirements is the company or its business or operations subject to in the foreign jurisdiction?*

The Peruvian company law system is derived from the European civil law system and Peruvian companies consequently have some of the characteristics of companies in European jurisdictions. Peruvian closed stock corporations, as is the case of CAPPEX Peru, have (i) a General Manager responsible for the day-to-day management of the company; and (ii) may elect to have a board of directors who supervise the governance and administration of the company on behalf of the shareholders. At least two shareholders are required at all times which may be two individuals, two companies or a combination thereof in certain sectors. Generally, new direct foreign investment in Peru is conducted either by acquiring an existing company or by establishing a new company (a foreign investment company).

- 6. Does the board have access to relevant expertise to ascertain the political, legal and cultural realities of the jurisdiction where the company's principal business operations are located, and the impact they may have on the company's business or operations?*

The board of the Resulting Issuer has engaged professional advisors (legal, financial, and technical) with the relevant expertise to provide assistance in the political, legal and cultural realities of Peru. The board of the Resulting Issuer will continue to have access to those professional advisors and may seek additional advisors in any new jurisdiction in which the Issuer may determine to operate in the future.

- 7. What are the banking customs in the foreign jurisdiction? How do they differ from Canadian customs?*

As of March 24, 2021, Moody's Investors Services ("Moody") changed its outlook on the Peruvian banking system from negative to stable. The change came in light of the expectation of an improving operating

¹ <https://www.transparency.org/en/cpi/2020/index/nzl>

environment over the next 12-18 months. The rating agency expects that a rebound in economic growth and ample support packages will aid local banks' asset quality and boost profitability. As the domestic economy continues to recover, strong liquidity and solid core deposit funding will continue to support Peruvian banks in 2021. Conversely, deterioration in social indicators, populist measures, and further delays in vaccine rollouts add to banks' risk aversion, which will lead to low loan growth in the long term.²

In light of these concerns, Fitch Ratings' outlook on the Peruvian banking system released on May 24, 2021, reflects an overall negative assessment. In their report, all of Peru's internationally rated banks received negative rating outlooks. Fitch attributes such a score to COVID-19 pandemic's impact on asset quality and profitability in 2021. Peru had one of the longest and strictest lockdowns in the region, which resulted in a deterioration of household income as the unemployment rate almost tripled. For this reason, Fitch expects that employment and income will not recover to pre-pandemic levels in 2021, weighing on asset quality, profitability and loan growth. In addition, governmental support packages designed to help debtors during the pandemic are scheduled to expire in August, amid the political uncertainty surrounding the recent election, which may temper credit growth and investor confidence.³

Moody raised similar concerns on May 21, 2021, echoing that the increasingly polarized political environment may continue to jeopardize growth and public finances. However, in this report Moody still anticipates the economy will bounce back strongly from the pandemic as core credit metrics remain relatively strong.⁴

8. *Are there any restrictions on the company's ability to transfer and/or verify the existence of funds in bank accounts located in foreign countries?*

The sol is freely convertible into foreign currency. Peru does not restrict the transfer of foreign currency funds to or from foreign countries. To the knowledge of management of the Resulting Issuer, there are no restrictions on its ability to verify the existence of funds in bank accounts located in Peru.

9. *What are the impacts of local laws and customs on ownership and rights to property?*

CAPPEX Peru, as the holder of the mining concessions forming the Alta Victoria Project is subject to the laws concerning mining tenure and surface rights as described under "*Narrative Description of the Business – The Alta Victoria Project – Mineral Rights and Regulations in Peru*".

10. *Who are the major suppliers and customers? How did the company establish relationship with them? Are these entities, or their executive officers or directors, related to the company or its officers?*

The Resulting Issuer is an exploration company not yet generating revenues and without material customers or suppliers yet. The Resulting Issuer plans to utilize consultants to conduct most of the exploration services it requires, none of which are expected to be related parties to the Resulting Issuer or CAPPEX Peru.

² https://www.moody.com/research/Moodys-Stable-banking-system-outlook-for-Brazil-and-Peru-negative--PBC_1274373?cid=7QFRKQSZE021

³ <https://www.fitchratings.com/research/banks/largest-peruvian-banks-peer-review-challenging-operating-environment-remains-in-2021-24-05-2021>

⁴ https://www.moody.com/research/Moodys-changes-outlook-on-Perus-A3-rating-to-negative-affirms--PR_445868

11. How frequently do Canadian board members and management visit operations in the foreign jurisdiction?

It is anticipated that the Resulting Issuer's Canadian board members and management will visit the Resulting Issuer's operations at least once per year. The Resulting Issuer will have one director who is resident in Peru.

12. Where are the company's books and records located and are there any access restrictions?

The Resulting Issuer maintains a registered and head office at in Canada. The Resulting Issuer's books and records are located at its current address. CAPPEX Peru maintains a registered and head office in Peru, and its books and records will be maintained in Peru. The Resulting Issuer and CAPPEX Peru's books and records may be accessed at any time during business hours, and the Resulting Issuer's external auditors have full and free access to books and records of the Resulting Issuer and CAPPEX Peru.

13. Will an investor's ability to exercise and enforce statutory rights and remedies under Canadian securities law be impacted by the fact that all or substantially all of the issuer's assets are primarily located in a foreign jurisdiction?

CAPPEX Peru is a wholly-owned subsidiary of the Resulting Issuer. Two of the proposed directors and all of the management of the Resulting Issuer will be resident Canadians, and will have a vested interest in ensuring that their fiduciary duties are carried out in full compliance with Canadian corporate law.

The Resulting Issuer is incorporated under the provincial laws of British Columbia, Canada. The Resulting Issuer's business operations are primarily located in Peru. The Resulting Issuer's registered and head office is in British Columbia. The majority of the Resulting Issuer's assets are located outside of Canada. Furthermore, the majority of the Resulting Issuer's directors reside outside of Canada and a substantial portion of their assets are located outside of Canada. As a result, shareholders may not be able to effect service of process within Canada upon certain of the Resulting Issuer's directors or to enforce against certain of the Resulting Issuer's directors in Canadian courts predicated on Canadian securities laws. Likewise, it may also be difficult for a shareholder to enforce judgments obtained against these persons in courts located in jurisdictions outside of Canada, in Canadian courts. It may also be difficult for a shareholder to bring an original action in a Peruvian or other foreign court predicated upon the civil liability provisions of Canadian securities laws against the Resulting Issuer or these persons.

Judgments of Canadian courts based upon the civil liability provisions of Canadian securities law may be enforceable against the Resulting Issuer in Peru. As a first step, recognition and enforcement of a foreign judgment requires that a special proceeding be filed before the Superior Court of Peru. Under no circumstances will Peruvian courts in Peru consider the substantive matters or the merits of the case; instead, such courts will only consider compliance with respect to legal formalities. A final and conclusive monetary judgment for a definite sum obtained against the Resulting Issuer in Canadian courts would be recognized by the courts in Peru, provided that:

- (a) the judgment complies with the formalities for enforceability under the laws of the country where it was issued;
- (b) the judgment has been duly legalized and is accompanied by an officially translated copy if such judgment into Spanish, prepared by a Peruvian certified public translator;
- (c) the judgment has been issued by a competent court (according to the applicable private international conflicts of laws rules and under general principles of international procedural jurisdiction) after valid service of process under the law of such court, other than in the case where Peruvian courts consider that they have "exclusive jurisdiction" over the subject;

- (d) the defendant was duly notified of the claim, in accordance with the laws of the place where the proceeding took place, was granted a reasonable opportunity to appear before such foreign court and was guaranteed to present its defence (due process rights);
- (e) the foreign judgment is a final judgment and not subject to any further appeal (res judicata), as defined in the jurisdiction of the court rendering such judgement;
- (f) there is no pending litigation in Peru between the same parties for the same dispute initiated before the commencement of the proceeding that concluded with the foreign judgment;
- (g) it is not proven that such foreign court denies enforcement of Peruvian judgements or engages in a review of their merits thereof; and
- (h) the judgment is not contrary to Peru public policy or good morals.

Additional procedural steps must be taken before the Peruvian Courts with respect to enforcement of a foreign judgment, which include the following:

- (a) the party against whom the enforcement is requested must be served and notified with the recognition lawsuit of the foreign judgment;
- (b) the defendant may submit formal defences within a 20 business day period, but it is prohibited from discussing the merits of the judgment;
- (c) the resolution issued by the Superior Court in Peru may be appealed, in which case the Supreme Court must issue its final decision. This last judgment is not subject to appeal, either approving or rejecting the recognition of the judgment; and
- (d) if the judgment is recognized by the applicable Courts in Peru, then its holder can proceed with its enforcement before a Peruvian First Instance Court and file a summary action against the Resulting Issuer requesting the attachment and the auction of any assets located in Peru or any other measure dealing with the enforcement of the judgment.

Language and cultural differences

14. Does the composition of the board provide the appropriate level of knowledge and expertise in the language and cultural practices of the emerging market?

Philip Anderson has been a resident of Peru since August 1999 and has extensive experience with mining and exploration in Peru. He has worked closely with locals on various mining projects in Peru since 1996. Mr. Anderson has the appropriate level of knowledge and expertise of cultural practices of Peru.

15. Is any board member fluent in the foreign language or does the board have access to an independent translator to overcome any language differences?

Mr. Anderson, a director of the Resulting Issuer and General Manager of CAPPEX Peru, is fluent in Spanish and fully knowledgeable of Peruvian cultural practices. English is not widely spoken in Peru, however, the remainder of the Board of the Resulting Issuer will have access to independent translation services to overcome any language differences.

16. How frequently should the board members visit the operations in the emerging market and meet with local management?

The board of directors of the Resulting Issuer intends to hold quarterly board meetings to review and approve the interim and annual financial statements. At the meeting to approve the annual financial statements, the board of the Resulting Issuer has the option of holding the meeting in Peru. As directors of

a public company, the board of directors of the Resulting Issuer intends to hold a board meeting in Peru at least once per year. In addition, Mr. Anderson expects to make frequent visits to the Alta Victoria Project.

17. Has the board engaged with local management to understand the manner in which business is conducted in the foreign jurisdiction?

The board of directors of the Resulting Issuer will engage with and supervise local management of CAPPEX Peru. The Resulting Issuer, through CAPPEX Peru, has the right to conduct and operate all exploration programs on the Alta Victoria Project. The business of the Resulting Issuer is geological exploration and most services to the Resulting Issuer will, like the majority of junior mining issuers, be conducted by a contracted geological service team. The major local business will be the administration of CAPPEX Peru's affairs which local team will operate under the supervision of management of the Resulting Issuer. All major exploration, development, capital expenditure and other significant decisions will be approved by the board of directors of the Resulting Issuer.

18. Have the books and records, including key documents such as material contracts or bank documents, been prepared in English or French or appropriately translated?

Some forms, applications and banking documents in Spanish are prepared in both Spanish and English. Any accounting or other key documentation which is prepared solely in Peru will be translated into English for provision to the Resulting Issuer's board of directors, CEO, President and CFO. Mr. Anderson is fluent in Spanish and will be able to review the records and key contracts.

19. Does the board have access to resources, beyond local management or local directors who are not independent, that can help overcome language and cultural issues?

The Resulting Issuer has retained a local law firm in Peru to provide legal services, to perform due diligence as needed, and to provide full legal verification of CAPPEX Peru's status and property rights. The auditor of the Resulting Issuer also has an affiliation in Peru to assist in the preparation of the Resulting Issuer's audit. Additionally, the Resulting Issuer engaged the author of the Alta Victoria Technical Report, a qualified person under NI 43-101 who also has experience in Peru, to help the board of directors of the Resulting Issuer gain a better understanding of the full geological operations of the Resulting Issuer and CAPPEX Peru.

Corporate structure

20. Has the need for a complex structure been carefully assessed by management, including whether the company's objectives could be achieved through a simpler structure?

The Resulting Issuer's board of directors considered its options with respect to the corporate structure of the Resulting Issuer and concluded that ownership of the Alta Victoria Project by CAPPEX Peru, with ownership of CAPPEX Peru by Amalco, is the most practical structure for the operation of the business of the Resulting Issuer.

It is noted that mineral concessions in Peru are not permitted to be held by foreign entities and that it is a general practice for foreign ownership of a mining company be held by a subsidiary, which also facilitates any transfer of the mining company.

21. Is the company's corporate structure consistent with its business model and the political, legal and cultural realities of the jurisdiction where its principal business operations are located?

The Resulting Issuer's corporate structure is consistent with its business model and the realities of the jurisdiction in which primary operations will occur, being Peru. The management of the Resulting Issuer and CAPPEX Peru will fulfill their duties under the oversight of the board of directors of the Resulting Issuer within the Canadian corporate governance framework and with the guidance of Canadian legal counsel, as well as Peruvian legal counsel.

22. Does the corporate structure limit or inhibit the ability of the board to oversee and monitor management of the foreign operations?

The Resulting Issuer's corporate structure will not limit or inhibit the ability of the board of directors of the Resulting Issuer to oversee and monitor management of the foreign operations. Mr. Anderson, a director and significant shareholder of CAPPEX will continue to be a director of the Resulting Issuer and General Manager of CAPPEX Peru overseeing its operations.

23. How does the board ensure that information from the local jurisdiction is communicated to the board in a timely manner?

There will be a routine report from CAPPEX Peru to the CEO, President and CFO of the Resulting Issuer every month which will be disclosed in the form of Monthly Progress Report on the CSE website. Mr. Anderson, who is orientated with Canadian corporate governance requirements, will inform and discuss with the board of directors of the Resulting Issuer should any material events occur.

24. Can the Canadian parent company effectively change the board and management of the foreign operating entities?

The Resulting Issuer will have the ability to change the management of CAPPEX Peru as the sole shareholder of Amalco, owner of 99.99% of CAPPEX Peru. CAPPEX Peru does not currently have a board of directors.

25. Have the risks associated with the company's corporate structure been identified and evaluated? Does management have appropriate controls in place to address those risks?

Risks associated with the Resulting Issuer's proposed corporate structure have been identified and evaluated. It is management's opinion that the risk is minimal given the requirements of the Peruvian mining laws and the proposed operations of CAPPEX Peru, and that a director of the Resulting Issuer will continue to serve as General Manager of CAPPEX Peru.

Risk management and disclosure

26. Does the board have a full understanding of the risks facing the company and how those relate to the overall risk appetite of the company?

The board of directors of the Resulting Issuer has a full understanding of the risks facing the Resulting Issuer. The Resulting Issuer shares similar risks of other junior research and development stage issuers.

27. Is there a strategy in place to ensure that significant risks related to operations in the emerging market are identified and managed by the board and management?

The board of directors of the Resulting Issuer will actively communicate with its legal counsel in Peru regularly to monitor the political and the legal environment in which the Resulting Issuer operates.

28. Does the board ask probing questions and seek confirmations that decisions made by management are consistent with board-approved strategies and the company's overall risk appetite?

The proposed board of directors of the Resulting Issuer will ask probing questions and seek confirmations that decisions made by management are consistent with board-approved strategies and the Resulting Issuer's overall risk appetite.

29. Does the board regularly engage with management to review and update the risk identification and management strategy?

The board of directors of the Resulting Issuer will have direct access to management of CAPPEX Peru as a director of the Resulting Issuer will continue to act as General Manager of CAPPEX Peru. Going forward, the board of directors of the Resulting Issuer intends to review and update its risk identification and management strategy on an as-needed basis.

30. Does the board obtain confirmation from management that risk exposures are in compliance with established limits?

The board of directors of the Resulting Issuer will obtain confirmation from management that risk exposures are in compliance with established limits.

31. Do board members take appropriate steps to stay informed of key developments that could increase the company's risk exposure in the emerging market?

The board of directors of the Resulting Issuer will take appropriate steps to stay informed of key developments, including the legal, political and regulatory climate of Peru, that could increase the Resulting Issuer's risk exposure in the emerging market.

32. Has the board established contacts in the foreign jurisdiction that may assist the board in staying abreast of developments that could impact the company's risk exposure and does the board regularly engage with these contacts?

The board of directors of the Resulting Issuer will have direct access to legal counsel in Peru. The board of directors intends to communicate with its legal counsel in Peru regularly to stay abreast of developments that could impact the Resulting Issuer's risk exposure.

33. Does the board have a clear understanding of the internal controls and processes in place to respond to risk?

The board of directors of the Resulting Issuer will ensure that all members have a clear understanding of the internal controls and processes in place to respond to risk.

34. Does the board review how disruptions to business operations caused by political, legal and cultural factors in the emerging market were dealt with by management?

The board of directors of the Resulting Issuer will review carefully how disruptions to business operations that may be caused by political, legal and cultural factors in the emerging market were dealt with by management.

Internal controls

35. *What has management done to determine if the company has the proper internal controls in place to address each of the identified risks, in particular the risks associated with operating in an emerging market?*

Management of the Resulting Issuer will ensure the accounting cycle, payroll administration, operational activities, and financial reporting controls to assess internal control risks and to ensure proper internal control is in place.

36. *What are the deficiencies and weaknesses in internal controls that have been identified? How material are these deficiencies or weaknesses?*

No deficiencies or weaknesses have been identified, however given the relatively low level of expenditure to date, no internal auditing protocol has been established that may be required in the future.

37. *What potential risks flow from the identified deficiencies and weaknesses?*

The risk that flows from the potential deficiencies and weaknesses is the risk of potential fraud. However, the risk of fraud is considered low and immaterial.

38. *What are the ways that such deficiencies and weaknesses can be remediated?*

Management anticipates taking the following measures to mitigate this weakness: (i) all purchase and payment, including payroll, must be authorized by management; (ii) all capital expenditures above a pre-determined expenditure limit, must be preapproved by the board of directors of the Resulting Issuer; (iii) in the case where a purchase is carried out in the Spanish language, those receipts will be scanned and translated to English for accounting entries and recordkeeping purposes; and (iv) almost all of the Resulting Issuer's cash will be deposited with a Canadian bank in Canada. Operating funding for CAPPEX Peru will be provided by the Resulting Issuer with two directors' approval. Bank statements of CAPPEX Peru will be reviewed by the CFO of the Resulting Issuer regularly.

39. *Does management have a plan and timeframe for the remediation? Does the plan include immediate/ interim steps to manage the risks that have been identified? Is the timeframe proposed by management reasonable?*

Management plans to address accounting requirements over the course of the next three months. CAPPEX and Lido had reduced expenditures and discretionary spending prior to close of the Transaction, and the Resulting Issuer does not foresee an increase in such expenditures until accounting procedures have been formulated. The timeframe proposed by management is considered to be reasonable.

40. *What is the status of on-going remediation plans?*

The board of directors and management of the Resulting Issuer are working towards establishing relevant protocols and procedures which will include accounting, whistleblowing and internal audits.

41. *Are there any interim measures that should be adopted before the remediation is complete?*

The board of directors of the Resulting Issuer will continue to monitor the operations of CAPPEX Peru, evaluate the internal controls, and develop measures in the future to mitigate any potential risks and weaknesses.

42. What are the auditor's views on the company's internal controls?

The audit will include a review and evaluation of the system of internal controls of CAPPEX Peru and the Resulting Issuer, respectively, to assist in determining the level of reliance that may or could be placed on the systems of CAPPEX Peru and the Resulting Issuer. Based on the preliminary understanding of CAPPEX Peru's internal controls, and given the relative size of CAPPEX Peru and the Resulting Issuer, management structure and the nature and volume of the transactions processed, such internal controls are likely to be insufficient to allow the auditor to place a high degree of reliance thereon.

Use of and reliance on experts

43. Has the company considered the significance of expert's work on the company's operations and the potential impact on the company of an error or inaccuracy in the expert's work?

The Resulting Issuer expects to regularly rely on the expertise of its professional advisors and consultants, including the author of the Alta Victoria Technical Report. The board of directors and management of the Resulting Issuer are cognizant of the significance of any expert report or opinion rendered on behalf of the Resulting Issuer and the potential impact on the company of an error or inaccuracy in the expert's work.

44. What are the expert's credentials? Have background checks on the expert been conducted, including whether the expert is in good standing with its relevant industry organization in the foreign jurisdiction?

The author of the Alta Victoria Technical Report is a Registered Professional Geoscientist (P. Geo.), practicing in good standing with the Australasian Institute of Mining and Metallurgy (MAusIMM (CP)).

45. Does the board have systems in place to identify whether the expert is independent of the company, its management, directors, officers, significant shareholders, and other related parties?

The author of the Alta Victoria Technical Report is independent of each of the Resulting Issuer, CAPPEX Mineral Ventures Inc. and CAPPEX Peru, having no material relationship to any of them, as confirmed by the author in the Alta Victoria Technical Report. Management of the Resulting Issuer, together with its Canadian legal counsel, will regularly review the independence of its experts through a review of NI 52-110 and National Instrument 58-201 - *Corporate Governance Guidelines*.

46. Has the company considered differences between local customs and practices in the emerging market compared to Canada, and the adequacy of the rules of professional conduct developed by the professional organization of the expert in the emerging market?

The Resulting Issuer has considered differences between local customs and practices in the emerging market compared to Canada, and the adequacy of the rules of professional conduct developed by the professional organization of the expert. The author of the Technical Report is in good standing with a professional organization recognized under the securities laws of Canada, and a resident of Peru.

47. Has the company evaluated the level of due diligence exercised by the expert? Was the expert's opinion fully substantiated by accurate facts and thorough analysis?

The Resulting Issuer has evaluated the level of due diligence exercised by the experts and has worked to substantiate their opinions with further independent analysis.

48. *Is a corroborating opinion (provided by Canadian experts, for example) necessary or desirable?*

In order to ensure it could meet its disclosure obligations in Canada, management of the Issuer determined that the Alta Victoria Technical Report should be prepared by a professional geologist registered with an organization recognized by Canadian securities laws in accordance with the standards of NI 43-101. The author of the Alta Victoria Technical Report is such an expert. The Resulting Issuer does not feel that any other corroborating opinion from a Canadian expert is necessary.

Oversight of the external auditor

49. *Does the auditor have a presence or affiliation in the jurisdiction in which the company's overseas operations are located?*

Dale Matheson Carr-Hilton LaBonte LLP (“DMCL”) has an affiliation in Peru through the Moore Global network. Moore Global is a global accounting and advisory network with over 29,000 people in 547 offices across 113 countries.

50. *Do any members of the audit team have the language, skills relevant to, and cultural knowledge of, the local jurisdiction?*

DMCL will consult with local counsel in Peru regarding the cultural knowledge as well as the laws and regulations of the local jurisdiction. CAPPEX Peru’s local counsel is proficient in English and Spanish assisted in translation (if any) and obtaining understanding of cultural knowledge and business environment of the local jurisdiction. Given the assistance from the local counsel and interpreters, the audit team will have the language, skills relevant to, and cultural knowledge of, the local jurisdiction. In addition, DMCL currently has staff fluent in Spanish.

51. *Does the auditor have sufficient experience in the accounting and tax rules of the foreign jurisdiction?*

To the knowledge of the Resulting Issuer, the auditor, with the assistance of local counsel, will have sufficient experience in the accounting and tax rules of Peru.

52. *Does the auditor understand the risks and challenges facing the emerging market issuer, and does it have sufficient appropriate audit procedures to address them?*

To the knowledge of the Resulting Issuer, the auditor adequately understands such risk and challenges and has appropriate procedures to address same.

53. *What are the responsibilities of the domestic auditor versus the component auditor?*

DMCL is responsible for obtaining 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 their opinion. No component auditor has been engaged by the Resulting Issuer.

Selection of the auditor and evaluation of the audit process

The Audit Committee was charged with recommending an auditor to the board of directors of the Resulting Issuer. The Audit Committee considered the experience of DMCL, its affiliation in Peru and its independence from CAPPEX and the Resulting Issuer, in recommending DMCL as auditors of the Resulting Issuer.

To ensure the Audit Committee can effectively evaluate the audit process, the Audit Committee has access to such officers and employees of the Resulting Issuer and CAPPEX Peru, the external auditors and such information respecting the Resulting Issuer and CAPPEX Peru, as it considers to be necessary or advisable in order to perform its duties and responsibilities. The Audit Committee will meet at least four times annually, and the external auditors will have the right to attend all such meetings, and management representatives may be invited to attend. The auditors shall have a direct line of communication to the Audit Committee through its chair and may bypass management if deemed necessary. The Audit Committee, through its chair, may contact directly any employee of the Resulting Issuer as it deems necessary and any employee may bring before the Audit Committee any matter involving questionable, illegal or improper financial practices or transactions. The Audit Committee will review the audit plan of the auditor, and discuss the results of the audit on completion of the audit.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 Consolidated Financial Information – Annual Information

Summary of Lido’s Annual Information

The following table sets forth selected financial information for Lido for the periods indicated. Such information is derived from the financial statements of Lido and should be read in conjunction with such financial statements. The financial statements are available under Lido’s SEDAR profile at www.sedar.com.

	Six Months Ended March 31, 2021 \$	Three Months Ended Dec 31, 2021 \$	Year Ended Sept 30, 2020 (audited) \$	Year Ended Sept 30, 2019 (audited) \$	Year Ended Sept 30, 2018 (audited) \$
Revenue	Nil	Nil	Nil	Nil	Nil
Net income (loss)	(129,229)	(93,340)	1,158,006	(434,718)	(32,689)
Basic and diluted income (loss) per common share	(0.01)	(0.01)	0.09	(0.06)	(0.72)
Total assets	2,301,854	2,459,369	2,535,077	873,918	424,058
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil
Cash dividends per common share	Nil	Nil	Nil	Nil	Nil

Summary of CAPPEX’s Annual Information

The following table sets forth selected financial information for CAPPEX for the periods indicated. Such information is derived from the financial statements of CAPPEX and should be read in conjunction with such financial statements. See Schedule “A” – *Financial Statements of CAPPEX Mineral Ventures Inc.*

	Three Months Ended Mar 31, 2021 \$	Year Ended Dec 31, 2020 (audited) \$	Year Ended Dec 31, 2019 (audited) \$
Revenue	Nil	Nil	Nil
Net income (loss)	(149,019)	(503,069)	(165,307)
Basic and diluted income (loss) per common share	(0.00)	(0.01)	(0.01)
Total assets	2,935,154	3,048,091	1,159,091
Total long-term liabilities	Nil	Nil	Nil
Cash dividends per common share	Nil	Nil	Nil

Summary of Pro Forma Information

The following tables set forth certain financial information for Lido and CAPPEX, as well as unaudited pro forma consolidated information for the Resulting Issuer after giving effect to the Transaction. Such information is derived from the pro forma financial statements of the Resulting Issuer and should be read in conjunction with such financial statements. See Schedule “E” – *Pro Forma Financial Statements*.

	Lido as at March 31, 2021 (unaudited) \$	CAPPEX as at March 31, 2021 (unaudited) \$	Pro Forma Adjustments \$	Resulting Issuer Pro Forma as at March 31, 2021 \$
Current assets	2,071,854	961,091	1,500,000	4,532,945
Total assets	2,301,854	2,935,154	1,500,000	6,737,008
Current liabilities	9,975	66,153	Nil	76,128
Total long-term liabilities	Nil	Nil	Nil	Nil
Shareholders’ equity (deficiency)	2,291,879	2,869,001	1,500,000	6,660,880

5.2 Consolidated Financial Information – Quarterly Information

Summary of Lido’s Quarterly Information

The results for each of Lido’s eight most recently completed quarters ending at the end of the most recently completed fiscal year, namely September 30, 2020, are summarized below:

	Fiscal 2020			
	Q4	Q3	Q2	Q1
Revenue	Nil	Nil	Nil	Nil
Net income (loss)	(497,741)	1,293,999	359,932	(52,162)
Basic and diluted income (loss) per common share	(0.04)	0.11	0.03	(0.00)

Fiscal 2019				
	Q4	Q3	Q2	Q1
Revenue	Nil	Nil	Nil	Nil
Net income (loss)	(244,892)	(36,279)	(101,936)	(51,611)
Basic and diluted income (loss) per common share	(0.06)	(0.00)	(0.01)	(0.34)

Summary of CAPPEX's Quarterly Information

As a non-reporting issuer CAPPEX did not prepare interim financial statements therefore no information is provided for this item.

5.3 Dividends

Neither Lido nor CAPPEX have paid any dividends on their common shares since incorporation.

The future payment of dividends depends upon the financial requirements of the Resulting Issuer to fund further growth, the financial condition of the Resulting Issuer and other factors which the Resulting Issuer may consider in the circumstances. The Resulting Issuer do not intend, and is not required, to pay any dividends in the immediate or foreseeable future, if at all.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

Lido's annual MD&A for the years ended September 30, 2020 and 2019 and for the six months ended March 31, 2021, are available under Lido's SEDAR profile at www.sedar.com.

CAPPEX's annual MD&A for the years ended December 31, 2020 and 2019, and for the three months ended March 31, 2021 are attached hereto as Schedules "B" and "D", respectively. The attached MD&A should be read in conjunction with CAPPEX's audited financial statements for the year ended December 31, 2020 and 2019, and for the three months ended March 31, 2021, together with the notes thereto, which are attached as Schedules "A" and "C", respectively.

7. MARKET FOR SECURITIES

On July 31, 2020, the Lido Shares were listed and trading on the CSE under the symbol "LIDO". The Lido Shares are also listed and posted for trading on the following stock exchanges:

- Frankfurt Stock Exchange under the symbol "9LM"; and
- OTC Grey Market under the symbol "LDMF".

Trading of the Lido Shares was halted on May 18, 2021, pending the completion of the Transaction.

The CAPPEX Shares are not listed or posted for trading on any stock exchange.

The Resulting Issuer Shares are or are expected to be listed on the CSE under the symbol "HSLV", subject to the Resulting Issuer satisfying the applicable listing conditions of the CSE.

8. CONSOLIDATED CAPITALIZATION

The following table sets forth the Resulting Issuer's share capital following the Transaction.

Designation of Security	Amount authorized or to be authorized	Amount outstanding after giving effect to the Transaction
Resulting Issuer Shares	Unlimited	60,445,867
Options	N/A	1,285,000 ⁽¹⁾
Warrants	N/A	19,270,004 ⁽²⁾

Notes:

- (1) 1,210,000 options have an exercise price of \$0.27 per Lido Share and expire on August 10, 2025, 50,000 options have an exercise price of \$0.215 per Lido Share and expire on November 16, 2025 and 25,000 options have an exercise price of \$0.18 per Lido Share and expire on March 1, 2026.
- (2) 870,000 warrants are exercisable at a price of \$0.25 per share until June 10, 2022; 200,001 warrants are exercisable at a price of \$0.25 per share until July 20, 2022; 8,200,003 warrants are exercisable at a price of \$0.25 per share until the later of August 5, 2023 and the second anniversary of close of the Transaction; and 10,000,000 warrants are exercisable at a price of \$0.25 per share until the second anniversary of close of the Transaction.

9. OPTIONS TO PURCHASE SECURITIES

Resulting Issuer Stock Option Plan

The Stock Option Plan will continue to be the stock option plan of the Resulting Issuer. The Stock Option Plan is to provide an incentive to directors, employees and consultants to acquire a proprietary interest in Lido, to continue their participation in the affairs of Lido and to increase their efforts on behalf of Lido. The Stock Option Plan was most recently approved by shareholders at Lido's shareholder meeting held on February 5, 2021.

Lido adopted the Stock Option Plan on May 11, 2020 which provides eligible directors, officers, employees and consultants with the opportunity to acquire an ownership interest in Lido and is the basis for Lido's long-term incentive scheme. The key features of the Stock Option Plan are as follows:

- The maximum number of Lido Shares issuable under the Stock Option Plan shall not exceed 10% of the number of Lido Shares issued and outstanding as of each award date, inclusive of all Lido Shares reserved for issuance pursuant to previously granted stock options.
- The options have a maximum term of five years from the date of issue.
- Options vest as the board of directors of Lido may determine upon the award of the options.
- The exercise price of options granted under the Stock Option Plan will be determined by the board of directors, but will not be less than the greater of the closing market price of the Lido Shares on the CSE on (a) the trading day prior to the date of grant of the options; and (b) the date of grant of the stock options.
- The expiry date of an option shall be the earlier of the date fixed by Lido's board of directors on the award date, and:
 - (a) in the event of the death of the option holder while he or she is a director or employee (other than an employee performing investor relations activities), 12 months from the date of death of the option holder, or while he or she is a consultant or an employee performing investor relations activities, 30 days from the date of death of the option holder;

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

The Stock Option Plan may be terminated at any time by resolution of the board of directors, but any such termination will not affect or prejudice rights of participants holding options at that time. If the Stock Option Plan is terminated, outstanding options will continue to be governed by the provisions of the Stock Option Plan. The decision to grant options is made by the board as a whole, and a grant is approved by directors' resolutions or at a meeting of the board. Decisions address vesting, maximum term, number of options, exercise price and method of exercise.

Lido will not issue any stock options unless such issuance is in accordance with section 2.25 of National Instrument 45-106 – *Prospectus Exemptions*.

The following table sets out information about the options that are issued and outstanding pursuant to the Stock Option Plan following the Transaction:

Category	Number of Optionees	Date of Grant	Number of Options	Exercise Price	Expiry Date
Executive officers and past executive officers of the Resulting Issuer	3	August 10, 2020 November 16, 2020	130,000 50,000	\$0.27 \$0.215	August 10, 2025 November 16, 2025

Category	Number of Optionees	Date of Grant	Number of Options	Exercise Price	Expiry Date
Directors and past directors of the Resulting Issuer who are not also executive officers of the Resulting Issuer	2	August 10, 2020 March 1, 2021	30,000 25,000	\$0.27 \$0.18	August 10, 2025 March 1, 2026
Executive officers and past executive officers of all subsidiaries of the Resulting Issuer who are not also directors or executive officers of the Resulting Issuer	N/A	N/A	N/A	N/A	N/A
Directors and past directors of those subsidiaries who are not also executive officers of a subsidiary and who are not also directors or executive officers of the Resulting Issuer	N/A	N/A	N/A	N/A	N/A
Other employees and past employees of the Resulting Issuer	N/A	N/A	N/A	N/A	N/A
Other employees and past employees of subsidiaries of the Resulting Issuer	N/A	N/A	N/A	N/A	N/A
Consultants of the Resulting Issuer	7	August 10, 2020	1,050,000	\$0.27	August 10, 2025

Category	Number of Optionees	Date of Grant	Number of Options	Exercise Price	Expiry Date
Any other person or company	Nil	N/A	N/A	N/A	N/A
TOTAL	12	-	1,285,000	-	-

10. DESCRIPTION OF THE SECURITIES

10.1 Description of the Resulting Issuer's Securities

The share structure of the Resulting Issuer is the same as the share structure of Lido and the rights associated with each Resulting Issuer Share are the same as the rights associated with each Lido Share.

The authorized share capital of the Resulting Issuer consists of an unlimited number of Resulting Issuer Shares without par value. The Resulting Issuer has 60,445,867 Resulting Issuer Shares outstanding as at the date of this Listing Statement. Holders of Resulting Issuer Shares are entitled to receive notice of, and to attend and vote at, all meetings of the Resulting Issuer Shareholders, and each Resulting Issuer Share confers the right to one vote, provided that the shareholder is a holder on the applicable record date declared by the Resulting Issuer Board. Holders of Resulting Issuer Shares are entitled to receive dividends if, as and when declared by the Resulting Issuer Board.

In the event of a liquidation, dissolution or winding up of the Resulting Issuer or other distribution of assets of the Resulting Issuer among the holders of Resulting Issuer Shares, holders of Resulting Issuer Shares rank equally as to priority of distribution.

There are no pre-emptive rights, no conversion or exchange rights, no redemption, retraction, purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions, and there are no provisions which are capable of requiring a securityholder to contribute additional capital attached to the Resulting Issuer Shares.

10.2 Prior Sales

Prior Sales of Lido

The following table sets forth details regarding the Lido Shares sold within the 12 months before the date hereof, or are to be issued, by Lido.

<u>Date Issued</u>	<u>Number of Lido Shares</u>	<u>Issue Price per Security (\$)</u>	<u>Total Issue Price / Value Received (\$)</u>	<u>Nature of Consideration</u>
November 16, 2020	250,000	\$0.215	N/A	Compensation ⁽¹⁾

Note:

- (1) Issued to Paul Ténrière pursuant to a management consulting agreement dated November 15, 2020 as compensation. The Lido Shares vest quarterly over a period of 12 months from issuance.

Prior Sales of CAPPEX

The following table sets forth details regarding the CAPPEX Shares that have been sold within the 12 months before the date hereof, or are to be issued, by CAPPEX.

<u>Date Issued</u>	<u>Number of CAPPEX Shares</u>	<u>Issue Price per Security (\$)</u>	<u>Total Issue Price / Value Received (\$)</u>	<u>Nature of Consideration</u>
July 20, 2020	200,001	US\$0.15	N/A	Option agreement ⁽¹⁾
August 5, 2020	7,866,670	C\$0.15	US\$1,180,000.50	Private placement
August 17, 2020	333,333	C\$0.15	N/A	Services agreement ⁽²⁾
August 18, 2020	2,002,631	C\$0.15	N/A	Compensation ⁽³⁾
September 14, 2020	5,725,417	C\$0.15	C\$858,812.55	Private placement
September 15, 2020	166,667	C\$0.15	C\$25,000.05	Private placement
September 25, 2020	133,500	C\$0.15	C\$20,025	Private placement

Notes:

- (1) See “*General Development of the Business - General Development of the Business of CAPPEX Prior to the Transaction – Property Agreements*”.
- (2) Issued to Fabian Baker pursuant to a business development and corporate finance advisory services agreement. CAPPEX issued 333,333 common shares at a price of C\$0.15 per share and 333,333 warrants, each exercisable into a common share of CAPPEX at an exercise price of C\$0.25 per share until the later of August 17, 2023 and the second anniversary of the listing of the common shares of CAPPEX.
- (3) Issued to Philip Anderson in satisfaction of outstanding compensation in the amount of C\$300,394 (US\$228,300) owed to Mr. Anderson, as President of CAPPEX.

Prior Sales of the Resulting Issuer

The following table sets forth details regarding the Resulting Issuer Shares that were issued on close of the Transaction.

<u>Date Issued</u>	<u>Number of Resulting Issuer Shares</u>	<u>Issue Price per Security (\$)</u>	<u>Total Issue Price / Value Received (\$)</u>	<u>Nature of Consideration</u>
August 12, 2021	37,160,813	C\$0.15	N/A	Shares of CAPPEX
August 12, 2021	10,000,000	C\$0.15	N/A	Conversion of Subscription Receipts

10.3 Stock Exchange Price

The Lido Shares are listed and posted for trading on the CSE under the symbol “LIDO”. Trading of the Lido Shares on the CSE was halted by Lido on May 18, 2021 pending the completion of the Transaction. The following table sets forth the trading ranges (high/low) and volumes of the Lido Shares traded on the CSE for the periods identified.

Month Ended	High (\$)	Low (\$)	Volume (#)
July 2021	-	-	-
June 2021	-	-	-
May 2021 ⁽¹⁾	0.26	0.255	29,000
April 2021	0.245	0.215	16,001
March 2021	-	-	-
February 28, 2021	0.24	0.17	153,500
January 31, 2021	0.245	0.205	22,000

Quarter Ended	High (\$)	Low (\$)	Volume (#)
December 31, 2020	0.27	0.20	136,476
September 30, 2020 ⁽²⁾	0.30	0.19	1,197,404

Note:

- (1) The Lido Shares were halted on May 19, 2021 pending CSE approval of the Transaction.
- (2) The Lido Shares were listed on the CSE effective July 31, 2020.

The CAPPEX Shares are not listed on any stock exchange or market.

The Resulting Issuer Shares are or are expected to be listed on the CSE under the symbol “HSLV”, subject to the completion of the Transaction and the Resulting Issuer satisfying the applicable listing conditions of the CSE.

11. ESCROWED SECURITIES

Escrowed Securities of Lido

As required under the policies of the CSE, the principals of Lido entered into the Lido Escrow Agreement with the Escrow Agent and Lido. As at the date hereof, the following are Lido Shares that are remaining in escrow:

Name	Number of Escrowed Lido Shares	Percentage of Resulting Issuer Shares following Transaction
Carl Chow	82,500	0.13%
Wayne Soo	37,500	0.06%
TOTAL		

The Lido Escrow Agreement provides that 10% of the escrowed securities will be released from escrow upon Lido's listing date of July 31, 2020 and that, where there are no changes to the Lido Shares initially deposited and no additional escrow securities, the remaining escrowed securities will be released in equal tranches of 15% every six month interval thereafter, over a period of 36 months.

Escrowed Securities of the Resulting Issuer

As required under the policies of the CSE, the principals of the Resulting Issuer entered into the Resulting Issuer Escrow Agreement with the Escrow Agent and the Resulting Issuer. Upon completion of the Transaction, the following Resulting Issuer shares are subject to escrow:

Name	Number of Escrowed Resulting Issuer Shares	Percentage of Resulting Issuer Shares following Transaction ⁽¹⁾
Philip Wells Anderson	11,518,176	19.1%
2210637 Ontario Ltd	10,000,004	16.5%
Augusta Investments Inc.	10,000,000	16.5%
Fabian Baker	1,033,333	1.71%
TOTAL	32,551,513	53.9%

Notes:

(1) Based on 60,445,867 issued and outstanding Resulting Issuer Shares.

The Resulting Issuer Shares to be held in escrow pursuant to the terms of the Resulting Issuer Escrow Agreement will be released in accordance with the release schedule set forth therein. Pursuant to the Resulting Issuer Escrow Agreement, 10% of the escrowed Resulting Issuer Shares will be released by the Resulting Issuer Escrow Agent on the date of the listing on the Exchange followed by six subsequent releases of 15% every six months thereafter, subject to the rules of the Exchange.

12. PRINCIPAL SHAREHOLDERS

Principal Shareholders of Resulting Issuer

Upon completion of the Transaction, except as noted below, no person beneficially owns, directly or indirectly, or exercises control or direction over 10% or more of the outstanding Resulting Issuer Shares (either on an undiluted or fully diluted basis).

Name of Principal Shareholder	Number of Shares	Method of Ownership [Record and/or Beneficially]	Percentage of Shares ⁽¹⁾
Philip Wells Anderson	11,518,176	Record	19.1% ⁽²⁾
2210637 Ontario Ltd. ⁽³⁾	10,000,004	Record	16.5% ⁽⁴⁾
Augusta Investments Inc. ⁽⁵⁾	10,000,000	Record	16.5% ⁽⁶⁾⁽⁷⁾

Notes:

- (1) Based on 60,445,867 issued and outstanding Resulting Issuer Shares.
- (2) Philip Wells Anderson holds 11,518,176 Resulting Issuer Shares, representing 14.2% of the outstanding Resulting Issuer Shares on a fully-diluted basis.
- (3) 2210637 Ontario Ltd. is beneficially owned and controlled by Daniel Earle.
- (4) 2210637 Ontario Ltd. holds 10,000,004 Resulting Issuer Shares and 6,666,670 warrants to purchase Resulting Issuer Shares, representing 20.6% of the outstanding Resulting Issuer Shares on a fully-diluted basis.
- (5) Augusta Investments Inc. is beneficially owned and controlled by Richard Warke.
- (6) Augusta Investments Inc. holds 10,000,000 Resulting Issuer Shares and 10,000,000 warrants to purchase Resulting Issuer Shares, representing 24.7% of the outstanding Resulting Issuer Shares on a fully-diluted basis.
- (7) Augusta Investments Inc. also entered into a call option agreement, pursuant to which, subject to certain conditions, it may acquire 8,000,000 Resulting Issuer Shares from a third party at \$0.15 per Resulting Issuer Share for a period of two years following closing of the Transaction.

13. DIRECTORS AND OFFICERS

13.1 – 13.5 Directors and Officers of Resulting Issuer

Upon completion of the Transaction, the directors and officers of the Resulting Issuer are as follows:

Name, Position & Municipality of Residence	Present Occupation & Positions Held During the Last Five Years ⁽¹⁾	Director or Officer Since	Number of Resulting Issuer Shares Beneficially Held ⁽¹⁾	Percentage of Resulting Issuer Shares Beneficially Held ⁽²⁾
Ronald Stewart Ontario, Canada <i>Chief Executive Officer</i>	CEO of the Resulting Issuer. Independent financial and technical consultant operating as AuCu Consulting since March 2017. Currently a director of Freeman Gold Corp. (since April 2020) and Blackwolf Copper & Gold Corp. (since August 2020). Formerly a senior officer of Guyana Goldfields Inc. from August 2018 to September 2019, a director and senior officer of Beaufield Resources Inc. from March 2017 to October 2018, and a director and senior officer of Eros Resources Ltd. from November 2013 to January 2018.	Close of the Transaction	Nil	Nil

Name, Position & Municipality of Residence	Present Occupation & Positions Held During the Last Five Years⁽¹⁾	Director or Officer Since	Number of Resulting Issuer Shares Beneficially Held⁽¹⁾	Percentage of Resulting Issuer Shares Beneficially Held⁽²⁾
Paul Ténrière New Brunswick, Canada <i>President</i>	Professional Geologist (P.Geo.) and currently the President of Lido, President of Major Precious Metals Corp., CEO and Director of Metallica Metals Corp., and Director of Monarca Minerals Inc. CEO of Lido from June 30, 2020 to close of the Transaction. Mining consultant, having worked on numerous carbonate-hosted Mississippi Valley Type (MVT) and SEDEX lead-zinc deposits, porphyry-style copper-lead-zinc deposits, and gold-PGM deposits in Canada, United States, and Europe.	Officer of Lido since June 30, 2020	250,000	0.41%
Stephen Brohman British Columbia, Canada <i>Chief Financial Officer and Corporate Secretary</i>	Chartered Professional Accountant; Founding principal of Donaldson Brohman Martin CPA. Over 10 years of working experience in a variety of roles with public and private companies and has become experienced in corporate finance, project acquisition, executive management, corporate communications, corporate branding, shareholder relations and investor lead generation. Chief Financial Officer and director of various public and private companies and also a director of Adastra Labs Holdings Ltd., a cannabis processor.	Officer of Lido since April 29, 2020	Nil	Nil
Philip Anderson Lima, Peru <i>Director</i>	Director of the Resulting Issuer. Formerly the founder and President of CAPPEX from September 2017 to close of the Transaction.	Director of CAPPEX since September 20, 2017	11,518,176	19.1%
Fabian Baker ⁽³⁾ St. Clement, Jersey <i>Director</i>	Director of the Resulting Issuer and CEO of Kingsrose Mining Ltd. Founder and CEO of Tethyan Resource Corp. from May 2016 until its acquisition by Adriatic Metals plc in October 2020.	Director of CAPPEX since August 5, 2020	1,033,333	1.71%

Name, Position & Municipality of Residence	Present Occupation & Positions Held During the Last Five Years (1)	Director or Officer Since	Number of Resulting Issuer Shares Beneficially Held ⁽¹⁾	Percentage of Resulting Issuer Shares Beneficially Held ⁽²⁾
Nate Brewer Colorado, USA <i>Director</i>	Director of the Resulting Issuer. Currently a Geological Consultant and director for Western Alaska Copper and Gold Company (a private company). Formerly VP Exploration Americas for Gold Fields Limited until 2018.	Close of the Transaction	Nil	Nil
Hannah Jin ⁽³⁾ British Columbia, Canada <i>Director</i>	Professional Geologist (P.Geo.). Director of Corporate Development for VRB Energy since December 2020, and a director of Gold Lion Resources since April 2020.	Director of Lido since February 5, 2021	Nil	Nil
Patrick O'Flaherty ⁽³⁾ British Columbia, Canada <i>Director</i>	Chartered Accountant and a Chartered Financial Analyst; Investment Consultant at O'Flaherty Consulting, a consulting firm, from December 2017 to present; partner at Caymus Advisors Inc., a consulting firm, from 2019 to present; CFO of BMGB Capital Corp., a TSX Venture Exchange capital pool company, from June 2018 to present; CFO of Castlebar Capital Corp., a TSX Venture Exchange capital pool company, from September 2018 to present; accountant at Masuch + Mellios LLP, an accounting firm, from December 2014 to December 2017.	Director of Lido since January 21, 2019	Nil	Nil

Notes:

- (1) This information is not within the knowledge of management of the Resulting Issuer and has been furnished by the respective directors and officers. Unless otherwise stated above, any directors or officers named above have held the principal occupation or employment indicated for at least the five preceding years.
- (2) Based on 60,445,867 issued and outstanding Resulting Issuer Shares.
- (3) Member of the audit committee.

Upon completion of the Transaction, the directors and officers of the Resulting Issuer as a group own beneficially, directly or indirectly or exercise control or discretion over an aggregate of 12,801,509 Resulting Issuer Shares, which is equal to approximately 21.2% of the Resulting Issuer Shares issued and outstanding.

13.6 – 13.9 Corporate Cease Trade Orders or Bankruptcies; Penalties or Sanctions; Personal Bankruptcies of the Resulting Issuer

Except as described below, no director or officer of the Resulting Issuer, or shareholder holding a sufficient number of Resulting Issuer Shares to affect materially the control of Resulting Issuer is, or within the 10 years before the date hereof has been, a director or officer of any company that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied any company access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the Resulting Issuer being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

On June 19, 2020, the BCSC issued a cease trade order respecting Braxia Scientific Corp. (formerly known as Champignon Brands Inc.) (“**Braxia**”) pursuant to section 164(1) of the *Securities Act* (British Columbia). Stephen Brohman, Lido’s Chief Financial Officer and Corporate Secretary, is the Chief Financial Officer of Braxia. Braxia failed to file business acquisition reports related to its recent significant acquisitions of Artisan Growers Ltd., Novo Formulations Ltd. and Tassili Life Sciences Corp., as required by Part 8 of National Instrument 51-102 - *Continuous Disclosure Obligations*. In addition, the BCSC conducted a continuous disclosure review of Braxia. On March 26, 2021, Braxia filed an application with the British Columbia Securities Commission and Ontario Securities Commission requesting that they revoke their cease trade orders against Braxia. On April 22, 2021, the cease trade orders were revoked and Braxia resumed trading on the CSE on April 23, 2021.

To the Company’s knowledge, no director or officer of the Resulting Issuer, or shareholder holding a sufficient number of Resulting Issuer Shares to affect materially the control of the Resulting Issuer has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

To the Company’s knowledge, except as described below, no existing or proposed director or officer of the Resulting Issuer, nor any shareholder holding sufficient number of Resulting Issuer Shares to affect materially the control of the Resulting Issuer, nor any personal holding company of any such person has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

In May 2011, Paul Ténrière filed a consumer proposal under the Bankruptcy and Insolvency Act (Canada), which was fully performed on September 27, 2012.

13.10 Conflicts of Interest of the Resulting Issuer

Conflicts of interest may arise as a result of the directors and officers of the Resulting Issuer also holding positions as directors or officers of other companies. Some of the individuals who are directors and officers of the Resulting Issuer have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Resulting Issuer will be in direct competition with the Resulting Issuer. Conflicts, if any, will be subject to the procedures and remedies provided under the BCBCA.

13.11 Management of the Resulting Issuer

Brief descriptions of the biographies for all officers and directors of the Resulting Issuer are set out below.

Ronald Stewart, Age: 62, Chief Executive Officer

Mr. Stewart is a mining professional with over 30 years of international experience in exploration, project development, operations and capital markets. Early in his career he led the discovery team at the 5 million-ounce Musselwhite deposit in Ontario and was an integral team member involved in the discovery and advancement of Wallaby in West Australia and Volte Grande in Brazil. Mr. Stewart was President and CEO of Beaufield Resources Corp., which was acquired by Osisko Mining Inc. He spent eight years as an award-winning equity analyst and investment banker at Dundee Capital Markets, Clarus Securities Inc. and Macquarie Capital Markets. Mr. Stewart obtained an H.BSc. in geology from Lakehead University in 1984, and since March 2017 has been a registered Professional Geoscientist (P.Geo.) with the Association of Professional Geoscientists of Ontario. Mr. Stewart anticipates devoting 50% of his time to the business of the Resulting Issuer.

Paul Ténrière, Age: 45, President

Mr. Ténrière has been a Professional Geologist (P.Geo.) with the Association of Professional Geoscientists of Ontario since January 2015, and the Association of Professional Engineers and Geoscientists of New Brunswick since June 2020, and is currently the CEO of Lido. Mr. Ténrière has over 20 years of diverse experience in the mining and oil & gas sectors in Canada, United States, and internationally taking projects from exploration stage to mine development. Mr. Ténrière has held senior to executive roles with junior to major mining companies developing precious metal, base metal, and metallurgical coal deposits, and has significant capital markets and corporate finance experience through his past senior roles with the TSX and TSX Venture Exchange. Mr. Ténrière has also worked on MVT lead-zinc deposits, porphyry-style copper-lead-zinc deposits, and gold-PGM deposits in Canada, United States, and Europe. Mr. Ténrière also serves as the CEO and Director of Metallica Metals Corp., Director of Monarca Minerals Inc., and President of Major Precious Metals Corp. Mr. Ténrière obtained an M.Sc. in Geology from Acadia University in May 2002 and a B.Sc. (Honours) from Dalhousie University in Nova Scotia in May 1998. Mr. Ténrière anticipates devoting 50% of his time to the business of the Resulting Issuer.

Stephen Brohman, Age: 37, Chief Financial Officer, Corporate Secretary

Mr. Brohman is currently CFO and Corporate Secretary of Lido. Mr. Brohman has ten years of working experience in a variety of roles with public companies and has become experienced in corporate finance, project acquisition, executive management, corporate communications, corporate branding, shareholder relations and investor lead generation. Mr. Brohman has extensive experience in the audit of publicly traded

companies, and has worked with mining and exploration, oil and gas, real estate investment, and merchant banking companies during his time in public practice. Mr. Brohman has served as director and/or executive officer for several publicly traded mineral exploration companies. Mr. Brohman obtained a BBA from Capilano University in 2008 and obtained his CPA, CA (Chartered Professional Accountant) designation from the Chartered Professional Accountants of British Columbia in 2011. Mr. Brohman anticipates devoting 25% of his time to the business of the Resulting Issuer.

Philip Anderson, Age: 63, Director

Mr. Anderson is the founder and current President and director of CAPPEX. Starting his career in Alaska, his work in exploration spans 40 years in over a dozen countries since graduating from Colorado School of Mines in Geological Engineering in 1981. As an independent explorationist, he has been based in South America since the early 1990's. Leadership roles include VP Exploration with Canadian Shield Resources Ltd. from 2007 to 2010 and Chile-Peru exploration manager for Brett Resources Inc. from 1996 to 2003 where his early work led to the discovery and development of the Pallancata Mine in Peru, a primary silver producer. In 2017 Mr. Anderson formed CAPPEX, financed the acquisition and initial groundwork on the Project, and subsequently raised an additional C\$2.5M privately, to advance the project to its present stage. Mr. Anderson anticipates devoting 100% of his time to the business of the Resulting Issuer.

Fabian Baker, Age: 34, Director

Mr. Baker is currently a director of CAPPEX and CEO of ASX-listed Kingsrose Mining Ltd. Mr. Baker is a geologist, obtaining a Bachelor of Science in Applied Geology from the Camborne School of Mines in 2009. He was the founder and CEO of Tethyan Resource Corp., a mineral exploration company that was listed on the TSX Venture Exchange. As CEO of Tethyan Resource Corp., Mr. Baker identified and negotiated the acquisition of significant gold, copper, and base metal exploration assets in Serbia. In October 2020, Tethyan was acquired by ASX and LSE-listed mining company Adriatic Metals plc. Prior to Tethyan, Mr. Baker was Chief Geologist at Lydian International where he played a key role in the growth and advancement of the 5 million-ounce Amulsar gold deposit to completion of a feasibility study. Mr. Baker anticipates devoting 10% of his time to the business of the Resulting Issuer.

Nate Brewer, Age: 69, Director

Mr. Brewer's experience spans 40 years in over 20 countries as an exploration geologist for major mining companies. He started his career in Alaska with BP Minerals and Anaconda Minerals Company after graduating with a B.A. in Geology from University of California at Santa Barbara in 1975. Starting in the early 1990's, Mr. Brewer worked for 25 years in Latin America principally with Homestake Mining Company and Gold Fields Limited, where he played a leadership role in the evaluation and acquisition of the Veladero gold-silver deposit in Argentina and the Cerro Corona deposit in Peru. Mr. Brewer and his team were directly responsible for the discovery and advancement through to feasibility of the Chucupaca deposit in Peru and Salares Norte deposit in Chile. Mr. Brewer anticipates devoting 10% of his time to the business of the Resulting Issuer.

Hannah Jin, Age: 40, Director

Ms. Jin has been a Professional Geologist (P.Geo.) with the Association of Professional Engineers and Geoscientists of British Columbia since 2011, and is currently a director of Lido. Ms. Jin is also the Director of Corporate Development for VRB Energy, a privately-held battery technology innovator and energy storage system manufacturer, and a director of Gold Lion Resources. Ms. Jin has over 15 years of technical and business development experience specializing in project evaluation, due diligence, and valuation analysis of precious and base metal projects. Ms. Jin obtained an M.Sc. in Geology from Western University

in 2005 and an M.B.A. from the University of British Columbia in 2016. Ms. Jin anticipates devoting 10% of her time to the business of the Resulting Issuer.

Patrick O’Flaherty, Age: 47, Director

Mr. O’Flaherty is currently a director of Lido and has been a Chartered Accountant with the Chartered Professional Accountants of British Columbia since 2002 and a Chartered Financial Analyst with the CFA Institute since 2005. He also obtained a degree in Economics from Union College, in Schenectady, NY in 1997. Mr. O’Flaherty has several years of experience in financial services, including public accounting and wealth management. He has worked for a recognized accounting firm and two recognized banking institutions and has served as an officer and director of several Canadian publicly traded companies. Mr. O’Flaherty anticipates devoting 10% of his time to the business of the Resulting Issuer.

14. CAPITALIZATION

14.1 Issued Capital of the Resulting Issuer

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non- diluted)	% of Issued (fully- diluted)
<u>Public Float</u>				
Total outstanding (A)	60,445,867	81,000,871	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	34,031,582	51,467,085	56.30%	63.54%
Total Public Float (A-B)	26,414,285	29,533,786	43.70%	36.46%
<u>Freely-Tradeable Float</u>				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	32,551,513	32,551,513	53.9%	40.19%
Total Tradeable Float (A-C)	27,894,354	48,449,358	46.15%	59.81%

Public Securityholders (Registered)

Class of Security		
Size of Holding	Number of holders	Total number of securities
1 – 99 securities	89	4,650
100 – 499 securities	29	6,220
500 – 999 securities	4	2,100
1,000 – 1,999 securities	3	4,231
2,000 – 2,999 securities	9	22,050
3,000 – 3,999 securities	1	3,150
4,000 – 4,999 securities	0	0
5,000 or more securities	70	18,623,731
TOTAL	205	18,666,132

Public Securityholders (Beneficial)

Class of Security		
Size of Holding	Number of holders	Total number of securities
1 – 99 securities	41	718
100 – 499 securities	14	3,441
500 – 999 securities	3	1,620
1,000 – 1,999 securities	3	3,507
2,000 – 2,999 securities	1	2,500
3,000 – 3,999 securities	3	9,000
4,000 – 4,999 securities	1	4,000
5,000 or more securities	79	7,713,301
Unable to confirm	-	10,066
TOTAL	145	7,748,153

Non-Public Securityholders (Registered)

Class of Security		
Size of Holding	Number of holders	Total number of securities
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	12	34,031,582
TOTAL	12	34,031,582

14.2 Convertible / Exchangeable Securities of the Resulting Issuer

Description of Security	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Stock Options	1,285,000 ⁽¹⁾	1,285,000
Warrants	10,000,000 ⁽²⁾	10,000,000
Warrants	9,270,004 ⁽³⁾	9,270,004

Notes:

- (1) 1,210,000 options have an exercise price of \$0.27 per Resulting Issuer Share and expire on August 10, 2025, 50,000 options have an exercise price of \$0.215 per Resulting Issuer Share and expire on November 16, 2025 and 25,000 options have an exercise price of \$0.18 per Resulting Issuer Share and expire on March 1, 2026.
- (2) Exercisable at \$0.25 per Resulting Issuer Share on or before two years from close of the Transaction.
- (3) 870,000 warrants are exercisable at a price of \$0.25 per Resulting Issuer Share until June 10, 2022; 200,001 warrants are exercisable at a price of \$0.25 per Resulting Issuer Share until July 20, 2022; 8,200,003 warrants are exercisable at a price of \$0.25 per Resulting Issuer Share until the later of August 5, 2023 and the second anniversary of close of the Transaction.

14.3 Other Listed Securities of the Resulting Issuer

The Resulting Issuer has no other listed securities reserved for issuance that are not included in section 14.1 or 14.2.

15. EXECUTIVE COMPENSATION

For the purposes hereof, “**Named Executive Officer**” or “**NEO**” means each of the following individuals:

- (a) each individual who, in respect of the issuer, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the issuer, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the issuer and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the issuer, and was not acting in a similar capacity, at the end of that financial year.

Statement of Executive Compensation of Lido

Information can be found in Lido’s management information circular dated December 31, 2020 available on Lido’s SEDAR profile at www.sedar.com.

Statement of Executive Compensation of CAPPEX

CAPPEX was not a reporting issuer at any time prior to the date of this Listing Statement, so no information is provided regarding executive compensation in prior years.

Statement of Executive Compensation of the Resulting Issuer

The following provides information concerning compensation to be paid to the Named Executive Officers and directors of the Resulting Issuer. For the purposes of this section, the Named Executive Officers are: Ronald Stewart, CEO; Paul Ténrière, President; and Stephen Brohman, CFO. The Resulting Issuer is a venture issuer and is disclosing its executive compensation in accordance with Form 51-102F6V.

The following table provides a summary of the compensation proposed to be paid to the Named Executive Officers and directors for the 12-month period following the closing of the Transaction.

Table of compensation excluding compensation securities							
Name and position	Year Ended	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Ronald Stewart CEO	2021	90,000	N/A	N/A	N/A	N/A	90,000 ⁽¹⁾
Paul Ténrière President	2021	90,000	N/A	N/A	N/A	N/A	90,000 ⁽¹⁾
Stephen Brohman CFO and Corporate Secretary	2021	18,000	N/A	N/A	N/A	N/A	18,000 ⁽¹⁾
Philip Anderson Director ⁽²⁾	2021	75,072	N/A	N/A	N/A	N/A	75,072 ⁽¹⁾

Notes:

- (1) Anticipated compensation. Subject to confirmation and approval by the board of the Resulting Issuer following close of the Transaction.
- (2) Philip Anderson is compensated in his role as General Manager of CAPPEX Peru.
- (3) Mr. Anderson is compensated in United States dollars. Salary is converted from United States dollars at a rate of \$1.25 per US\$1.00.

Stock Options and Other Compensation Securities

The Resulting Issuer retained Lido's stock option plan (see "*Options to Purchase Securities*"). The Resulting Issuer has 1,285,000 stock options outstanding on the closing of the Transaction. The Resulting Issuer intends to grant stock options to its directors, officers and consultants pursuant to the Plan, however, details respecting any such option grants will be at the discretion of the board of directors of the Resulting Issuer.

Employment, Consulting and Management Agreements

The Resulting Issuer anticipates entering into management agreements with the Named Executive Officers of the Resulting Issuer following close of the Transaction. All compensation and agreements are subject to review and approval by the board of the Resulting Issuer.

Agreement with Mr. Paul Ténrière, President

Lido entered into a management agreement dated October 1, 2020 (the “**CEO Agreement**”) with Paul Ténrière to provide the services of CEO to Lido for a monthly fee of \$3,500 plus applicable taxes and reimbursement of all reasonable out-of-pocket expenses incurred on behalf of Lido. The CEO Agreement was for an initial term of 9 months, to be re-negotiated at the discretion of the consultant and Lido for a longer-term agreement following completion of the initial term. Under the Terms of the CEO Agreement, Mr. Ténrière received 50,000 stock options that vest quarterly over a period of 12 months and 250,000 Lido Shares that vest quarterly over a period of 12 months. Mr. Ténrière will be entitled to participate in other monetary incentive programs that may be established by Lido from time to time, at the discretion of the board of directors. Mr. Ténrière may terminate the CEO Agreement on one month’s notice to Lido and at any time after 90 days following the date on which there is a change of control. Lido may terminate the CEO Agreement at any time without notice upon a material breach of the agreement, on one month’s notice and equivalent pay to the consultant, and vesting of all common stock, options and cash bonus as applicable or upon a change of control. Mr. Ténrière will continue on with the Resulting Issuer in the capacity of President following close of the Transaction, and the Resulting Issuer anticipates amending this agreement post-close.

Agreement with Mr. Stephen Brohman, CFO and Corporate Secretary

Lido entered into a management agreement with Donaldson Brohman Martin, CPA, Inc. dated April 29, 2020 to provide certain CFO consulting services to Lido for a monthly fee of \$1,500 per month. This agreement continues with the Resulting Issuer.

Agreement with Partum Advisory Services Corp.

Lido entered into a corporate management agreement (the “**Management Agreement**”) dated July 1, 2020 with Partum Advisory Services Corp. (“**Partum**”), which was replaced by an agreement dated March 25, 2021. Pursuant to the Management Agreement, Partum provides management, accounting and administrative services to Lido for a monthly fee of \$5,000 plus applicable taxes and reimbursement of all out-of-pocket expenses incurred on behalf of Lido. The Management Agreement is for an initial term ending on December 31, 2021, to be automatically renewed on a month-to-month basis, unless either party gives 30 days’ notice of non-renewal, in which case the Management Agreement will terminate. The Management Agreement can be terminated by either party on 30 days’ written notice. It can also be terminated by Lido for cause without prior notice or upon the mutual consent in writing of both parties. Partum was not indebted to Lido during Lido’s last completed financial year, and the Management Agreement remains in effect with the Resulting Issuer.

The Resulting Issuer does not expect to have any other agreements or arrangements with any other parties under which compensation will be provided or will be payable in respect of services provided to the Resulting Issuer or any of its subsidiaries that are typically provided by a director or NEO.

Oversight and Description of Director and Named Executive Officer Compensation

The Resulting Issuer may pay compensation to its directors in the form of annual fees for attending meetings of the board of directors or for acting as chairs of committees. Subject to the discretion of the board of directors, directors will be entitled to receive stock options in accordance with the terms of the Plan and CSE requirements. It is also anticipated that the Resulting Issuer will obtain customary insurance for the benefit of its directors and enter into indemnification agreements with its directors, agreeing to indemnify its directors to the extent permitted by law.

The objective of the Resulting Issuer's compensation program is to compensate the directors and executive officers for their services to the Resulting Issuer at a level that is both in line with the Resulting Issuer's fiscal resources and competitive with companies at a similar stage of development. Compensation will be periodically assessed to confirm that it is in accordance with industry standards. Compensation for the directors and executive officers will be determined by the board of directors, however the Resulting Issuer may in the future establish a compensation committee comprised of at least a majority of independent directors of the Resulting Issuer.

The board of directors of the Resulting Issuer will determine compensation (which may be comprised of cash and/or options) for the directors and executive officers based on their skill, qualifications, experience level, level of responsibility involved in their position, the existing stage of development of the Resulting Issuer, the Resulting Issuer's resources, industry practice and regulatory guidelines regarding executive compensation levels.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Indebtedness of Directors and Executive Officers of Lido

No proposed director, officer or promoter of the Resulting Issuer is or has been indebted to Lido or CAPPEX in the most recently completed financial year, nor are they indebted to the Resulting Issuer upon completion of the Transaction.

17. RISK FACTORS

17.1 Risk Factors

An investment in the Resulting Issuer's securities is highly speculative. A purchase of such securities involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to assume such risk and can afford a total loss of their investment and have no need for immediate liquidity in their investment. In addition to the other information contained herein, prospective investors should carefully review and consider the risk factors set forth below before a decision is made to invest in the Resulting Issuer. Such risks may not be the only risks facing the Resulting Issuer. Additional risks not currently known may also impair the Resulting Issuer's business operations and results of operation.

Exploration, Development and Operating Risks

The Resulting Issuer is an exploration stage company, and the Alta Victoria Project and Nimpkish Property are at an early stage of exploration. The mineral exploration business is very speculative. Mineral exploration involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to avoid. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain adequate machinery, equipment and/or labour are some of the risks involved in mineral exploration activities. The Resulting Issuer has relied on and may continue to rely on consultants and others for mineral exploration expertise. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the material processed and to develop the mining and processing facilities and infrastructure at any site chosen for mining.

There can be no assurance that commercial or any quantities of ore will be discovered. There is also no assurance that even if commercial quantities of ore are discovered, that the Alta Victoria Project or Nimpkish Property will be brought into commercial production or that the funds required to exploit any

mineral reserves and resources discovered by the Resulting Issuer will be obtained on a timely basis or at all. At present, none of the Resulting Issuer's properties have a known body of bankable commercial ore and the proposed exploration programs are exploratory. There is no certainty that the expenditures made by the Resulting Issuer towards the exploration and evaluation of mineral deposits on its properties will result in discoveries or production of commercial quantities of silver or other minerals.

Substantial expenditures may be required to locate, evaluate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site, and substantial additional financing will be required. It is impossible to ensure that the Resulting Issuer will be able to secure the necessary financing needed to pursue the exploration or development activities planned by the Resulting Issuer or that its activities will result in an economically viable or profitable commercial mining operation. The decision as to whether a particular property contains a commercial mineral deposit and should or could be brought into production will depend on the results of exploration programs and/or geological and other studies, and the recommendations of duly qualified engineers and geologists. Several significant factors will be considered, including, but not limited to: (i) the particular attributes of the deposit, such as size, grade, metallurgical characteristics, and proximity to infrastructure; (ii) mineral prices, which are highly cyclical; (iii) government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, permitting, importing and exporting of minerals and environmental protection; (iv) available working capital and ongoing costs of exploration and development; (v) availability, terms and cost of additional funding; and (vi) local community and landowner opposition to access mineral rights. Most of the above factors are beyond the control of the Resulting Issuer. The exact effect of these factors cannot be accurately predicted, but one or any combination of these factors may result in the Resulting Issuer not being able to pursue its business plans or strategy or its shareholders not receiving an adequate return on invested capital. The Resulting Issuer may even be required to abandon its business and fail as a "going concern".

Early Stage Status and Nature of Exploration

The terms "resource(s)" or "reserve(s)" cannot be used to describe any of the Resulting Issuer's exploration properties due to the early stage of exploration at this time. Any reference to potential quantities and/or grade is conceptual in nature, as there has been insufficient exploration to define any mineral resource and it is uncertain if further exploration will result in the determination of any mineral resource. Any information, including quantities and/or grade, described in this Listing Statement should not be interpreted as assurances of a potential resource or reserve, or of potential future mine life or of the viability or profitability of future operations. No assurance can be given that any particular level of recovery of minerals will be realized or that any potential quantities and/or grade will ever qualify as a resource, or that any such mineral resource will ever qualify as a commercially viable (or mineable) deposit which can be legally and economically exploited. Where expenditures on a property have not led to the discovery of mineral reserves, incurred expenditures will generally not be recoverable.

COVID-19 Global Pandemic

Since January 2020, the outbreak of COVID-19 has led governments worldwide to enact emergency measures to combat the spread of the virus. These measures, which include, among other things, the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. Such events may result in a period of business disruption, and in reduced operations, any of which could have a material adverse impact on the Resulting Issuer's result of operations, financial condition and the market and trading price of the Resulting Issuer's securities.

As of the date hereof, the duration and immediate and eventual impact of the COVID-19 pandemic remains unknown. In particular, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Resulting Issuer. The outbreak of COVID-19 did cause disruptions to CAPPEX's business by delaying operations, and it may cause further disruptions to the Resulting Issuer's business and operating plans. Such disruptions may result from (i) restrictions that governments and communities impose to address the COVID-19 global pandemic; (ii) restrictions that the Resulting Issuer and their contractors and subcontractors impose to ensure the safety of employees and others; (iii) shortages of employees and/or unavailability of contractors and subcontractors; (iv) interruption of supplies from third-parties upon which the Resulting Issuer rely; and/or (v) inability to raise capital due to the economic uncertainty caused by COVID-19. Further, it is presently not possible to predict the extent or durations of these disruptions. These disruptions may have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations, which could be rapid and unexpected. These disruptions may severely impact the Resulting Issuer's ability to carry out its business plans.

Dependence on the Alta Victoria Project

The Resulting Issuer will be primarily focused on the exploration and development of the Alta Victoria Project. Unless the Resulting Issuer acquires additional property interests, any adverse developments affecting the Alta Victoria Project could have a material adverse effect upon the Resulting Issuer and would materially and adversely affect any profitability, financial performance and results of operations of the Resulting Issuer. There is no assurance that the Resulting Issuer's mineral exploration and development programs at the Alta Victoria Project will result in the definition of bodies of commercial mineralization. There is also no assurance that even if commercial quantities of mineralization are discovered that Alta Victoria Project will be brought into commercial production. Failure to do so will have a material adverse impact on the Resulting Issuer's operations and potential future profitability. The discovery of bodies of commercial mineralization is dependent upon a number of factors, not the least of which is the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which are the particular attributes of the deposit (such as size, grade and proximity to infrastructure), metal prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Most of the above factors are beyond the Resulting Issuer's control.

Operations in an Emerging Market

The Resulting Issuer will be conducting the majority of its exploration and development activities in Peru. The Resulting Issuer believes that the Government of Peru strongly supports the development of its natural resources by foreign operators. However, there is no assurance that future political and economic conditions in Peru will not result in the government adopting different policies respecting foreign development and ownership of mineral resources. Any such changes in policy may result in changes in laws affecting ownership of assets, taxation, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, which may affect both the ability of the Resulting Issuer to undertake exploration and development activities in respect of future properties in the manner currently contemplated, as well as its ability to continue to explore and develop those properties in respect of which it has obtained exploration and development rights to date. The possibility that a future government of Peru may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out. Instabilities can exist in relation to both the national government and local government. Certain political events can affect the enforceability of regional head's decrees or writs, especially in the mining and exploration industries which have strong connections with local autonomy and local authorities. Taxation regulations are also flexible and subject to change, which may cause the Resulting Issuer to incur

additional taxation costs. Operating in emerging markets can also increase the risk that contractual and/or mineral rights may be disregarded or unilaterally altered.

The economy of Peru differs significantly from the economies of Canada, the United States and Western Europe in such respects as structure, level of development, gross national product, growth rate, capital reinvestment, resource allocation, self-sufficiency, rate of inflation and balance of payments position, among others. Growth rates, inflation rates and interest rates of developing nations are expected to be more volatile than those of western industrial countries. The Resulting Issuer's operations will be located in Peru and so are subject to risks associated with operating in a foreign jurisdiction, including political, infrastructure, legal and other unique risks. Operations may also be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation, environmental legislation and safety factors. Furthermore, in the event of disputes arising from the Resulting Issuer's activities in Peru, the Resulting Issuer may be subject to the jurisdiction of courts outside of Canada or that do not enforce Canadian judgments, which could adversely affect the outcome of the dispute. This could result in heightened risks such as (i) effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation, or in an ownership dispute, being more difficult to obtain; (ii) a higher degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or (v) relative inexperience of the judiciary and courts in such matters. Peruvian business people, government officials and agencies and the judicial system's commitment to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to the licenses and agreements for business. There can be no assurance that joint ventures, licenses, license applications or other legal arrangements entered into by the Resulting Issuer will not be adversely affected by the actions of government authorities or others and the effectiveness and enforcement of such arrangements in Peru cannot be guaranteed.

Limited Operating History

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

Uncertain Liquidity and Capital Resources

The Resulting Issuer may need to raise additional capital by way of an offering of equity securities, an offering of debt securities, or by obtaining financing through a bank or other entity. In particular, the exploration and development of the Resulting Issuer's Alta Victoria Project is expected to require substantial additional financing. The ability of the Resulting Issuer to arrange such additional financing in the future will depend, in part, on the prevailing capital market conditions as well as the business and performance of the Resulting Issuer. Failure to obtain additional financing could result in delaying or indefinite postponement of exploration, development or production on any or all of the Resulting Issuer's exploration properties or a loss of a property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Resulting Issuer. The Resulting Issuer could suffer adverse consequences if it is unable to obtain additional capital which would cast substantial doubt on its ability to continue its operations and growth.

The Resulting Issuer has not established a limit as to the amount of debt it may incur nor has it adopted a ratio of its equity to debt allowance. If additional funds are raised through the issuance of equity securities, there may be a significant dilution in the value of the Resulting Issuer Shares.

Going Concern and Requirement to Generate Cash Flow for Financial Obligations

While the information in this Listing Statement has been prepared in accordance with IFRS on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future, there are conditions and events that cast significant doubt on the validity of this presumption. The Resulting Issuer's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. While the Resulting Issuer is making its best efforts in this regard, the outcome of these matters cannot be predicted at this time. The Resulting Issuer's ability to generate sufficient cash flow from operations to make scheduled payments to its contractors, service providers and merchants will depend on future financial performance, which will be affected by a range of economic, competitive, regulatory, legislative and business factors, many of which are outside of its control. If the Resulting Issuer does not generate sufficient cash flow from operations to satisfy its contractual obligations, it may have to undertake alternative financing plans. The Resulting Issuer's inability to generate sufficient cash flow from operations or undertake alternative financing plans would have an adverse effect on its business, financial condition and results or operations, as well as its ability to satisfy its contractual obligations. Any failure to meet its financial obligations could result in termination of key contracts, which could result in the loss of the Resulting Issuer's interests in its mineral properties.

Negative Cash Flow

Lido reported negative cash flow from operations for the year ended September 30, 2020 and CAPPEX reported negative cash flow from operations for the year ended December 31, 2020. It is anticipated that the Resulting Issuer will continue to report negative operating cash flow in future periods, likely until one or more of its mineral properties are placed into production. To the extent that the Resulting Issuer has negative operating cash flows in future periods, it may need to deploy a portion of its existing working capital to fund such negative cash flow.

Commodity Prices

The price of the Resulting Issuer's securities, its financial condition and results, and its access to the capital required to finance its exploration activities may in the future be adversely affected by declines in the price of precious and base metals and, in particular, the price of silver. Base and precious metal prices fluctuate widely and are affected by numerous factors beyond the Resulting Issuer's control such as the sale or purchase of base and precious metals by various dealers, central banks and financial institutions, interest rates, exchange rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand, production and consumption patterns, speculative activities, increased production due to improved mining and production methods, government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection, and international political and economic trends, conditions and events. If these or other factors continue to adversely affect the price of base and precious metals, the market price of the Resulting Issuer's securities may decline. A severe decline in the price of a mineral being explored or produced or expected to be explored or produced by the Resulting Issuer would have a material adverse effect on the Resulting Issuer, and could result in the suspension of exploration or development of properties by the Resulting Issuer.

Industry and Economic Factors Affecting the Issuer

The Resulting Issuer is a junior resource issuer focused primarily on the evaluation, exploration and development of mineral properties and potential acquisition of mineral properties in the future. The Resulting Issuer's future performance is largely tied to the financial markets related to junior resource companies, which is often cyclical. The Resulting Issuer will continuously monitor several economic factors including the uncertainty regarding the price of gold, silver and copper and the availability of equity

financing for the purposes of mineral exploration and development. The Resulting Issuer's future performance is largely tied to its ability to raise additional financing needed to fund its ongoing exploration and operating activities and to pursue the exploration and the development of its mineral property interests and the overall financial markets. Financial markets in the mining sector are likely to continue to be volatile reflecting ongoing concerns about the global economy, and the general pessimistic outlook in the mining sector. Companies worldwide have been affected negatively by these trends. As a result, the Resulting Issuer may have difficulties raising equity financing needed for the purposes of mineral exploration and development, particularly without excessively diluting the interests of its current shareholders. With continued market volatility expected, the Resulting Issuer's current strategy is to continue a modest exploration program on its properties using existing cash and funds generated through equity financings if and when available and to seek out other prospective business opportunities, including entering into option arrangements and/or joint ventures. The Resulting Issuer believes that this focused strategy will enable it to pursue its business strategy and plans in the near term. These trends may limit the Resulting Issuer's ability to develop and/or further explore its properties, and/or acquire other property interests that could be acquired in the future. Management will monitor economic conditions and estimate their impact on the Resulting Issuer's plans, strategies and activities and incorporate these estimates in short-term operating and longer-term strategic decisions.

Insurance and Uninsured Risks

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

The Resulting Issuer maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, however such insurance does not cover all the potential risks associated with a mining issuer's operations. The Resulting Issuer may also be unable to obtain additional, and maintain current, insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration, development and production is not generally available to the Resulting Issuer or to other companies in the resource industry on acceptable terms. The Resulting Issuer might also be subject to liability for pollution or other hazards which it may not be insured against or which the Resulting Issuer may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Resulting Issuer to incur significant costs that could have a material adverse effect upon its business, plans, prospects, financial performance and condition and results. The payment of such liabilities could reduce or eliminate the Resulting Issuer's available funds or could exceed the funds available to the Resulting Issuer to pay such liabilities and result in bankruptcy.

Environmental Risks and Hazards

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

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

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or to be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

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

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

Permitting

The Resulting Issuer's current and anticipated future activities will require approvals and permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, exploration, development, mining, production, taxes, labour standards, health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. There is no assurance that delays will not occur in connection with obtaining all such necessary approvals and permits for the existing activities or additional approvals or permits for any possible future changes to operations.

There can be no assurance that the Resulting Issuer will obtain or continue to hold all permits necessary to develop or continue its activities at any particular property. Delays in obtaining or a failure to obtain any licenses or permits or extensions thereto, challenges to the issuance of such licences or permits, whether successful or unsuccessful, changes to the terms of such licences or permits or a failure to comply with the terms of any such licences or permits that the Issuer has obtained, could have a material adverse effect on the Resulting Issuer by delaying or preventing or making more expensive exploration and/or development.

Title to Mining Concessions

The acquisition of the right to explore and/or exploit mineral properties is a detailed and time-consuming process. Although the Resulting Issuer has either obtained title opinions or reviewed title for its properties, there is no guarantee that title to such property interests will not be challenged or impugned. The Resulting

Issuer's mineral properties may be subject to prior registered or unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects and land claims. A successful challenge to the validity of, or the precise area and location of, these claims could result in the Resulting Issuer being unable to operate on its properties as permitted or being unable to enforce its rights with respect to its properties.

Further, in order to maintain the mining concessions, the Resulting Issuer must make certain payments under its option and mining lease agreements or risk forfeiture of the mining concessions and any such expenditure made to such time. In light of the Resulting Issuer's cash resources and, in the absence of the Resulting Issuer obtaining additional sources of funding, it is possible that the Resulting Issuer may not be able to continue to make the option payments required, or commit the required minimum exploration expenditures required, for the Alta Victoria Project and Nimpkish Property beyond the near-term.

There is no assurance that applicable governmental bodies will not revoke or significantly alter the conditions of the applicable mining title that are included in the Alta Victoria Project or Nimpkish Property or that such mining title will not be challenged or impugned by third parties. The Alta Victoria Project or Nimpkish Property may be subject to prior unregistered agreements of transfer or indigenous land claims, and title may be affected by undetected defects. Until any such competing interests have been determined, there can be no assurance as to the validity of title of the Alta Victoria Project or Nimpkish Property and any other mining or property interests derived from or in replacement or conversion of or in connection with the claims comprising the Alta Victoria Project or Nimpkish Property or the size of the area to which such claims and interests pertain.

Community Relations

The Resulting Issuer's relationships with the communities in which it operates and other stakeholders are critical to ensure the future success of its existing operations and the construction and development of its projects. There is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Publicity adverse to the Resulting Issuer's operations, or the mining industry generally, could have an adverse effect on the Resulting Issuer and may impact relationships with the communities in which the Resulting Issuer operates and other stakeholders. While the Resulting Issuer is committed to operating in a socially responsible manner, there can be no assurance that its efforts in this respect will mitigate this potential risk.

While the Resulting Issuer has agreements with the local community, there is a risk that such community or other affected groups may take actions to delay, impede or otherwise terminate the contemplated activities of the Resulting Issuer. In such circumstances it may be unable to carry out significant exploration and development activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Resulting Issuer may need to rely on the assistance of local officials or the courts in such jurisdiction, which assistance may not be provided or, if provided, may not be effective.

Infrastructure

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

Competition

Significant and increasing competition exists for the limited number of mineral acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Resulting Issuer, the Resulting Issuer may be unable to acquire attractive mineral properties on terms it considers acceptable. The Resulting Issuer also competes with other companies for the recruitment and retention of qualified employees and other personnel.

Influence of Third Party Stakeholders

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

First Nations Land Claims

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

Government Regulation

The Resulting Issuer's mineral exploration and development activities may be adversely affected in varying degrees by changing government regulations relating to the mining industry or shifts in political conditions that increase royalties payable or the costs related to the Resulting Issuer's activities or maintaining its properties. Operations may also be affected in varying degrees by government regulations with respect to restrictions on exploration, development, production, price controls, government-imposed royalties, claim fees, export controls, income taxes, and expropriation of property, environmental legislation and mine safety. The effect of these factors cannot be accurately predicted. Although the Resulting Issuer's exploration and development activities are expected to be carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development.

Furthermore, any shift in political attitudes, or amendments to current laws and regulations governing activities of exploration, development, mining or milling or more stringent implementation thereof are

beyond the control of the Resulting Issuer and could have a substantial adverse impact on the Resulting Issuer.

Risks of Foreign Operations

The Resulting Issuer's material property is located in Peru. As such, the Resulting Issuer is subject to political, economic and other uncertainties, including, without limitation, expropriation of property without fair compensation, changes in mining policies or the personnel administering them, nationalization, currency fluctuations and devaluations, exchange controls and royalty and tax increases and other risks arising out of foreign governmental sovereignty over the areas in which the Resulting Issuer's operations will be conducted, as well as risks of loss due to civil strife, acts of war and insurrections.

The Resulting Issuer's operations may also be adversely affected by the laws and policies of Peru affecting foreign trade, taxation and investment. In the event of a dispute arising in connection with the Resulting Issuer's operations in Peru, the Resulting Issuer may be subject to the exclusive jurisdiction of Peru courts and may not be successful in subjecting foreign persons to the jurisdiction of the courts of Canada or enforcing Canadian judgments in other jurisdictions. The Resulting Issuer may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, the Resulting Issuer's planned business activities in Peru could be substantially affected by factors beyond the Resulting Issuer's control, any of which could have a material adverse effect on the Resulting Issuer.

Enforcement of Civil Liabilities

The Resulting Issuer's primary assets will be located outside of North America. As a result, it may be difficult for an investor to enforce a judgment obtained in a Canadian court or a court of another jurisdiction of residence predicated upon the civil liability provisions of provincial securities laws or other laws of Canada or the equivalent laws of other jurisdictions outside Canada against those persons.

In the event of a dispute arising in respect of the Resulting Issuer's foreign operations, the Resulting Issuer may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada or elsewhere. The Resulting Issuer's inability to enforce its contractual rights could have a material adverse effect on its future cash flows, earnings, results of operations and financial condition, as well as its business, assets and prospects.

Management

The Resulting Issuer's prospects depend in part on the ability of its senior management and directors to operate effectively and the loss of the services of such persons could have a material adverse effect on the Resulting Issuer. Further, with respect to the future development of the Resulting Issuer's exploration properties, it may become necessary to attract both international and local personnel for such development. The marketplace for key skilled personnel is highly competitive, which means the cost of hiring, training and retaining such personnel may increase. Factors outside the Resulting Issuer's control, including competition for human capital and the high level of technical expertise and experience required to executive this development, will affect the Resulting Issuer's ability to identify and retain the specific personnel required.

The Resulting Issuer does not have "key person" insurance in place in respect of any of its directors or officers.

Conflicts of Interest

Certain directors and officers of the Resulting Issuer are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Resulting Issuer. In particular, the CEO, President and CFO of the Resulting Issuer will only be devoting 50%, 50% and 25% of their time, respectively, to the business and affairs of the Resulting Issuer. Situations may arise in connection with potential acquisitions or investments where the other interests of these directors and officers may conflict with the interests of the Resulting Issuer. Directors and officers of the Resulting Issuer with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies.

Acquisitions and Integration

From time to time, the Resulting Issuer may examine opportunities to acquire additional exploration and/or mining assets and businesses. Any acquisition that the Resulting Issuer may choose to complete may be of a significant size relative to the size of the Resulting Issuer, may change the nature or scale of the Resulting Issuer's business and activities, and may expose the Resulting Issuer to new geographic, political, operating, financial and geological risks. The Resulting Issuer's success in its acquisition activities, if any, depends upon its ability to obtain additional sources of financing, identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate any acquired operations successfully with those of the Resulting Issuer. Any acquisitions would be accompanied by risks. In the event that the Resulting Issuer chooses to raise debt capital to finance any such acquisitions, the Resulting Issuer's leverage will be increased. If the Resulting Issuer chooses to use equity as consideration for such acquisitions, existing shareholders may suffer significant dilution. There can be no assurance that the Resulting Issuer would be successful in obtaining additional sources of financing or in overcoming these risks or any other problems encountered in connection with such acquisitions.

Dividends

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

Estimates and Assumptions

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

Costs and Compliance Risks

Legal, accounting and other expenses associated with public company reporting requirements are significant. The Resulting Issuer anticipates that costs may increase with corporate governance related requirements, including, without limitation, requirements under National Instrument 52-109 – *Certification*

of Disclosure in Issuers' Annual and Interim Filings, National Instrument 52-110 – Audit Committees and National Instrument 58-101 – Disclosure of Corporate Governance Practices.

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

17.2 Risk Factors Resulting in Shareholder Liability of the Resulting Issuer

There are no risks that shareholders of the Resulting Issuer may become liable to make an additional contribution beyond the price of the Resulting Issuer Shares.

17.3 Other Material Risk Factors of the Resulting Issuer

There are no foreseeable additional risk factors material to the Resulting Issuer that a reasonable investor would consider relevant to an investment in the Resulting Issuer Shares being listed and that are not otherwise described above.

Although management believes that the above risks fairly and comprehensibly illustrate all material risks facing the Resulting Issuer, the risks noted above do not necessarily comprise all those potentially faced by the Resulting Issuer as it is impossible to foresee all possible risks.

Although the directors of the Resulting Issuer will seek to minimise the impact of the risk factors, an investment in the Resulting Issuer should only be made by investors able to sustain a total loss of their investment. Investors are strongly recommended to consult a person who specialises in investments of this nature before making any decision to invest.

18. PROMOTERS

Other than as disclosed below, no Person or company is a promoter of the Resulting Issuer, or has been within the two years immediately preceding the date hereof a promoter of Lido or CAPPEX, as applicable.

Carl Chow is considered to be a promoter of Lido in that he took the initiative in founding and organizing Lido. Carl Chow holds a total of 110,000 (0.18%) of the currently issued and outstanding Lido Shares. No asset has been acquired within two years before the date of this Listing Statement or thereafter or will be acquired by the Resulting Issuer or by a subsidiary of the Resulting Issuer from a promoter.

19. LEGAL PROCEEDINGS

19.1 Legal Proceedings

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

19.2 Regulatory Actions

- (a) There have been no penalties or sanctions imposed against Lido or CAPPEX by a court relating to provincial and territorial securities legislation or by a securities regulatory

authority within the three years immediately preceding the date hereof;

- (b) There have been no other penalties or sanctions imposed by a court or regulatory body against Lido or CAPPEX necessary to contain full, true and plain disclosure of all material facts relating to the securities being listed; and
- (c) There have been no settlement agreements Lido or CAPPEX entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date hereof.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as otherwise disclosed herein, to the knowledge of management, no director or executive officer of the Resulting Issuer or any person or company that is the direct or indirect beneficial owners of, or who exercises control or direction over, more than 10% of any class of the Resulting Issuer's outstanding voting securities, or an associate or affiliate of any persons or companies referred to in this paragraph, has any material interest, direct or indirect, in any transaction within the three years before the date hereof, or in any proposed transaction, that has materially affected or will materially affect the Resulting Issuer or a subsidiary of the Resulting Issuer.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

21.1 Auditors

The auditor of Lido is Dale Matheson Carr-Hilton LaBonte LLP, of 1140 West Pender Street, Suites 1500-1700, Vancouver, British Columbia, V6E 4G1.

The auditor of CAPPEX is Davidson & Company LLP, of 1200-609 Granville Street, Vancouver, British Columbia, V7Y 1G6.

The auditor of the Resulting Issuer is Dale Matheson Carr-Hilton LaBonte LLP, of 1140 West Pender Street, Suites 1500-1700, Vancouver, British Columbia, V6E 4G1.

21.2 Transfer Agent

The registrar and transfer agent of Lido and the Resulting Issuer is National Issuer Services of Suite 760 – 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4.

22. MATERIAL CONTRACTS

Material Contracts of Lido

During the two years prior to the date of this Listing Statement, Lido entered into the following material contracts, other than contracts entered into in the ordinary course of business:

- (a) the Lido Escrow Agreement (see “*Escrowed Securities*”);
- (b) the Definitive Agreement and Amalgamation Agreement (see “*General Development of the Business – The Transaction*”); and

(c) the Resulting Issuer Escrow Agreement (see “*Escrowed Securities*”).

Material Contracts of CAPPEX

During the two years prior to the date of this Listing Statement, CAPPEX entered into the following material contracts, other than contracts entered into in the ordinary course of business:

(a) the Definitive Agreement and Amalgamation Agreement (see “*General Development of the Business – The Transaction*”).

23. INTEREST OF EXPERTS

No person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Listing Statement or prepared or certified a report or valuation described or included in this Listing Statement (i) has received or is to receive any direct or indirect interests in the property of Lido, CAPPEX, the Resulting Issuer, or of a Related Person of Lido, CAPPEX or the Resulting Issuer; (ii) holds any beneficial ownership, direct or indirect, in any securities of Lido, CAPPEX, the Resulting Issuer, or of a Related Person of Lido, CAPPEX or the Resulting Issuer; and (iii) no such person or company is expected to be elected, appointed or employed as a director, senior officer or employee of Lido, CAPPEX, the Resulting Issuer, or of an associate or affiliate of Lido, CAPPEX or the Resulting Issuer.

24. OTHER MATERIAL FACTS

There are no other material facts about the Resulting Issuer or the Resulting Issuer Shares that are not otherwise disclosed herein.

25. FINANCIAL STATEMENTS

25.1 Financial Statements and Management Discussion and Analysis

Schedule “A” contains the audited financial statements of CAPPEX for the years ended December 31, 2020 and 2019.

Schedule “B” contains the Management Discussion and Analysis of CAPPEX for the years ended December 31, 2020 and 2019.

Schedule “C” contains the financial statements of CAPPEX for the three months ended March 31, 2021.

Schedule “D” contains the the Management Discussion and Analysis of CAPPEX for the three months ended March 31, 2021.

Schedule “E” contains pro forma financial statements for the Resulting Issuer.

**SCHEDULE A – AUDITED ANNUAL FINANCIAL STATEMENTS OF
CAPPEX MINERAL VENTURES INC.**

CAPPEX MINERAL VENTURES INC.

(An exploration-stage company)

Consolidated financial statements

Years ended December 31, 2020 and 2019

(Expressed in Canadian dollars)

CAPPEX MINERAL VENTURES INC.

Management's responsibility for financial reporting

The preparation and presentation of the accompanying consolidated financial statements are the responsibility of management and have been approved by the Board of Directors.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and contain estimates based on management's judgment. Management maintains an appropriate system of internal controls to provide reasonable assurance that transactions are authorized, assets safeguarded, and proper records maintained.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board of Directors and has met with the Company's independent auditors to review the scope and results of the annual audit, and to review the financial statements and related financial reporting matters prior to submitting the financial statements to the Board for approval.

The Company's independent auditors, Davidson & Company LLP, Chartered Professional Accountants, are appointed by the shareholders to conduct an audit in accordance with generally accepted auditing standards in Canada, and their report follows.

(Signed) "Philip W. Anderson"
Philip W. Anderson
President

(Signed) "Fabian Baker"
Fabian Baker
Director

July 15, 2021.

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Cappex Mineral Ventures Inc.

Opinion

We have audited the accompanying consolidated financial statements of Cappex Mineral Ventures Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of loss and comprehensive loss, cash flows, and changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits 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 Consolidated 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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company incurred significant losses since inception and, as of December 31, 2020, the Company's total deficit was \$675,113. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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



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

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

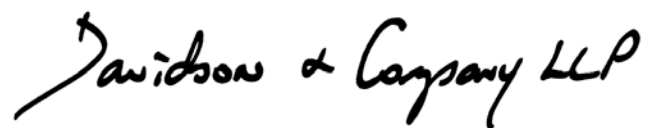
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Peter Maloff.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

July 15, 2021

Cappex Mineral Ventures Inc.

(an exploration-stage company)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

As at		December 31, 2020	December 31, 2019
	Note	\$	\$
ASSETS			
Current			
Cash		1,081,160	71,530
Prepaid expenses and deposits		3,266	2,068
		1,084,426	73,598
Property and equipment	4	37,770	21,401
Exploration and evaluation assets	5	1,942,743	1,064,092
		3,064,939	1,159,091
LIABILITIES			
Current			
Accounts payable and accrued liabilities	6	46,919	31,488
Due to related parties	6	-	295,552
		46,919	327,040
SHAREHOLDERS' EQUITY			
Shareholders of the Company:			
Share capital	7	3,637,458	1,060,018
Contributed surplus	7(c)	133,017	37,467
Foreign currency reserve		(62,717)	90,619
Deficit		(675,113)	(350,417)
Non-controlling interest:	1		
Foreign currency reserve		1,415	(33)
Deficit		(16,040)	(5,603)
		3,018,020	832,051
		3,064,939	1,159,091
Nature of operations and going concern uncertainty	1		
Subsequent events	13		

The accompanying notes are integral part of these consolidated financial statements

Approved by the board of directors and authorized for issue on July 11, 2021

(Signed): "Philip W. Anderson"

Director

(Signed): "Fabian Baker"

Director

Cappex Mineral Ventures Inc.

(an exploration-stage company)

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

	Note	Years ended December 31	
		2020	2019
		\$	\$
EXPENSES			
Administration and accounting		90,901	21,663
Amortization and depreciation	5	7,507	7,775
Audit and legal		12,807	9,636
Commissions		-	50,089
Employee expenses		10,973	24,710
Professional fees		50,000	-
Office and sundry		8,283	39,218
Investor relations, including travelling		-	15,286
Foreign exchange loss		24,177	4,273
Loss before other expenses		(204,648)	(172,650)
Other income (expenses)			
Non-recoverable taxes		(92,395)	(9,745)
Loss on settlement of debt		(38,090)	-
Write-off of plant and equipment		-	826
Loss for the year		(335,133)	(181,569)
Other comprehensive income (loss)			
Exchange differences on translating foreign operations, net of tax		(151,888)	16,262
Loss and comprehensive loss for the year		(487,021)	(165,307)
Loss attributable to:			
Shareholders of the Company:			
Net loss		(324,696)	(175,642)
Foreign exchange translation		(153,336)	15,737
Non-controlling interest:			
Net loss		(10,437)	(5,927)
Foreign exchange translation		1,448	525
		(487,021)	(165,307)
Loss per share (basic and diluted)		(0.01)	(0.01)
Weighted average number of shares outstanding (basic and diluted)			
		26,419,316	19,534,286

The accompanying notes are integral part of these consolidated financial statements

Cappex Mineral Ventures Inc.

(an exploration-stage company)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

	Years ended December 31	
	2020	2019
	\$	\$
Operating activities		
Loss for the year	(335,133)	(181,569)
Adjustments for items not involving cash:		
- Depreciation of plant and equipment	7,507	7,775
- Loss on settlement of debt	38,090	-
- Employee expenses	-	24,710
- Commissions	-	50,089
- Bonuses paid with shares	58,742	-
- Write-off of plant and equipment	-	826
- Unrealized foreign exchange	4,843	-
Changes in non-cash working capital items:		
- Receivables	-	(1,467)
- Prepaid expenses and deposits	(1,541)	6,936
- Accounts payable and accrued liabilities	73,973	39,665
- Due to related parties	-	84,797
Cash used in operating activities	(153,519)	31,762
Cash flows used in investing activities		
Investment in exploration and evaluation assets	(977,071)	(273,224)
Acquisition of plant and equipment	(27,798)	-
Proceeds on sale of equipment	-	19,333
Cash used in investment activities	(1,004,869)	(253,891)
Cash flows from financing activities		
Shares issued for cash	2,177,950	79,398
Share issuance costs	(12,860)	(1,920)
Cash generated from financing activities	2,165,090	77,478
Effect of foreign exchange translation on cash	2,928	423
Net change in cash	1,009,630	(144,228)
Cash, beginning of the year	71,530	215,758
Cash, end of the year	1,081,160	71,530
Supplementary information with respect to cash flows		
Non-cash transactions:		
Units issued for exploration and evaluation assets	(56,677)	-
Shares issued in settlement of debt	(304,390)	(15,286)
Exploration and evaluation assets accrued through accounts payable and accrued liabilities	(14,525)	(26,708)
Cash paid for tax	-	-
Cash paid for interest	-	-

The accompanying notes are integral part of these consolidated financial statements

Cappex Mineral Ventures Inc.

(an exploration-stage company)

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian Dollars)

	Attributable to the shareholders of the Company						Non-controlling interest		Total
	Note	Share capital		Contributed surplus	Foreign currency reserve	Deficit	Foreign currency		
		Amount	Value				reserve	Deficit	
	#	\$	\$	\$	\$	\$	\$	\$	
Balance, December 31, 2018		18,794,180	892,455	37,467	74,882	(174,775)	(558)	324	829,795
Shares issued for cash	7(b)	400,000	79,398	-	-	-	-	-	79,398
Shares issued for bonuses	7(b)	800,000	74,799	-	-	-	-	-	74,799
Shares issued in settlement of debt	7(b,c)	163,414	15,286	-	-	-	-	-	15,286
Share issuance costs	7(b)	-	(1,920)	-	-	-	-	-	(1,920)
Comprehensive loss for the year		-	-	-	15,737	(175,642)	525	(5,927)	(165,307)
Balance, December 31, 2019		20,157,594	1,060,018	37,467	90,619	(350,417)	(33)	(5,603)	832,051
Shares issued for cash	7(b)	14,362,254	2,177,950	-	-	-	-	-	2,177,950
Shares issued for bonuses	7(b)	85,000	17,330	41,412	-	-	-	-	58,742
Shares issued in settlement of debt	7(b)	2,022,631	304,391	-	-	-	-	-	304,391
Units issued for exploration and evaluation assets	7(b,c)	200,001	40,629	16,048	-	-	-	-	56,677
Units issued in settlement of debt	7(b,c)	333,333	50,000	38,090	-	-	-	-	88,090
Share issuance costs	7(b)	-	(12,860)	-	-	-	-	-	(12,860)
Comprehensive loss for the year		-	-	-	(153,336)	(324,696)	1,448	(10,437)	(487,021)
Balance, December 31, 2020		37,160,813	3,637,458	133,017	(62,717)	(675,113)	1,415	(16,040)	3,018,020

The accompanying notes are integral part of these consolidated financial statements

CAPPEX MINERAL VENTURES INC.

(An exploration-stage company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2020 and 2019
(Expressed in Canadian dollars except where indicated)

1. Nature of operations and going concern uncertainty

CAPPEX Mineral Ventures Inc. (the "Company") was incorporated under the laws of British Columbia, Canada, on September 20, 2017.

The addresses of the Company's offices are:

- Administration: Av. Santo Toribio 115, Piso 8, San Isidro, Peru
- Registered records: Suite 1200, 750 West Pender Street, Vancouver, BC V6C 2T8, Canada

The Company is in the business of acquisition and exploration of mineral properties, and is in one operating segment, namely mineral exploration in Peru (note 6).

On November 9, 2017, the Company acquired 1,089 shares of the 1,090 shares (99.9%) of Minera CAPPEX S.A.C. ("Minera CAPPEX"), a company incorporated under the laws of Peru. The remaining share, of 0.01%, is owned by a director of the Company, as Peruvian law requires at least two shareholders. However, for purposes of consolidation, Minera CAPPEX was considered a wholly-owned subsidiary.

During 2018, Minera CAPPEX issued the Company an additional 13,680 shares, and 1,111 shares to a director of the Company for his contribution of certain non-monetary assets. As a result, at December 31, 2020 and 2019, the Company owned 14,769 (93%) shares of Minera CAPPEX, and the director of the Company 1,112 shares (7%) of Minera CAPPEX.

Subsequent to December 31, 2020, the director of the Company assigned 1,111 of his shares to Minera CAPPEX, keeping one share as required by Peruvian legislation, with Minera CAPPEX becoming once again a wholly-owned subsidiary.

These consolidated financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company has incurred significant losses since inception, and has a working capital deficiency, as follows:

	December 31, 2020	December 31, 2019
	\$	\$
Deficit	(675,113)	(350,417)
Working capital (deficiency):	<u>1,037,507</u>	<u>(253,442)</u>

There can be no assurance the Company will be successful in achieving these goals and, accordingly, there is a material uncertainty casting significant doubt about the Company's ability to continue as a going concern.

These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and these adjustments could be material.

2. Basis of preparation

(a) Statement of compliance

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

These financial statements were approved by the Board of Directors for issue on July 11, 2021.

CAPPEX MINERAL VENTURES INC.

(An exploration-stage company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2020 and 2019
(Expressed in Canadian dollars except where indicated)

2. Basis of preparation (cont'd)

(b) Bases of measurement

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

(c) Functional and presentation currency

In management's judgement the functional currency of the Company is the Canadian dollar, and the functional currency of the Peruvian wholly owned subsidiary is the Peruvian new Sol. The presentation currency used in preparing the consolidated financial statements of the Company is the Canadian dollar.

(d) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual results may differ from these estimates.

The main judgments and estimates made by management in applying accounting policies primarily relate to the following:

(i) Valuation of share-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

(ii) Economic recoverability and probability of future economic benefits of exploration and evaluation assets.

Managements has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

(iii) Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

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3. Significant accounting policies

These consolidated financial statements have been prepared within the framework of the significant accounting policies provided as follows:

(a) Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned Peruvian subsidiary Minera CAPPEX S.A.C. Inter-company balances and transactions, including unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

The Company's subsidiary is:

Name of subsidiary	Jurisdiction of incorporation	Percent ownership	Principal activity
Minera CAPPEX S.A.C.	Peru	93%	Mineral exploration

(b) Foreign currencies

Determination of functional currency

In determining the functional currency of the Company, the following was considered:

- the currency that mainly influences the cost of labour, materials, service and other costs of exploration and evaluation activities; and
- the currency used to maintain the amounts charged by operating activities.

Foreign currency translation

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of foreign operations are translated into Canadian dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of an entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

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3. Significant accounting policies (cont'd...)

(c) Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the year. Diluted loss per share amounts are calculated in accordance with the treasury stock method which assumes that proceeds received from the exercise of stock options and warrants would be used to repurchase common shares at the prevailing market rate. Under the treasury stock method, the basic and diluted loss per share are the same, as the effect of common shares issuable upon the exercise of warrants and stock options of the Company would be anti-dilutive.

(d) Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Any tax currently payable is based on taxable profit for the year. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for taxable temporary differences except investments in subsidiaries and joint ventures where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each 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.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(e) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value of stock options is determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Company's common shares and an expected life of the options (including any estimated forfeitures). The fair value of direct awards of shares is determined by the quoted market price of the Company's stock.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a graded-vesting basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

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3. Significant accounting policies (cont'd...)

(e) Share-based payments (cont'd...)

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to contributed surplus.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

(f) Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

(g) Property and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Repairs and maintenance costs are charged to the consolidated statement of loss and comprehensive loss during the period in which they are incurred. Depreciation is provided using the declining balance method at the following annual rates:

• Motorized vehicles	-	20%
• Furniture	-	10%
• Construction equipment	-	10%
• Computing equipment	-	25%

(h) Exploration and evaluation assets

The exploration and evaluation phase of a mineral project is assumed to commence at the time the Company obtains the legal right to explore a property. Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Costs related to activities occurring before the exploration and evaluation of a project are expensed in the period in which they occur. Costs incurred during the exploration and evaluation phase are initially capitalized to the extent that these costs can be related directly to operational activities in the relevant area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. Under this method, all amounts shown as mineral properties represent costs incurred to date less amounts amortized and/or written off and do not necessarily represent present or future values.

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3. Significant accounting policies (cont'd...)

(h) Exploration and evaluation assets (cont'd...)

Exploration and evaluation assets are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

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

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

If the properties are put into commercial production, the expenditures will be depleted based upon the proven reserves available. If the properties are sold or abandoned, the expenditures will be charged to the statement of loss. The Company does not accrue the estimated future costs of maintaining in good standing its mineral properties.

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as mineral property or cost recoveries when the payments are made or received.

(i) Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development, exploration or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of exploration assets, equipment and other site preparation work is capitalized to exploration and evaluation assets or equipment along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes to the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period

(j) Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

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3. Significant accounting policies (cont'd...)

(j) Financial assets (cont'd...)

The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in the statement of (loss) income in the period.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive (loss) income in which they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date, and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

The following table shows the classification of the Company's financial assets:

Financial asset	Classification
Cash and cash equivalents	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost

(k) Financial liabilities

Financial liabilities are carried at amortized cost and include accounts payable and accrued liabilities and due to related parties. They are initially recognized at the amount required to be paid, and subsequently measured at amortized cost using the effective interest rate method with gains or losses recorded in the statement of loss and comprehensive loss.

(l) Leases

The Company records all leases similar to finance leases recognizing lease liabilities related to its lease commitments for its office lease, other leased buildings, and an equipment lease. The lease liabilities, if any, are measured at present value of the remaining lease payments and discounted using the Company's estimated incremental borrowing rate. The associated right-of-use assets will be measured at the lease liabilities amounts and included in Property and Equipment. The Company does not have any leases.

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4. Property and equipment

	Motorized vehicles	Furniture	Construction equipment	Computing equipment	TOTAL
	\$	\$	\$	\$	\$
Balance, September 20, 2017	-	-	2,138	99	2,237
Additions	-	-	-	-	-
Depreciation	-	-	-	-	-
Foreign exchange adjustment	-	-	51	2	53
Balance, December 31, 2018	46,944	843	2,285	105	50,177
Disposals	(17,526)	-	(3,067)	(1,250)	(21,843)
Depreciation	(7,644)	(131)	-	-	(7,775)
Foreign exchange adjustment	(1,061)	(24)	782	1,145	842
Balance, December 31, 2019	20,713	688	-	-	21,401
Acquisitions	26,854	-	-	944	27,798
Depreciation	(7,329)	(80)	-	(98)	(7,507)
Foreign exchange adjustment	(3,786)	(64)	-	(72)	(3,922)
Balance, December 31, 2020	36,452	544	-	774	37,770
As at December 31, 2020	\$	\$	\$	\$	\$
Cost	87,888	733	-	864	89,485
Accumulated depreciation	(51,436)	(189)	-	(90)	(51,715)
Net book value	36,452	544	-	774	37,770

5. Exploration and evaluation assets

The Company, through Minera CAPPEX, holds title to the Alta Victoria property, located in Peru. The Company staked additional claims, which it owns at 100%, and has an option to acquire additional contiguous claims pursuant to an option agreement entered into with the shareholders of Minera Yantac S.A.C. ("Minera Yantac") (the "Option Agreement"), Minera CAPPEX has the option to acquire Minera Yantac, holder of 10 of the concessions making up the Alta Victoria Project (the "Optioned Property"), by paying a total of US\$4,000,000 over six years and four months. Minera Yantac acquired the Optioned Property pursuant to a mining property transfer agreement dated December 18, 2018, as amended July 27, 2020 (the "Transfer Agreement"), and a portion of the payments under the Option Agreement are to be made to the prior owners of the Optioned Property to satisfy the requirements of the Transfer Agreement, with the balance paid to the shareholders of Minera Yantac.

Minera CAPPEX is required to make the following payments pursuant to the Option Agreement:

- US\$60,000 (paid);
- US\$5,000 per month for 32 months from August 2018 to March 2020 and from August 2020 to July 2021 (a total of US\$160,000, of which [US\$125,000] has been paid in cash and US\$30,000 was satisfied by the issuance of securities, described below); [NTD: To be updated as required based on date of MD&A]
- US\$10,000 per month for 28 months starting August 2021 and ending in November 2023 (a total of US\$280,000); and
- US\$3,500,000 on December 4, 2023.

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5. Exploration and evaluation assets (cont'd)

The parties agreed to suspend the payments under the Option Agreement and Transfer Agreement for the months of April, May, June and July 2020 as a result of the COVID-19 pandemic.

Pursuant to an agreement dated July 27, 2020, the Company issued 200,001 units consisting of one common share and one share purchase warrant at a fair value of \$ 0.20 (USD\$0.15). The warrants are exercisable at C\$0.25 per share until July 20, 2022 (note 7). These securities were issued in satisfaction of payments due pursuant to the Option Agreement and the Transfer Agreement for the 6 month period between August 2019 and January 2020.

Work Commitment and Royalty

Pursuant to the Transfer Agreement, the Optioned Property is subject to a net smelter returns royalty of 1.5% on all metallic metals and 3.00 Soles per ton of non-metallic metals produced from the Optioned Property. The net smelter returns royalty was granted by Minera Yantac to Minera Flor de Maria S.A.C., one of the former titleholders of the Optioned Property.

The Company has the right to conduct exploration activities on the Optioned Property pursuant to a mining lease agreement dated June 8, 2018, as amended December 2, 2018 and May 12, 2021 (the "**Mining Lease Agreement**"). Pursuant to the Mining Lease Agreement, the Company was required to pay US\$100 (paid) and to incur US\$500,000 in work commitments on the Optioned Property by February 28, 2022 (which requirement has been met). The mining lease agreement expires on December 4, 2023.

Surface Access

The Company also entered into a surface access agreement with The Community of San Francisco de Asis de Yantac in April 2018 for a 2 year term, and a second surface access agreement January 24, 2020 that is valid until January 24, 2022 (the "**Surface Access Agreement**"). Pursuant to the Surface Access Agreement, the Company may build road and drill platforms, as well as drill on the Alta Victoria Project. The Company made a land use payment for 2020 of 45,000 Soles and has agreed to pay 60,000 Soles for 2021.

The following amounts have been recorded as exploration and evaluation assets on the Alta Victoria property:

Exploration and evaluation amounts invested:

Years ended December 31:	2020	2019
	\$	\$
Opening balance:	1,064,092	777,436
Acquisition costs	208,976	69,249
Geological and related expenditures	568,350	7,524
Dues and fees	19,686	49,383
Legal expenses	26,008	31,188
Field equipment and related expenditures	46,107	4,918
Services	8,892	1,998
Personnel	182,494	146,821
Foreign exchange adjustment	(181,862)	(24,425)
Closing balance	1,942,743	1,064,092

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6. Accounts payable and accrued liabilities

The Company's accounts payable and accrued liabilities are as follows:

	December 31, 2020	December 31, 2019
	\$	\$
Trade payables	46,919	30,218
Accrued liabilities	-	1,270
Due to related parties	-	295,552
Total	46,919	327,040

7. Share capital

- a) Authorized: the Company is authorized to issue an unlimited number of common shares without par value. There are no restrictions on transfers.
- b) Issued and outstanding:

As some of the issuances were denominated in U.S. dollars (USD) and others in Canadian dollars (CAD), for this section only the currencies are explicitly stated for clarity purposes:

- i) On March 31, 2019, the Company issued 163,414 common shares to a consultant at a price of USD \$0.07 per share in settlement of debt. The fair value of these shares was calculated at CAD \$15,286.
- ii) On April 4, 2019, the Company issued an aggregate of 800,000 common shares at a price of USD \$0.15 per share in compensation for services and commissions. Of the total amount, 250,000 common shares were issued to a director of the Company. The fair value of these shares was calculated at CAD \$74,700.
- iii) On December 12, 2019, the Company issued 400,000 common shares at a price of USD \$0.15 per share to one investor for cash proceeds USD \$60,000 (CAD \$79,398). In addition, on June 10, 2020, the Company issued 400,000 share purchase warrant to this investor.
- iv) Share issuance costs for the year ended December 31, 2019, amounted to CAD \$1,920.
- v) On February 6, 2020, the Company issued 35,000 common shares at a price of US \$0.15 per share in compensation for services rendered to the Company's subsidiary. The fair value of these shares was calculated at CAD \$6,977.
- vi) On February 10, 2020, the Company issued 20,000 common shares at a price of US \$0.15 per share to a director of the Company for services rendered to the Company's subsidiary. The fair value of these shares was calculated at CAD \$3,996.

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7. Share capital (Cont'd)

b) Issued and outstanding (cont'd):

- vii) On February 27, 2020, the Company received cash proceeds USD \$20,000 (CAD of \$26,420) on issuance of 133,333 common shares at a price of USD \$0.15 per share. On June 10, 2020, 133,333 warrants were issued to this investor, with an exercise price of CAD \$0.25 per share and expiring on June 10, 2022.
- viii) On May 26, 2020, 250,000 common shares at a price of USD \$0.15 were issued to a Director of the Company in compensation for services rendered to the Company. On December 30, 2020, an agreement was reached to cancel 200,000 of those shares, with the director keeping 50,000 common shares. The fair value of the 50,000 shares was calculated at CAD \$10,353.
- ix) On June 10, 2020, the Company completed a non-brokered private placement for cash proceeds of USD 54,000 (CAD \$67,692) by issuing 336,667 units at a price of US \$0.15 per unit. Each unit is comprised of one common share and one share purchase warrant, with each warrant exercisable into one common share at a price of CAD \$0.25 per share for a period of two years.
- x) On July 20, 2020, the Company issued 200,001 units with a fair value of USD \$0.15 per unit to in lieu of payments due on the Alta Victoria Option Agreement (note 5). Each unit is comprised of one common share and one share purchase warrant. Each warrant is exercisable into one common share of the Company at a price of CAD \$0.25 per share for a period of two years from this date.
- xi) On August 5, 2020, the Company raised CAD \$1,180,000 by the issuance of 7,866,670 units at a price of CAD \$0.15 per unit. Each unit was comprised of one common share and one share purchase warrant, with each warrant being exercisable into one common share of the Company at a price of CAD \$0.25 per share expiring the later of August 5, 2023, or two years from commencement of trading of the Company's shares on a stock exchange.
- xii) On August 18, 2020, the Company issued 2,002,631 common shares with a fair value of CAD \$0.15 per share to a director of the Company in settlement of debt originating in amounts lent to the Company and its subsidiary. The fair value of these shares was calculated at CAD \$300,395.
- xiii) On August 31, 2020, the Company issued 333,333 units with at a fair value of CAD \$0.15 per unit to a director of the Company in compensation for becoming a director. Each unit is comprised of one common share and one share purchase warrant, with each warrant being exercisable into one common share at a price of CAD \$0.25 per share for a period of two years.
- xiv) Between September 14, 2020, and September 25, 2020, the Company raised CAD \$903,838 through the issuance of 6,025,584 common shares at a price of CAD \$0.15 per share. Of the total amount, 100,000 common shares were subscribed for by a director of the Company.
- xv) Share issuance cost for the year ended December 31, 2020, amounted to CAD \$12,860.

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7. Share capital (Cont'd)

(b) Issued and outstanding (cont'd):

The following table summarizes the issuances described above:

Date	Shares Issued #	Fair value CAD issued for cash \$	Fair value CAD Issued for services or debt \$
Balance, December 31, 2018	18,794,180	544,702	347,753
March 31, 2019	163,414		15,286
April 4, 2019	800,000		74,799
December 12, 2019	400,000	79,398	
Share issue costs		(1,920)	
Balance, December 31, 2019	20,157,594	622,180	437,838
February 6, 2020	35,000		6,977
February 10, 2020	20,000		3,996
February 27, 2020	133,333	26,420	
May 26, 2020	50,000		10,353
June 10, 2020	336,667	67,692	
July 20, 2020	200,001		40,629
August 5, 2020	7,866,670	1,180,000	
August 18, 2020	2,002,631		300,395
August 31, 2020	333,333		50,000
September 25, 2020	6,025,584	903,838	
Share issuance costs		(12,860)	
Balance, December 31, 2020	37,160,813	2,787,270	850,188

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7. Share capital (Cont'd)

c) Warrants

The following share purchase warrants have been issued:

	December 31, 2020		December 31, 2019	
	Number of Warrants	Exercise Price	Number of Warrants	Exercise Price
	#	\$	#	\$
Balance, beginning of year	-	-	-	-
Issued	9,270,004	0.26	-	-
Balance, end of the year	9,270,004	0.26	-	-

The following warrants are outstanding and exercisable:

Issue date	Expiry date	Exercise price	Warrants outstanding
		\$	#
June 10, 2020	June 10, 2022	0.33 *	870,000
July 20, 2020	July 20, 2022	0.25	200,001
August 5, 2020	The later of August 5, 2023, or the second anniversary of the commencement of trading of the Company's shares on a stock securities exchange	0.25	7,866,670
August 18, 2020	The later of August 5, 2023, or the second anniversary of the commencement of trading of the Company's shares on a stock securities exchange	0.25	333,333
		0.26	9,270,004

* Subsequent to December 31, 2020, the exercise price of these warrants was amended to \$0.25.

The fair value of the above warrants was calculated at \$95,550 using the Black Scholes option pricing model with the following parameters: expected volatility of 100%, and risk-free interest rate of 0.28% for the 200,001 warrants issued on July 20, 2020, and 0.29% for the 333,333 warrants issued on August 18, 2020.

d) Stock options

There were no stock options outstanding as of December 31, 2020 (2019 – Nil).

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8. Related party transactions

The Company entered into the following transactions with related parties and incurred payments to key management personnel, which were in the normal course of operations, as follows:

Year ended December 31:	2020	2019
	\$	\$
A director of the Company received an aggregate of 70,000 common shares of the Company at a price of USD \$0.15 per share in consideration for services and for acting as general manager of the Peruvian subsidiary.	14,349	-
A director of the Company purchased 200,000 common shares of the Company at a price of CAD \$0.15 per share for cash proceeds, and received 333,333 common shares at a price of CAD \$0.15 as payment for services rendered to the Company	80,000	-
A director of the Company purchased 100,000 common shares at a price of CAD \$0.15 per share for cash proceeds	15,000	-
A director of the Company received 2,002,631 common shares at a price of USD \$0.15 in repayment of services rendered and funds provided to the Company's subsidiary in the past	300,395	-

As at December 31, 2020 the company owed \$nil to related parties (2019 - \$295,553 owed in consulting fees and reimbursable expenses to a director of the Company).

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9. Income taxes

The reconciliation of income tax attributable to operations computed at the statutory tax rate to income tax expense (recovery), using a 27% (2019 – 27%) statutory tax rate, at December 31st is as follows:

	2020	2019
Loss for the year	\$ (335,133)	\$ (181,569)
Expected income tax (recovery)	\$ (90,000)	\$ (49,000)
Change in statutory, foreign tax, foreign exchange rates and other	(2,000)	(1,000)
Permanent differences	25,000	3,000
Share issue cost	(3,000)	(1,000)
Change in unrecognized deductible temporary differences	70,000	48,000
Total income tax expense (recovery)	\$ -	\$ -

As at December 31, 2020, the Company has Canadian federal net operating loss carry forwards of approximately \$700,000 expiring between 2031 and 2040.

Future income tax benefits which may arise as a result of non-capital losses and unclaimed foreign exploration and development expenditures have not been recognized in these financial statements as their realization is uncertain.

The significant components of the Company's future income tax assets are as follows:

	2020	2019
Deferred tax assets (liabilities)		
Exploration and evaluation assets	\$ -	\$ -
Property and equipment	16,000	15,000
Share issue costs	3,000	-
Non-capital losses available for future period	207,000	141,000
	226,000	156,000
Unrecognized deferred tax assets	(226,000)	(156,000)
Net deferred tax assets	\$ -	\$ -

CAPPEX MINERAL VENTURES INC.

(An exploration-stage company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2020 and 2019
(Expressed in Canadian dollars except where indicated)

10. Financial instruments

Pursuant to IFRS 9, the Company classifies cash and cash equivalents, accounts receivables, accounts payable and accrued liabilities, due to related parties and loans with related party at amortized cost. At present, the Company does not have any FVTPL or FVTOCI financial assets.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

Currency Risk

As at December 31, 2020, all of the Company's cash and cash equivalents were held either in Canadian dollars, US dollars or Peruvian new soles. The Company incurs expenditures in Canada and Peru, and as such is exposed to currency risk associated with these costs.

A change in the value of the Peruvian new sol by 10% relative to the Canadian dollar would affect the Company's working capital by approximately \$3,000, and its net loss for the year by approximately \$6,000.

Interest rate and credit risk

The Company has cash balances and significant debt owed to a majority shareholder. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

As the debt to the majority shareholder is interest-free, management's opinion is that the Company is not exposed to significant interest rate risk as at December 31, 2020.

Liquidity risk

The Company will depend on the advances provided by its shareholders and any future private or public financing. The liquidity risk relates to the low cash position and the dependence on these financing activities. See Note 1 for further discussion regarding liquidity risks.

11. Capital disclosures

The Company's objective when managing capital is to maintain a flexible capital structure for its projects for the benefit of its stakeholders.

The Company manages the capital structure and makes appropriate adjustments to it based upon changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets.

The Company's investment policy is to invest its available cash in Canadian chartered banks and from time to time in guaranteed term deposits at fixed interest rates established at the time of investment. All its funds are available for project and corporate objectives.

The Company considers cash and cash equivalents to include amounts held in banks. The Company places its cash with institutions of high credit worthiness. On December 31, 2020, the Company had cash of \$1,081,160 (December 31, 2019 – \$71,350).

The Company is not subject to any externally imposed capital requirements.

12. Segmented information

The Company is in one segment, namely mineral exploration in Peru, with administration in two geographical regions, namely Canada and Peru.

CAPPEX MINERAL VENTURES INC.

(An exploration-stage company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2020 and 2019

(Expressed in Canadian dollars except where indicated)

13. Subsequent events

On May 18, 2021, the Company and Lido Minerals Ltd. (“Lido”) entered into a definitive agreement pursuant to which Lido agreed to acquire all of the issued and outstanding shares of the Company in exchange for common shares of Lido (the “Transaction”) (the “Definitive Agreement”).

Pursuant to the Definitive Agreement, the Transaction was structured as a three-cornered amalgamation, with the Company amalgamating with 1303554 BC Ltd. under the British Columbia Business Corporations Act (“BCBCA”) and becoming a wholly-owned subsidiary of Lido.

Shareholders of the Company will receive one common share in the capital of Lido in exchange for each outstanding common share of the Company held by them. Following close of the Transaction, each warrant of the Company outstanding will be exercisable to purchase that number of Resulting Issuer Shares equal to the number of the Company Shares subject to such warrant immediately before the effective time of the Transaction, at an exercise price per Resulting Issuer Share equal to the exercise price per the Company Share subject to such warrant immediately before the close of the Transaction.

Concurrently with the execution of the Definitive Agreement, Lido completed a private placement of 10,000,000 Subscription Receipts. The Subscription Receipts were issued at a price of \$0.15 per Subscription Receipt for gross proceeds of \$1,500,000. On closing of the Transaction on or before November 15, 2021, each Subscription Receipt will automatically be converted into one Resulting Issuer Share and one warrant of the Resulting Issuer. Each warrant will be exercisable into one Resulting Issuer Share at an exercise price of \$0.25 per Resulting Issuer Share for a period of two years from the close of the Transaction.

The proceeds of the Private Placement were held in escrow and released to the Resulting Issuer on close of the Transaction. The Subscription Receipts will be returned to the subscribers if the Transaction does not close by November 15, 2021.

* * * * *

SCHEDULE B – ANNUAL MD&A OF CAPPEX MINERAL VENTURES INC.

CAPPEX MINERAL VENTURES INC.

(An Exploration Stage Company)

Management's Discussion and Analysis (MD&A)

Year ended December 31, 2020

CAPPEX MINERAL VENTURES INC.

Management's Discussion and Analysis

Year ended December 31, 2020

This Management's Discussion and Analysis ("**MD&A**") of CAPPEX Mineral Ventures Inc. ("**CAPPEX**" or the "**Company**"), dated July 15, 2021, is the Company's initial MD&A, and provides information on the Company's business activities, financial condition, financial performance, cash flows and outlook for the year ended December 31, 2020, and to the date of this MD&A. The Company reports its financial position, financial performance and cash flows in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS**") in Canadian dollars, unless otherwise indicated. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3", and "Q4" respectively.

The following information should be read in conjunction with the Company's consolidated audited financial statements for the year ended December 31, 2020 and 2019 (the "**Financial Statements**").

CAPPEX was incorporated under the provisions of the Business Corporations Act (British Columbia) on September 20, 2017.

The Company has a wholly owned subsidiary in Peru, Minera CAPPEX S.A.C. (formerly Rock Point Geoservices S.A.C.) ("**Minera CAPPEX**"). Minera CAPPEX is a private exploration company formed in May, 2010 by Philip Anderson as a corporate entity from which mineral exploration would be carried out in Peru. CAPPEX Mineral Ventures Inc. was subsequently formed as a Canadian based company to which majority ownership of Minera CAPPEX was transferred in November 2017. Philip Anderson has since transferred all but 1 share of Minera CAPPEX to CAPPEX Mineral Ventures Inc.

Through Minera CAPPEX, the Company holds title to, or an option to acquire title to, the Alta Victoria property in Peru (the "**Alta Victoria Project**"). The Alta Victoria Project is an early-stage silver, gold and base metal prospect located in the central cordillera polymetallic belt of Perú. The property comprises a total of 7,132 hectares of secured exploration rights, of which 2,482 hectares (in 10 concessions) are under option to purchase 100% from 3rd party owners, while 4,650 hectares (in 8 concessions) are owned 100% through staking by the Company. Please refer to Figure 2 under "*Narrative Description of the Business – The Alta Victoria Project – Property Description and Location*" in the Listing Statement.

On May 18, 2021 the Company signed a definitive business combination agreement with Lido Minerals Ltd. ("**Lido**") (**CSE:LIDO**) (**CNSX:LIDO.CN**) and 1303554 B.C. Ltd. ("**Subco**"), a newly incorporated, wholly-owned subsidiary of Lido. Pursuant to the Agreement, Lido will acquire all of the issued and outstanding shares of CAPPEX in exchange for shares of Lido (the "**Transaction**"). The Transaction will constitute a reverse takeover of Lido by CAPPEX and will be a "fundamental change" of Lido pursuant to the policies of the Canadian Securities Exchange ("**CSE**"), requiring approval from the CSE. Approval of the shareholders of Lido and CAPPEX will also be required. The transaction is expected to close on or before November 15, 2021.

Pursuant to the Agreement, the Transaction will be structured as a three-cornered amalgamation, with CAPPEX amalgamating with Subco under the Business Corporations Act (British Columbia), and becoming a wholly-owned subsidiary of Lido. Shareholders of CAPPEX will receive one common share in the capital of Lido in exchange for each outstanding common share of CAPPEX held by them, with Lido expected to issue an aggregate of 37,160,813 Lido shares to the CAPPEX shareholders under the Transaction.

In connection with the Transaction, Lido completed a non-brokered private placement of 10,000,000 subscription receipts (the "**Subscription Receipts**"). The Subscription Receipts were issued at a price of \$0.15 per Subscription Receipt for gross proceeds of \$1,500,000. Each Subscription Receipt will, on closing of the Transaction on or before November 15, 2021, be automatically converted into one common share and one warrant of the combined company. Each warrant will be exercisable into one common share of the combined company at an exercise price of \$0.25 per share for a period of two years from the date of issuance.

CAPPEX MINERAL VENTURES INC.

Management's Discussion and Analysis

Year ended December 31, 2020

Forward-looking statements and risk factors

This MD&A contains forward-looking statements that are related to the Company's activities and future financial results. The results for the current periods are not necessarily indicative of the results for any future period. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance as the mineral exploration business is not without risk and most exploration projects will not become mines. The Company is subject to a number of risks and uncertainties due to the nature of its business and the early stage of its exploration projects. A detailed discussion of risks is presented under *Risk Factors*, below.

CAPPEX's disclosure of a technical or scientific nature has been reviewed and approved by Walter La Torre, a Qualified Person ("QP") under the definition of National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*.

Board of Directors and Officers

As at the date of this MD&A, the following are the Directors and Officers of the Company:

Philip W. Anderson	Director, President and Secretary	(Peru)
Diego M. Cilloniz M.	Director	(Peru)
Fabian N. Baker	Director	(UK)
Joseph R. Piekenbrock	Director	(US)

Financing activities since inception

The table of the following pages shows the financing activities that have taken place. The reader is warned that some financings were originally denominated in US dollars (USD), while others, especially the most recent ones, in Canadian dollars (CAD). In the following table illustrates the original issuance price in the currency in which the shares were issued, but the fair value is expressed in Canadian dollars.

CAPPEX MINERAL VENTURES INC.

Management's Discussion and Analysis

Year ended December 31, 2020

Date	Shares Issued #	Fair value CAD issued for	Fair value CAD Issued for services or	Description
	#	\$	\$	
September 20, 2017	1	1		Share issued on incorporation of the Company
September 20, 2017	5,000,000		122,730	Shares issued to a director of the Company in settlement of a debt of USD \$100,000
November 9, 2017	5,000,000		126,920	Shares issued to a director of the Company in settlement of a debt of USD \$100,000
November 9, 2017	1,765,542		44,818	Shares issued to a director of the Company in settlement of a debt of USD \$123,588. As these shares were issued on the same date as other shares issued at USD \$0.02 per share, under IFRS guidance this was the share price used for determining the fair value of these shares for accounting purposes.
November 9, 2017	2,000,000		50,768	Shares issued in settlement of a debt of USD \$40,000 owed to a consultant.
Balance, December 31, 2017	13,765,543	1	345,236	
April 17, 2018	6,073,568	544,701		Non-brokered private placement of shares for gross cash gross proceeds of CAD \$544,702 (USD \$425,150).
April 18, 2018	(1,765,542)		(44,818)	Cancellation of shares issued on November 17, 2017 in order to re-issue as per the next two lines
April 18, 2018	15,544		1,381	Shares kept by a director of the Company after cancellation of shares indicated in the line above
April 18, 2018	1,749,998		43,437	Shares sold by a director of the Company to other investors from the original shares issued on November 17, 2017.
April 18, 2018	455,069		39,984	Shares issued to certain employees and consultants in Peru as bonuses
November 20, 2018	(1,500,000)		(37,467)	Cancellation of a portion of the 2,000,000 shares originally issued on November 17, 2017, as the value of the debt was reconsidered.
Balance, December 31, 2018	18,794,180	544,702	347,753	
March 31, 2019	163,414		15,286	Shares issued to a consultant in settlement of debt to a consultant
April 4, 2019	800,000		74,799	Shares issued in compensation of services. Of the total amount, 250,000 shares were issued to a director of the Company
December 12, 2019	400,000	79,398		Shares issued for cash to an investor. On June 10, 2020, the Company also issued 400,000 share purchase warrants to this investor, with each warrant exercisable into one common share at a price of CAD \$0.25 per share until June 10, 2022
Share issue costs		(1,920)		Legal costs related to the above issuances
Balance, December 31, 2019	20,157,594	622,180	437,838	

CAPPEX MINERAL VENTURES INC.

Management's Discussion and Analysis

Year ended December 31, 2020

Date	Shares Issued #	Fair value CAD issued for cash \$	Fair value CAD Issued for services or debt \$	Description
Balance, December 31, 2019	20,157,594	622,180	437,838	
February 6, 2020	35,000		6,977	Shares issued on compensation for services
February 10, 2020	20,000		3,996	Share issued to a director of the Company in compensation for services
February 27, 2020	133,333	26,420		Issuance units for cash. Each unit was comprised of one common share and one share purchase warrant. The warrants attached to these units were issued on June 10, 2020, and are exercisable into one common share of the company at a price of CAD \$0.25 per share until June 10, 2022
May 26, 2020	50,000		10,353	Shares issued to a director of the Company in compensation for services
June 10, 2020	336,667	67,692		Units issued for cash. Each unit is comprised of one common share and one share purchase warrant. Each warrant is exercisable into one common shares at an exercise price of CAD \$0.25 per share for two years from the date of issuance.
July 20, 2020	200,001		40,629	These units were issued in lieu of option payments pursuant to the Alta Victoria Option Agreement (Note 6). Each unit is comprised of one common share and one share purchase warrant. Each warrant is exercisable into one common share at a price of CAD \$0.25 per share for two years from the date of issuance.
August 5, 2020	7,866,670	1,180,000		Units raised for cash proceeds. Each unit is comprised of one common share and one share purchase warrant, with each warrant being exercisable into one common share at a price of CAD \$0.25 per share for a period of two years from the date of issuance
August 18, 2020	2,002,631		300,395	Shares issued to a director of the Company in settlement of debt originating in amounts contributed to Minera Cappex
August 31, 2020	333,333		50,000	Units issued to a director of the Company in compensation for becoming a director. Each unit is comprised of one common share and one share purchase warrant, with each warrant being exercisable into one common share at a price of CAD \$0.25 per share until the later of August 5, 2023 and two years from commencement of trading of the Company's shares on a stock exchange.
September 25, 2020	6,025,584	903,838		Shares issued for cash. Of the total amount, 100,000 common shares were subscribed by a director of the Company
Share issuance costs		(12,860)		Share issuance costs associated with the above issuances, mostly related to legal services
Balance, December 31, 2020	37,160,813	2,787,270	850,188	

CAPPEX MINERAL VENTURES INC.

Management's Discussion and Analysis

Year ended December 31, 2020

Mineral properties and business update

Property Location and Ownership

The Alta Victoria Project is located 160 kilometres NE of Lima, the capital city of Perú. Road access links the property to Lima via the town of Canta. Average elevation of the project area is 4,700m above msl. The local community "Comunidad Campesina San Francisco de Asis de Yantac" sits within the concession block with whom CAPPEX holds an ongoing surface access rights agreement.

The concession block held by CAPPEX partially straddles the continental divide which defines the departmental borders separating the Lima Department to the west, from the Department of Junín on the eastern slope. The majority of the concession block lies inside of the Junín Department under local jurisdictions of the Yauli Province and District of Marcapacocha.

All concessions are currently in good standing with regards to the option payments and governmental license fees.

Underlying Agreements

Pursuant to an option agreement between Minera CAPPEX and the shareholders of Minera Yantac S.A.C. dated December 26, 2018, as amended July 27, 2020 (the "**Option Agreement**"), Minera CAPPEX has the option to acquire Minera Yantac, holder of 10 of the concessions making up the Alta Victoria Project (""), by paying a total of US\$4,000,000 over six years and four months. Minera Yantac acquired the Optioned Property pursuant to a mining property transfer agreement dated December 18, 2018, as amended July 27, 2020 (the "**Transfer Agreement**"), and a portion of the payments under the Option Agreement are to be made to the prior owners of the Optioned Property to satisfy the requirements of the Transfer Agreement, with the balance paid to the shareholders of Minera Yantac.

Minera CAPPEX is required to make the following payments pursuant to the Option Agreement:

- US\$60,000 (paid);
- US\$5,000 per month for 32 months from August 2018 to March 2020 and from August 2020 to July 2021 (a total of US\$160,000, of which [US\$125,000] has been paid in cash and US\$30,000 was satisfied by the issuance of securities, described below);
- US\$10,000 per month for 28 months starting August 2021 and ending in November 2023 (a total of US\$280,000); and
- US\$3,500,000 on December 4, 2023.

The parties agreed to suspend the payments under the Option Agreement and Transfer Agreement for the months of April, May, June and July 2020 as a result of the COVID-19 pandemic.

Pursuant to an agreement dated July 27, 2020, CAPPEX issued 200,001 units consisting of one common share and one share purchase warrant at a deemed price of US\$0.15. The warrants are exercisable at C\$0.25 per CAPPEX Share until July 20, 2022. These securities were issued in satisfaction of payments due pursuant to the Option Agreement and the Transfer Agreement for the 6 month period between August 2019 and January 2020.

CAPPEX MINERAL VENTURES INC.

Management's Discussion and Analysis

Year ended December 31, 2020

Work Commitment and Royalty

Pursuant to the Transfer Agreement, the Optioned Property is subject to a net smelter returns royalty of 1.5% on all metallic metals and 3.00 Soles per ton of non-metallic metals produced from the Optioned Property. The net smelter returns royalty was granted by Minera Yantac to Minera Flor de Maria S.A.C., one of the former titleholders of the Optioned Property.

CAPPEX has the right to conduct exploration activities on the Optioned Property pursuant to a mining lease agreement dated June 8, 2018, as amended December 2, 2018 and May 12, 2021 (the "**Mining Lease Agreement**"). Pursuant to the Mining Lease Agreement, CAPPEX was required to pay US\$100 (which has been paid) and to incur US\$500,000 in work commitments on the Optioned Property by February 28, 2022 (which requirement has been met). The mining lease agreement expires on December 4, 2023.

Surface Access

CAPPEX also entered into a surface access agreement with The Community of San Francisco de Asis de Yantac in April 2018 for a 2 year term, and a second surface access agreement January 24, 2020 that is valid until January 24, 2022 (the "**Surface Access Agreement**"). Pursuant to the Surface Access Agreement, CAPPEX may build road and drill platforms, as well as drill on the Alta Victoria Project. CAPPEX made a land use payment for 2020 of 45,000 Soles and has agreed to pay 60,000 Soles for 2021.

Exploration Status

CAPPEX holds a DIA (Declaración de Impacto Ambiental) class-permit which allows the company to drill from up to 40-platforms over a three-year period which terminates the end of February 2023.

CAPPEX's systematic exploration at the Alta Victoria Project over the past two years culminated in a 7-hole, 2,300 metre diamond drilling program carried out from September to November 2020. Two main target zones were tested, Santa Teresita where 6 of the 7 holes were collared, and Laguna Pachas where one hole was collared. Please refer to Tables 5 and 6 under "*Narrative Description of the Business – The Alta Victoria Project – Drilling*" in the Listing Statement for additional information on the drilling.

Ongoing Exploration

Since February 2021 an ongoing program of mapping and sampling has been conducted, with the purpose of refining drill targets and generating additional targets for future drilling. The company has utilized a hand-held XRF instrument to conduct reconnaissance analysis of soil and rock. This has proven to be an important tool for identifying previously unknown zones of anomalism and filling in areas of relatively sparse sampling data. Planned exploration includes additional Induced Polarization geophysical survey(s) where more detailed geophysical data will enable the company to better define hidden targets at shallow to moderate depths.

A further drilling program is planned to begin the fourth quarter of 2021. Budget estimates for 2021 project work are the following:

Exploration Budget - Alta Victoria Project		
Planned Program	Detailed geological mapping & sampling, refining known target areas and generating new targets	\$150,000
	Ground Geophysics - IP & Magnetics	\$75,000
	Environmental monitoring program (quarterly)	\$25,000
	G & A	\$50,000
	Sub-Total	\$300,000
	Contingency (10%)	\$30,000
	Total (CAD)	\$330,000

CAPPEX MINERAL VENTURES INC.

Management's Discussion and Analysis

Year ended December 31, 2020

Exploration Expenditures

The Company's accounting policies capitalize exploration and evaluation costs until such time that they are either impaired or advanced into production. The history of cumulative capitalized exploration and evaluation costs are as follows to December 31 of each of the following years:

Years ended December 31:	2020	2019	2018	2017
	\$	\$	\$	\$
Opening balance:	1,064,092	777,436	375,506	-
Acquisition costs	208,976	69,249	58,780	155,218
Geological and related expenditures	568,350	7,524	(30,705)	86,552
Dues and fees	19,686	49,383	42,645	12
Legal expenses	26,008	31,188	(5,609)	13,348
Field equipment and related expenditures	46,107	4,918	(354)	5,445
Services	8,892	1,998	2,658	9,724
Personnel	182,494	146,821	313,895	105,207
Foreign exchange adjustment	(181,862)	(24,425)	20,620	-
Closing balance	1,942,743	1,064,092	777,436	375,506

During 2020, the Company carried out drilling activities in the Alta Victoria project, resulting in a substantial increase of exploration and evaluations investments as compared to prior years.

Selected annual information

The following are the main financial indicators for the periods indicated:

	Years ended December 31		
	2020	2019	2018
	\$	\$	\$
Income (loss) and comprehensive income (loss) for the year	(487,021)	(165,307)	74,485
Per share, basic & diluted	(0.01)	(0.01)	0.00
Total assets	3,064,939	1,159,091	1,051,062
Total liabilities	(46,919)	(327,040)	(221,267)
Shareholders' equity	(3,018,020)	(832,051)	(829,795)
Cash dividends declared	Nil	Nil	Nil

During 2020, the Company conducted significant financing activities, as indicated above, and resulting in the increase in total assets and shareholders' equity. This is also reflected in increased general expenses for 2020, as detailed in the next section.

CAPPEX MINERAL VENTURES INC.

Management's Discussion and Analysis

Year ended December 31, 2020

Results of Operations

Results for the year:

The Company's expenses for the year were as follows:

	Years ended December 31				
	2020	% of	2019	% of	% change
	\$	expenses	\$	expenses	
<u>Cash expenses</u>					
Administration and accounting	90,901	44.42%	21,663	12.56%	319.61%
Professional fees	50,000	24.43%	-	0.00%	n/a
Foreign exchange loss	24,177	11.81%	4,273	2.47%	465.81%
Audit and legal	12,807	6.26%	9,636	5.58%	32.91%
Employee expenses	10,973	5.36%	24,710	14.31%	-55.59%
Office and sundry	8,283	4.05%	39,218	22.72%	-78.88%
Amortization and depreciation	7,507	3.67%	7,775	4.50%	-3.45%
Commissions	-	0.00%	50,089	29.01%	-100.00%
Investor relations, including travelling	-	0.00%	15,286	8.85%	-100.00%
Loss before other expenses	(204,648)	100.00%	(172,650)	100.00%	
Other income (expenses)					
Non-recoverable taxes	(92,395)		(9,745)		
Loss on settlement of debt	(38,090)		-		
Write-off of plant and equipment	-		826		-100.00%
Loss for the year	(335,133)		(181,569)		84.58%
<u>Other comprehensive income (loss)</u>					
Exchange differences on translating foreign operations, net of tax	(151,888)		16,262		
Loss and comprehensive loss for the year	(487,021)		(165,307)		

The main activities during 2020 were related to financing efforts, resulting in a general increase of administration, professional and legal fees.

Administration and accounting included the preparation of consolidated financial statements (which were not required during 2019), preparation of income tax returns, and compensation of services provided in Peru.

Professional fees in 2020 were paid to a director of the Company in connection with business development activities.

Audit and legal increased in connection with financing activities carried out during 2020.

Employee expenses were higher during 2019 as a result of bonuses paid through the issuance of shares during that year.

Conversely, office and sundry expenses were reduced during 2020 as the Company is no longer renting an office in Peru.

During 2019, a commission was paid by the issuance of common shares of the Company to a corporation involved in business development.

CAPPEX MINERAL VENTURES INC.

Management's Discussion and Analysis

Year ended December 31, 2020

Liquidity Working Capital and Capital Resources

The Company's liquidity and working capital figures are as follows:

	December 31, 2020	December 31, 2019
	\$	\$
Cash and cash equivalents	1,081,160	71,530
Prepays and deposits	3,266	2,068
Total liquidity	1,084,426	73,598
Accounts payable and accrued liabilities	(46,919)	(31,488)
Amounts due to related parties	-	(295,552)
Working capital (deficiency):	1,037,507	(253,442)

The increase in working capital is a result of the funds provided by financing activities during 2020.

Based on its current operating plan, management estimates that the Company will have enough cash to sustain its operations for the next year. Subsequent to the expected closing of the Transaction with Lido, the Company expects to obtain this additional financing.

The longer-term ability of the Company to continue its business is dependent on the continuing success of its exploration programs coupled with available funding through sale of its share capital. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to raise money on acceptable terms or at all.

CAPPEX MINERAL VENTURES INC.

Management's Discussion and Analysis

Year ended December 31, 2020

Transactions with related parties

The following transactions with related parties took place:

Year ended December 31:	2020	2019
	\$	\$
Mr. Diego Manuel Cilloniz Montesinos, a director of the Company, received an aggregate of 70,000 common shares of the Company at a price of US \$0.15 per share in consideration for services and for acting as general manager of the Peruvian subsidiary.	14,349	-
Mr. Fabian Baker, a director of the Company, purchased 200,000 common shares of the Company at a price of CAD \$0.15 per share for cash proceeds, and received 333,333 common shares at a price of CAD \$0.15 as payment for services rendered to the Company	80,000	-
Mr. Joseph R. Piekenbrock, a director of the Company, purchased 100,000 common shares at a price of CAD \$0.15 per share for cash proceeds	15,000	-
Mr. Phillip W. Anderson, a director of the Company, received 2,002,631 common shares at a price of USD \$0.15 in repayment of services rendered and funds provided to the Company's subsidiary in the past	300,395	-

As at December 31, 2020, an amount of \$nil (2019 - \$295,553) remained payable to Mr. Philip W. Anderson.

CAPPEX MINERAL VENTURES INC.

Management's Discussion and Analysis

Year ended December 31, 2020

Outstanding Share Data

As at the date of this MD&A Company has:

- a) 37,160,813 common shares issued and outstanding, of which 13,121,509 are held by insiders and certain advisors and the rest is public float; and
- b) 9,270,004 share purchase warrants outstanding with an exercise price of \$0.25 and expiring between June 10, 2022 and August 5, 2023.

Off-Balance Sheet Arrangements

None

Proposed Transactions

Please refer to page 1 of this MD&A, where the proposed transaction with Lido is described.

Accounting Policies

Please refer to notes 2 and 3 to the Financial Statements for a complete description of the basis of presentation and the accounting policies followed, respectively.

Financial Instruments

Pursuant to IFRS 9, the Company classifies cash and cash equivalents, accounts receivables, accounts payable and accrued liabilities, due to related parties and loans with related party at amortized cost. At present, the Company does not have any FVTPL or FVTOCI financial assets.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

Currency Risk

As at December 31, 2020, all of the Company's cash and cash equivalents were held either in Canadian dollars, US dollars or Peruvian new soles. The Company incurs expenditures in Canada and Peru, and as such is exposed to currency risk associated with these costs.

A change in the value of the Peruvian new sol by 10% relative to the Canadian dollar would affect the Company's working capital by approximately \$3,000, and its net loss for the year by approximately \$6,000.

Interest rate and credit risk

The Company has cash balances and significant debt owed to a majority shareholder. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

As the debt to the majority shareholder is interest-free, management's opinion is that the Company is not exposed to significant interest rate risk as at December 31, 2020.

Liquidity risk

The Company will depend on the advances provided by its shareholders and any future private or public financing. The liquidity risk relates to the low cash position and the dependence on these financing activities. See Note 1 to the Financial Statements for further discussion regarding liquidity risks.

CAPPEX MINERAL VENTURES INC.

Management's Discussion and Analysis

Year ended December 31, 2020

Critical Accounting Estimates

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses, and the valuation of stock options and share purchase warrants. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual results may differ from these estimates.

Resource properties: The carrying value of the Company's mineral properties are reviewed by management quarterly, or whenever events or circumstances indicate that their carrying amounts may not be recovered. Management considers potential impairment indicators including, but not limited to, changes in commodity prices, plans for the properties and the results of exploration to date.

Risk Factors

AN INVESTMENT IN THE COMMON SHARES IS SPECULATIVE IN NATURE AND INVOLVES A HIGH DEGREE OF RISK. IN ADDITION TO THE OTHER INFORMATION PRESENTED IN THIS MD&A, READERS AND PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS.

The risks discussed below also include forward-looking statements and actual results may differ substantially from those discussed in these forward-looking statements.

Issues related to Alta Victoria Project

Limited Operating History

The Company is an early-stage company, and the Alta Victoria Project is an exploration stage property. As such, in addition to the risks disclosed above which are specific to the Company's material property, the Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. The current state of the Alta Victoria Project requires significant additional expenditures before any cash flow may be generated. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. Most exploration projects do not result in the discovery of commercially mineralized deposits. An investment in the Common Shares therefore carries a high degree of risk and should be considered speculative by investors.

Trends

The Company's financial success is dependent upon the discovery of mineral resources which could be economically viable to develop. Such development could take years to complete and the resulting income, if any, is difficult to determine. The sales value of any mineralization discovered by the Company is largely dependent upon factors beyond the Company's control, such as market value of the products produced and availability of capital from the public marketplace. Other than as disclosed herein, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on the Company's results or financial position.

CAPPEX MINERAL VENTURES INC.

Management's Discussion and Analysis

Year ended December 31, 2020

Negative Cash-Flow

Since its incorporation, the Company has not generated cash flow from its operations and has incurred certain operating losses. Such losses and negative operating cash flow are expected to continue since funds will be expended to pay its administrative expenses and to conduct the recommended exploration program on the Alta Victoria Project. Although the Company has allocated \$300,000, to fund its ongoing operations for a period of 12 to 18 months, thereafter, the Company will be reliant on future equity financings for its funding requirements. A financing is expected after the closing of the Transaction with Lido.

COVID-19 Outbreak

As of the date of this MD&A, markets, governments and health organizations around the world are working to contain the outbreak of the coronavirus ("**COVID-19**"). COVID-19 presents a wide range of potential issues and complications for the Company, most of which the Company is not able to know the full extent of. The following is a summary of what the Company believes may impact its business as a result of COVID-19:

- disruptions to business operations resulting from quarantines of employees, consultants and third-party service providers in areas affected by COVID-19;
- disruptions to business operations resulting from travel restrictions and access to properties; and
- uncertainty around the duration of the COVID-19 pandemic.

Operating Hazards and Risks

The operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages and damage to persons or property or the environment and possible legal liability for any and all damages. Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are some of the risks involved in the operation of mines and the conduct of exploration programs. Although the Company will, when appropriate, secure liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liability and hazards might not be insurable, or the Company might elect not to insure itself against such liabilities due to high premium costs or other reasons, in any of which events the Company could incur significant costs that could have a material adverse effect upon its financial condition.

Economics of Developing Mineral Properties

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract metal from ore and to develop the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Depending on the price of minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

CAPPEX MINERAL VENTURES INC.

Management's Discussion and Analysis

Year ended December 31, 2020

Ownership of Property Interests and Assets

Although the Company has exercised the usual due diligence with respect to title to properties in which it has a material interest, there is no guarantee that title to the properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or land claims and title may be affected by undetected defects. In addition, certain of the mining claims in which the Company has an interest are not recorded in the name of the Company and cannot be recorded until certain steps are taken by other parties. Before a number of claims under option can be recorded in the Company's name, the underlying title holder has to assign title to the Company once the Company satisfies its option agreement obligations. There are no assurances that the underlying title holder will assign title. Land may be transferred by the State to businesses and citizens for possession and use based on leases.

In order to satisfy itself of its ownership of its property interests in Peru, the Company has, among other things: (i) obtained and reviewed title opinions from certain local law firms in Peru; (ii) obtained and reviewed certificates of compliance issued by the appropriate governmental officials in Peru; (iii) conducted searches in Peru; and (iv) reviewed, negotiated and executed various agreements with the Government of Peru relating to the acquisition and/or transfer of certain mining titles and concessions.

Environmental Factors

The Company conducts exploration activities in various parts of Peru. Such activities are subject to various laws, rules and regulations governing the protection of the environment, including, in some cases, posting of reclamation bonds. Extensive environmental legislation has been enacted in Peru by federal, state and municipal governments. All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed properties and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or to preclude entirely the economic development of a property. Environmental hazards may exist on the Company's properties, which hazards are unknown to the Company at present, which have been caused by previous or existing owners or operators of the properties. The Company is not aware of any environmental hazards on any of the properties held or formerly worked by the Company. The approval of new mines in Peru is subject to detailed review by Peruvian mining authorities and there is no assurance that such approval can be obtained. Further, under such review process, there is no assurance that regulatory and environmental approvals will be obtained on a timely basis or at all. Failure to comply with the legislation may have serious consequences. Orders may be issued requiring operations to cease or be curtailed or requiring installation of additional facilities or equipment. Violators may be required to compensate those suffering loss or damage by reason of its mining activities and may be fined if convicted of an offense under such legislation.

Peruvian mining law establishes requirements for the decommissioning, reclamation and rehabilitation of mining properties in a state of permanent closure. Such closure requirements relate to the protection and restoration of the environment and the protection of the public safety. Some former mining properties must be managed for long periods of time following closure in order to fulfill closure requirements. The costs of closure of mining properties, and, in particular, the cost of long-term management of mining properties can be substantial. However, in the case of the Alta Victoria Project, exploration activities have and will in the future cause moderate environmental impact. By Peruvian mining law, environmental impact from past mining activities prior to the onset of present-day exploration activities are not the responsibility of the company. Such historic mining disturbance are well documented in the DIA permitting document and will not be included in any future remediation requirement unless those same historical mine works have been further utilized or disturbed by the company.

CAPPEX MINERAL VENTURES INC.

Management's Discussion and Analysis

Year ended December 31, 2020

The Company has adopted environmental practices designed to ensure that it continues to comply with or exceed all environmental regulations currently applicable to it. All of the Company's activities are in compliance in all material respects with applicable environmental legislation. The Company is currently engaged in exploration with minimal environmental impact.

Community Relations

Community relations may affect the Company's business, including its interest in the Alta Victoria Project. Maintaining a positive relationship with the communities in which the Company operates, including with respect to the Alta Victoria Project, is critical to continuing successful exploration and development. Community support for operations is a key component of a successful exploration or development project. As a business in the mining industry, the Company may come under pressure in the jurisdictions in which the Company explores or develops, to demonstrate that other stakeholders benefit and will continue to benefit from our commercial activities. The Company may face opposition with respect to our current and future development and exploration projects which could materially adversely affect our business, results of operations, financial condition and share price.

Environmental Permits

The ability of the Company to explore its properties is dependent on environmental regulations and the permitting process. A permit for drilling from existing roads and disturbed areas is in place for the Alta Victoria Project. Future work to allow road construction and additional surface disturbance at the Company's projects will require filing for necessary environmental permits. The Company's interest in a property or project could be adversely affected by an inability to obtain environmental permits.

Competition and Agreements with Other Parties

The Company competes with other mining companies for the acquisition of mineral claims and other mining interests as well as for the recruitment and retention of qualified employees and contractors. There is significant and increasing competition for a limited number of resource acquisition opportunities and as a result, the Company may be unable to acquire attractive mining properties on terms it considers acceptable. The Company competes with other companies that may have substantially greater financial resources than the Company. The Company may, in the future, be unable to meet its obligations under agreements to which it is a party and the Company may have its interest in the properties subject to such agreements reduced as a result. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete recommended programs.

Metals Prices

The Company's revenues, if any, and ability to attract equity financing is expected to be in large part derived from the discovery of mineral properties and the sale of minerals contained or interests related thereto. The price of those commodities has fluctuated widely, particularly in the last three years, and is affected by numerous factors beyond the Company's control including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, global or regional consumptive patterns, speculative activities, levels of supply and demand, increased production due to new mine developments and improved mining and production methods, availability and costs of metal substitutes, metal stock levels maintained by producers and others and inventory carrying costs. The effect of these factors on the price of base and precious metals, and therefore the economic viability of the Company's operations, cannot accurately be predicted.

Management and Directors

The Company is dependent on its key management personnel. Loss of the key person could have an adverse effect on the Company. The Company does not maintain "key-man" insurance in respect of any of its management.

CAPPEX MINERAL VENTURES INC.

Management's Discussion and Analysis

Year ended December 31, 2020

Conflicts of Interest

Certain of the Directors and Officers of the Company are also in their personal capacities, or as Directors or Officers of other companies, engaged in mineral exploration and development. Accordingly, exploration opportunities or prospects of which they become aware may not necessarily be made available to the Company. The Directors and Officers intend to allocate opportunities or prospects from time to time on the basis of prudent business judgment. The Directors are required by law to act honestly and in good faith with a view to the best interest of the Company and its shareholders and to disclose any personal interest which they may have in any material transaction which is proposed to be entered into with the Company and to abstain from voting as a Director for the approval of such transaction.

Foreign Operations

The Company's operations are currently conducted principally in Peru. As such, its operations are exposed to various levels of political, economic and other risks and uncertainties which could result in work stoppages, blockades of the Company's mining operations and appropriation of assets. The Company's operation is not in an area with a history of political issues or criminal activity which have led to disturbances in exploration or mining activities. Risks and uncertainties vary from region to region and could include terrorism; hostage taking; extortion; local drug gang activities; military repression; expropriation; fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of civil unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Although the Company strives to maintain good relations with the local community in Peru by providing employment opportunities and social services, local opposition to mine development projects could arise, and such opposition could be violent. There can be no assurance that such local opposition will not arise with respect to the Company's foreign operations. If the Company were to experience resistance or unrest in connection with its operations, it could have a material adverse effect on its operations.

Government Regulation

The Company's mineral exploration activities will be subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. No assurance can be given that the new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit, suspend, terminate or curtail production or development. Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. 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 on them for violations of applicable laws or regulations. Amendments to current laws and regulations governing operations or more stringent implementation thereof could have a substantial 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 the development of new mining properties.

The Company is at the exploration stage on its property. Exploration requires responsible best exploration practices to comply with Company policy, government regulations, and maintenance of claims and tenure. The Company is required to be registered to do business and have a valid prospecting license in any territory in which it is carrying out work. In Peru, mineral exploration primarily falls under federal jurisdiction, but there are state, municipal, local and community issues to be addressed.

If any of the Company's projects are advanced to the development stage, those operations will also be subject to various laws and regulations concerning development, production, taxes, labour standards,

CAPPEX MINERAL VENTURES INC.

Management's Discussion and Analysis

Year ended December 31, 2020

environmental protection, mine safety and other matters. In addition, new laws or regulations governing operations and activities of mining companies could have a material adverse impact on any project in the mine development stage that the Company may possess.

Surface Exploration Rights

Mining concession licenses in Peru are separate from surface rights. Permission for surface access must be negotiated with the owners of the surface rights to the areas covered by the mining concessions, and commonly involve leasing of the surface rights. In Peru surface rights are owned by private persons or communities (local communal organizations), and agreements for access must be made with the surface owners to do significant work. There are potential risks with regard to the completion of a successful exploration program in that there is a possibility of not being able to extend the surface access agreement over part of the area of interest, or problems with obtaining an environmental permit for road construction and drilling.

Management's responsibility over financial information

The Company's management is responsible for presentation and preparation of the quarterly and annual consolidated financial statements and the MD&A. These financial statements have been prepared in accordance with IFRS.

The quarterly and annual consolidated financial statements and information in the MD&A necessarily include amounts based on informed judgments and estimates of the expected effects of current events and transactions with appropriate consideration to materiality. In addition, in preparing the consolidated financial information we must interpret the requirements described above, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. The MD&A also includes information regarding the impact of current transactions and events, sources of liquidity and capital resources, operating trends, risks and uncertainties. Actual results in the future may differ materially from our present assessment of this information because future events and circumstances may not occur as expected.

Legal Proceedings

As at the date of this document, there were no legal proceedings against or by the Company.

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**SCHEDULE C – INTERIM FINANCIAL STATEMENTS
OF CAPPEX MINERAL VENTURES INC.**

CAPPEX MINERAL VENTURES INC.

(An exploration-stage company)

Condensed consolidated interim financial statements

Three months ended March 31, 2021 and 2020

(Unaudited - Expressed in Canadian dollars)

Cappex Mineral Ventures Inc.

(an exploration-stage company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited, prepared by management)

(Expressed in Canadian Dollars)

As at	Note	March 31, 2021 \$	December 31, 2020 \$
ASSETS			
Current			
Cash		955,750	1,081,160
Prepaid expenses and deposits		5,341	3,266
		961,091	1,084,426
Plant and equipment	4	33,510	37,770
Exploration and evaluation assets	5	1,940,553	1,942,743
		2,935,154	3,064,939
LIABILITIES			
Current			
Accounts payable and accrued liabilities	6	66,153	46,919
SHAREHOLDERS' EQUITY			
Attributed to shareholders of the Company:			
Share capital	7	3,637,458	3,637,458
Contributed surplus	7(c)	133,017	133,017
Foreign currency reserve		(158,166)	(62,717)
Deficit		(728,696)	(675,113)
Non-controlling interest:	1		
Foreign currency reserve		2,089	1,415
Deficit		(16,701)	(16,040)
		2,869,001	3,018,020
		2,935,154	3,064,939
Nature of operations and going concern uncertainty	1		
Subsequent events	12		

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

Approved by the board of directors and authorized for issue on July 11, 2021

(Signed): "Philip W. Anderson"

Director

(Signed): "Fabian Baker"

Director

Cappex Mineral Ventures Inc.

(an exploration-stage company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Unaudited, prepared by management)

(Expressed in Canadian Dollars)

	Note	Three months ended March 31	
		2021	2020
		\$	\$
EXPENSES			
Administration and accounting		12,577	2,787
Amortization and depreciation	5	2,526	-
Audit and legal		36,940	2,533
Employee expenses		-	10,973
Office and sundry		1,176	1,373
Foreign exchange loss		6,527	21
Loss before other expenses		(59,746)	(17,687)
Other income (expenses)			
Non-recoverable taxes		5,502	(1,027)
Loss for the year		(54,244)	(18,714)
Other comprehensive income (loss)			
Exchange differences on translating foreign operations, net of tax		(94,775)	57,432
Loss and comprehensive loss for the period		(149,019)	38,718
Loss attributable to:			
Shareholders of the Company:			
Net loss		(53,583)	(18,368)
Foreign exchange translation		(95,449)	58,023
Non-controlling interest:			
Net loss		(661)	(346)
Foreign exchange translation		674	(591)
		(149,019)	38,718
Loss per share (basic and diluted)		(0.00)	(0.00)
Weighted average number of shares outstanding (basic and diluted)		37,160,813	20,177,567

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

Cappex Mineral Ventures Inc.

(an exploration-stage company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(Unaudited, prepared by management)

(Expressed in Canadian Dollars)

	Three months ended March 31	
	2021	2020
	\$	\$
Operating activities		
Loss for the period	(54,244)	(18,714)
Adjustments for items not involving cash:		
- Depreciation of plant and equipment	2,526	-
- Employee expenses	-	10,973
Changes in non-cash working capital items:		
- Prepaid expenses and deposits	(2,306)	(1,150)
- Accounts payable and accrued liabilities	32,382	(2,150)
Cash used in operating activities	(21,642)	(11,041)
Cash flows used in investing activities		
Investment in exploration and evaluation assets	(99,992)	(69,647)
Cash used in investment activities	(99,992)	(69,647)
Cash flows from financing activities		
Shares issued for cash	-	26,420
Cash generated from financing activities	-	26,420
Effect of foreign exchange translation on cash	(3,776)	1,324
Net change in cash	(125,410)	(52,944)
Cash, beginning of the period	1,081,160	71,530
Cash, end of the period	955,750	18,586
Supplementary information with respect to cash flows		
Non-cash transactions:		
Exploration and evaluation assets acquired through exploration and evaluation assets	14,744	1,633
Cash paid for tax	-	-
Cash paid for interest	-	-

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

Cappex Mineral Ventures Inc.

(an exploration-stage company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

(Unaudited, prepared by management)

(Expressed in Canadian Dollars)

	Shareholders of the Company						Non-controlling interest		Total equity
	Share capital			Contributed surplus	Foreign currency reserve	Deficit	Foreign currency reserve	Deficit	Total
	Note	Amount	Value						
	#	\$	\$	\$	\$	\$	\$	\$	
Balance, December 31, 2019		20,157,594	1,060,018	37,467	90,619	(350,417)	(33)	(5,603)	832,051
Shares issued for cash	7(b)	133,333	26,420	-	-	-	-	-	26,420
Shares issued for bonuses	7(b)	55,000	10,973	-	-	-	-	-	10,973
Comprehensive loss for the period		-	-	-	58,023	(18,368)	(591)	(346)	38,718
Balance, March 31, 2020		20,345,927	1,097,411	37,467	148,642	(368,785)	(624)	(5,949)	908,162
Shares issued for cash	7(b)	14,228,921	2,151,530	-	-	-	-	-	2,151,530
Shares issued for bonuses	7(b)	30,000	6,357	41,412	-	-	-	-	47,769
Shares issued in settlement of debt	7(b)	2,022,631	304,391	-	-	-	-	-	304,391
Units issued for exploration and evaluation assets	7(b,c)	200,001	40,629	16,048	-	-	-	-	56,677
Units issued in settlement of debt	7(b,c)	333,333	50,000	38,090	-	-	-	-	88,090
Share issuance costs	7(b)	-	(12,860)	-	-	-	-	-	(12,860)
Comprehensive loss for the year		-	-	-	(211,359)	(306,328)	2,039	(10,091)	(525,739)
Balance, December 31, 2020		37,160,813	3,637,458	133,017	(62,717)	(675,113)	1,415	(16,040)	3,018,020
Comprehensive loss for the period		-	-	-	(95,449)	(53,583)	674	(661)	(149,019)
Balance, March 31, 2021		37,160,813	3,637,458	133,017	(158,166)	(728,696)	2,089	(16,701)	2,869,001

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

CAPPEX MINERAL VENTURES INC.

(An exploration-stage company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three months ended March 31, 2021 and 2020

(Unaudited, prepared by management and expressed in Canadian dollars except where indicated)

1. Nature of operations and going concern uncertainty

CAPPEX Mineral Ventures Inc. (the "Company") was incorporated under the laws of British Columbia, Canada, on September 20, 2017.

The addresses of the Company's offices are:

- Administration: Av. Santo Toribio 115, Piso 8, San Isidro, Peru
- Registered records: Suite 1200, 750 West Pender Street, Vancouver, BC V6C 2T8, Canada

The Company is in the business of acquisition and exploration of mineral properties, and is in one operating segment, namely mineral exploration in Peru (note 5).

On November 9, 2017, the Company acquired 1,089 shares of the 1,090 shares (99.9%) of Minera CAPPEX S.A.C. ("Minera CAPPEX"), a company incorporated under the laws of Peru. The remaining share, of 0.01%, is owned by a director of the Company, as Peruvian law requires at least two shareholders. However, for purposes of consolidation, Minera CAPPEX was considered a wholly-owned subsidiary.

During 2018, Minera CAPPEX issued the Company an additional 13,680 shares, and 1,111 shares to a director of the Company for his contribution of certain non-monetary assets. As a result, from December 31, 2019, and to March 31, 2021, the Company owned 14,769 (93%) shares of Minera CAPPEX, and the director of the Company 1,112 shares (7%) of Minera CAPPEX.

Subsequent to March 31, 2021, the director of the Company assigned his 1,111 shares to Minera CAPPEX, keeping one share as required by Peruvian legislation, with Minera CAPPEX becoming once again a wholly-owned subsidiary.

These consolidated financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company has incurred significant losses since inception, but its working capital increased as a result of financing activities that took place during the year ended December 31, 2020, as follows:

	March 31, 2021	December 31, 2020
	\$	\$
Deficit	(728,696)	(675,113)
Working capital	894,938	1,037,507

There can be no assurance the Company will be successful in achieving these goals and, accordingly, there is a material uncertainty casting significant doubt about the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and these adjustments could be material.

2. Basis of preparation

(a) Statement of compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"). These condensed consolidated interim financial statements do not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended December 31, 2020.

These condensed consolidated interim financial statements were approved by the Board of Directors for issue on July 11, 2021.

CAPPEX MINERAL VENTURES INC.

(An exploration-stage company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three months ended March 31, 2021 and 2020

(Unaudited, prepared by management and expressed in Canadian dollars except where indicated)

2. Basis of preparation (cont'd)

(b) Critical accounting estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2020.

3. Significant accounting policies

The accounting policies followed for the preparation of these condensed consolidated interim financial statements are consistent with those described in the December 31, 2020, annual consolidated financial statements.

4. Property and equipment

	Motorized vehicles	Furniture	Computing equipment	TOTAL
	\$	\$	\$	\$
Balance, December 31, 2019	20,713	688	-	21,401
Foreign exchange adjustment	1,111	36	-	1,147
Balance, March 31, 2020	21,824	724	-	22,548
Acquisitions	26,854	-	944	27,798
Depreciation	(7,329)	(80)	(98)	(7,507)
Foreign exchange adjustment	(4,897)	(100)	(72)	(5,069)
Balance, December 31, 2020	36,452	544	774	37,770
Depreciation	(2,455)	(18)	(53)	(2,526)
Foreign exchange adjustment	(1,672)	(26)	(36)	(1,734)
Balance, March 31, 2021	32,325	500	685	33,510
As at March 31, 2021	\$	\$	\$	\$
Cost	83,665	698	822	85,185
Accumulated depreciation	(51,340)	(198)	(137)	(51,675)
Net book value	32,325	500	685	33,510

CAPPEX MINERAL VENTURES INC.

(An exploration-stage company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three months ended March 31, 2021 and 2020

(Unaudited, prepared by management and expressed in Canadian dollars except where indicated)

5. Exploration and evaluation assets

The Company, through Minera CAPPEX, holds title to the Alta Victoria property, located in Peru. The Company staked additional claims, which it owns at 100%, and has an option to acquire additional contiguous claims pursuant to an option agreement entered into with the shareholders of Minera Yantac S.A.C. ("Minera Yantac") (the "Option Agreement"), Minera CAPPEX has the option to acquire Minera Yantac, holder of 10 of the concessions making up the Alta Victoria Project (the "Optioned Property"), by paying a total of US\$4,000,000 over six years and four months. Minera Yantac acquired the Optioned Property pursuant to a mining property transfer agreement dated December 18, 2018, as amended July 27, 2020 (the "Transfer Agreement"), and a portion of the payments under the Option Agreement are to be made to the prior owners of the Optioned Property to satisfy the requirements of the Transfer Agreement, with the balance paid to the shareholders of Minera Yantac.

Minera CAPPEX is required to make the following payments pursuant to the Option Agreement:

- US\$60,000 (paid);
- US\$5,000 per month for 32 months from August 2018 to March 2020 and from August 2020 to July 2021 (a total of US\$160,000, of which [US\$125,000] has been paid in cash and US\$30,000 was satisfied by the issuance of securities, described below); [NTD: To be updated as required based on date of MD&A]
- US\$10,000 per month for 28 months starting August 2021 and ending in November 2023 (a total of US\$280,000); and
- US\$3,500,000 on December 4, 2023.

The parties agreed to suspend the payments under the Option Agreement and Transfer Agreement for the months of April, May, June and July 2020 as a result of the COVID-19 pandemic.

Work Commitment and Royalty

Pursuant to the Transfer Agreement, the Optioned Property is subject to a net smelter returns royalty of 1.5% on all metallic metals and 3.00 Soles per ton of non-metallic metals produced from the Optioned Property. The net smelter returns royalty was granted by Minera Yantac to Minera Flor de Maria S.A.C., one of the former titleholders of the Optioned Property.

The Company has the right to conduct exploration activities on the Optioned Property pursuant to a mining lease agreement dated June 8, 2018, as amended December 2, 2018, and May 12, 2021 (the "**Mining Lease Agreement**"). Pursuant to the Mining Lease Agreement, the Company was required to pay US\$100 (paid) and to incur US\$500,000 in work commitments on the Optioned Property by February 28, 2022 (which requirement has been met). The mining lease agreement expires on December 4, 2023.

Surface Access

The Company also entered into a surface access agreement with The Community of San Francisco de Asis de Yantac in April 2018 for a 2-year term, and a second surface access agreement January 24, 2020, that is valid until January 24, 2022 (the "**Surface Access Agreement**"). Pursuant to the Surface Access Agreement, the Company may build road and drill platforms, as well as drill on the Alta Victoria Project. The Company made a land use payment for 2020 of 45,000 Soles and has agreed to pay 60,000 Soles for 2021.

CAPPEX MINERAL VENTURES INC.

(An exploration-stage company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three months ended March 31, 2021 and 2020

(Unaudited, prepared by management and expressed in Canadian dollars except where indicated)

5. Exploration and evaluation assets (cont'd)

The following amounts have been recorded as exploration and evaluation assets on the Alta Victoria property:

Exploration and evaluation amounts invested:

	Three months ended March 31 2021 \$	Period from March 31, 2020 to December 31 2020 \$	Three months ended March 31 2020 \$	Year ended December 31 2019 \$
Opening balance:	1,942,743	1,185,569	1,064,092	777,436
Acquisition costs	18,903	191,735	17,241	69,249
Geological and related expenditures	32,553	561,629	6,721	7,524
Dues and fees	(1,824)	1,562	18,124	49,383
Legal expenses	2,165	25,341	667	31,188
Field equipment and related expenditures	2,899	45,018	1,089	4,918
Services	3,271	8,429	463	1,998
Personnel	27,281	158,785	23,709	146,821
Foreign exchange translation	(87,438)	(235,325)	53,463	(24,425)
Closing balance	1,940,553	1,942,743	1,185,569	1,064,092

6. Accounts payable and accrued liabilities

The Company's accounts payable and accrued liabilities are as follows:

	March 31, 2021 \$	December 31, 2020 \$
Trade payables	31,153	46,919
Accrued liabilities	35,000	-
Total	66,153	46,919

7. Share capital

- Authorized: the Company is authorized to issue an unlimited number of common shares without par value. There are no restrictions on transfers.
- Issued and outstanding:

As some of the issuances were denominated in U.S. dollars (USD) and others in Canadian dollars (CAD), for this section only the currencies are explicitly stated for clarity purposes:

CAPPEX MINERAL VENTURES INC.

(An exploration-stage company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three months ended March 31, 2021 and 2020

(Unaudited, prepared by management and expressed in Canadian dollars except where indicated)

7. Share capital (Cont'd)

b) Issued and outstanding (cont'd):

- i) On February 6, 2020, the Company issued 35,000 common shares at a price of US \$0.15 per share in compensation for services rendered to the Company's subsidiary. The fair value of these shares was calculated at CAD \$6,977.
- ii) On February 10, 2020, the Company issued 20,000 common shares at a price of US \$0.15 per share to a director of the Company for services rendered to the Company's subsidiary. The fair value of these shares was calculated at CAD \$3,996.
- iii) On February 27, 2020, the Company received cash proceeds USD \$20,000 (CAD of \$26,420) on issuance of 133,333 common shares a price of USD \$0.15 per share. On June 10, 2020, 133,333 warrants were issued to this investor, with an exercise price of CAD \$0.25 per share and expiring on June 10, 2022.
- iv) On May 26, 2020, 250,000 common shares at a price of USD \$0.15 were issued to a Director of the Company in compensation for services rendered to the Company. On December 30, 2020, an agreement was reached to cancel 200,000 of those shares, with the director keeping 50,000 common shares. The fair value of the 50,000 shares was calculated at CAD \$10,353.
- v) On June 10, 2020, the Company completed a non-brokered private placement for cash proceeds of USD 54,000 (CAD \$67,692) by issuing 336,667 units at a price of US \$0.15 per unit. Each unit is comprised of one common share and one share purchase warrant, with each warrant exercisable into one common share at a price of CAD \$0.25 per share for a period of two years.
- vi) On July 20, 2020, the Company issued 200,001 units with a fair value of USD \$0.15 per unit to in lieu of payments due on the Alta Victoria Option Agreement (note 5). Each unit is comprised of one common share and one share purchase warrant. Each warrant is exercisable into one common share of the Company at a price of CAD \$0.25 per share for a period of two years from this date.
- vii) On August 5, 2020, the Company raised CAD \$1,180,000 by the issuance of 7,866,670 units at a price of CAD \$0.15 per unit. Each unit was comprised of one common share and one share purchase warrant, with each warrant being exercisable into one common share of the Company at a price of CAD \$0.25 per share expiring the later of August 5, 2023, or two years from commencement of trading of the Company's shares on a stock exchange.
- viii) On August 18, 2020, the Company issued 2,002,631 common shares with a fair value of CAD \$0.15 per share to a director of the Company in settlement of debt originating in amounts lent to the Company and its subsidiary. The fair value of these shares was calculated at CAD \$300,395.
- ix) On August 31, 2020, the Company issued 333,333 units with at a fair value of CAD \$0.15 per unit to a director of the Company in compensation for becoming a director. Each unit is comprised of one common share and one share purchase warrant, with each warrant being exercisable into one common share at a price of CAD \$0.25 per share for a period of two years.

CAPPEX MINERAL VENTURES INC.

(An exploration-stage company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three months ended March 31, 2021 and 2020

(Unaudited, prepared by management and expressed in Canadian dollars except where indicated)

7. Share capital (Cont'd)

b) Issued and outstanding (cont'd):

- x) Between September 14, 2020, and September 25, 2020, the Company raised CAD \$903,838 through the issuance of 6,025,584 common shares at a price of CAD \$0.15 per share. Of the total amount, 100,000 common shares were subscribed for by a director of the Company.
- xi) Share issuance cost for the year ended December 31, 2020, amounted to CAD \$12,860.

The following table summarizes the issuances described above:

Date	Shares Issued	Fair value CAD issued for cash	Fair value CAD Issued for services or debt
Balance, December 31, 2019	20,157,594	622,180	437,838
February 6, 2020	35,000		6,977
February 10, 2020	20,000		3,996
February 27, 2020	133,333	26,420	
Balance, March 31, 2020	20,345,927	648,600	448,811
May 26, 2020	50,000		10,353
June 10, 2020	336,667	67,692	
July 20, 2020	200,001		40,629
August 5, 2020	7,866,670	1,180,000	
August 18, 2020	2,002,631		300,395
August 31, 2020	333,333		50,000
September 25, 2020	6,025,584	903,838	
Share issuance costs		(12,860)	
Balance, December 31, 2020 and March 31, 2021	37,160,813	2,787,270	850,188

CAPPEX MINERAL VENTURES INC.

(An exploration-stage company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three months ended March 31, 2021 and 2020

(Unaudited, prepared by management and expressed in Canadian dollars except where indicated)

7. Share capital (Cont'd)

c) Warrants

The following share purchase warrants have been issued:

	Three months ended March 31, 2021		Year ended December 31, 2020	
	Number of Warrants	Exercise Price	Number of Warrants	Exercise Price
	#	\$	#	\$
Balance, beginning of year	9,270,004	0.26	-	-
Issued	-	-	9,270,004	0.26
Balance, end of the year	9,270,004	0.26	9,270,004	0.26

The following warrants are outstanding and exercisable:

Issue date	Expiry date	Exercise price	Warrants outstanding
June 10, 2020	June 10, 2022	0.33	870,000
July 20, 2020	July 20, 2022	0.25	200,001
August 5, 2020	The later of August 5, 2023, or the second anniversary of the commencement of trading of the Company's shares on a stock securities exchange	0.25	7,866,670
August 18, 2020	The later of August 5, 2023, or the second anniversary of the commencement of trading of the Company's shares on a stock securities exchange	0.25	333,333
		0.26	9,270,004

The fair value of the above warrants was calculated at \$95,550 using the Black Scholes option pricing model with the following parameters: expected volatility of 100%, risk-free rate of 0.28% for the 200,001 warrants issued on July 20, 2020, and 0.29% for the 333,333 warrants issued on August 18, 2020.

d) Stock options

There were no stock options outstanding as of March 31, 2021 (December 31, 2020 – Nil).

CAPPEX MINERAL VENTURES INC.

(An exploration-stage company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three months ended March 31, 2021 and 2020

(Unaudited, prepared by management and expressed in Canadian dollars except where indicated)

8. Related party transactions

No related party transactions took place during the three months ended March 31, 2021. During the three months ended March 31, 2020, a director of the Company was issued 20,000 common shares at a price of USD \$0.15 per share in compensation of services provided to the Company.

As at March 31, 2021, there were no amounts due to related parties.

9. Financial instruments

Pursuant to IFRS 9, the Company classifies cash and cash equivalents, accounts receivables, accounts payable and accrued liabilities, due to related parties and loans with related party at amortized cost. At present, the Company does not have any FVTPL or FVTOCI financial assets.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

Currency Risk

As at March 31, 2021, all of the Company's cash and cash equivalents were held either in Canadian dollars, US dollars or Peruvian new soles. The Company incurs expenditures in Canada and Peru, and as such is exposed to currency risk associated with these costs.

A change in the value of the Peruvian new sol by 10% relative to the Canadian dollar would affect the Company's working capital by approximately \$2,000, and its net loss for the year by approximately \$1,000.

Interest rate and credit risk

The Company has its cash balances deposited in bank accounts. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Without any debt other than current accounts payable, management's opinion is that the Company is not exposed to significant interest rate risk as at March 31, 2021.

Liquidity risk

The Company will depend on the advances provided by its shareholders and any future private or public financing. The liquidity risk relates to the low cash position and the dependence on these financing activities. See Note 1 for further discussion regarding liquidity risks and Note 12 for the proposed transaction.

10. Capital disclosures

The Company's objective when managing capital is to maintain a flexible capital structure for its projects for the benefit of its stakeholders.

The Company manages the capital structure and makes appropriate adjustments to it based upon changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets.

The Company's investment policy is to invest its available cash in Canadian chartered banks and from time to time in guaranteed term deposits at fixed interest rates established at the time of investment. All its funds are available for project and corporate objectives.

The Company considers cash and cash equivalents to include amounts held in banks. The Company places its cash with institutions of high credit worthiness. March 31, 2021, the Company had cash of \$955,750 (December 31, 2020 – \$1,081,160).

The Company is not subject to any externally imposed capital requirements.

CAPPEX MINERAL VENTURES INC.

(An exploration-stage company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three months ended March 31, 2021 and 2020

(Unaudited, prepared by management and expressed in Canadian dollars except where indicated)

11. Segmented information

The Company is in one segment, namely mineral exploration in Peru, with administration in two geographical regions, namely Canada and Peru.

12. Subsequent events

On May 18, 2021, the Company and Lido Minerals Ltd. ("Lido") entered into a definitive agreement pursuant to which Lido agreed to acquire all of the issued and outstanding shares of the Company in exchange for common shares of Lido (the "Transaction") (the "Definitive Agreement").

Pursuant to the Definitive Agreement, the Transaction was structured as a three-cornered amalgamation, with the Company amalgamating with 1303554 BC Ltd. under the British Columbia Business Corporations Act ("BCBCA") and becoming a wholly-owned subsidiary of Lido.

Shareholders of the Company will receive one common share in the capital of Lido in exchange for each outstanding common share of the Company held by them. Following close of the Transaction, each warrant of the Company outstanding will be exercisable to purchase that number of Resulting Issuer Shares equal to the number of the Company Shares subject to such warrant immediately before the effective time of the Transaction, at an exercise price per Resulting Issuer Share equal to the exercise price per the Company Share subject to such warrant immediately before the close of the Transaction.

Concurrently with the execution of the Definitive Agreement, Lido completed a private placement of 10,000,000 Subscription Receipts. The Subscription Receipts were issued at a price of \$0.15 per Subscription Receipt for gross proceeds of \$1,500,000. On closing of the Transaction on or before November 15, 2021, each Subscription Receipt will automatically be converted into one Resulting Issuer Share and one warrant of the Resulting Issuer. Each warrant will be exercisable into one Resulting Issuer Share at an exercise price of \$0.25 per Resulting Issuer Share for a period of two years from the close of the Transaction.

The proceeds of the Private Placement were held in escrow and released to the Resulting Issuer on close of the Transaction. The Subscription Receipts will be returned to the subscribers if the Transaction does not close by November 15, 2021.

* * * * *

SCHEDULE D – INTERIM MD&A OF CAPPEX MINERAL VENTURES INC.

CAPPEX MINERAL VENTURES INC.

(An Exploration Stage Company)

Management's Discussion and Analysis (MD&A)

Three months ended March 31, 2021

CAPPEX MINERAL VENTURES INC.

Management's Discussion and Analysis

Three months ended March 31, 2021

This Management's Discussion and Analysis ("**MD&A**") of CAPPEX Mineral Ventures Inc. ("**CAPPEX**" or the "**Company**"), dated **July 15, 2021**, is the Company's initial MD&A, and provides information on the Company's business activities, financial condition, financial performance, cash flows and outlook for the three months ended March 31, 2021, and to the date of this MD&A. The Company reports its financial position, financial performance and cash flows in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS**") in Canadian dollars, unless otherwise indicated. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3", and "Q4" respectively.

The following information should be read in conjunction with the Company's condensed consolidated interim financial statements for the three months ended March 31, 2021 and 2010, with the consolidated audited financial statements for the year ended December 31, 2020 and 2019, and with the annual MD&A for the year ended December 31, 2020 (the "**Financial Statements**").

CAPPEX was incorporated under the provisions of the Business Corporations Act (British Columbia) on September 20, 2017.

The Company has a wholly owned subsidiary in Peru, Minera CAPPEX S.A.C. (formerly Rock Point Geoservices S.A.C.) ("**Minera CAPPEX**"). Minera CAPPEX is a private exploration company formed in May, 2010 by Philip Anderson as a corporate entity from which mineral exploration would be carried out in Peru. CAPPEX Mineral Ventures Inc. was subsequently formed as a Canadian based company to which majority ownership of Minera CAPPEX was transferred in November 2017. Philip Anderson has since transferred all but 1 share of Minera CAPPEX to CAPPEX Mineral Ventures Inc.

Through Minera CAPPEX, the Company holds title to, or an option to acquire title to, the Alta Victoria property in Peru (the "**Alta Victoria Project**"). The Alta Victoria Project is an early-stage silver, gold and base metal prospect located in the central cordillera polymetallic belt of Perú. The property comprises a total of 7,132 hectares of secured exploration rights, of which 2,482 hectares (in 10 concessions) are under option to purchase 100% from 3rd party owners, while 4,650 hectares (in 8 concessions) are owned 100% through staking by the Company. Please refer to Figure 2 under "*Narrative Description of the Business – The Alta Victoria Project – Property Description and Location*" in the Listing Statement.

On May 18, 2021 the Company signed a definitive business combination agreement with Lido Minerals Ltd. ("**Lido**") (**CSE:LIDO**) (**CNSX:LIDO.CN**) and 1303554 B.C. Ltd. ("**Subco**"), a newly incorporated, wholly-owned subsidiary of Lido. Pursuant to the Agreement, Lido will acquire all of the issued and outstanding shares of CAPPEX in exchange for shares of Lido (the "**Transaction**"). The Transaction will constitute a reverse takeover of Lido by CAPPEX and will be a "fundamental change" of Lido pursuant to the policies of the Canadian Securities Exchange ("**CSE**"), requiring approval from the CSE. Approval of the shareholders of Lido and CAPPEX will also be required. The transaction is expected to close on or before November 15, 2021.

Pursuant to the Agreement, the Transaction will be structured as a three-cornered amalgamation, with CAPPEX amalgamating with Subco under the Business Corporations Act (British Columbia), and becoming a wholly-owned subsidiary of Lido. Shareholders of CAPPEX will receive one common share in the capital of Lido in exchange for each outstanding common share of CAPPEX held by them, with Lido expected to issue an aggregate of 37,160,813 Lido shares to the CAPPEX shareholders under the Transaction.

In connection with the Transaction, Lido completed a non-brokered private placement of 10,000,000 subscription receipts (the "**Subscription Receipts**"). The Subscription Receipts were issued at a price of \$0.15 per Subscription Receipt for gross proceeds of \$1,500,000. Each Subscription Receipt will, on closing of the Transaction on or before November 15, 2021, be automatically converted into one common share and one warrant of the combined company. Each warrant will be exercisable into one common share of the combined company at an exercise price of \$0.25 per share for a period of two years from the date of issuance.

CAPPEX MINERAL VENTURES INC.

Management's Discussion and Analysis

Three months ended March 31, 2021

Forward-looking statements and risk factors

This MD&A contains forward-looking statements that are related to the Company's activities and future financial results. The results for the current periods are not necessarily indicative of the results for any future period. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance as the mineral exploration business is not without risk and most exploration projects will not become mines. The Company is subject to a number of risks and uncertainties due to the nature of its business and the early stage of its exploration projects. A detailed discussion of risks is presented in the annual MD&A for the year ended December 31, 2020.

CAPPEX's disclosure of a technical or scientific nature has been reviewed and approved by Walter La Torre, a Qualified Person ("QP") under the definition of National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*.

Board of Directors and Officers

As at the date of this MD&A, the following are the Directors and Officers of the Company:

Philip W. Anderson	Director, President and Secretary	(Peru)
Diego M. Cilloniz M.	Director	(Peru)
Fabian N. Baker	Director	(UK)
Joseph R. Piekenbrock	Director	(US)

Financing activities since inception

No financing activities took place for the three months ended March 31, 2021, or to the date of this MD&A. Please refer to the Financial Statements for earlier financial activities.

CAPPEX MINERAL VENTURES INC.

Management's Discussion and Analysis

Three months ended March 31, 2021

Mineral properties and business update

Property Location and Ownership

The Alta Victoria Project is located 160 kilometres NE of Lima, the capital city of Perú. Road access links the property to Lima via the town of Canta. Average elevation of the project area is 4,700m above msl. The local community "Comunidad Campesina San Francisco de Asis de Yantac" sits within the concession block with whom CAPPEX holds an ongoing surface access rights agreement.

The concession block held by CAPPEX partially straddles the continental divide which defines the departmental borders separating the Lima Department to the west, from the Department of Junín on the eastern slope. The majority of the concession block lies inside of the Junín Department under local jurisdictions of the Yauli Province and District of Marcapomacocha.

All concessions are currently in good standing with regards to the option payments and governmental license fees.

Underlying Agreements

Pursuant to an option agreement between Minera CAPPEX and the shareholders of Minera Yantac S.A.C. dated December 26, 2018, as amended July 27, 2020 (the "**Option Agreement**"), Minera CAPPEX has the option to acquire Minera Yantac, holder of 10 of the concessions making up the Alta Victoria Project (""), by paying a total of US\$4,000,000 over six years and four months. Minera Yantac acquired the Optioned Property pursuant to a mining property transfer agreement dated December 18, 2018, as amended July 27, 2020 (the "**Transfer Agreement**"), and a portion of the payments under the Option Agreement are to be made to the prior owners of the Optioned Property to satisfy the requirements of the Transfer Agreement, with the balance paid to the shareholders of Minera Yantac.

Minera CAPPEX is required to make the following payments pursuant to the Option Agreement:

- US\$60,000 (paid);
- US\$5,000 per month for 32 months from August 2018 to March 2020 and from August 2020 to July 2021 (a total of US\$160,000, of which US\$125,000 has been paid in cash and US\$30,000 was satisfied by the issuance of securities, described below);
- US\$10,000 per month for 28 months starting August 2021 and ending in November 2023 (a total of US\$280,000); and
- US\$3,500,000 on December 4, 2023.

The parties agreed to suspend the payments under the Option Agreement and Transfer Agreement for the months of April, May, June and July 2020 as a result of the COVID-19 pandemic.

Pursuant to an agreement dated July 27, 2020, CAPPEX issued 200,001 units consisting of one common share and one share purchase warrant at a deemed price of US\$0.15. The warrants are exercisable at C\$0.25 per CAPPEX Share until July 20, 2022. These securities were issued in satisfaction of payments due pursuant to the Option Agreement and the Transfer Agreement for the 6 month period between August 2019 and January 2020.

CAPPEX MINERAL VENTURES INC.

Management's Discussion and Analysis

Three months ended March 31, 2021

Work Commitment and Royalty

Pursuant to the Transfer Agreement, the Optioned Property is subject to a net smelter returns royalty of 1.5% on all metallic metals and 3.00 Soles per ton of non-metallic metals produced from the Optioned Property. The net smelter returns royalty was granted by Minera Yantac to Minera Flor de Maria S.A.C., one of the former titleholders of the Optioned Property.

CAPPEX has the right to conduct exploration activities on the Optioned Property pursuant to a mining lease agreement dated June 8, 2018, as amended December 2, 2018, and May 12, 2021 (the "**Mining Lease Agreement**"). Pursuant to the Mining Lease Agreement, CAPPEX was required to pay US\$100 (which has been paid) and to incur US\$500,000 in work commitments on the Optioned Property by February 28, 2022 (which requirement has been met). The mining lease agreement expires on December 4, 2023.

Surface Access

CAPPEX also entered into a surface access agreement with The Community of San Francisco de Asis de Yantac in April 2018 for a 2 year term, and a second surface access agreement January 24, 2020 that is valid until January 24, 2022 (the "**Surface Access Agreement**"). Pursuant to the Surface Access Agreement, CAPPEX may build road and drill platforms, as well as drill on the Alta Victoria Project. CAPPEX made a land use payment for 2020 of 45,000 Soles and has agreed to pay 60,000 Soles for 2021.

Exploration Status

CAPPEX holds a DIA (Declaración de Impacto Ambiental) class-permit which allows the company to drill from up to 40-platforms over a three-year period which terminates the end of February 2023.

CAPPEX's systematic exploration at the Alta Victoria Project over the past two years culminated in a 7-hole, 2,300 metre diamond drilling program carried out from September to November 2020. Two main target zones were tested, Santa Teresita where 6 of the 7 holes were collared, and Laguna Pachas where one hole was collared. Please refer to Tables 5 and 6 under "*Narrative Description of the Business – The Alta Victoria Project – Drilling*" in the Listing Statement for additional information on the drilling.

Ongoing Exploration

Since February 2021 an ongoing program of mapping and sampling has been conducted, with the purpose of refining drill targets and generating additional targets for future drilling. The company has utilized a hand-held XRF instrument to conduct reconnaissance analysis of soil and rock. This has proven to be an important tool for identifying previously unknown zones of anomalism and filling in areas of relatively sparse sampling data. Planned exploration includes additional Induced Polarization geophysical survey(s) where more detailed geophysical data will enable the company to better define hidden targets at shallow to moderate depths.

A further drilling program is planned to begin the fourth quarter of 2021. Budget estimates for 2021 project work are the following:

Exploration Budget - Alta Victoria Project		
Planned Program	Detailed geological mapping & sampling, refining known target areas and generating new targets	\$150,000
	Ground Geophysics - IP & Magnetics	\$75,000
	Environmental monitoring program (quarterly)	\$25,000
	G & A	\$50,000
	Sub-Total	\$300,000
	Contingency (10%)	\$30,000
	Total (CAD)	\$330,000

CAPPEX MINERAL VENTURES INC.

Management's Discussion and Analysis

Three months ended March 31, 2021

Exploration Expenditures

The Company's accounting policies capitalize exploration and evaluation costs until such time that they are either impaired or advanced into production. The history of exploration and evaluation costs are as follows:

	Three months ended March 31 2021 \$	Period from March 31, 2020 to December 31 2020 \$	Three months ended March 31 2020 \$	Year ended December 31 2019 \$
Opening balance:	1,942,743	1,185,569	1,064,092	777,436
Acquisition costs	18,903	191,735	17,241	69,249
Geological and related expenditures	32,553	561,629	6,721	7,524
Dues and fees	(1,824)	1,562	18,124	49,383
Legal expenses	2,165	25,341	667	31,188
Field equipment and related expenditures	2,899	45,018	1,089	4,918
Services	3,271	8,429	463	1,998
Personnel	27,281	158,785	23,709	146,821
Foreign exchange translation	(87,438)	(235,325)	53,463	(24,425)
Closing balance	1,940,553	1,942,743	1,185,569	1,064,092

During 2020, the Company carried out drilling activities in the Alta Victoria project, resulting in a substantial increase of exploration and evaluations investments as compared to prior years.

CAPPEX MINERAL VENTURES INC.

Management's Discussion and Analysis

Three months ended March 31, 2021

Results of Operations

The Company's expenses for the period were as follows:

	Three months ended March 31				
	2021	% of	2020	% of	% change
	\$	expenses	\$	expenses	
<u>Cash expenses</u>					
Audit and legal	36,940	61.83%	2,533	14.32%	1358.35%
Administration and accounting	12,577	21.05%	2,787	15.76%	351.27%
Foreign exchange loss	6,527	10.92%	21	0.12%	30980.95%
Amortization and depreciation	2,526	4.23%	-	0.00%	n/a
Office and sundry	1,176	1.97%	1,373	7.76%	-14.35%
Employee expenses	-	0.00%	10,973	62.04%	-100.00%
Loss before other expenses	(59,746)	100.00%	(17,687)	100.00%	
Other income (expenses)					
Non-recoverable taxes	5,502		(1,027)		
Loss for the period	(54,244)		(18,714)		189.86%
<u>Other comprehensive income (loss)</u>					
Exchange differences on translating foreign operations, net of tax	(94,775)		57,432		
Loss and comprehensive loss for the period	(149,019)		38,718		

Audit and legal costs increased compared to the same period during the prior year due to the 2020 audit and legal costs in view of the Transaction with Lido. Administration and accounting costs increased mostly for the same reason.

Liquidity Working Capital and Capital Resources

The Company's liquidity and working capital figures are as follows:

	March 31, 2021	December 31, 2020
	\$	\$
Cash and cash equivalents	955,750	1,081,160
Prepays and deposits	5,341	3,266
Total liquidity	961,091	1,084,426
Accounts payable and accrued liabilities	(66,153)	(46,919)
Working capital	894,938	1,037,507

Based on its current operating plan, management estimates that the Company will have enough cash to sustain its operations for the next year. Subsequent to the expected closing of the Transaction with Lido, the Company expects to obtain this additional financing.

The longer-term ability of the Company to continue its business is dependent on the continuing success of its exploration programs coupled with available funding through sale of its share capital. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to raise money on acceptable terms or at all.

CAPPEX MINERAL VENTURES INC.

Management's Discussion and Analysis

Three months ended March 31, 2021

Transactions with related parties

No transactions with related parties took place during the three months ended March 31, 2021.

During the same period of 2020, a director of the Company received 20,000 common shares with a fair value of \$3,996.

No amounts were due to related parties at March 31, 2021 or December 31, 2020.

Outstanding Share Data

As at the date of this MD&A Company has:

- a) 37,160,813 common shares issued and outstanding, of which 13,121,509 are held by insiders and certain advisors and the rest is public float; and
- b) 9,270,004 share purchase warrants outstanding with an exercise price of \$0.25 and expiring between June 10, 2022 and August 5, 2023.

Off-Balance Sheet Arrangements

None

Proposed Transactions

Please refer to page 1 of this MD&A, where the proposed transaction with Lido is described.

Accounting Policies

Please refer to notes 2 and 3 to the Financial Statements for a complete description of the basis of presentation and the accounting policies followed, respectively.

CAPPEX MINERAL VENTURES INC.

Management's Discussion and Analysis

Three months ended March 31, 2021

Financial Instruments

Pursuant to IFRS 9, the Company classifies cash and cash equivalents, accounts receivables, accounts payable and accrued liabilities, due to related parties and loans with related party at amortized cost. At present, the Company does not have any FVTPL or FVTOCI financial assets.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

Currency Risk

As at March 31, 2020, all of the Company's cash and cash equivalents were held either in Canadian dollars, US dollars or Peruvian new soles. The Company incurs expenditures in Canada and Peru, and as such is exposed to currency risk associated with these costs.

A change in the value of the Peruvian new sol by 10% relative to the Canadian dollar would affect the Company's working capital by approximately \$2,000, and its net loss for the year by approximately \$1,000.

Interest rate and credit risk

The Company has its cash balances deposited in bank accounts. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Without any debt other than current accounts payable, management's opinion is that the Company is not exposed to significant interest rate risk as at March 31, 2021.

Liquidity risk

The Company will depend on the advances provided by its shareholders and any future private or public financing. The liquidity risk relates to the low cash position and the dependence on these financing activities. See Note 1 to the Financial Statements for further discussion regarding liquidity risks.

CAPPEX MINERAL VENTURES INC.

Management's Discussion and Analysis

Three months ended March 31, 2021

Critical Accounting Estimates

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses, and the valuation of stock options and share purchase warrants. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual results may differ from these estimates.

Resource properties: The carrying value of the Company's mineral properties are reviewed by management quarterly, or whenever events or circumstances indicate that their carrying amounts may not be recovered. Management considers potential impairment indicators including, but not limited to, changes in commodity prices, plans for the properties and the results of exploration to date.

Risk Factors

Please refer to the annual MD&A for the year ended December 31, 2020, for a complete list of risks associated with the Company's operation.

Management's responsibility over financial information

The Company's management is responsible for presentation and preparation of the quarterly and annual consolidated financial statements and the MD&A. These financial statements have been prepared in accordance with IFRS.

The quarterly and annual consolidated financial statements and information in the MD&A necessarily include amounts based on informed judgments and estimates of the expected effects of current events and transactions with appropriate consideration to materiality. In addition, in preparing the consolidated financial information the Company must interpret the requirements described above, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. The MD&A also includes information regarding the impact of current transactions and events, sources of liquidity and capital resources, operating trends, risks and uncertainties. Actual results in the future may differ materially from our present assessment of this information because future events and circumstances may not occur as expected.

Legal Proceedings

As at the date of this document, there were no legal proceedings against or by the Company.

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SCHEDULE E – PRO FORMA FINANCIAL STATEMENTS

LIDO MINERALS LTD.

UNAUDITED PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Prepared by Management)
(Expressed in Canadian Dollars)

March 31, 2021

LIDO MINERALS LTD.
PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at March 31, 2021
(Unaudited – Expressed in Canadian Dollars)

As at	Lido Minerals Ltd. March 31, 2021 \$ CAD	Cappex Mineral Ventures Inc. March 31, 2021 \$ CAD	Consolidated March 31, 2021 \$ CAD	Notes	Adjustments \$ CAD	Pro-forma \$ CAD
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	1,996,604	955,750	2,952,354	3b	1,500,000	4,452,354
Accounts receivable	49,504	-	49,504		-	49,504
Prepays	25,746	5,341	31,087		-	31,087
	2,071,854	961,091	3,032,945			4,532,945
Plant and equipment	-	33,510	33,510		-	33,510
Exploration and evaluation assets	230,000	1,940,553	2,170,553			2,170,553
TOTAL ASSETS	2,301,854	2,935,154	5,237,008			6,737,008
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Accounts payable and accrued liabilities	9,975	66,153	76,128		-	76,128
TOTAL LIABILITIES	9,975	66,153	76,128			76,128
EQUITY						
Attributed to shareholders of the Company:						
Share capital	1,532,600	3,637,458	5,170,058	3a 3a 3b	6,688,946 (1,532,600) 1,500,000	11,826,404
Obligation to issue shares	35,075	-	35,075			35,075
Share-based payments reserve	310,505	133,017	443,522	3a	(310,505)	133,017
Foreign currency reserve	-	(158,166)	(158,166)	3a		(158,166)
Accumulated deficit	413,699	(728,696)	(314,997)	3a	(4,845,841)	(5,160,838)
Non-controlling interest:						
Foreign currency reserve	-	2,089	2,089	3a		2,089
Deficit	-	(16,701)	(16,701)	3a		(16,701)
TOTAL EQUITY	2,291,879	2,869,001	5,160,880			6,660,880
TOTAL LIABILITIES AND EQUITY	2,301,854	2,935,154	5,237,008			6,737,008

LIDO MINERALS LTD.
NOTES TO THE PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2021

(Unaudited – Expressed in Canadian Dollars)

1. BASIS OF PRESENTATION

The unaudited pro-forma consolidated statement of financial position of Lido Minerals Ltd. (“Lido” or the “Company”) have been prepared by management of the Company.

The unaudited pro-forma consolidated financial statements have been prepared in accordance with International Accounting Standard 34 ‘Interim Financial Reporting’ using accounting policies consistent with International Financial Reporting Standards (“IFRS”) appropriate in the circumstances and has been reported in Canadian dollars, unless otherwise stated.

The unaudited pro-forma consolidated statement of financial position is not necessarily indicative of the Company’s financial position on closing of the Transaction had the Transaction closed on the dates assumed herein.

The unaudited pro-forma statement of financial position has been compiled from information derived from and should be read in conjunction with the following information, prepared in accordance with IFRS:

- the Company’s unaudited financial statements as at March 31, 2021;
- the unaudited financial statements of CAPPEX Mineral Ventures Inc. as at March 31, 2021 (Note 2);
- the additional information set out in Note 3 of this unaudited pro-forma statement of financial position that are directly attributable to transactions completed after period ended March 31, 2021.

2. BUSINESS COMBINATION AGREEMENT WITH CAPPEX MINERAL VENTURES INC.

On May 18, 2021, the Company entered into a definitive business combination agreement dated May 18, 2021 (the “Agreement”) with CAPPEX Mineral Ventures Inc. (“CAPPEX”) and 1303554 B.C. Ltd. (“Subco”), a newly incorporated, wholly-owned subsidiary of Lido. Pursuant to the Agreement, Lido will acquire all of the issued and outstanding shares of CAPPEX in exchange for shares of Lido (the “Transaction”). The Transaction will constitute a reverse takeover of Lido by CAPPEX and will be a “fundamental change” of Lido pursuant to the policies of the Canadian Securities Exchange (“CSE”), requiring approval from the CSE. Approval of the shareholders of Lido and CAPPEX will also be required.

Pursuant to the Agreement, the Transaction will be structured as a three-cornered amalgamation, with CAPPEX amalgamating with Subco under the Business Corporations Act (British Columbia), and becoming a wholly-owned subsidiary of Lido. Shareholders of CAPPEX will receive one common share in the capital of Lido in exchange for each outstanding common share of CAPPEX held by them, with Lido expected to issue an aggregate of 37,160,813 Lido shares to the CAPPEX shareholders under the Transaction.

3. UNAUDITED PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro-forma statement of financial position gives effect to the completion of the subsequent transactions incorporating the assumptions within as if it had occurred on the date presented, March 31, 2021.

- a) As described in Note 2, Lido and CAPPEX are in the process of completing a Transaction which constitutes a RTO.

The Transaction will result in the shareholders of CAPPEX obtaining control of the combined entity by obtaining control of the voting rights, governance, and management decision making processes, and the resulting power to govern the financial and operating policies of the combined entities.

LIDO MINERALS LTD.
NOTES TO THE PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2021

(Unaudited – Expressed in Canadian Dollars)

3. UNAUDITED PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS (CONTINUED)

The Transaction constitutes an RTO of Lido by CAPPEX and the accounting is presented as if the Transaction had occurred on March 31, 2021. Lido qualified as a business under the definitions of IFRS 3, and the Transaction was treated as an exchange of shares by CAPPEX for the net assets (liabilities) of Lido as well as Lido's public listing, with CAPPEX as the continuing entity. The excess of consideration over the fair value of net assets acquired has been recorded as a listing expense, consistent with the guidance of IFRS 3.

For accounting purposes, CAPPEX is treated as the accounting parent company (legal subsidiary) and Lido as the accounting subsidiary (legal parent) in these financial statements. As CAPPEX was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these financial statements at their historical carrying values.

The Company is in the process of assessing the fair value of the net assets acquired and, as a result, the fair value of the net assets acquired may be subject to adjustments pending completion of final valuations and post-closing adjustments. The table below summarizes the preliminary estimated fair value of the assets acquired and the liabilities assumed at the effective acquisition date:

Net assets (liabilities) of Lido Minerals Ltd. acquired:	March 31, 2021
	\$
Cash and cash equivalents	1,996,604
Accounts receivable	49,504
Prepays	25,746
Exploration and Evaluation Assets	230,000
Accounts payable and accrued liabilities	(9,975)
Obligation to issue shares	(35,075)
Net assets acquired	2,256,804
Consideration paid on RTO:	\$
Common shares (fair value of 37,160,813 common shares \$0.18 per share)	6,688,946
Allocation of excess consideration over the fair value of net assets acquired:	\$
Listing expense	4,432,142

- b) On May 18, 2021, in connection with the acquisition of CAPPEX, Lido completed a non-brokered private placement of 10,000,000 subscription receipts (the "Subscription Receipts"). The Subscription Receipts were issued at a price of \$0.15 per Subscription Receipt for gross proceeds of \$1,500,000. Each Subscription Receipt will, on closing of the Transaction on or before November 15, 2021, be automatically converted into one common share and one warrant of the Combined Company. Each warrant will be exercisable into one common share of the Combined Company at an exercise price of \$0.25 per share for a period of two years from the date of issuance.

LIDO MINERALS LTD.
NOTES TO THE PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2021

(Unaudited – Expressed in Canadian Dollars)

4. UNAUDITED PRO-FORMA SHAREHOLDERS' EQUITY

As a result of the Transaction and the pro-forma assumptions and adjustments, the Shareholders' Equity of the combined entity as at March 31, 2021 is comprised of the following:

	Number of shares #	Share Capital \$	Contributed Surplus \$	Obligation to issue shares \$	Reserves \$	Deficit \$	Reserves \$	Deficit \$	Total shareholders' equity \$
			Attributed to shareholders of the Company				Non-controlling interest		
Balance, March 31, 2021	37,160,813	3,637,458	133,017	-	(158,166)	(728,696)	2,089	(16,701)	2,869,001
Reverse acquisition transaction	-	-	-	-	-	-	-	-	-
Equity of Lido	13,285,054	1,532,600	310,505	35,075	-	413,699	-	-	2,291,879
Elimination of equity of Lido	-	(1,532,600)	(310,505)	-	-	(413,699)	-	-	(2,256,804)
Shares acquired from legal subsidiary	(37,160,813)	-	-	-	-	-	-	-	-
Issuance of Private placement	10,000,000	1,500,000	-	-	-	-	-	-	1,500,000
Issuance of shares pursuant to the RTO	37,160,813	6,688,946	-	-	-	-	-	-	6,688,946
Net loss for the period	-	-	-	-	-	(4,432,142)	-	-	(4,432,142)
Pro forma balance at March 31, 2021	47,160,813	11,826,404	133,017	35,075	(158,166)	(5,160,838)	2,089	(16,701)	6,660,880

5. EFFECTIVE INCOME TAX RATE

The effective income tax rate for the resulting issuer is 27%.

CERTIFICATE OF THE RESULTING ISSUER

Pursuant to a resolution duly passed by its Board of Directors, Highlander Silver Corp., hereby applies for the listing of the above-mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to Highlander Silver Corp. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated on this 12th day of August, 2021.

“Ronald Stewart”

Ronald Stewart
Chief Executive Officer

“Stephen Brohman”

Stephen Brohman
Chief Financial Officer and Corporate Secretary

“Philip W. Anderson”

Philip W. Anderson
Director

“Hannah Jin”

Hannah Jin
Director

“Carl Chow”

Carl Chow
Promoter

CERTIFICATE OF LIDO MINERALS LTD.

The foregoing contains full, true and plain disclosure of all material information relating to Lido Minerals Ltd. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated on this 12th day of August, 2021.

“Paul Ténrière”

Paul Ténrière
Chief Executive Officer

“Stephen Brohman”

Stephen Brohman
Chief Financial Officer and Corporate Secretary

“Patrick O’Flaherty”

Patrick O’Flaherty
Director

“Hannah Jin”

Hannah Jin
Director

“Carl Chow”

Carl Chow
Promoter

CERTIFICATE OF CAPPEX MINERAL VENTURES INC.

The foregoing contains full, true and plain disclosure of all material information relating to CAPPEX Mineral Ventures Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated on this 12th day of August, 2021.

“Philip W. Anderson”

Philip W. Anderson
President, Secretary and Director

“Fabian N. Baker”

Fabian N. Baker
Director

“Diego M. Cilloniz M.”

Diego M. Cilloniz M.
Director