

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons authorized to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "U.S. Securities Act") and may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state laws or an exemption from such registration is available. See "Plan of Distribution" below.

PROSPECTUS

INITIAL PUBLIC OFFERING

September 26, 2018

CREST RESOURCES INC. (the "Issuer")

Type of Securities	OFFERING Number of Securities	Price per Security
Common Shares	3,500,000	\$0.10

This prospectus (the "Prospectus") qualifies the distribution (the "Offering") in the provinces of British Columbia and Alberta, through Haywood Securities Inc. (the "Agent"), of 3,500,000 common shares without par value (the "Common Shares") in the capital of the Issuer at a price of \$0.10 per Common Share (the "Offering Price") for aggregate gross proceeds of \$350,000. See "Description of Securities Distributed" below. The Offering Price was determined by negotiation between the Issuer and the Agent.

The Common Shares are being offered pursuant to an agency agreement (the "Agency Agreement") dated September 25, 2018, between the Issuer and the Agent.

	Price to Public	Agent Discounts or Commission ⁽¹⁾	Proceeds to Issuer ⁽²⁾⁽³⁾
Per Common Share	\$0.10	\$0.01	\$0.09
Total Offering ⁽⁴⁾	\$350,000	\$35,000	\$315,000

Notes:

(1) Pursuant to the terms and conditions of the Agency Agreement between the Issuer and the Agent, the Issuer has agreed to pay the Agent upon closing of the Offering (the "Closing"), a cash commission (the "Agent's Commission") equal to 10% of the gross proceeds realized from the sale of the Common Shares under the Offering. In addition, the Agent will also receive that number of compensation options (the "Compensation Options") equal to 10% of the aggregate number of Common Shares issued in the Offering, which will entitle the Agent to purchase one Common Share (each a "Compensation Share") at a price that is equal to the Offering Price for a period of 24 months from the Closing. The Issuer has further agreed to pay the Agent a corporate finance fee (the "Corporate Finance Fee") of \$40,000, of which \$30,000 will be payable in cash and \$10,000 in Common Shares (the "Corporate Finance Shares"). Each Corporate Finance Share will have a deemed price equal to the Offering Price. This Prospectus also qualifies for distribution of the Compensation Options and the Corporate Finance Shares.

(2) Before deducting expenses of the Offering, to be borne by the Issuer, estimated to be \$80,000.

(3) The Issuer has granted to the Agent an over-allotment option (the "Over-Allotment Option") exercisable, in whole or in part in the sole discretion of the Agent, up to 48 hours prior to Closing, to sell additional Common Shares equal to 15% of the Common Shares issued pursuant to this Offering. If the Over-Allotment Option is exercised by the Agent, the Issuer will issue up to 525,000 additional Common Shares (each an "Over-Allotment Share") for a purchase price equal to the Offering Price. This table excludes any Over-Allotment Shares issuable upon exercise of the Over-Allotment Option. See "Plan of Distribution" below. A purchaser who acquires Common Shares forming part of the Agent's over-allocation position acquires those securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

(4) The Offering will remain open until the date that is 90 days after a receipt is issued for the Prospectus, unless an amendment to the Prospectus is filed and the principal regulator has issued a receipt for the amendment, in which case the Offering must cease within 90 days after the date of the receipt for the amendment to the Prospectus. In any event, the Offering must cease at the latest

180 days from the date of the receipt for the Prospectus.

John E. Hiner, a director of the Issuer, resides outside of Canada and has appointed the following agent for service of process in Canada.

Name of Person	Name and Address of Agent
John E. Hiner	Crest Resources Inc., Suite 200, 551 Howe Street, Vancouver, British Columbia, V6C 2C2

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

ADDITIONAL DISTRIBUTIONS

This Prospectus also qualifies for distribution 100,000 Common Shares issuable to the Optionors (as defined herein) in respect of the Red Metal Ridge Project (as defined herein) pursuant to the Property Option Agreement (as defined herein). See "General Development of Business" and "Plan of Distribution" below.

There is no market through which these securities may be sold, and purchasers may not be able to resell securities purchased under this Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. The securities offered hereunder must be considered highly speculative due to the nature of the Issuer's business. See "Risk Factors" below.

As at the date of this Prospectus, the Issuer does not have any of its securities listed or quoted, has not applied to list or quote any of its securities and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

The Issuer has applied to list its Common Shares on the Canadian Securities Exchange and has received conditional approval for the listing of its Common Shares thereon. Listing will be subject to the Issuer fulfilling all of the requirements of the Canadian Securities Exchange, including the public distribution requirements.

The Agent's position is as follows:

Agent's Position	Number of Securities Available	Exercise Period or Acquisition Date	Exercise Price or Average Acquisition Price
Over-Allotment Option ⁽¹⁾	525,000	up to 48 hours prior to Closing	\$0.10
Compensation Options ⁽²⁾	350,000	Within 24 months from the Closing	\$0.10
Corporate Finance Shares ⁽²⁾⁽³⁾	100,000	Upon Closing	\$0.10
Total Securities Issuable to Agent	975,000 (of which 875,000 are available under option)		

Notes:

(1) These securities are qualified for distribution by this Prospectus. See "Plan of Distribution" below.

(2) These securities are qualified compensation securities ("Qualified Compensation Securities") within the meaning of National Instrument 41-101 – General Prospectus Requirements ("NI 41-101") and are qualified for distribution by this Prospectus. See "Plan of Distribution" below.

(3) NI 41-101 imposes a restriction on the maximum number of securities which may be distributed under a prospectus to an Agent as compensation. Pursuant to NI 41-101, the aggregate Qualified Compensation Securities must not exceed 10% of the Common Shares offered pursuant to this Prospectus, which in the case of this Offering and the Over-Allotment Option is 402,500 securities. For the purpose of this Offering, any combination of the following totalling 402,500 securities are Qualified Compensation Securities and are qualified for distribution by this Prospectus: (i) up to 100,000 Corporate Finance Shares; and (ii) up to a maximum of an aggregate 402,500 Compensation Options. To the extent that the Agent is entitled to receive securities as compensation exceeding 10% of the Offering and the Over-Allotment Option, those securities exceeding the 10% threshold will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus and will be subject to a hold period in accordance with applicable securities laws.

The Agent, as exclusive agent of the Issuer for the purposes of this Offering, offers the Common Shares for sale under this Prospectus at the Offering Price on a commercially reasonable efforts basis, in accordance with the Agency Agreement referred to under "Plan of Distribution" below and subject to the approval of certain legal matters on behalf of the Issuer by Lotz & Company and on behalf of the Agent by Dumoulin Black LLP. No person is authorized to provide any information or to make any representation in connection with this Offering other than as contained in this Prospectus.

Subscriptions will be received subject to rejection or allotment in whole or in part by the Issuer and the right is reserved to close the subscription books at any time without notice. The Common Shares will be issued as non-certificated book-entry securities through CDS Clearing and Depository Services Inc. ("CDS") or its nominee. Consequently, purchasers of Common Shares will receive a customer confirmation from the registered dealer that is a CDS participant from or through which the Common Shares were purchased and no certificate evidencing the Common Shares will be issued. Registration will be made through the depository services of CDS.

AGENT

HAYWOOD SECURITIES INC.

Waterfront Centre
200 Burrard Street, Suite 700
Vancouver, British Columbia
V6C 3L6

Telephone: (604) 697-7100

Facsimile: (604) 697-7499

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FORWARD-LOOKING STATEMENTS

This Prospectus contains "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information may include, but is not limited to, statements with respect to the future price of metals, historical estimates of mineralization, capital expenditures, success of exploration activities, permitting time lines, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage, the completion of regulatory approvals. In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information in this Prospectus includes, among other things, proposed expenditures for exploration work on the Red Metal Ridge Property (as defined herein), general and administrative expenses, expectations generally regarding completion of this Offering, the ability of the Issuer to raise further capital for corporate purposes, the utilization of the net proceeds of the Offering and treatment under applicable governmental regimes for permitting and approvals. See "Narrative Description of the Business – Recommendations", "Use of Proceeds" and "Risk Factors" below.

Such forward-looking information is based on a number of material factors and assumptions, including, but not limited in any manner, to those disclosed in any other of the Issuer's public filings and include the ultimate determination of mineral reserves, if any, the availability and final receipt of required approvals, licenses and permits, sufficient working capital to develop and operate any proposed mine, access to adequate services and supplies, economic conditions, commodity prices, foreign currency exchange rates, interest rates, access to capital and debt markets and associated costs of funds, availability of a qualified work force and the ultimate ability to mine, process and sell mineral products on economically favourable terms. While the Issuer considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to, risks and uncertainties disclosed in this Prospectus. See "Risk Factors" below. The Issuer has no specific policies or procedures for updating forward-looking information. Forward-looking information is based upon management's beliefs, estimates and opinions on the date the statements are made and, other than as required by law, the Issuer does not intend, and undertakes no obligation, to update any forward-looking information to reflect, among other things, new information or future events.

Investors are cautioned against placing undue reliance on forward-looking information.

ELIGIBILITY FOR INVESTMENT

In the opinion of Thorsteinssons LLP, Canadian tax counsel to the Issuer, based on the current provisions of the *Income Tax Act* (Canada) and the regulations thereunder (the "Tax Act"), and any specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, provided the Common Shares are listed on a "designated stock exchange" (as such term is defined in the Tax Act and which currently includes the Canadian Securities Exchange (the "Exchange")) or the Issuer is otherwise a "public corporation" (as such term is defined in the Tax Act) at the particular time, the Common Shares will at that time be a "qualified investment" under the Tax Act for a trust governed by a registered retirement savings plan (a "RRSP"), a registered retirement income fund (a "RRIF"), a deferred profit sharing plan, a registered disability savings plan (a "RDSP"), a registered education savings plan (a "RESP"), and a tax-free savings account (a "TFSA").

The Common Shares are not currently listed on a "designated stock exchange" and the Issuer is not otherwise a "public corporation" (as such term is defined in the Tax Act). The Issuer has applied to list the Common Shares on the Exchange. Listing will be subject to the Issuer fulfilling all of the requirements of the Exchange. The Issuer will rely upon the Exchange to list the Common Shares on the Exchange as of the day before Closing (the "Listing") and otherwise proceed in the manner described above to render the Common Shares issued on the Closing to be listed on a designated stock exchange within the meaning of the Tax Act at the time of issuance. If the Exchange does not proceed as anticipated, the Common Shares will not be a "qualified investment" as per the Tax Act at the time of Closing. It is counsel's understanding that the Listing of the Common Shares on the Exchange is a condition of Closing.

Notwithstanding that the Common Shares may be a qualified investment for a TFSA, RRSP, RRIF, RDSP or RESP, the holder of the TFSA or the RDSP, the subscriber of the RESP or annuitant of the RRSP or RRIF (as the case may be) will be subject to a penalty tax as set out in the Tax Act if the Common Shares are a "prohibited investment" for the purposes of the Tax Act. The Common Shares will be a "prohibited investment" if the holder of the TFSA or the

RDSP, the subscriber of the RESP or annuitant of the RRSP or RRIF (as the case may be): (i) does not deal at arm's length with the Issuer for purposes of the Tax Act; or (ii) has a "significant interest" (within the meaning of the Tax Act) in the Issuer. In addition, the Common Shares will not be a "prohibited investment", if the Common Shares are "excluded property", as defined in the Tax Act, for a TFSA, RRSP, RRIF, RDSP or RESP. **Prospective holders that intend to hold Common Shares in a TFSA, RRSP, RRIF, RDSP or RESP are urged to consult their own tax advisers.**

METRIC EQUIVALENTS

For ease of reference, the following factors for converting Imperial measurements into metric equivalents are provided:

To convert from Imperial	To Metric	Multiply by
Acres	Hectares	0.404686
Feet	Metres	0.30480
Miles	Kilometres	1.609344
Tons	Tonnes	0.907185
Ounces (troy)/ton	Grams/Tonne	34.2857

GLOSSARY

"**Agency Agreement**" means the Agency Agreement dated September 25, 2018 between the Agent and the Issuer.

"**Agent**" means Haywood Securities Inc.

"**Agent's Commission**" means the cash commission paid to the Agent equal to 10% of the gross proceeds in relation to this Offering.

"**Author**" means Donald George MacIntyre, Ph.D., P. Eng., the author of the Technical Report.

"**Board of Directors**" or "**Board**" means the Issuer's board of directors.

"**Closing**" means the closing of the Offering and the issuance by the Issuer of the Common Shares.

"**Closing Day**" means such day for Closing as determined by the Agent and as agreed to by the Issuer, subject to the limitations outlined under the "Use of Proceeds" heading.

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

"**Compensation Options**" means the options granted to the Agent as compensation for its services in relation to this Offering entitling the Agent to purchase one Common Share per option for a period of 24 months after the Closing Day.

"**Corporate Finance Fee**" means the fee to be paid by the Issuer to the Agent on the Closing Day in consideration of corporate finance and structuring services provided by the Agent.

"**Corporate Finance Shares**" means the \$10,000 fee to be paid by the Issuer to the Agent as 100,000 Common Shares on the Closing Day in consideration of corporate finance and structuring services provided by the Agent.

"**Issuer**" means Crest Resources Inc.

"**Escrow Agent**" means National Issuer Services Ltd.

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

"**Listing Date**" means the date the Common Shares commence trading on the Exchange.

"**Lynes**" means Craig A. Lynes, an Optionor.

"**Offering**" has the meaning ascribed to it on the face page of this Prospectus.

"**Offering Price**" means \$0.10 per Common Share.

"**Optionors**" means Rich River and Lynes collectively, and each an "Optionor".

"**Over-Allotment Option**" means the Agent's option to solicit up to 525,000 additional Common Shares to raise additional gross proceeds of up to \$52,500 exercisable up to 48 hours prior to the Closing Day.

"**Over-Allotment Option Shares**" means the Common Shares to be issued upon exercise of the Over-Allotment Option.

"**Property Option Agreement**" means the option agreement dated January 5, 2018, made among the Issuer and the Optionors with respect to the Red Metal Ridge Property.

"**Red Metal Ridge Property**" means the six contiguous mineral titles covering an area of 1381.50 hectares, southwest of the town of Sayward and approximately 74 kilometres ("km") northwest of the town of Campbell River in the Nanaimo Mining Division, British Columbia.

"**Rich River**" means Rich River Exploration Ltd., an Optionor.

"**Stock Option Agreements**" mean the stock option agreements dated July 13, 2018, between the Issuer and certain directors and officers of the Issuer.

"**Stock Option Plan**" means a stock option plan approved by the Board of Directors of the Issuer on July 13, 2018, providing for the granting of incentive stock options to the Issuer's directors, officers, employees and consultants.

"**Subscriber**" means a subscriber for the Common Shares offered under this Offering.

"**Technical Report**" means the technical report dated September 12, 2018, and dated effective August 21, 2018, entitled "*Technical Report: Red Metal Ridge Mineral Property, Vancouver Island, British Columbia, Canada*" authored by Donald George MacIntyre, Ph.D., P. Eng.

GLOSSARY OF TECHNICAL TERMS

Ag	Chemical symbol for silver.
Al	Chemical symbol for aluminum.
Anomalous	A description of anything statistically out of the ordinary.
Au	Chemical symbol for gold.
Biotite	A large group of black mica minerals that are commonly found in igneous and metamorphic rocks.
Chalcopyrite	A sulphide of copper common to most copper mineral deposits.
Chlorite	A member of a group of minerals resembling micas (the tabular crystals of chlorite cleave into small, thin flakes or scales that are flexible, but not elastic like those of micas); they may also be considered as clay minerals when very fine grained. Chlorites are widely distributed, especially in low-grade metamorphic rocks, or as alteration products of ferromagnesian minerals.
Cu	Chemical symbol for copper.
Cr	Chemical symbol for Chromium.
EM	Electromagnetic.
Epidote	A lustrous yellow-green crystalline mineral, common in metamorphic rocks. It consists of a hydroxyl silicate of calcium, aluminum, and iron.
Fe	Chemical symbol for iron.
Feldspar	A common silicate mineral that occurs in all rock types and decomposes to form much of the clay in soil, including kaolinite.
Fire Assay	The assaying of metallic ores by methods requiring a furnace heat; commonly involves the processes of scorification, cupellation, etc.
Geochemical	Pertaining to various chemical aspects (e.g. concentration, associations of elements) of natural media such as rock, soil and water.
Igneous Rock	A rock formed by the crystallization of magma or lava.
Magnetite	A grey-black magnetic mineral which consists of an oxide of iron and is an important form of iron ore.
Metamorphic Mineralization	Pertaining to the process of metamorphism or to its results. The presence of minerals of possible economic value – and also the process by which concentration of economic minerals occurs.
Na	Chemical symbol for sodium.
Ni	Chemical symbol for nickel.
Pb	Chemical symbol for lead.
Pd	Chemical symbol for palladium.
Porphyry	An igneous rock of any composition that contains conspicuous phenocrysts in a fine-grained groundmass.
Ppb	Parts per billion.
Ppm	Parts per million.
Pt	Chemical symbol for platinum.
Pyrite	An iron sulphide.
S	Chemical symbol for sulphur.
Stockwork	A complex system of structurally controlled or randomly oriented veins.
Tuff	A type of rock made of volcanic ash ejected from a vent during a volcanic eruption.
V	Chemical symbol for vanadium.
Zn	Chemical symbol for zinc.

PROSPECTUS SUMMARY

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

The Issuer: The Issuer was incorporated under the *Business Corporations Act* (British Columbia) on November 23, 2017, under the name "Crest Resources Inc." and does not have any subsidiaries.

The Issuer's corporate office is located at Suite 200, 551 Howe Street, Vancouver, British Columbia, V6C 2C2, and its registered and records office is located at Lotz & Company, Suite 1170, 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H1.

The Issuer's Business: The Issuer is engaged in the business of mineral exploration and the acquisition of mineral property assets in British Columbia. Its objective is to locate and develop economic precious and base metal properties of merit and to conduct its exploration program on the Red Metal Ridge Property.

Further to these objectives, the Issuer entered into the Property Option Agreement pursuant to which it is entitled to earn an undivided 100% interest in the Red Metal Ridge Property.

The Issuer intends to fund the exploration of the Red Metal Ridge Property and its initial commitments thereon using the proceeds of its prior private placement financings and this Offering. See "Narrative Description of the Business" below.

The Property: The Red Metal Ridge Property consists of six (6) contiguous mineral titles covering an area of 1381.50 hectares, southwest of the town of Sayward and approximately 74 km northwest of the town of Campbell River in the Nanaimo Mining Division, British Columbia.

Management, Directors and Officers: Dušan Berka – Chief Executive Officer, President and Director
Mark Lotz – Chief Financial Officer and Director
John Hiner – Director
Paul V. John – Director

See "Directors and Officers" below.

The Offering: The Issuer is offering 3,500,000 Common Shares for sale at a price of \$0.10 per Common Share in the provinces of British Columbia and Alberta.

This Prospectus also qualifies the distribution of (i) 100,000 Corporate Finance Shares, to the extent such securities are Qualified Compensation Securities; (ii) up to 350,000 Compensation Options, to the Agent as Qualified Compensation Securities; and (iii) up to 525,000 Over-Allotment Shares issuable upon the exercise thereof; and (iv) 100,000 Common Shares issuable to the Rich River in respect of the Red Metal Ridge Property.

See "Plan of Distribution" below.

Use of Proceeds: The gross proceeds to the Issuer (excluding proceeds which may be received from the exercise of the Over-Allotment Option) from the sale of the Common Shares offered hereby will be \$350,000. The total funds available to the Issuer at the closing of the Offering, after deducting the estimated expenses of the Offering of \$80,000, the Agent's Commission of \$35,000 and the cash portion of the Corporate Finance Fee of \$30,000, and including the Issuer's estimated working capital as at August 31, 2018 of \$39,257, are estimated to be \$244,257.

Principal Purpose	Funds to be Used⁽¹⁾
To fund the Phase 1 exploration program on the Red Metal Ridge Property ⁽²⁾	\$104,000
To provide funding sufficient to meet administrative costs for 12 months	\$88,000 ⁽³⁾
To provide general working capital to fund ongoing operations	\$52,257
TOTAL:	\$244,257

Notes:

(1) See "Use of Proceeds" below. The Issuer intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary. In the event of exercise of the Over-Allotment Option, the Issuer will use the proceeds for general working capital and in part, to fund Phase 2 of the recommended exploration program on the Red Metal Ridge Property.

(2) See "Narrative Description of the Business – Recommendations" below for a summary of the work to be undertaken, a breakdown of the estimated costs and the nature of title to, or the Issuer's interest in, the Red Metal Ridge Property.

(3) The Issuer anticipates that \$36,000 will be paid as management fees to Matalia Investments Ltd., a private company.

Summary of Financial Information:

The following selected financial information is subject to the detailed information contained in the audited financial statements of the Issuer and notes thereto appearing elsewhere in this Prospectus. The selected financial information is derived from the audited financial statements of the Issuer for the period ended May 31, 2018. The Issuer has established May 31st as its financial year end.

	Period ended May 31, 2018 (audited)
Total revenues	Nil
Exploration expenditures	\$101,269
Consulting fees	\$18,000
Professional fees	\$4,429
General and administrative expenses	\$4,116
Rent	\$5,953
Share-based payments	\$30,000
Net Loss	(\$65,025)
Basic and diluted loss per common share	(0.01)
Total assets	\$185,016
Long-term financial liabilities	Nil
Cash dividends per share	Nil

See "Selected Financial Information and Management Discussion and Analysis" below.

Risk Factors:

An investment in the Common Shares should be considered highly speculative and investors may incur a loss on their investment. The Issuer has no history of earnings and to date has not defined any commercial quantities of mineral reserves on the Red Metal Ridge Property. The Issuer has an option only to acquire an interest in the Red Metal Ridge Property and there is no guarantee that the Issuer's 100% interest, if earned, will be certain

or that it cannot be challenged by claims of aboriginal or indigenous title, or unknown third parties claiming an interest in the Red Metal Ridge Property. The Issuer and its assets may also become subject to uninsurable risks. The Issuer's activities may require permits or licenses which may not be granted to the Issuer. The Issuer competes with other companies with greater financial resources and technical facilities. The Issuer may be affected by political, economic, environmental and regulatory risks beyond its control. The Issuer is currently largely dependent on the performance of its directors and officers and there is no assurance the Issuer can retain their services. In recent years both metal prices and publicly traded securities prices have fluctuated widely. See "Risk Factors" below.

Currency: Unless otherwise indicated, all currency amounts herein are stated in Canadian Dollars.

CORPORATE STRUCTURE

Name and Incorporation

Crest Resources Inc. was incorporated pursuant to the *Business Corporations Act* (British Columbia) on November 23, 2017.

The Issuer's head office is located at Suite 200, 551 Howe Street, Vancouver, British Columbia, V6C 2C2, and its registered and records office is located at Lotz & Company, Suite 1170, 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H1.

The Issuer has no subsidiaries.

GENERAL DEVELOPMENT OF THE BUSINESS

Business of the Issuer

The Issuer is engaged in the business of mineral exploration and the acquisition of mineral property assets in British Columbia. See "Narrative Description of the Business" below.

History

Subsequent to its incorporation, the Issuer has completed private seed capital equity financing, raising aggregate gross proceeds of approximately \$217,001. These funds have been, and are being, used for the acquisition, exploration and maintenance of the Red Metal Ridge Property and general working capital. The Issuer intends to raise funds through the Offering to carry out additional exploration on the Red Metal Ridge Property, as set out in "Use of Proceeds" below.

Acquisitions

To this end, the Issuer entered into the Property Option Agreement whereby the Issuer was granted an irrevocable and exclusive option to acquire a 100% interest in the Red Metal Ridge Property (the "Option"), consisting of six contiguous mineral titles covering an area of 1381.50 hectares, southwest of the town of Sayward and approximately 74 km northwest of the town of Campbell River in the Nanaimo Mining Division, British Columbia, the particulars of which are described in greater detail below.

The Issuer acquired a 51% interest in the Property (the "Stage 1 Interest") through the payment of \$5,000 to Rich River upon the execution and delivery of the Property Option Agreement by the Issuer and the Optionors (the "Stage 1 Option Consideration"). To acquire an additional 49% interest in the Red Metal Ridge Property, the Issuer is required to: (i) pay a total of \$155,000 in cash payments to Rich River; (ii) issue a total of 600,000 Common Shares to Rich River; and (iii) incur an aggregate minimum of \$500,000 in exploration expenditures on the Red Metal Ridge Property (together with the Stage 1 Option Consideration, the "Option Consideration"), all in accordance with the following schedule:

Date for Completion	Cash Payment	Number of Common Shares to be Issued	Minimum Exploration Expenditures to be Incurred
Upon execution of Property Option Agreement	\$5,000 (paid)	Nil	Nil
Upon the Closing	Nil	100,000 ⁽¹⁾	Nil
Upon the listing of the Common Shares on the Exchange	\$5,000	Nil	Nil

Date for Completion	Cash Payment	Number of Common Shares to be Issued	Minimum Exploration Expenditures to be Incurred
On or before the 1st anniversary of the listing of the Common Shares on the Exchange	\$20,000	100,000 ⁽²⁾	\$100,000
On or before the 2nd anniversary of the listing of the Common Shares on the Exchange	\$30,000	100,000 ⁽²⁾	\$100,000
On or before the 3rd anniversary of the listing of the Common Shares on the Exchange	\$100,000	300,000 ⁽²⁾	\$300,000

Notes:

(1) These 100,000 Common Shares are qualified for distribution under this Prospectus.

(2) Subject to such resale restrictions and legends as may be imposed by the applicable securities laws.

Once the Issuer has paid the Option Consideration in full, then it shall be deemed to have earned a 100% undivided interest in the Red Metal Ridge Property, subject to a 3% net smelter returns royalty (the "NSR") on the property. The Issuer will have the right to purchase 1% of such NSR for \$750,000 and the remaining 2% of such NSR for \$1,000,000. Otherwise, once the Issuer exercises its option to acquire a 100% interest in the Red Metal Ridge Property and upon the commencement of commercial production thereon, the NSR is payable to the Optionors on all base, rare earth elements and precious metals upon receipt by the Issuer of payment from the smelter refinery or other place of treatment of the proceeds from the sale of the minerals, ore, concentrates or other products from the Red Metal Ridge Property. The Issuer will be the operator of the Red Metal Ridge Property during the term of the Property Option Agreement and Rich River will be the primary contractor when possible. The Issuer will also pay any rates, taxes, duties, royalties, assessments or fees levied with respect to the Red Metal Ridge Property or the Optionors' operations thereon and will apply and pay for assessment credits for the mineral claims comprising the Red Metal Ridge Property for all the work and expenditures conducted on all or any part of the Red Metal Ridge Property.

Trends

As a junior mining company, the Issuer is highly susceptible to the cycles of the mineral resource sector and the financial markets as they relate to junior companies.

The Issuer's financial performance is dependent upon many external factors. Both prices and markets for metals are volatile, difficult to predict and subject to changes in domestic and international, political, social and economic environments. Circumstances and events beyond its control could materially affect the financial performance of the Issuer. Apart from this risk and the risk factors noted under the heading "Risk Factors", the Issuer is not aware of any other trends, commitments, events or uncertainties that are reasonably likely to have a material adverse effect on the Issuer's business, financial conditions or result of operations.

NARRATIVE DESCRIPTION OF THE BUSINESS

Overview

The Issuer is engaged in the business of acquiring and exploring mineral resource properties. The Issuer's sole property is the Red Metal Ridge Property (in this section, the "Property"), located on Vancouver Island, British Columbia, southwest of Sayward and approximately 74 km northwest of the town of Campbell River in the Nanaimo Mining Division. The Issuer's interest in the Property is governed by the Property Option Agreement. See "Acquisitions" above.

The Issuer intends to use the net proceeds from this Offering to carry out exploration on the Property and for working capital. The Issuer may decide to acquire other mineral properties in addition to the Property described below.

Red Metal Ridge Property, Nanaimo Mining Division, British Columbia, Canada

The following information regarding the Property is summarized or extracted from an independent technical report dated September 12, 2018, and dated effective August 21, 2018, entitled "*Technical Report: Red Metal Ridge Mineral Property, Vancouver Island, British Columbia, Canada*" (the "Technical Report") prepared for the Issuer by Donald George MacIntyre, Ph.D., P. Eng. (the "Author") in accordance with the requirements of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"). The Author is a "qualified person" within the meaning of NI 43-101.

All figure and table references herein are numbered in accordance with the Technical Report available on the Issuer's SEDAR profile at www.sedar.com.

Description and Location of the Red Metal Ridge Property

The Red Metal Ridge Property is located on Vancouver Island, British Columbia, Canada, approximately 74 km northwest of the City of Campbell River and 12 km southwest of the Village of Sayward (Figures 1 and 2).

The Property covers a northwest trending ridge between the Adam and Eve Rivers (Figure 2). The center point of the Property is at 50°21' 07" N Latitude 126°08' 43" W Longitude. The Zone 9 NAD 83 Universal Transverse Mercator (UTM) coordinates for this point are 703079E, 5581654N (NAD83)". The Property is on NTS map sheet 92L/8E and BCGS map sheet 092L40.

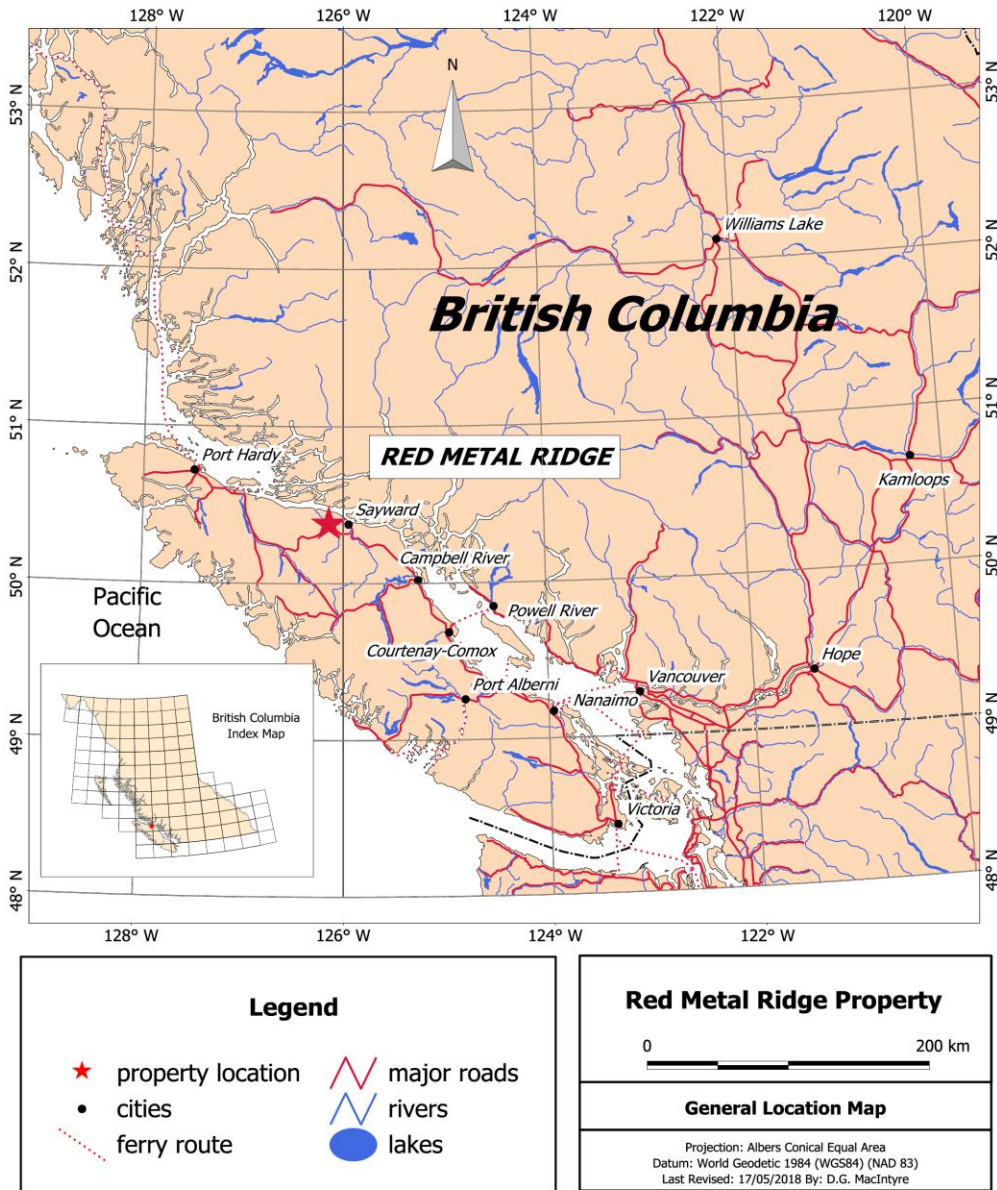


Figure 1. Location map, Red Metal Ridge Property, southwest British Columbia.

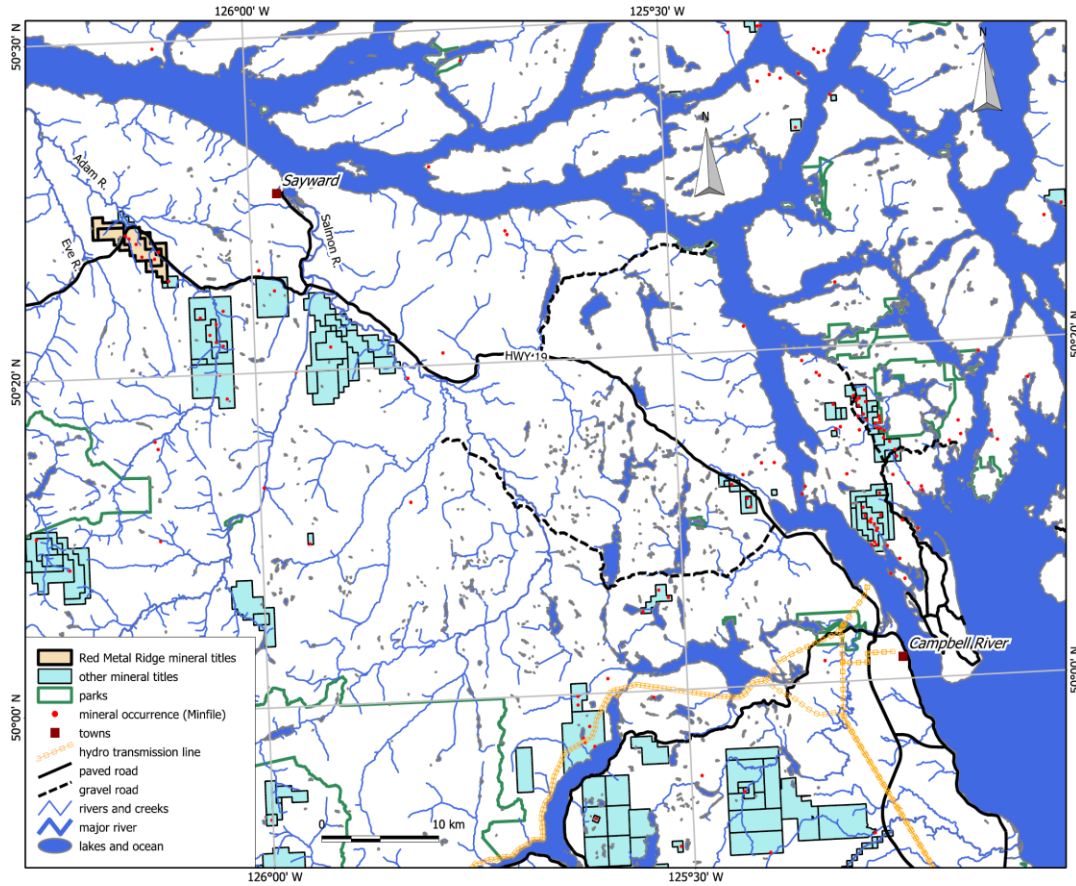


Figure 2. Access and infrastructure map, Red Metal Ridge Property. Map prepared by D.G. MacIntyre from government geospatial data download May 8, 2018.

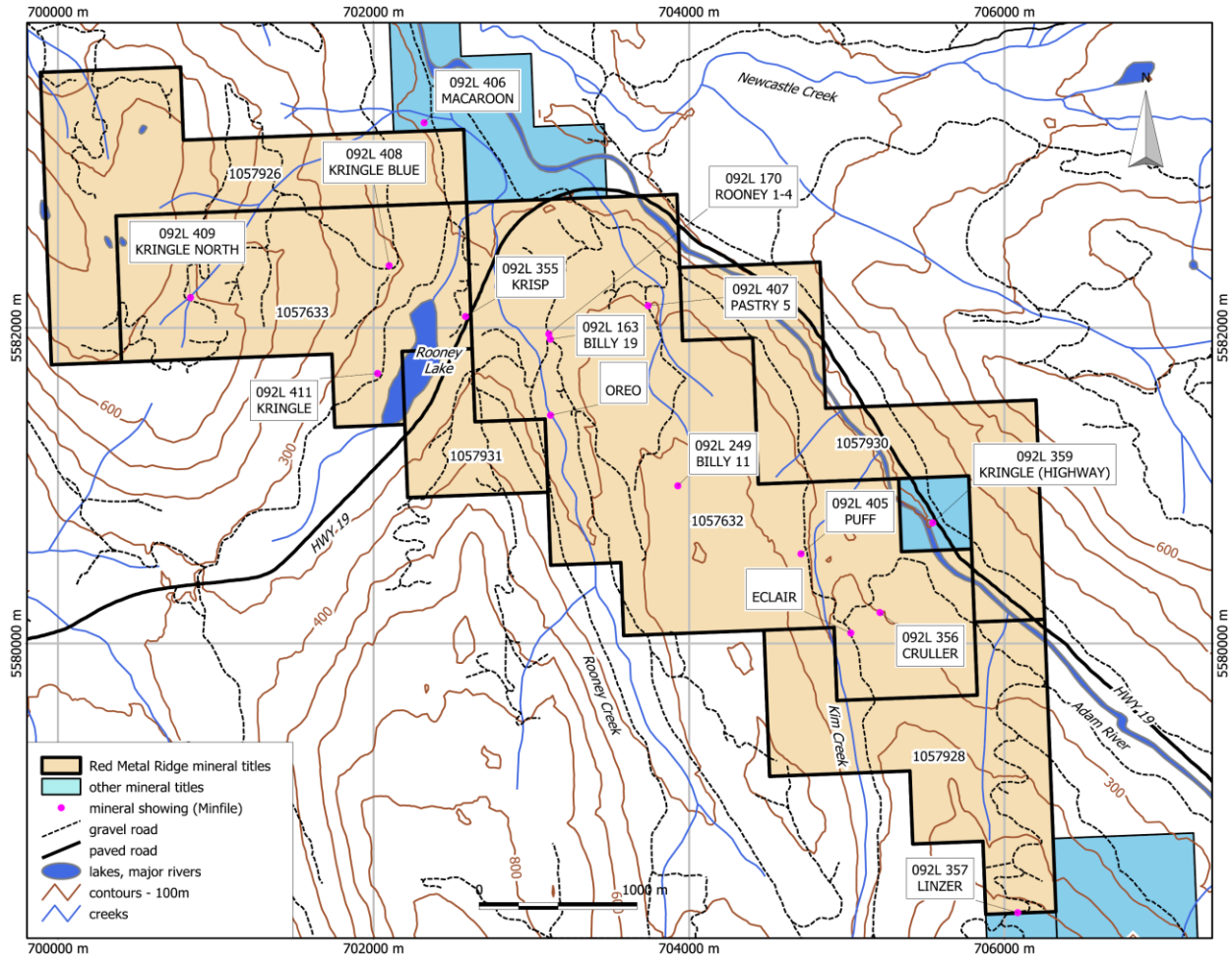


Figure 3. Mineral Titles Map, Red Metal Ridge Property. Map prepared by D.G. MacIntyre from MTO geospatial data, May 8, 2018.

Mineral Tenures

The Red Metal Ridge Property consists of six (6) contiguous mineral titles that are located within the Nanaimo Mining Division (Table 1). The area covered by these titles is shown in Figure 3 and is calculated to be 1381.48 hectares in total. The map shown in Figure 3 was generated by the Author from geospatial data downloaded from the Government of BC, GeoBC website on May 8, 2018. These spatial layers are the same as those used by the Mineral-Titles-Online ("MTO") electronic staking system managed by the Mineral Titles Branch of the B.C. Ministry of Energy, Mines and Petroleum Resources and are updated on a daily basis. The MTO system is used to locate and record mineral titles in British Columbia. This system uses a grid cell selection system that was introduced in 2005. Title boundaries are based on lines of latitude and longitude. There is no requirement to mark claim boundaries on the ground as these can be determined with reasonable accuracy using a GPS. The Red Metal Ridge claims have not been surveyed.

Mineral Title details listed in Table 1 were downloaded from the MTO web site and are current as of May 23, 2018. All mineral titles are in the Nanaimo Mining Division.

Table 1. List of Mineral Titles, Red Metal Ridge Property

Title Number	Claim Name	Owner	Issue Date	Good To Date	Area (ha)
1057632	RED METAL RIDGE	116233 (100%)	2018/JAN/12	2019/JAN/12	515.50
1057633	RED METAL - WEST RIDGE	116233 (100%)	2018/JAN/12	2019/JAN/12	226.77
1057926	RED METAL - NORTH RIDGE	116233 (100%)	2018/JAN/25	2019/JAN/25	206.13
1057928	RED METAL - SOUTH RIDGE	116233 (100%)	2018/JAN/25	2019/JAN/25	185.65

Title Number	Claim Name	Owner	Issue Date	Good To Date	Area (ha)
1057930	RED METAL - EAST RIDGE	116233 (100%)	2018/JAN/25	2019/JAN/25	185.58
1057931	RED METAL - SW RIDGE	116233 (100%)	2018/JAN/25	2019/JAN/25	61.86

Total Area: 1381.48 ha

Information posted on the MTO website indicates that all of the claims listed in Table 1 are owned 100% by Craig A. Lynes. Lynes holds these claims on behalf of Rich River. Crest has optioned the Property from Rich River and is the operator.

Maps generated by the MTO system show that the Red Metal Ridge mineral titles overlap Land Act Survey Parcels District Lots 222 and 456 established in 1905 and 1909, respectively. The Author is not aware of any issues related to the overlap with these lots that would have a negative impact on any future exploration and development of the Property.

Required Permits and Reporting of Work

Acquisition of mineral titles in British Columbia is done electronically through MTO. The electronic map used by MTO allows users to select single or multiple adjoining grid cells. Cells range in size from approximately 21 hectares (457m x 463m) in the south at the 49th parallel to approximately 16 hectares in the north at the 60th parallel. This is due to the longitude lines that gradually converge toward the North Pole. Users are limited to 100 selected cells per submission for acquisition as one mineral title. The number of submissions is not limited, but each submission for a claim must be completed through to payment before another can commence. No two people can select the same cells simultaneously, since the database is live and updated instantly; once a user makes its selection, the cells the user has selected will no longer be available to another person, unless the payment is not successfully completed within 30 minutes.

In British Columbia, the owner of a mineral title acquires the right to the minerals which were available at the time of title acquisition as defined in the *Mineral Tenure Act* (British Columbia). Surface rights and placer rights are not included. Mineral titles are valid for one year and the anniversary date is the annual occurrence of the date of recording (the "Issue Date").

A mineral title has a set expiry date (the "Good to Date"), and in order to maintain the title beyond that expiry date, the recorded holder (or an agent) must, on or before the Good to Date, register either exploration and development work that was performed on the title, or a payment instead of exploration and development ("PIED"). Failure to maintain a title results in automatic forfeiture at the end (midnight) of the expiry date; there is no notice to the title holder prior to forfeiture.

When exploration and development work or a PIED is registered, the title holder or agent may advance the title forward to any new date. With PIED the minimum requirement is 6 months, and the new date cannot exceed one year from the current expiry date; with work, it may be any date up to a maximum of ten years beyond the current anniversary year. All recorded holders of a mineral title must hold a valid Free Miners Certificate ("FMC") when either work or PIED is registered on a mineral title.

The following are the current exploration expenditure or PIED amounts required to maintain a mineral title in good standing for one year:

Mineral Title - Work Requirement:

- \$5 per hectare for anniversary years 1 and 2;
- \$10 per hectare for anniversary years 3 and 4;
- \$15 per hectare for anniversary years 5 and 6; and
- \$20 per hectare for subsequent anniversary years.

Mineral Title – PIED:

- \$10 per hectare for anniversary years 1 and 2;
- \$20 per hectare for anniversary years 3 and 4;
- \$30 per hectare for anniversary years 5 and 6; and
- \$40 per hectare for subsequent anniversary years.

Only work and associated costs for the current anniversary year of the mineral title may be applied toward that title. A report detailing work done and expenditures made must be filed with the B.C. Ministry of Energy and Mines within 90 days of filing of a Statement of Work ("SOW"). After the report is reviewed by ministry staff it is either approved or returned to the submitter for correction. Failure to produce a compliant report could result in loss of assessment credit and forfeiture of the mineral titles to which the credit was applied.

At the time of writing, Lynes had not filed a Statement of Work for the exploration work done on the Property in April 2018.

Prior to initiating any physical work such as drilling, trenching, bulk sampling, camp construction, access upgrading or construction and geophysical surveys using live electrodes (IP) on a mineral property a Notice of Work permit application must be filed with and approved by the Ministry of Energy and Mines. The filing of the Notice of Work initiates engagement and consultation with all other stakeholders including First Nations.

Environmental Liabilities

There has not been any mining or other exploration related physical disturbances on the Red Metal Ridge Property to date. Roads built for logging activities are not the responsibility of the mineral tenure holder. The Author is not aware of any environmental issues or liabilities related to historical exploration or mining activities that would have an impact on future exploration of the Red Metal Ridge Property.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Access

As shown in Figure 3, a number of logging roads connect with paved Highway 19 which passes through the Red Metal Ridge Property. These logging roads are still active and in good condition providing easy access to the property. The main access road is the Kim Creek Forest Service road (the "Kim Creek FSR") which connects to Highway 19 at around 18.7 km west from Sayward Junction. The junction with the Kim Creek FSR is located 440 m past the bridge that crosses the Adam River on Highway 19. The Eclair showing is located 3.5 km southeast along the Kim Creek FSR.

Climate and Vegetation

The Property is located along the eastern side of the Vancouver Island Mountain Range. Rainfall on this side of the mountains, though less than on the Pacific Coast side, can be considerable. Severe winter storms can result in back country roads being blocked and washed out. Most heavy rainfall occurs between October and April with November being the wettest month with nearly 250 mm average monthly rainfall at Sayward. Mean daily maximum temperatures are highest in July and August averaging 25° Celsius. Mean daily minimum temperatures in December through February are typically 1° Celsius. Snowfall is variable with some heavy snowfall associated with periods of Arctic outflow from the interior of B.C. during the winter months.

The Property is in the Coastal Western Hemlock biogeoclimatic zone which is more commonly known as the Temperate Rainforest of B.C. The forests within this zone such as those in the Adam River drainage are highly productive and are dominated by western hemlock and Pacific silver fir tree species. There are also varying amounts of western red cedar, yellow cedar and Pacific yew. The hemlock forests have been logged, sometimes twice, and a wide network of old alder covered roads mark the earlier logging efforts. Old overgrown road metal quarries are located along some of these roads. Much of the area has been replanted. Off road, the landscape is rugged and the forest litter deep and difficult to traverse.

Local Resources

The nearest population center and place to acquire supplies and services for mineral exploration and development is the City of Campbell River (pop. 35,000 in 2016) which is located 92.2 km southeast from the junction with the Kim Creek FSR on Highway 19. This city is tourist oriented but also provides support for the local logging industry. Campbell River has all the necessary amenities to support resource development. It is the nearest location of police, hospitals, groceries, fuel, helicopter services, hardware and other service and supply businesses. There are diamond drilling companies located in Campbell River but the nearest analytical laboratories are located in Vancouver. The Property is within Tree Farm License (TFL) 39, Block 2 - Weyerhaeuser's West Island Timberlands (WI), which is managed by the Weyerhaeuser B.C. Coastal Group. This license has been active since about 1910. The Adam River drainage area is an active logging area with logs being transported to Sayward and shipped down the coast on log booms. As a result there are heavy equipment and operators available for hire in the area. Most of these operators live in Sayward or Campbell River.

Infrastructure

Highway 19 which transects the Property is the main transportation corridor between Campbell River and Port Hardy on Vancouver Island (Figures 2 and 3). As mentioned above a network of logging roads connects to this highway providing good access to most of the Property.

The nearest BC Hydro transmission line is located at Campbell River (Figure 2) and services a pulp mill operation just north of the city.

Kelsey Bay at Sayward was once used as a major deep water port and could provide a suitable location for a shipping terminal for any future mining operation.

Physiography

The Property lies within the Vancouver Island Mountains physiographic region and has a moderately rugged topography with a lower elevation of 180 m along the Adam River Valley rising to a high point of about 800 m in the northwest corner of the property. The property covers the northeast facing slope of a northwest trending ridge that separates the Adam and Eve Rivers (Figure 3). The northwest flowing Adam River is joined by north to northeast flowing creeks such as Kim Creek and Rooney Creek that cut through earlier glacial fluvial deposits that cover most of the Property. Outcrop on the Property is largely restricted to road cuts and borrow pits along major logging roads.

History

Copper mineralization in the form of chalcopyrite-bornite-malachite-azurite hosted by Triassic age Karmutsen basalt flows was first discovered in the Adam River area in the late 1960's by prospectors examining road cuts along newly built logging roads. The history of work done in the area now covered by the Red Metal Ridge Property is summarized in Table 2. The following is a description of the work done from 1969 to 2017 as reported in the assessment reports listed in Table 2.

Table 2. History of Exploration. Table modified from Schau, 2013

Company	Year	Type of work	Assessment Report	Results
Newconex Canadian Exploration	1969	16 chip samples for Cu, 503 soil/silt samples for Cu	1859	Located Cu showings near Rooney Lake, best 0.23% Cu/20', grid values low (092L 170)
Armeda Copper	1970	Magnetometer work/geochemical-soil sampling	2379	Possible conjoint anomaly NW of Rooney Lake

Company	Year	Type of work	Assessment Report	Results
Sayward Explorations Ltd	1972	Prospecting, verified previous results, reported on 6 diamond drill holes (1748') in area south of Rooney Lake	3795	Mineral showings 092L163, 092L249 added to Minfile database.
Germa Minerals	1989	Geology, soil sampling, VLF	18255	Work east of Rooney Lake, minor geochemical anomalies
Schau	2002	Geology, Geochemistry, and petrophysics	26930	Local high grade skarn at contact and mineralized dykes (Kringle)
Schau	2002	Geology, Geochemistry, and petrophysics	27070	Dyke breccia and shear zone in Puff quarry
Schau	2004	Geology, Geochemistry, and petrophysics	27463	Three new showings: Pastry, Macaroon, and Oreo
Schau	2005	Prospector's report	27736	Krisp Cu showing along highway
Schau	2006	Prospectors report/ Kringle north	28328	New showings
Schau	2007	Prospectors report/ Kringle center	28747	New high grade showings
Schau	2007	Petrography, magnetic susceptibility and density studies (Kringle south)	28927	Petrological studies, and new showings. Details of Veins and alkalic alterations
Schau	2008	Alteration studies (Kringle north)	30121	Petrological studies and new showings
Schau	2009	Geology (Dykes) in northern Kringle	31039	Petrological studies and new showings
Schau	2010	Geochemical and biogeochemical studies at Klejne	31516	Assessed viability of biogeochemical methods in this environment
Schau	2010	Assays and lithochemistry, Kim Creek, Kringle consolidated	31856	New Cu showings, as veins and disseminations in basalt

Company	Year	Type of work	Assessment Report	Results
Schau	2011	Petrography, Lithochemistry, Assays and Geochemistry on The Kringle Consolidated Claim Group	32553	New Cu showing, gold bearing vein
Schau	2012	Petrography, Lithochemistry and Magnetic Studies on Kringle Consolidated Group	33012	Magnetic susceptibility and Alteration and relation to mineralization
Schau	2013	Petrography, Lithochemistry and Magnetic Studies on Kringle Consolidated Group	34183	Petrologic studies and new showings

1969 – Newconex Canadian Exploration Ltd.

In April and May 1969, Newconex Canadian Exploration Ltd. completed a soil sampling grid covering the area between Rooney Lake and the east fork of Rooney Creek (Richardson, 1969; Assessment Report No. 1959). The grid was centered on low grade copper mineralization exposed in road cuts along a new logging road. The report describes the occurrence of chalcopyrite, bornite and minor pyrite with associated chlorite and epidote alteration hosted by massive amygdaloidal basalt flows of the Karmutsen Formation (Minfile Showing 092L 170 - Rooney 1-4). A total of 503 soil and silt and 16 rock chip samples were collected and analyzed. Overall, the results were low with only weak soil anomalies detected in the vicinity of the mineralized outcrop exposed in the road cut. The best results as shown on a sketch map were for two adjacent chip samples that returned values of 0.23% and 0.14% Cu respectively over a distance of approximately 9 m. Very little information about these samples is included in the assessment report.

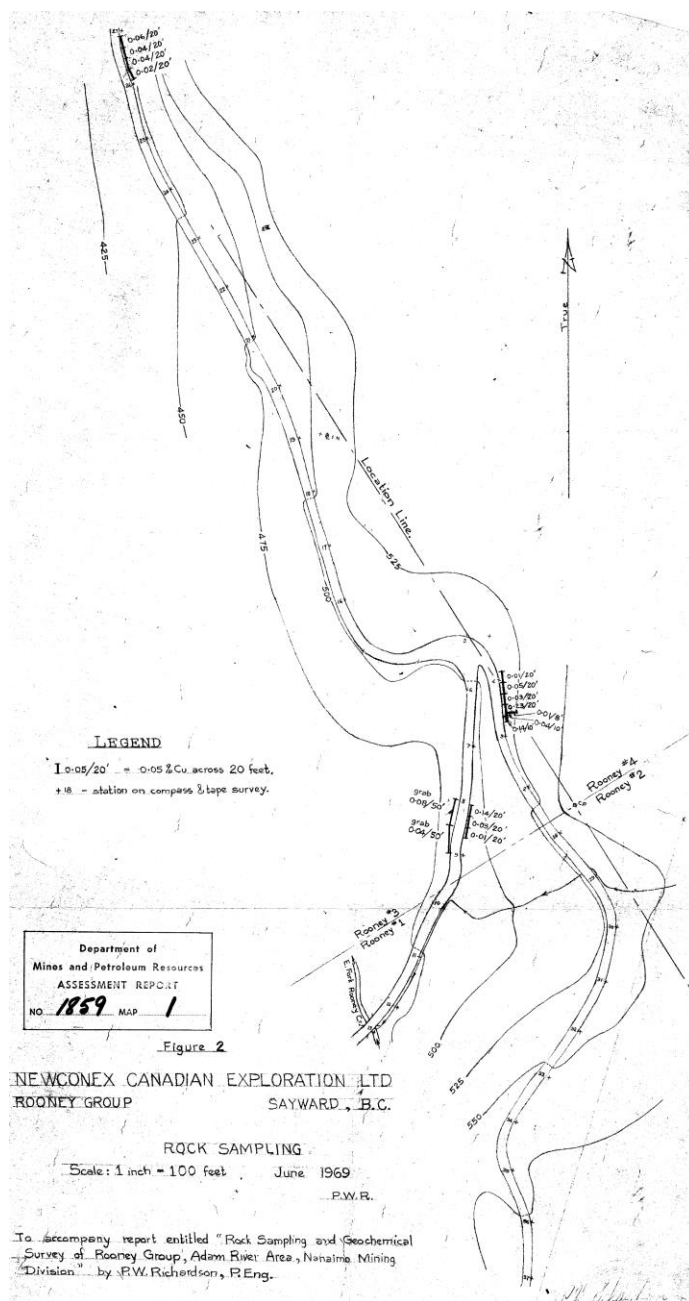


Figure 4. Location of 1969 Newconex rock samples, Rooney 1-4 showing. Values shown are sample width in feet and % Cu. Source:Richardson, 1969.

1970 - Armeta Copper Mines Ltd.

In February and March 1970, Armeta Copper Mines Ltd. completed a magnetometer and soil sampling survey covering the areas northeast and southeast of Rooney Lake (Wilmot, 1970; Assessment Report 2379). The northeast area was surveyed using a line spacing of 1500 ft (457 m) with magnetometer readings and soil samples collected at 500 ft. (152 m) intervals along the lines. A more detailed survey with line spacing of 200 ft (61 m) and sampling interval of 100 ft (30.5 m) was done southwest of Rooney Lake. Magnetometer readings taken near known surface showings did not return anomalous values. It was concluded that variations in the magnetic response were most likely due to underlying bedrock than any contained mineralization (Wilmot, 1970). Soil samples returning greater than 50 ppm Cu were deemed anomalous and are plotted on the magnetometer map. A number of widely spaced single sample anomalies are shown. There was no obvious correlation with the magnetometer values. There are no analytical certificates included with the report and only minimal information on the sampling procedures and analytical techniques used in the survey.

Table 3. Summary of 1969 diamond drill holes

Hole	Azimuth	Inclination	Length (m)	Mineralized intervals (m)
1	30	-45	53.3	13.6-18.6; 21.6-22.2
2	60	-45	68.9	17-18.6 (0.41 % Cu)
3	120	-45	106.7	3.0-35.6
4	255	-40	70.1	17.4-22.5; 25.3-28.0
5	0	-55	93.6	15.2-36.6
6	125	-40	140.2	49.4-53.0;76.2-77.7;85.0-86.9;137.5-140.2

1969-1972 Sayward Explorations Ltd.

A large part of the Property southeast of Rooney Lake was mapped and sampled by E.P. Sheppard in 1972 (Figure 4). This work located a number of new showings. The results of the 1972 mapping and sampling and diamond drilling done earlier in 1969 were included in a 1977 assessment report (No. 3795) prepared for Sayward Explorations Ltd. (Sheppard, 1977). This report also includes drill hole sections for the AX sized diamond drill holes completed in 1969. The location of these holes was plotted by hand on the claim map accompanying the assessment report and these locations were used by the Author to plot the locations on Figure 5. It should be noted that these locations are very approximate. Using the location descriptions as a guide, the drill holes were replotted based on the reported distance and direction between holes (Sheppard,1977). Following this approach all holes plot on the logging roads shown on the geology map (Figure 5) which is most likely where they were located in 1969. It was also concluded that drill holes 1, 2 and 5 targeted the Rooney 1-4 showing (Figure 5). This suggests the Rooney 1-4 and Billy 19 showings are probably the same.

Table 3 is a summary of drill hole information contained in the 1977 report. The report also mentions 4 rock chip samples that were collected from outcrop exposed on the logging roads, one of which returned 0.12% Cu. The samples reportedly contain disseminated chalcopyrite with occasional blebs and stringers of chalcocite and bornite (Sheppard, 1977). There is no information to indicate the location of these samples but the Author suspects they were from the Rooney 1-4 showing.

Magnetometer readings were also taken along the road traverses and plotted on the accompanying geology map (Figure 5). Soil samples were collected on a northwest trending claim line over a distance of 7500 feet (2286 m). The results for these samples were also plotted on the geology map that accompanied the assessment report (Figure 4).

No tables of results or analytical certificates are included in the report and the scanned maps in the PDF report downloaded from the ARIS website are not at a high enough resolution to read the values for the soil sample sites and magnetometer stations that have been plotted. The report states that there were a number of anomalous soil samples but the magnetic response was relatively flat. The report is the basis for establishing two Minfile occurrences – 092L 163 Billy 19 presumably for drill holes 1, 2 and 5 and 092L 249 Billy 11 presumably for drill hole 6. However, as mentioned above, Billy 19 is probably the same showing as the Rooney 1-4. If this is in fact the case then the location coordinates for this showing as reported in the Minfile database are not correct.

1988 Germa Minerals Inc.

In 1988 Germa Minerals Inc. contracted Cossack Gold Mining Corp. to further delineate copper soil anomalies detected by Sayward Exploration Co. in 1972 (Peters, 1988; Assessment Report 18255). A total of 187 soil samples were taken along grid lines located east of Rooney Lake and rock samples were collected from pits and road cuts in the area. The gridded area measured 700 m by 1100 m with north-south lines at 100 m spacing and a sampling interval of 50 m. Analytical work was done by Chemex in Vancouver and copies of the assay certificates were included with the assessment report. Several soil samples returned anomalous Au and Cu values defining roughly linear northwest trending anomalies. A VLF-EM survey was also conducted and resulted in the delineation of several conductors. Peters (1988) concluded that there was a good correlation between Au, Cu, Zn and Pb concentrations in soils and the VLF-EM conductors throughout the survey grid. The highest Au value returned for the soil samples was 852 ppb and the highest Cu value in rock samples was 2280 ppm.

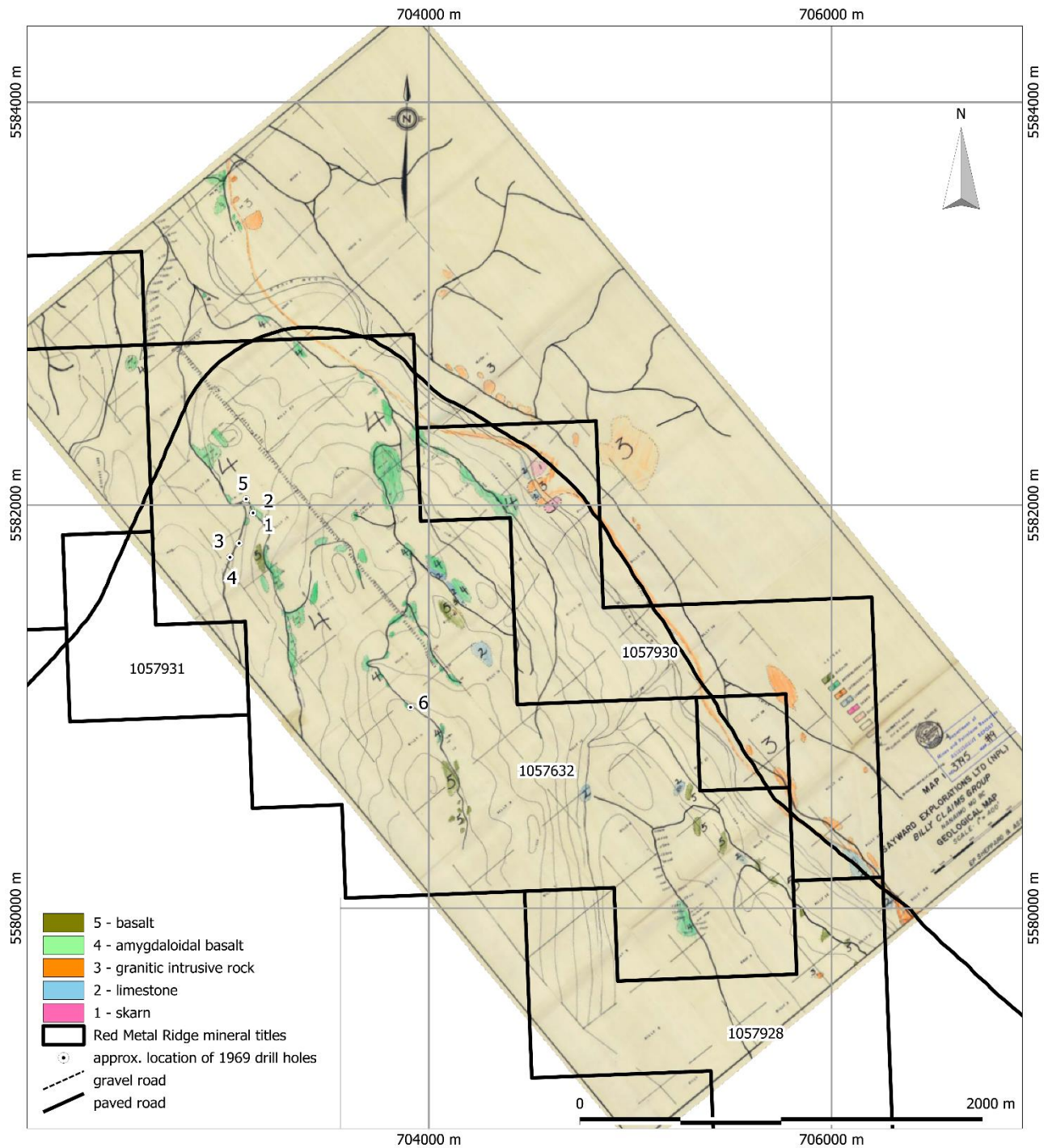


Figure 5. Geology and approximate location of 1969 drill holes. Source: Sheppard, 1977.

2002-2014 Mikkel Schau

Mikkel Schau P.Geo. was issued Prospectors Assistance Program ("PAP") grants in 2000 and 2001. With this support he was able to stake claims and explore the Adam River area. Work by Schau in 2002 focussed on the contact zone area between a large granitic intrusion and Triassic age limestone and basalt that occurs along the northeast side of the Adam River (Schau 2002, Assessment Report 26930). As a result, Schau discovered the Kringle showing along Highway 19 (Minfile No. 092L 359). Outcrops along a 2.5 km stretch of Highway 19 and adjoining logging roads were mapped and a total of 35 rock samples were collected for assay. These samples were analyzed for 32 elements including Au, Pt and Pd. The best result was for a well mineralized garnet skarn sample that returned 66,405 ppm Cu and 68.6 ppm Ag. Five additional samples were analysed for total whole rock composition and trace elements. Twelve

samples were submitted for petrography and 27 samples were used for density analyses. The magnetic susceptibility was determined at 45 sample locations.

In addition to work done around the Kringle showing, Schau also did prospecting and sampling on his Puff claim group in October and November 2002 (Schau, 2003; Assessment Report 27070). Schau's work on the Puff claims focussed on shear zones and Cu bearing veins in brecciated Karmutsen basalts and a felsite dyke exposed in a quarry locality (Puff showing, Minfile No. 092L 405). A total of 20 samples were collected from mineralized shear zones exposed in the quarry. Samples were analyzed by ACME Labs for 30 elements plus Pt, Pd and Au. Six samples were also submitted for whole rock and trace element analyses. Petrographic analyses were also done on 13 samples and density determinations on two samples. The magnetic susceptibility was determined for 18 of the samples analyzed. The best assay value was for a grab sample that returned 6.06% Cu, 34.9 ppm Ag, 198 ppb Au and 97 ppb Pd (Schau, 2003). Schau concluded that supergene enrichment was responsible for the high Cu value in this sample. A chip sample across 2.2 m of a mineralized shear zone returned a more modest 0.95% Cu, 4.62 ppm Ag, 20 ppb Au and 46 ppb Pd.

In 2003, Schau continued working in the area around the Puff showing utilizing a network of logging roads for access (Schau, 2003; Assessment Report 27,463). A total of 38 samples were analyzed by ACME Labs for 30 elements plus Pt, Pd and Au (Fire Assay). An additional nine samples were submitted for whole rock and trace element analyses. A sample from the Macaroon showing returned 2.4% Cu, 21.7 ppm Ag and 85 ppb Pd. A rock sample from the Oreo showing returned 1.26% Cu and 6.0 ppm Ag. The Oreo showing is very close to the location of the Rooney 1-4 and Billy 19 showings and has not been assigned a separate Minfile number. The showings are in a rock quarry on the west side of the east arm of Rooney Creek. A talus boulder at the Pastry showing yielded 4.8% Cu and 14.6 ppm Ag. Similar high grade mineralization has not been located in outcrop. The best sample from outcrop at the Pastry returned 0.9% Cu and 3.3 ppm Ag (Schau, 2003).

In 2005, Schau did 2.5 days prospecting and sampling the Krisp showing located on either side of Highway 19 just east of Rooney Lake (Schau, 2005; Assessment Report 27,736). A total of 18 rocks samples were collected and assayed by Acme Labs. An additional seven samples were collected for whole rock and trace element analyses. A grab sample of dyke material containing malachite, epidote veining and blebs of sulphides returned 6.33% Cu and 11.4 ppm Ag (Schau, 2005).

In 2005, Schau spent three days sampling and prospecting the northern portion of his Kringle Consolidated group of claims (Schau, 2006; Assessment Report 28,328). This work involved collecting 13 rock samples from outcrops accessible by logging roads in the area north of Rooney Lake and Highway 19. Four samples were also collected from the quarry at the Puff showing and six samples were collected from outcrop along Highway 19 east of the Adam River. The best results were for the samples from the quarry one of which returned 46,540 ppm Cu and 29.7 ppm Ag. Rock samples were submitted to Acme Labs for analyses. Magnetic susceptibility readings were taken at 6 stations.

In July 2006 Schau spent one day collecting 51 rocks samples from outcrops along logging roads in the central part of his Kringle Consolidated claim group (Schau, 2006a; Assessment Report 28,747). The area sampled covers the southern portion of the Red Metal Ridge Property. Fourteen of the samples collected contained significant copper mineralization. Some of these localities appear to have been new discoveries. The highest values were for two sample of malachite stained basalt that were collected from the same locality. These samples (K072A1 and K072A2) returned 221,760 ppm Cu and 49.1 ppm Ag and 159,060 ppm Cu and 39.2 ppm Ag respectively (Schau, 2006a). This showing later became the Linzer Minfile showing (092L 357) which, based on the coordinates given by Schau (2006a), would plot on the southern most boundary of mineral title 1057928 of the Red Metal Ridge Property and not where it plots using the coordinates from the Minfile database. Two more samples from a different locality 252 m to the northeast returned Cu values of 49,100 ppm and 32,300 ppm respectively. This locality is described as malachite stained basalt with local specks of bornite. The location of samples and associated Cu values for the samples collected by Schau in 2006 relative to the current Property boundary (heavy purple line) is shown in Figure 6.

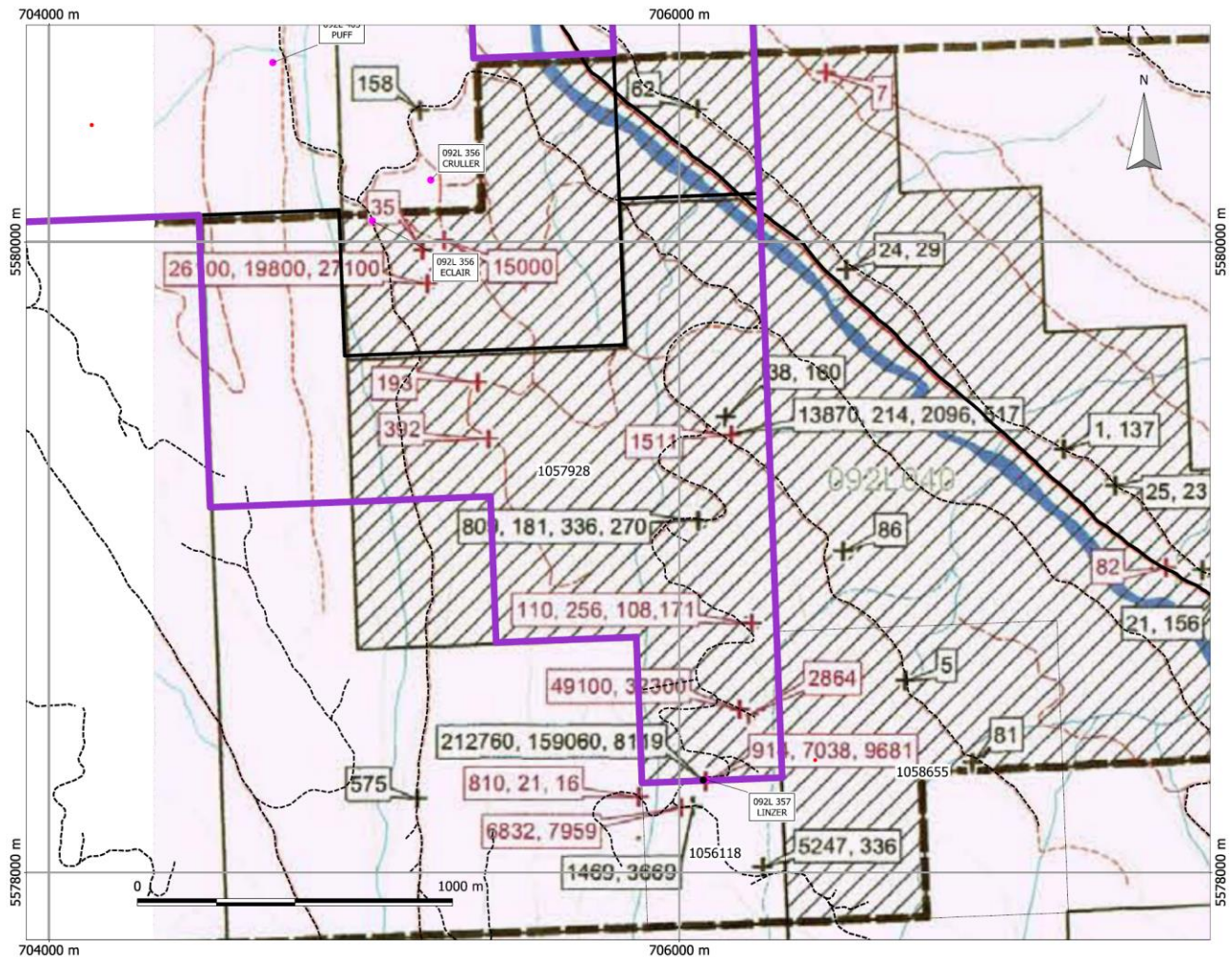


Figure 6. Map showing Cu assay values for rock samples collected by Schau in 2006 (Schau, 2006a) and the boundary of the Red Metal Ridge Property (heavy purple line). Map produced by D.G. MacIntyre, May 2018.

In October 2006, Schau did an additional four days of prospecting, collecting rock samples for assay (17 samples) and whole rock/trace element analyses (21 samples). In addition, magnetic susceptibility (181 stations) and density determinations (136 stations) were done. A petrographic study using 120 thin sections was also completed for the entire claim block. A number of new showings with low grade but anomalous Cu values were identified. A compilation of work done on the property since 2005 was included in the assessment report (Schau, 2007; Assessment Report 28,927).

From July 2008 to May 2009, Schau spent nine days prospecting the area north of Rooney Lake where new roads and cut blocks had been established. He also revisited outcrops along a stretch of Highway 19 northeast of the Adam River (Schau, 2009; Assessment Report 31039) where dykes cut through Quatsino and Parsons Bay limestones. A total of 60 samples, mostly of dyke material, were assayed by Acme Labs. In addition, three samples were submitted for whole rock and trace element analyses. Petrographic analyses were done on 22 rock specimens. Several new mineralized localities were found that returned weak to moderately anomalous Cu values.

In 2010, Schau spent a total of seven days working in the Kim Creek area (Schau, 2010; Assessment Report 31856). This work was focussed on the Cruller and Linzer showings. A total of 46 rocks samples were collected and five samples were submitted for petrographic analyses. A magnetic susceptibility survey was also done with 315 determinations made at 48 stations. One sample from the Cruller contact shear zone assayed 2.83% Cu and five samples of mineralized breccia and basalt from the Linzer showing returned over 1.5% Cu with the best value 5.77% Cu. This sample was also anomalous in Au at 932 ppb (Schau, 2010). The mineralization at the Linzer showing is described as bornite dissemination in a "horizon" in altered basalt that can be traced for 100 m along the road.

Between October 2010 and August 2011, Schau spent fifteen days sampling showings on the Kringle-Consolidated property (Schau, 2011; Assessment Report 32,553). During this time period nine soil samples, 44 silt samples and 119 rock samples were collected. The rock samples were analyzed by ICP-MS for 37 elements and by Fire Assay for Au, Pt and Pd. An additional eighteen samples were submitted for whole rock and trace element analyzes. A petrographic study using 99 thin sections was also done. The report contains a list of the 16 best results with 9 samples from the Linzer showing (2.02%-25% Cu), six samples from the newly discovered Eclair showing (2.09%-6.09% Cu) and one sample from the Puff showing (5.07% Cu). Samples of gossanous actinolite-pyrite+/-magnetite vein from the Oreo showing were also assayed and returned Au values between 1577 and 6582 ppb.

A report describing the results of magnetic susceptibility measurements and follow up laboratory work not reported in 2011 was filed for assessment credit in 2012 (Schau, 2012; Assessment Report 33,012). The analytical work was mainly determination of FeO for whole rock samples. Infrared absorption and potash feldspar staining was also done on selected alteration suites. Four new thin sections were also described.

In August 2012, Schau, spent four days on the Kringle-Consolidated Property. The focus of this work was the Linzer showing and showings further southeast of the current Red Metal Ridge Property. A total of 33 rock samples were collected and submitted for analyzes (Schau 2013; Assessment Report 34183), 12 of which were from the Linzer showing area. Of these, two samples returned Cu values >10,000 ppm. These samples also had anomalous Au values of 378 and 436 ppb respectively. Magnetic susceptibility readings were taken at 61 sites and 10 samples were submitted for density determinations. Petrographic descriptions were done for 28 thin sections by Vancouver Petrographics Laboratory.

Geological Setting and Mineralization

The following description of regional geologic units is modified from Schau (2010).

Regional Geology

Vancouver Group:

The Vancouver Group, which includes the Karmutsen, Quatsino and Parsons Bay Formations, underlies much of the area Adam River valley (Figure 7). The Karmutsen Formation is the most extensive and is primarily comprised of low potash tholeiite basalt of remarkably consistent structure and thickness that constitutes the lower third of the Vancouver Group. Regionally, the lower 2500 to 3000 m of the Karmutsen consists of closely packed pillow lava grading upward into magnesian pillow basalts. The next 600 to 1000 m consists of pillow breccia and aquagene tuff, typically with unsorted beds 0.5 to 2 m, thick. The upper 3000 m is composed of meter to decimeter thick, both amygdaloidal and massive basalt flows. In the upper third of the unit, thin discontinuous bioclastic, micritic, cherty or tuffaceous limestone is locally overlain by closely packed pillows, which are in turn overlain by pillow breccia, and then thick massive flows.

The structure of the unit is marked by gently folded and locally severely faulted areas. The folding is part of a regional shallowly north plunging antiform. The distribution of units also suggest east trending folds of small amplitudes and well developed linears trend north and north westerly directions as well as easterly directions and separate large panels of gently dipping lavas. In the Adams River area units appear to be dipping gently to the northeast.

The volcanic rocks have been regionally metamorphosed to upper zeolite facies. Albitized feldspars, amygdules and veins of pumpellyite, prehnite, epidote, calcite, and chlorite are widely noted. Adjacent to contacts with later intrusives, higher grade amphibolite bearing assemblages are locally developed.

The Quatsino Formation is a thin ribbon traversing the country in a north-northwest direction, to the northeast of the Karmutsen Formation (Figure 7). Regionally, it is seen to stratigraphically overlie the Karmutsen, and is known to vary in thickness from as much as 500 m to a thinner than 150 m. In the Adam River area it is a distinct, easily recognizable unit, but the thickness is difficult to determine as it has been ductilely deformed near the contact with the granodiorite. The Adam River follows part of its outcrop pattern. The formation consists of grey limestone beds. Where undeformed it is coarsely bioclastic, light grey, indistinctly bedded and non fissile. Where deformed near plutons it becomes a light grey, finely recrystallized limestone. Fossils indicate that the Quatsino Formation is upper Triassic in age (Muller et al, 1974, Nixon, 2007).

The Parsons Bay Formation is considered to overlie the Quatsino Formation. According to Carlisle (1972), it is characterized by thinly laminated alternating fissile and non fissile black carbonaceous limestone with extremely fine grained siliceous matrix. Small slivers have been recognized along the contact with the pluton, mainly northwest of Keta Lake, but it seems to disappear to the northwest. The Adam Lake Pluton cuts through the unit to impinge directly on the Quatsino limestone further to the northwest. Schau (2010) suggests that some of the silty reaction skarns intercalated with black limestone noted in the Adam River area represent some thin relict lenses of Parsons Bay Formation recently recognized along the western flank of the Adam River Batholith.

Jurassic Plutonic Rocks:

Jurassic granodiorite to diorite underlies the area to the east-northeast of the Adam River. It has been called the Adam River Batholith (Carson, 1973, Muller, et al, 1974) and is part of the Island Plutonic Suite. It is about four km wide and trends northwesterly in excess of 10 km (Figure 7). It consists mainly of granodiorite to quartz diorite phase of a large mesozonal intrusive body. Potassium–argon dating of 160 million years on hornblende and 155 million years on biotite from a quartz diorite of this batholith confirm the mid Jurassic age and suggest it is contemporaneously with the deposition of the andesitic volcanics of the Bonanza Group. Rocks studied by Schau (2010) are described as mainly medium to fine grained biotite hornblende granodiorite and quartz diorite with a locally elevated content of mafic minerals including magnetite. The high concentration of magnetite in these I-type intrusions produces regional positive aeromagnetic anomalies.

Contacts with the granodiorite are known to be hornfelsed for short distances, with local skarnification near and in limestone beds. Locally on Highway 19, outcrops of limestone have been skarnified and are well exposed. Bedding in the limestone is steep and complex at or near the contact. At contacts volcanic rock inclusions are transformed into dioritic inclusions and limestones become skarn and marble rafts.

Dykes:

Schau (2010) suggests that based on very preliminary field evidence, supported in part by prior observations made by Carlisle (1972) in adjacent areas, there appears to be at least three sets of granitoid dykes in the area. The dykes observed so far are near the intrusive contact of the main Adam River pluton.

The oldest dykes are feldspar porphyry. Locally these are folded into tight folds and may predate the main Adam River plutonic mass. There is also a later group of dykes that are deformed, locally brecciated, and argillically altered and mineralized. The youngest dykes are "fresh" feldspar and hornblende porphyries with planar or irregular contacts. In the Rooney Lake area, late basaltic dykes (diabase) cut metamorphosed basalts and are metamorphosed themselves.

Structure:

The Red Metal Ridge Property lies within the shallow east north east dipping homocline of Triassic rocks and the Adam River Batholith, called by Muller et al. (1974), the White River Block. This block is bounded to the west by the north to northwest trending Eve River fault. To the north the Johnson Strait Fault terminates the block. The eastern and southern borders are also faults. The faults on the Property are sub parallel to the border faults, or are second or third order subsidiaries of it. Schau (2010) suggests these faults contain a large normal component but a dextral transverse component is often mentioned in reports and shown in outcrop as sub horizontal slickensides. Dip directions of the massive basalt flows within each fault panel differ somewhat suggesting some jostling of fault blocks. The majority of dips of flow tops and intercalated bedding were observable are more northerly than easterly. Schau (2010) suggests that the area is more structurally complex than implied by a simple homocline, since the regional structure predicts that the youngest rocks should be to the north. Instead, the Parsons Bay Formation is found near Keta Lake, or far southeast of where it would be expected in a simpler tilted stratigraphic succession.

Schau (2010) concludes that a fault system exists along the Adam River and post dates the pluton, probably with strike slip motion. This fault system is probably long lived, since it seems that it also predates the pluton as well with a sense of west side up. West of the pluton, the younging in the Karmutsen is to the east northeast. On the east side of the Adam River pluton the younging is to the south, implying the pluton cuts an east west trending syncline (Figure 7).

Schau (2010) suggests north trending excised valleys probably follow secondary fault structures. One such example might be Kim Creek. As noted above, the intrusive rocks may have been emplaced along prior faults in the vicinity of the current course of the Adam River. These are faults that are parallel to the length of the Cordillera, typically bounding crustal blocks with different tectonic and geologic histories. This type of faulting can play a large role in

localizing some mineral deposits. It is likely that these faults stayed active during later transverse faulting episodes.

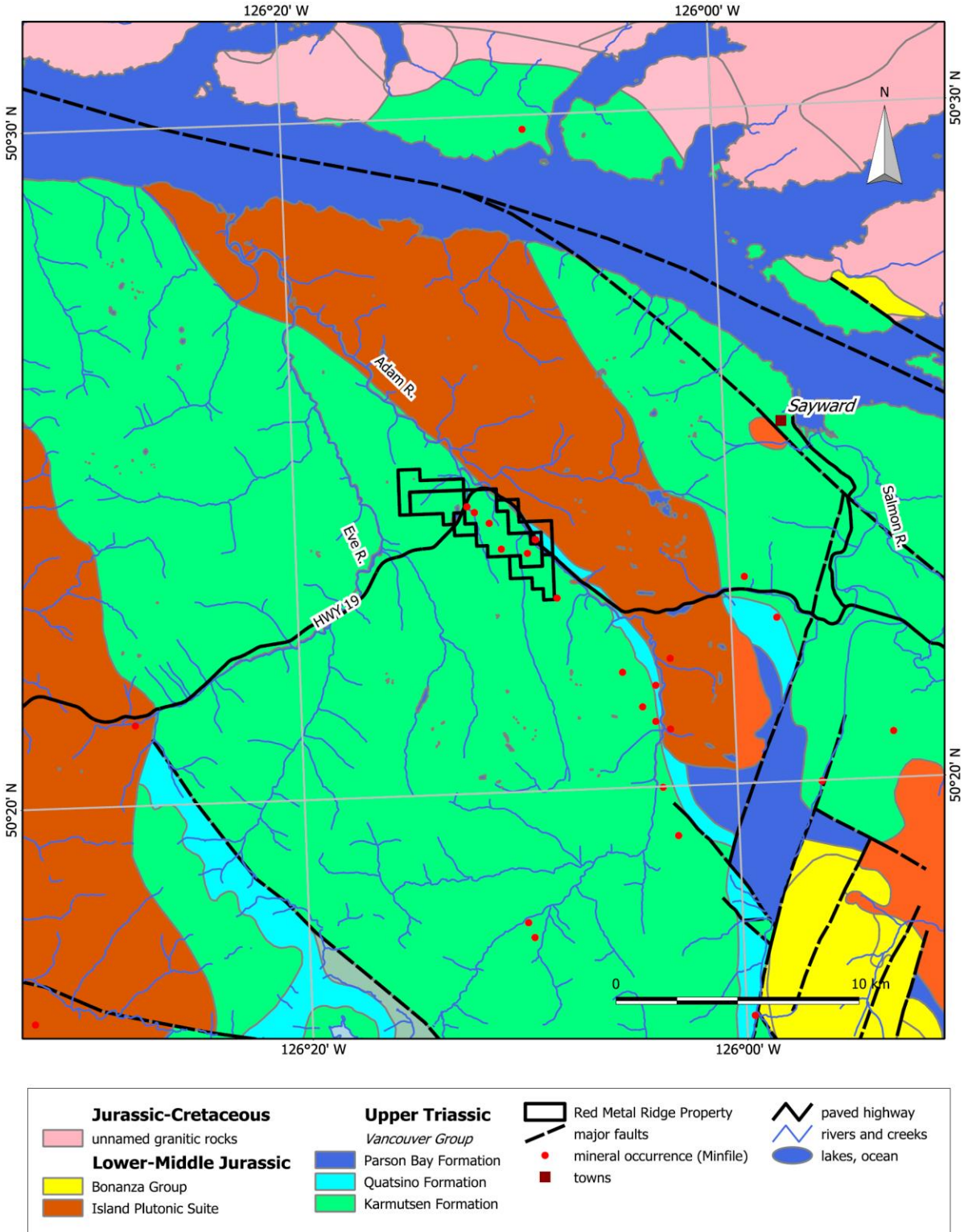


Figure 7. Regional geologic setting, Red Metal Ridge Property. Map created by D.G. MacIntyre, May 2018 from B.C. digital geology data (Massey et al., 2003).

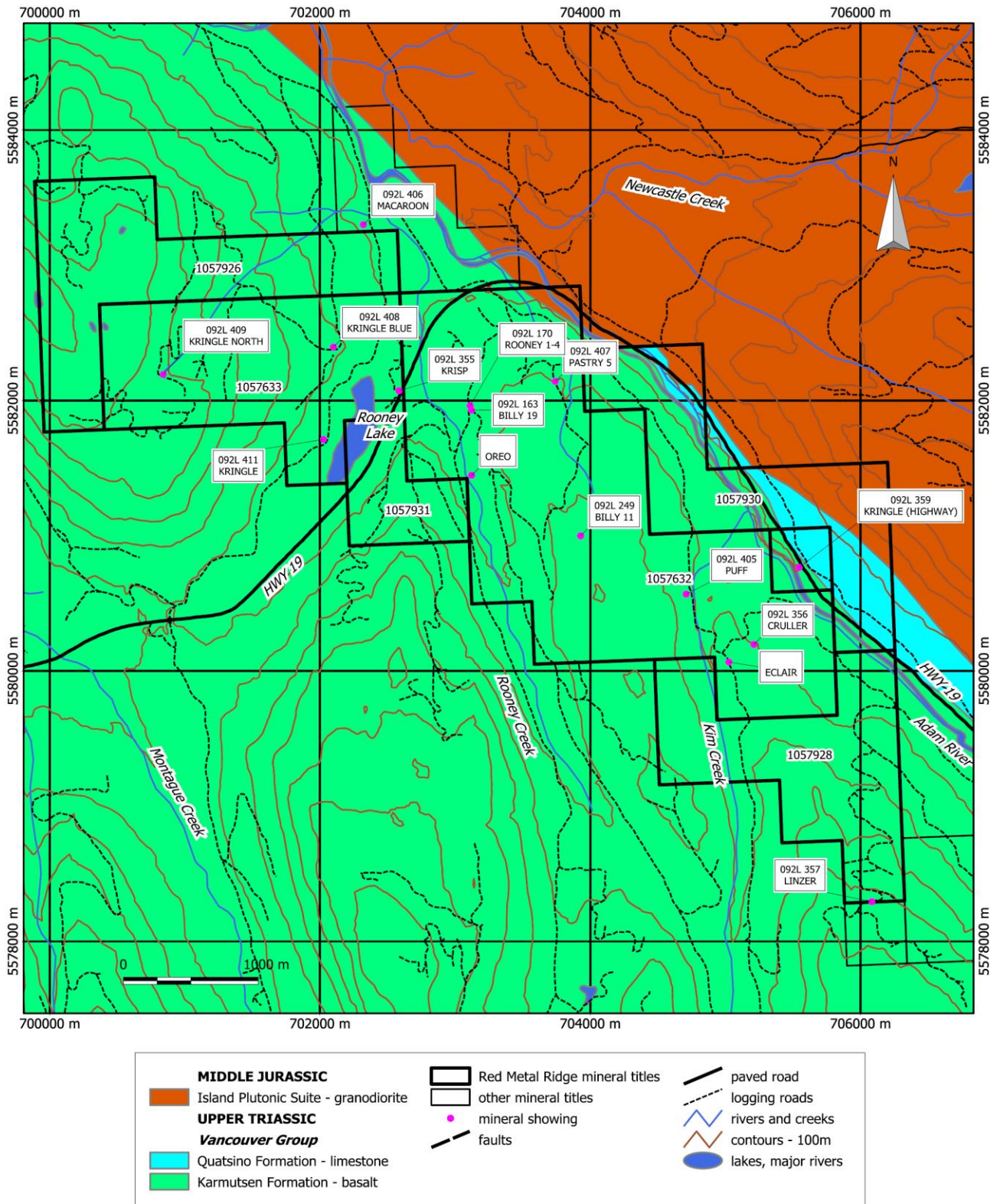


Figure 8. Property geology and location of mineral occurrences. Map created by D.G. MacIntyre, May 2018 from B.C. digital geology data (Massey et al., 2003).

Table 4. Mineral occurrences, Red Metal Ridge Property.

Minfile No.	Name	Easting	Northing	Deposit Type	Mineralization
092L 163	Billy 19	703121	5581929	I06: Cu+/-Ag quartz veins	Chalcopyrite, Bornite, Pyrite, Magnetite
092L 170	Rooney 1-4	703111	5581962	I06: Cu+/-Ag quartz veins	Chalcopyrite, Bornite, Pyrite, Magnetite
092L 249	Billy 11	703929	5581000	I06: Cu+/-Ag quartz veins	Chalcopyrite, Bornite, Pyrite, Magnetite
092L 355	Krisp	702583	5582073	I06: Cu+/-Ag quartz veins	Chalcopyrite, Magnetite
092L 356	Cruller	705211	5580196	I06: Cu+/-Ag quartz veins	Pyrite, Chalcopyrite, Bornite
092L 357	Linzer	706084	5578294	I06: Cu+/-Ag quartz veins	Bornite, Chalcopyrite
092L 405	Puff	704710	5580568	I06: Cu+/-Ag quartz veins	Malachite
092L 407	Pastry 5	703741	5582141	I06: Cu+/-Ag quartz veins	Magnetite, Pyrite, Chalcopyrite
092L 408	Kringle Blue	702099	5582395	I06: Cu+/-Ag quartz veins	Malachite
092L 409	Kringle North	700840	5582193	I06: Cu+/-Ag quartz veins	Chalcopyrite
092L 411	Kringle (Plus 40)	702026	5581712	I06: Cu+/-Ag quartz veins	Chalcopyrite, Bornite
unassigned	Eclair	705026	5580067	I06: Cu+/-Ag quartz veins	Malachite, Chalcopyrite, Pyrite
unassigned	Oreo	703122	5581447	I06: Cu+/-Ag quartz veins	Malachite

Property Geology and Mineral Occurrences

The geology and location of mineral occurrences for the Red Metal Ridge Property is shown in Figure 8. This geology is based on the digital geology compilation for B.C. (Massey et al., 2003) and on historical reports that are discussed in the History Section of this report. The best geological map of the property was compiled by Sheppard (1977) based on mapping done in 1972 (see Figure 5). As shown on Sheppard's map, outcrop is quite extensive in the Adam River area. As shown in Figure 8, almost all of the current Property is underlain by amygdaloidal to massive basalt of the Karmutsen Formation. A small amount of Quatsino limestone and mid Jurassic grandiorite is covered by the Property, mostly along and northeast of the Adam River (Figure 8).

The following description of the Property geology is modified from Schau (2010).

The area covered by the Property is mainly underlain by the upper part of the Karmutsen Formation stratigraphy, comprising mainly thick massive flows with local intercalations of amygdaloidal basalt and pods of autoclastic breccias, pillowed and massive flows with thin intercalations of volcanoclastic and limey sandstones all cut by thin dolerite/gabbro sills. Several textural types of basalt have been noted in the area. Most common are feldspar phyric fine grained basalts. Local variants include those with abundant microlites and altered glass in the groundmass. Others are somewhat coarser of grain. All varieties are locally amygdaloidal, varying from showing small occasional spherical amygdales filled with low temperature minerals to specimens with large irregular and locally joined

amygdalites. Coarser versions may represent later sills or possibly the centers of thick slowly cooled basalt flows.

The basalts are locally seen in stacked, massive, many metre thick units. Local pillow basalts are well exposed in quarries. The basalt units generally dip north to northeasterly with shallow to moderate dips. The basalts are variously veined and fractured.

The Quatsino Formation is a thin north-northwest trending belt northeast of the Karmutsen Formation (Figure 8). It is recrystallized and deformed as seen in road cuts along the highway. The thickness is not known. The Adam River follows part of its outcrop pattern. Outcrops on the property are closed to the contact with a large mid Jurassic pluton. Emplacement of the pluton has deformed and recrystallized the limestone to a light grey, finely crystalline rock. The limestones are remarkably pure calcite. Small elliptical grains of calcite and the prominent cleavage direction are elongated in direction of the layering. Locally, where intruded, they both host reaction and ore skarns (Schau, 2009).

Only a small part of the Property covers mid Jurassic granodiorite to quartz diorite northeast of Highway 19 (Figure 8). Outcrops in this area are mainly medium to fine grained biotite hornblende granodiorite and quartz diorite with a locally elevated content of mafic minerals. Near the contact with the Quatsino and Karmutsen formations the intrusion contains numerous inclusions. The mafic volcanic rock inclusions are transformed into dioritic inclusions, limestones become skarn and marble rafts and siliceous siltstones become rusty hornfels (Schau, 2009). At the contact, orientations of bedded host rocks are steep and complex.

Mineral Occurrences

The Red Metal Ridge Property covers thirteen mineral showings, eleven of which are documented in the Minfile database (Table 4). The location coordinates shown in the table differ from those in the Minfile database. The Author has adjusted the location of some of the showings based on information contained in various assessment reports. As a result the location of the Billy 11, Billy 19, Linzer and Pastry 5 showings have been adjusted to more accurately reflect their true location on the Property.

Billy 19 – Minfile #092L 163:

The Billy 19 showing is underlain by basalts of the Upper Triassic Karmutsen Formation. The occurrence consists of disseminated chalcopryrite and bornite, accompanied by minor pyrite and magnetite in fractured massive to amygdaloidal basalts. Chlorite and epidote alteration are present near the mineralization.

In 1969, diamond drilling returned values of 0.53% Cu over 1.5 m and 0.27% over 3.8 m from hole number one. Hole number two, at the same location but drilled at a different azimuth, has as its highest assay 0.41% Cu over 1.5 m. A drill hole located 113 m north of the above holes (diamond-drill hole #5) returned 0.14% Cu over 6 m (Assessment Report 3795). The approximate location of the 1969 drill holes is shown in Figure 5.

Rooney 1-4 – Minfile #092L 170:

The Rooney showing is located on a un-named north flowing tributary of Rooney Creek, approximately 700 m east of Rooney Lake.

The occurrence consists of disseminated chalcopryrite and bornite, accompanied by minor pyrite and magnetite in an area where the massive to amygdaloidal basalts are fractured and bleached. Chlorite and epidote alteration are present near mineralization.

In 1969, a chip sample over 6.0 m assayed 0.23% Cu, but other samples in the vicinity ran in the 0.03 range (Richardson 1969; Assessment Report 1859). In 2004, sampling yielded up to 1.26% Cu and 6 grams per tonne silver (Schau 2004; Assessment Report 27463). The location of the 1969 samples is shown in Figure 4.

Billy 11 – Minfile #092L 249:

The Billy 11 occurrence is located on a ridge west of the Adam River, approximately 2.2 km south east of Rooney Lake. It has been explored in conjunction with the Billy 19 (MINFILE 092L 163) located 1220 m to the northwest.

The occurrence consists of disseminated chalcopryrite and bornite with minor pyrite and magnetite in an area where the massive amygdaloidal basalts are highly fractured. Chlorite and epidote alteration are present near mineralization.

In 1969, diamond-drill Hole 6 assayed 0.48% Cu over 3.6 m (Sheppard, 1977; Assessment Report 3795). This drill hole is presumed to be the locality intended for this showing. The location of this showing on Figure 8 is based on drill hole information contained in Sheppard (1977). The adjusted coordinates are given in Table 4.

Krisp – Minfile #092L 355:

The Krisp showing is located on the southeast side of the Island Highway, east of Rooney Lake. The showing was discovered in 2005 by M. Schau and subsequently sampled.

The area is underlain by Karmutsen basalts, as a mix of autoclastic breccias, pillowed and massive flows with thin intercalations of volcanoclastic and limey sandstones cut by thin dolerite/gabbro sills.

Locally, a mineralized Tertiary shear system(s) with epidote± magnetite bearing sulphide disseminations in and adjacent to a shear zone and hydrothermal system associated with a nearby contact between the Triassic Vancouver Group and the Jurassic Adam River batholith.

In 2005, a grab sample of vein material containing chalcopyrite mineralization returned values up to 6.33% Cu, 18.4 grams per tonne silver and 0.212 grams per tonne gold (Schau, 2005; Assessment Report 27736).

Cruller – Minfile # 092L 356:

The Cruller showing is located between Kim Creek and the Adam River in the south-central part of the Property. The showing is described as distal skarn contact mineralization that occurs near a porphyritic monzodiorite dyke. The dyke appears to strike 150 degrees. Mineralization consists of pyrite, chalcopyrite and malachite.

In 2006, sampling yielded up to 2.71% Cu, 5.6 grams per tonne silver and 0.35 grams per tonne gold (Shau 2006; Assessment Report 28747). In 2010, sampling of the zone returned up to 2.83% Cu and 6 grams per tonne silver (Shau, 2010; Assessment Report 31856).

Linzer – Minfile #092L 357:

The Linzer showing is located on or near the southernmost boundary of the Property. A complete exploration history of this showing can be found in Assessment Report 31856 (Schau, 2010).

Locally, three (Upper, Mid and Lower) areas of small, several centimetre wide, bornite-chalcopyrite veins and breccias are hosted in potassic altered basalts over a length of 150 m. In 2006, sampling yielded up to 21.28% Cu and 49.1 grams per tonne silver (Schau, 2007; Assessment Report 28747).

Approximately 250 m to the north east of the Linzer occurrence, malachite stained basalts host copper values. In 2006, two samples yielded 4.9 and 3.2% Cu with 6.5 grams per tonne silver each, respectively (Schau, 2007; Assessment Report 28747). Location of the 2006 samples is shown in Figure 6. The location of the Linzer showing has been adjusted based on the GPS coordinates contained in assessment report 28747. Based on these coordinates the Linzer showing plots on the boundary of the Property.

Puff – Minfile # 092L 405:

The Puff occurrence is located in a quarry along the Kim Creek FSR near a logging road junction, approximately 2.6 km southeast of Rooney Lake.

The showing is comprised of quartz veins in fractured and brecciated basaltic rock. A nearby felsite dike hosts chalcopyrite mineralization. Other highly sheared and locally veined zones of magnetite-chalcopyrite bearing epidosite are also reported from sampling in the quarry.

In 2002, sampling yielded up to 4.5% Cu, 23.9 grams per tonne Ag, 0.107 grams per tonne Au and 0.118 gram per tonne Pd from a 6 cm wide mineralized quartz vein; while a sample of the mineralized felsic dike yielded 2.25% Cu and 12.3 grams per tonne Ag. A chip sample across the mineralized shear zone yielded 0.95% Cu and 4.62 grams per tonne Ag over 2.2 m (Schau 2002; Assessment Report 27070).

In 2006, sampling yielded up to 4.65% Cu and 29.7 grams per tonne silver (Schau 2006; sample PU-2; Assessment

Report 28328). In 2009, a sample (109a1) taken from near the shear assayed 52.6 grams per tonne silver and greater than 1.0% Cu (Schau 2009; Assessment Report 31039). In 2010, a chip sample assayed 7.1% Cu, 46.7 grams per tonne silver and 0.06 gram per tonne gold (Shau 2010; Assessment Report 31856).

Pastry 5 – Minfile #092L 407:

The Pastry 5 occurrence is located near a logging road junction, southwest of the Adam River and approximately 1.5 km east-northeast of Rooney Lake.

At the showing, an epidotized felsite brecciated basalt hosts magnetite veins, disseminated sulphides and malachite staining. In 2004, sampling yielded up to 0.9% Cu and 3.3 grams per tonne silver, while a nearby talus boulder assayed 4.8% Cu and 14.6 grams per tonne silver (Schau 2004; Assessment Report 27463).

Kringle Blue – Minfile #092L 408:

The Kringle Blue occurrence is located southwest of the Adam River, approximately 400 m north-northwest of Rooney Lake.

At the showing, a malachite stained "blue" quartz vein is hosted by massive basalt. In 2006, sampling yielded up to 0.681% Cu, 6.4 grams per tonne silver and 0.266 grams per tonne gold (Schau 2006; Assessment Report 28328).

Kringle North – Minfile #092L 409:

The Kringle North occurrence is located at an elevation of 605 m in the head waters of an unnamed northeast flowing tributary of Rooney Creek.

At the showing, basalts host quartz-feldspar-epidote veins with sulphide mineralization. In 2006, a lone sample (K079) assayed 0.424% Cu, 3.0 grams per tonne silver, 1.17 grams per tonne gold and 0.11 grams per tonne palladium (Schau 2006; Assessment Report 28328).

Kringle (Plus 40) – Minfile # 092L 411:

The Kringle (Plus 40) occurrence is located on the northwest side of Rooney Lake. The showing is comprised of chalcopyrite, bornite, malachite and azurite mineralization, in basalt that has been exposed in road cuts.

Eclair:

The Eclair occurrence is located a few hundred metres south west of the Cruller showing. In the Minfile database it is included with the Cruller showing although it is at a different location. The showing exposed in borrow pits on either side of the Kim Creek FSR. Here, amygdaloidal, feldspar phyric basalt hosts quartz veins with chalcopyrite and bornite. Malachite and azurite occurs on fracture surfaces and in shear zones.

The first mention of this showing is a 2011 assessment report (Schau, 2011; Assessment Report 32553). A sample collected in 2011 returned up to 6.09% Cu. This showing was sampled again in the 2018 program described in this report.

Oreo:

The mineralization noted in Oreo is in a large road metal quarry which has been situated between two shear zones to exploit the crushed rock developed there (Schau, 2002). The quarry is on the west side of the east arm of Rooney Creek and is approximately 450 m south of the Rooney 1-4 and Billy 19 showings (Figure 8). According to Schau (2002) this whole region is mineralized with copper sulphides and attendant epidote alteration. The mineralization is spread across the quarry floor in patches seemingly associated with secondary faults. The patches are meter sized and are chalcidonic in nature. The mineralization is predominantly chalcopyrite with associated epidote and other unidentified green minerals.

Several patches yield good values, the best being 1.26% Cu and 6.0 Ag (Schau, 2002; Assessment Report 27070).

Deposit Types

The Minfile database classifies the Billy 19 and Rooney 1-4 showings as porphyry Cu type occurrences. Other showings are classified as vein, breccia and stockwork type occurrences (Mineral Deposit Profile Category I). The Cruller showing is classified as a skarn. A complicating factor in the classification of the showings on the property is that in many cases there is evidence of post mineral shearing which has destroyed or modified some of the original vein features.

In the Author's opinion all of the showings on the property should be classified as vein showings, specifically Cu-Ag quartz veins (Lefebure 1996; Mineral Deposit Profile type I06). This deposit type is characterized by quartz-carbonate veins containing patches and disseminations of chalcopyrite with varying amounts of bornite, tetrahedrite, covellite and pyrite. Malachite and azurite are common secondary minerals. This type of vein typically crosscuts clastic sedimentary or volcanic sequences, however, there are also Cu quartz veins related to porphyry Cu systems and associated with felsic to intermediate intrusions.

A diversity of tectonic settings reflecting the wide variety of hostrocks including extensional sedimentary basins and volcanic sequences associated with rifting or subduction-related continental and island arc settings.

Veins are typically emplaced along faults; they commonly postdate major deformation and metamorphism. The veins related to felsic intrusions form adjacent to, and are contemporaneous with, mesozonal stocks. In the case of the Property showings this would be the mid Jurassic granodiorite northeast of Highway 19.

Cu-Ag quartz veins are known to occur in virtually any rocks although the most common hosts are clastic metasediments and mafic volcanic sequences such as the Karmutsen basalts. Mafic dykes and sills are often spatially associated with metasediment-hosted veins. These veins are also found within and adjacent to felsic to intermediate intrusions. These occur on the Property as dykes.

This deposit type also typically forms simple to complicated veins and vein sets which follow high-angle faults which may be associated with major fold sets. These types of structures are common in the Adam River area. Single veins vary in thickness from centimetres up to tens of metres. Major vein systems extend hundreds of metres along strike and down dip. In some exceptional cases the veins extend more than a kilometre along the maximum dimension.

Sulphides are irregularly distributed as patches and disseminations. Vein breccias and stockworks are associated with some deposits. The mineralogy of intrusion related veins can include chalcopyrite, bornite, chalcocite, pyrite, pyrrhotite; enargite, tetrahedrite-tennantite, bismuthinite, molybdenite, sphalerite, native gold and electrum. Quartz and carbonate (calcite, dolomite, ankerite or siderite); hematite, specularite, and barite are common gangue minerals. Wallrocks are typically altered for distances of centimetres to tens of metres outwards from the veins. The metasediments display carbonatization and silicification. Decalcification of limy rocks and zones of disseminated pyrite in roughly stratabound zones are also reported for this deposit type. The volcanic hostrocks exhibit abundant epidote with associated calcite and chlorite. Epidote and chlorite alteration are commonly associated with showings on the Property Malachite or azurite staining is commonly associated with this deposit type and this is also the case on the Property.

Ore controls for this deposit type are structural. Veins and associated dikes follow faults. Ore shoots are commonly localized along dilational bends within veins. Sulphides may occur preferentially in parts of veins which crosscut carbonate or other favourable lithologies. Intersections of veins are an important locus for ore.

Lefebure (1996) indicates that the genetic model for this deposit type is one where the veins are associated with major faults related to crustal extension which control the ascent of hydrothermal fluids to suitable sites for deposition of metals. The fluids are believed to be derived from mafic intrusions which are also the source for compositionally similar dykes and sills associated with the veins.

Exploration

In early 2018, Rich River, under the supervision of Lynes, collected 341 soil samples and 32 rock samples, all part of a prospecting program conducted on the Red Metal Ridge Property. A Beep Mat geophysical survey was also completed as part of the prospecting program. The geophysical survey involved the recording of 32,682 readings over a 12 day period in March 2018. The geochemical sampling, prospecting and Beep Mat survey were done along existing logging roads and covered a large part of the property. This section describes the results of this work. All of

the work done on the Property was on behalf of the Issuer.

Rock and soil samples collected by Rich River in 2018 were shipped to ALS Minerals laboratories in North Vancouver and were analyzed for 36 elements using an Aqua Regia digestion and an Inductively Coupled Plasma Mass Spectrometry (ICP-MS) finish. Ore grade samples returning values greater than the upper detection limit of the ICP-MS method were also analyzed by Inductively Couple Plasma Atomic Emission Spectrometry (ICP-AES) to quantify the concentration of ore grade material.

Soil Samples

The location of the 341 soil samples collected in 2018 is shown in Figure 9. Samples were collected along existing logging roads at roughly 50 m intervals. In Figure 9, proportional symbol size and colour is used to highlight anomalous samples. Table 5 is a summary of statistics for these samples. The main elements of interest on the property are Cu and Ag. For Cu, soil samples returned values ranging from 8 to 1380 ppm Cu, with a mean value of 121.96 ppm Cu. As shown in Figure 9 there is a cluster of anomalous samples near the Puff, Eclair and Cruller showings. Ag values did not define any obvious target areas with random anomalies spread throughout the area of sampling.

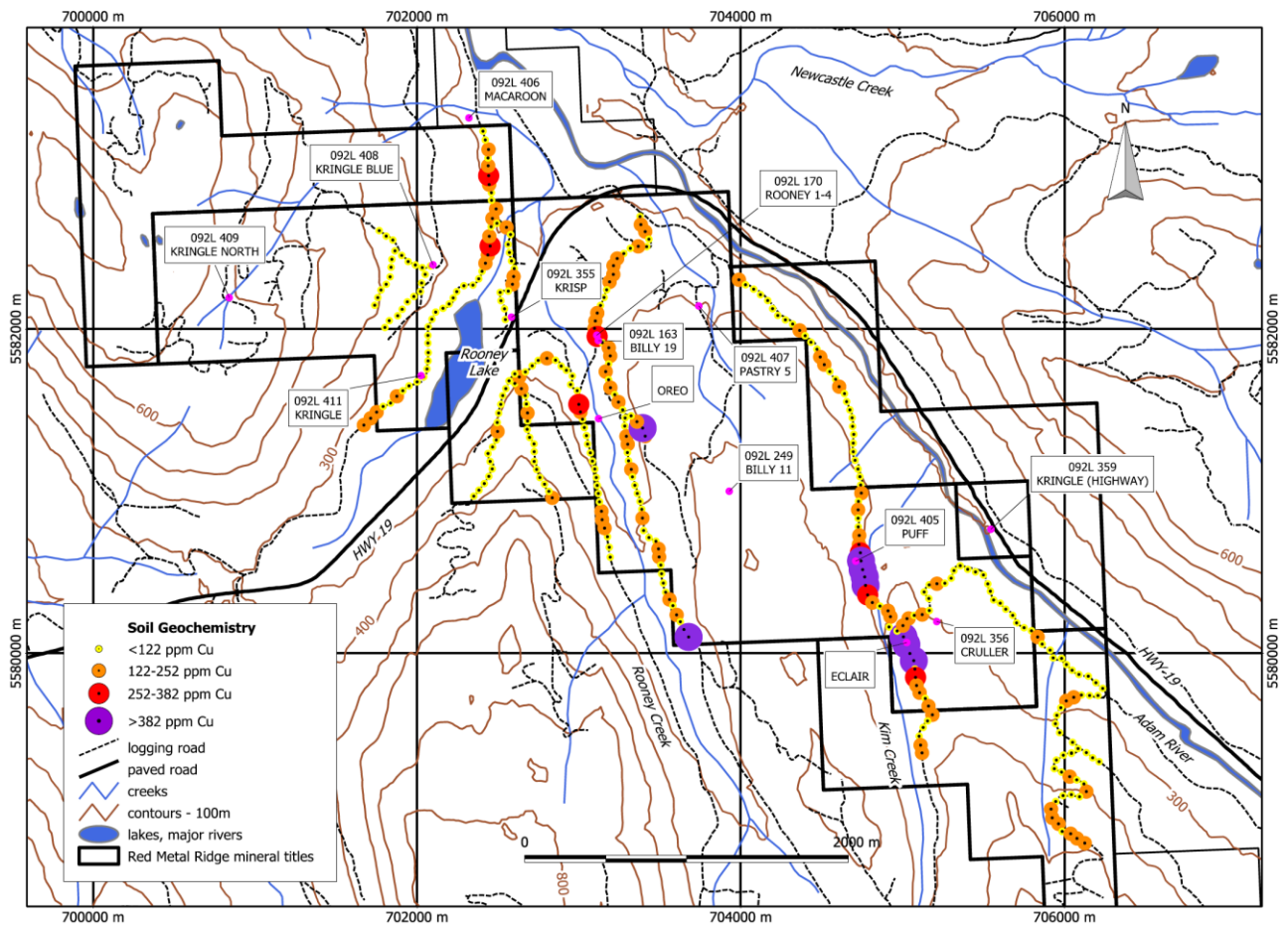


Figure 9. Proportional symbol plot showing results for Cu (ppm) in the 2018 soil samples. Map produced by D.G. MacIntyre using analytical results from ALS laboratories, May 2018.

Table 5. Summary statistics for 2018 soil samples (N=341).

Lab. No.	Minimum	Maximum	Median	Average	Std. Dev.	90th Percentile	95th Percentile	N > detection
Ag ppm	0.02	4.82	0.11	0.136	0.263	0.19	0.24	341
Al %	0.14	12.85	4.95	5.076	1.658	7.1	8.033	341
As ppm	0.4	21.8	1.2	1.863	1.894	3.9	5.005	341
Au ppm	<0.02	0.38	<0.02	<0.01701	0.027	<0.02	<0.02	8
B ppm	<10	10	<10	<8.2991	5.587	<10	10	29
Ba ppm	10	110	20	19.912	10.860	30	40	341
Be ppm	<0.05	1.08	0.5	0.496	0.149	0.67	0.71	337
Bi ppm	0.01	0.16	0.06	0.060	0.027	0.09	0.1005	341
Ca %	0.09	2.57	1.01	1.077	0.500	1.83	2.0005	341
Cd ppm	0.07	0.87	0.19	0.229	0.128	0.38	0.501	341
Ce ppm	0.61	52.6	13.95	15.379	7.545	25	30.32	341
Co ppm	0.9	173	16.9	19.329	16.545	30.2	38.6	341
Cr ppm	3	149	76	75.595	24.242	105	114	341
Cs ppm	<0.05	0.97	0.31	0.333	0.133	0.5	0.561	339
Cu ppm	8	1380	93.9	121.961	130.612	183	230.3	341
Fe %	0.22	14.3	6.92	6.903	1.960	9.29	10	341
Ga ppm	0.52	45.7	14.8	14.867	4.536	20.2	22.705	341
Ge ppm	0.05	0.26	0.1	0.106	0.033	0.15	0.17	341
Hf ppm	<0.02	1.59	0.56	0.590	0.301	1	1.14	339
Hg ppm	0.02	0.67	0.19	0.195	0.088	0.29	0.3505	341
In ppm	0.005	0.131	0.063	0.062	0.019	0.085	0.096	341
K %	<0.01	0.19	0.01	0.014	0.012	0.02	0.03	340
La ppm	0.3	10.1	3.7	3.871	1.351	5.5	6.2	341
Li ppm	0.1	19.4	4.8	4.909	1.837	6.8	7.9	341
Mg %	0.04	2.17	0.45	0.492	0.248	0.8	0.93	341
Mn ppm	15	6160	383	560.455	777.791	887	1294.5	341
Mo ppm	0.24	22.4	0.77	1.071	1.620	1.47	2.096	341
Na %	<0.01	0.06	0.01	0.013	0.008	0.02	0.03	336
Nb ppm	0.19	6.88	4.15	4.061	1.067	5.24	5.75	341
Ni ppm	3.4	72	26.5	26.744	9.533	37.7	42.605	341
P ppm	170	1230	490	499.296	141.153	680	740.5	341
Pb ppm	0.7	26.5	3.2	4.316	3.325	8.5	9.9	341
Rb ppm	0.4	6.1	1.1	1.150	0.547	1.7	2	341
Re ppm	<0.001	0.006	<0.001	<0.0006	0.001	0.001	0.001	53
S %	<0.01	0.33	0.04	0.046	0.027	0.07	0.08	338
Sb ppm	<0.05	1.74	0.11	0.137	0.118	0.22	0.26	336
Sc ppm	0.3	27.5	13.7	13.860	4.830	19.5	21.525	341
Se ppm	<0.2	4	0.9	0.995	0.510	1.7	1.905	340
Sn ppm	0.2	2.3	1	0.972	0.294	1.3	1.5	341
Sr ppm	4.6	91.7	15.8	19.066	11.401	31.2	39.03	341
Ta ppm	<0.01	0.16	0.05	0.053	0.036	0.11	0.12	335
Te ppm	<0.01	0.08	0.02	0.024	0.017	0.05	0.06	320
Th ppm	<0.2	1.7	0.6	0.616	0.221	0.8	0.9	334
Ti %	0.022	1.56	0.688	0.681	0.205	0.912	0.99075	341

Lab. No.	Minimum	Maximum	Median	Average	Std. Dev.	90th Percentile	95th Percentile	N > detection
Tl ppm	<0.02	0.1	<0.02	<0.00237	0.023	0.03	0.03	133
U ppm	<0.05	9.93	0.3	0.377	0.543	0.55	0.6315	340
V ppm	13	649	266	269.572	87.074	376	424.1	341
W ppm	<0.05	0.16	<0.05	0.004	0.063	0.08	0.1	151
Y ppm	0.25	31.4	10.75	11.149	4.648	16.85	19.2025	341
Zn ppm	13	117	44	45.886	16.015	65	72	341
Zr ppm	<0.5	59.4	23.9	24.367	11.274	39.1	43.955	340

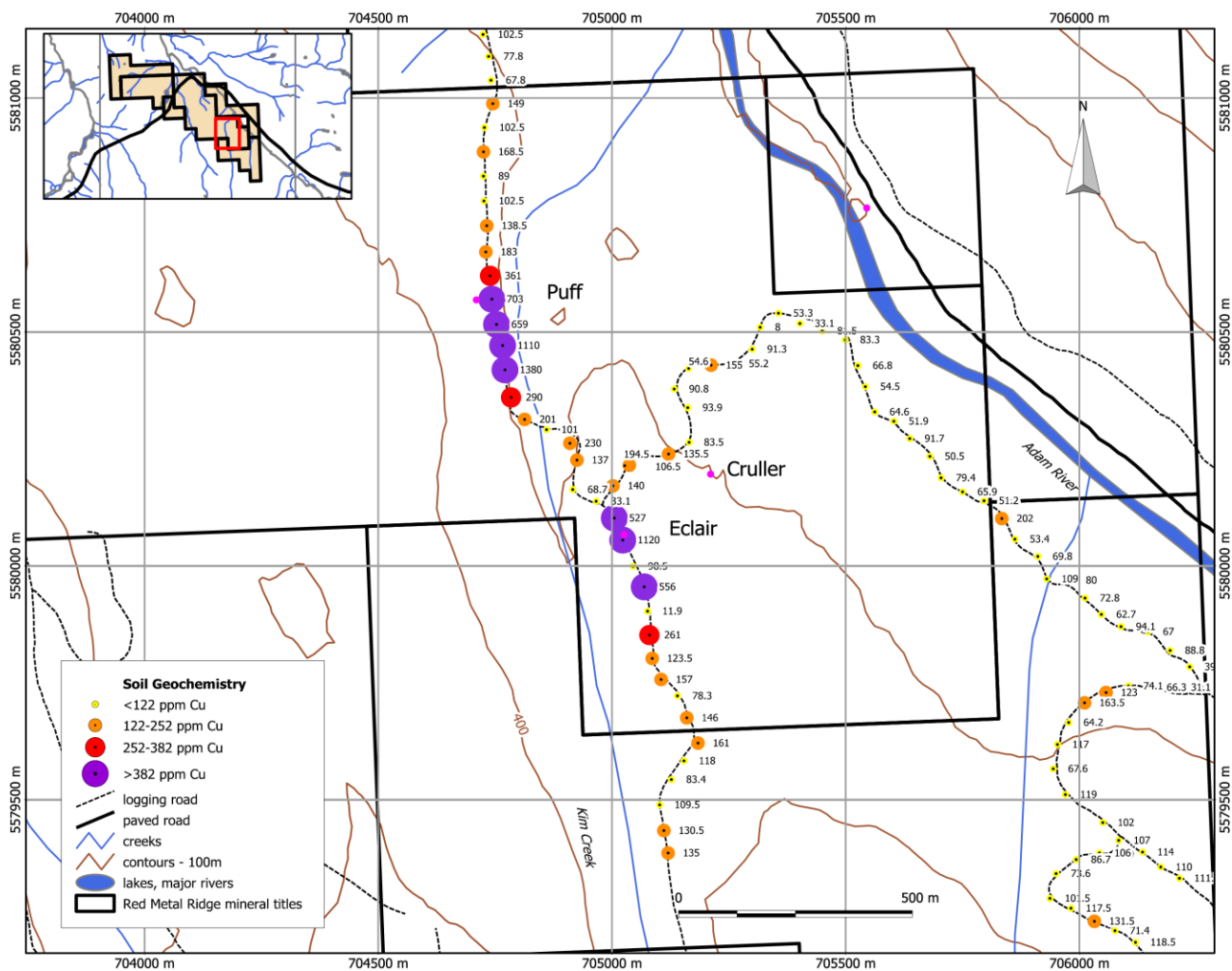


Figure 10. Proportional symbol plot showing results for Cu (ppm) in soil samples collected near the Eclair Showing. Map produced by D.G. MacIntyre using analytical results from ALS laboratories, May 2018.

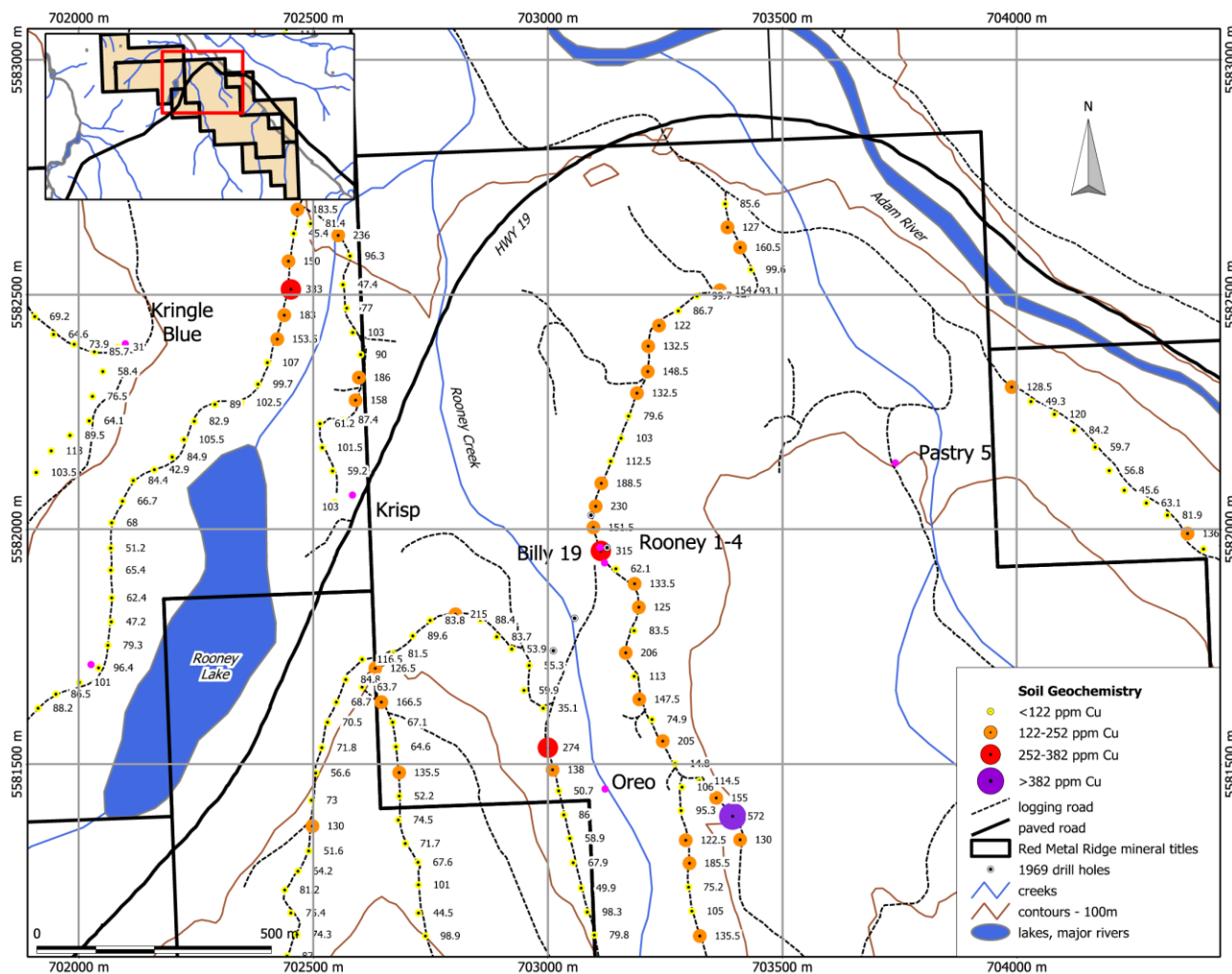


Figure 11. Proportional symbol plot showing results for Cu (ppm) in soil samples collected in the Rooney Creek area. Map produced by D.G. MacIntyre using analytical results from ALS laboratories, May 2018.

A number of soil samples in the Rooney Creek area also returned anomalous values for Cu (Figure 11) but there is no obvious clustering of anomalies. One sample collected near the Billy 19 and Rooney 1-4 showings did return 351 ppm Cu and a sample from 600 m to the south-southeast returned 572 ppm Cu (Figure 11).

Rock Samples

A total of 32 rock samples were collected from the Property in 2018. The location of these samples is shown in Figures 12, 13 and 14. Sample descriptions, location coordinates and results for Cu, Mo, Ag and As are given in Table 6. Copper values are reported in ppm for samples returning less than 10,000 ppm Cu. Samples that returned greater than 10,000 ppm, were reanalyzed using a different analytical technique suitable for ore grade material. Of the 32 samples submitted for assay, 15 returned values greater than 10,000 ppm Cu. Most of these samples were from the Puff and Eclair showings. The best result for Cu was 14.95% for a sample of massive sulphide in a shear zone collected from the Eclair quarry site (Map No. R6, Figure 13). The best result for Ag was 34.7 ppm for a sample from the Puff showing (Map No. R12, Figure 14). One sample collected north of the Linzer showing returned 1855 ppm Mo (Map No. R15, Figure 15) in what is described as a 0.5 m wide massive chalcopyrite-pyrite vein in basalt. Other samples from this locality (R13-R16, Table 6) were also anomalous in Mo and As compared to samples collected elsewhere on the Property. Cu values at this locality ranged from 1740 to 8290 ppm. Samples collected further north along the logging road (Map Nos. R17-R20; Figure 15) also returned good Cu values. One of these samples (Map No. R19, Figure 14) that returned 2.32% Cu was probably collected from the same site that M. Schau collected two samples from in 2006 that returned 3.2 and 4.9% Cu respectively (Schau, 2006a). The location of these two samples is shown in Figure 6 in the History Section of this report.

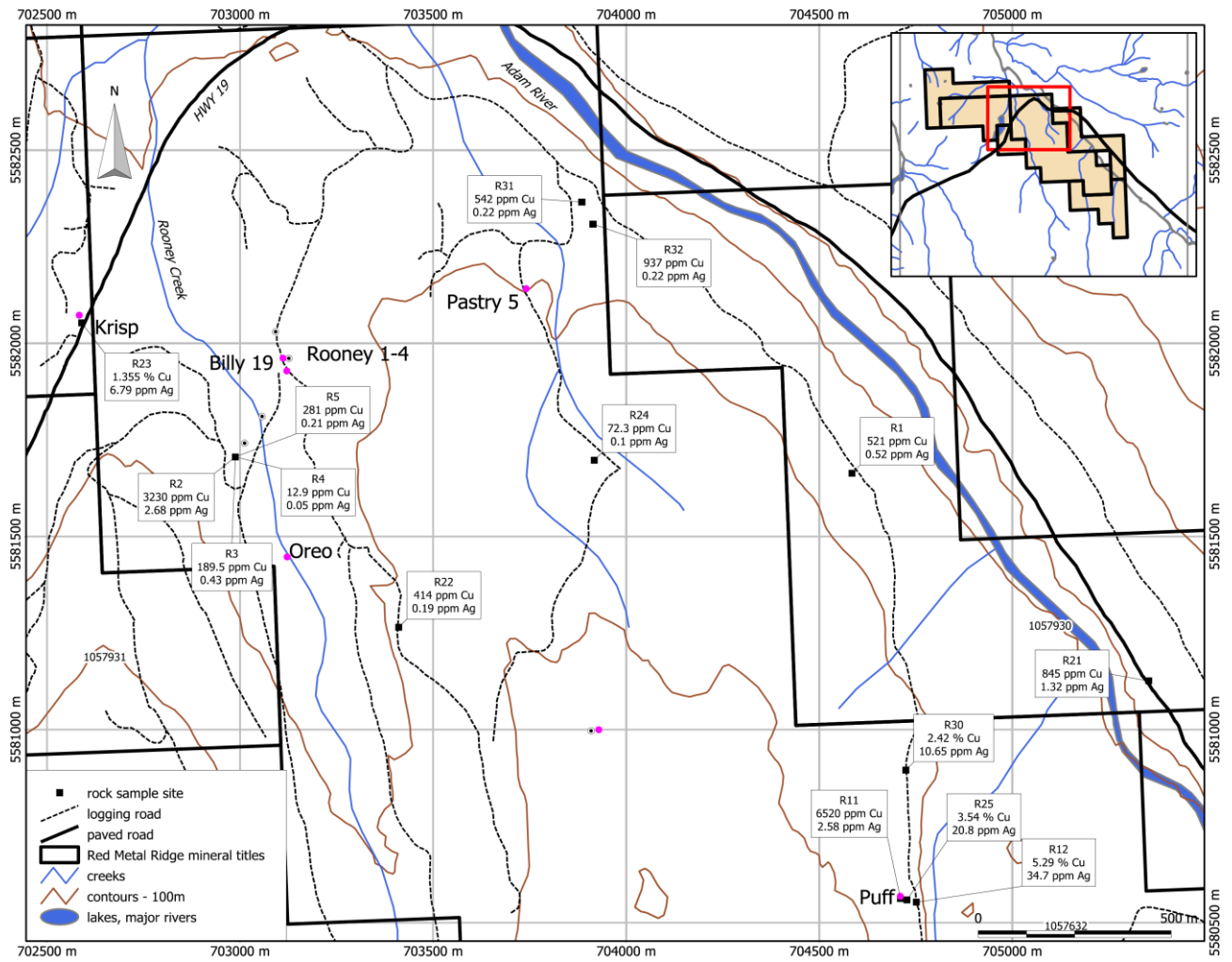


Figure 12. Rock sample locations and results for Cu and Ag, north central area. Map prepared by D.G. MacIntyre from ALS laboratory results and company supplied GPS sample site coordinates, May 2018.

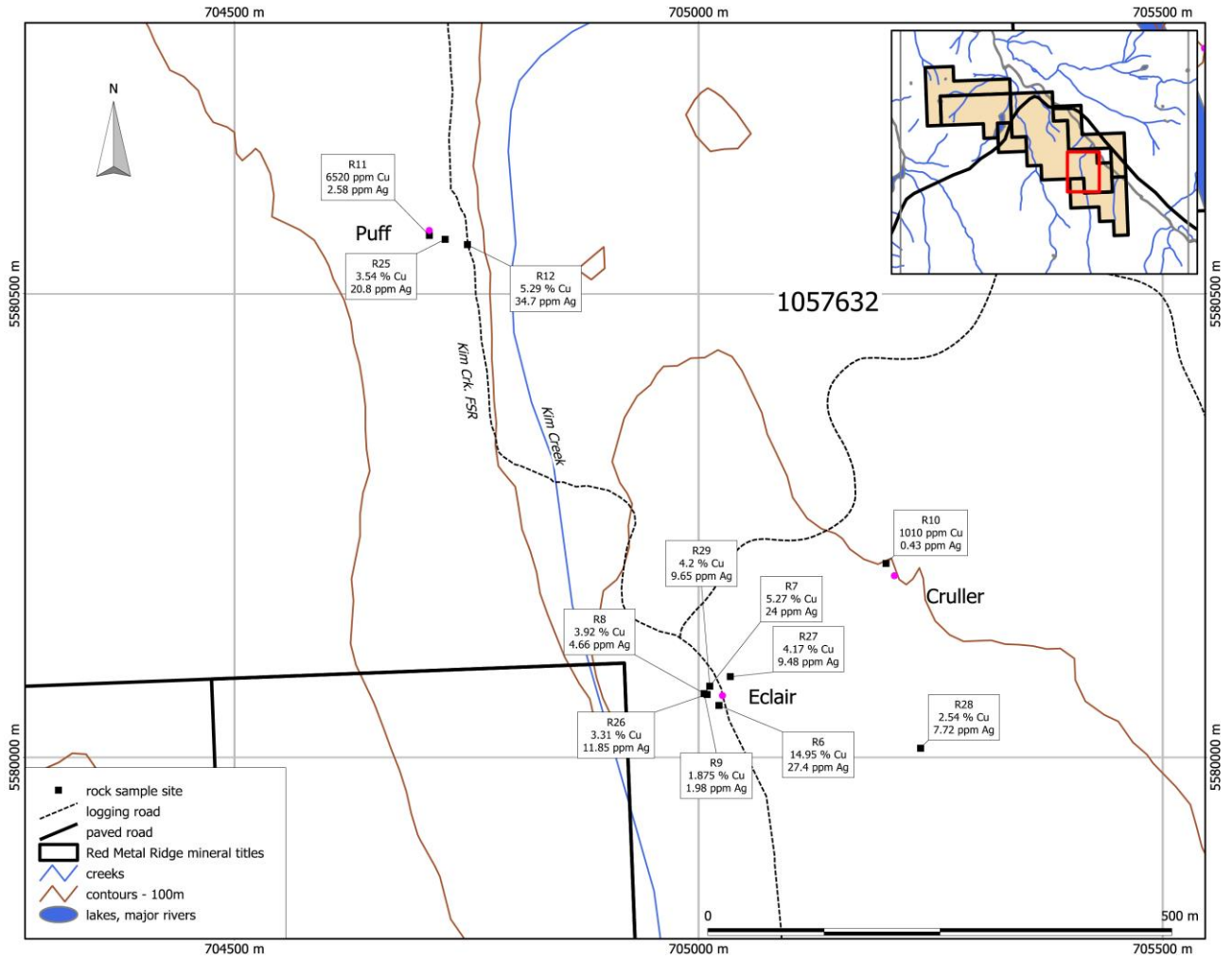


Figure 13. Rock sample locations and results for Cu and Ag, Eclair showing area. Map prepared by D.G. MacIntyre from ALS laboratory results and company supplied GPS sample site coordinates, May 2018.

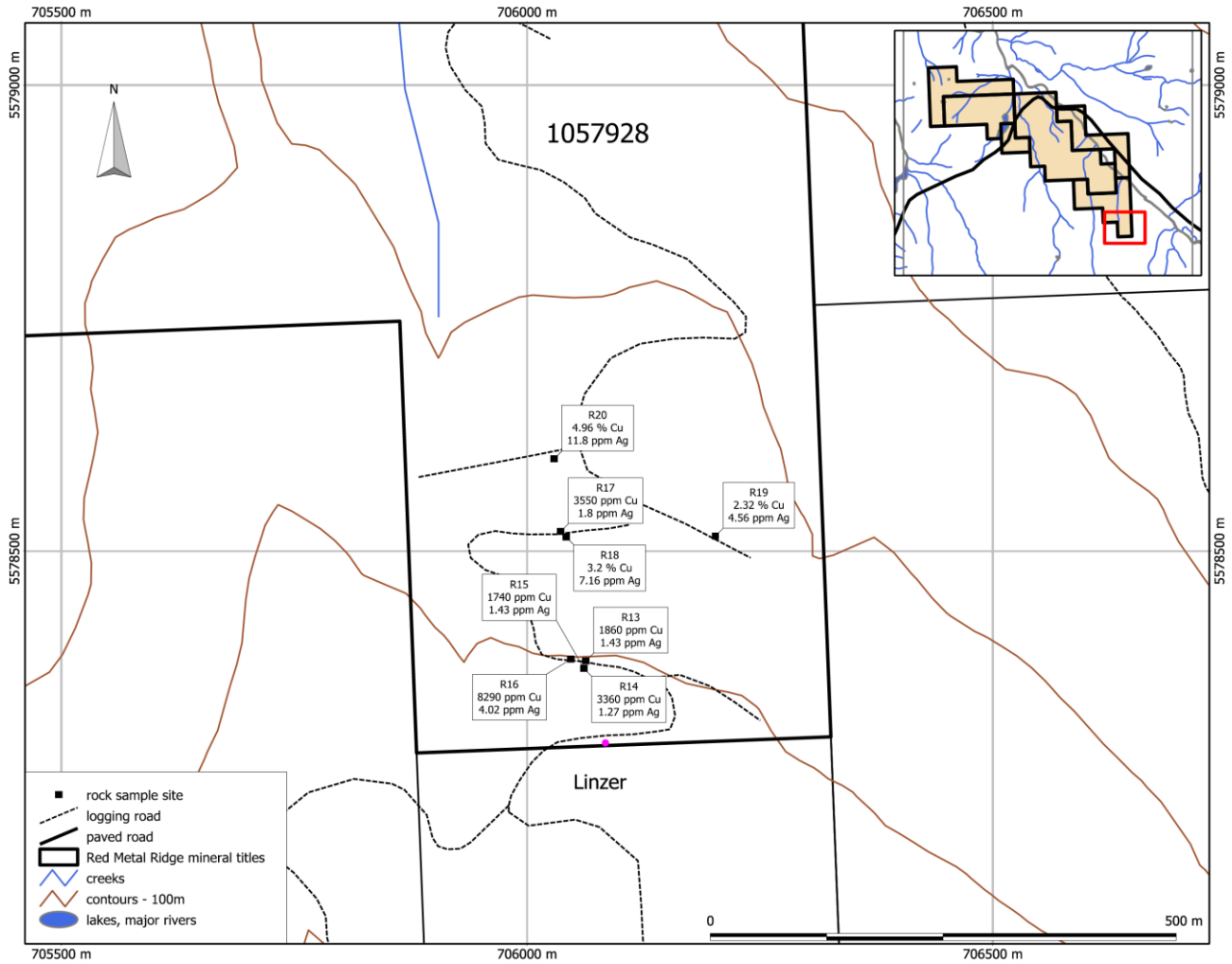


Figure 14. Rock sample locations and results for Cu and Ag, Linzer showing area. Map prepared by D.G. MacIntyre from ALS laboratory results and company supplied GPS sample site coordinates, May 2018.

Table 6. Rock sample descriptions and results for Cu, Mo, Ag and As.

Map No.	Sample	Easting	Northing	Description	Cu ppm	Mo ppm	Ag ppm	As ppm
R1	34501	704585	5581664	No information	521	0.33	0.52	25.1
R2	34502	702988	5581706	Shear in volcanic with calcite and epidote stringers. Mal staining	3230	1.47	2.68	1.2
R3	34503	702988	5581706	Across Py shear zone. Blebs-stringers massive Py. Ep alterations.	189.5	1.12	0.43	1.9
R4	34504	702988	5581706	Sheared wall rock. Ep minor Cp-Py- Mt	12.9	0.54	0.05	0.8
R5	34505	702988	5581706	Hanging wall- Mt volc. Minor rhodonite? Or K spar	281	0.43	0.21	1.9
R6	34506	705022	5580056	Eclair showing. 10 cm seam massive Cp-Py in shear zone	14.95%	0.46	27.4	23.2
R7	34507	705006	5580069	Eclair showing. 1 m chip shear zone with	5.27%	48.2	24	3.2

Map No.	Sample	Easting	Northing	Description	Cu ppm	Mo ppm	Ag ppm	As ppm
				Mal, Az, Bn, Cc				
R8	34508	705006	5580069	Shear. Footwall rocks. Mal stain. Pods of massive Cp-Py	3.92%	14.9	4.66	1.6
R9	34509	705006	5580069	1m chip. Basalt dyke. Mal staining. Blebs Cp-Py	1.875%	11.4	1.98	2.2
R10	34510	705202	5580209	Cruller showing. 10 cm shear. Qtz calcite mal staining. Py-Cp	1010	0.87	0.43	9.4
R11	34511	704710	5580563	Puff quarry. 1 m chip outcrop. Mal staining. Fractured silicified volcanic.	6520	1.07	2.58	3
R12	34512	704751	5580553	Grab of Ep altered volcanic. Mal staining. - diss Cp-Py	5.29%	1.61	34.7	9.3
R13	34513	706063	5578382	Qtz. Carb veins in volc. Py-Cp Semi. Mass. 2-5 cm veins	1860	1855	1.43	303
R14	34514	706061	5578374	Outcrop. Stockwork veins of mass Py. with Cp-Py in basalt	3360	317	1.27	571
R15	34515	706061	5578374	Same zone. 5 m chip across massive Py-Cp veins in basalt outcrop. Road cut	1740	843	1.43	1055
R16	34516	706047	5578384	Grab. 8cm wide vein chunk. mass Py float sub crop	8290	478	4.02	400
R17	34517	706036	5578521	Grab. 20cm Qtz carb Ep vein. Outcrop blebs Cp-Py-Cc Mal, Az	3550	4.7	1.8	2.9
R18	34518	706042	5578515	Grab of Cp siliceous volc. Qtz carb Cc-Cp-Py Mal, Az.	3.2%	8.53	7.16	3.7
R19	34519	706202	5578516	Mal staining. Basalt diss Cp-Py. Diss. Cc subcrop	2.32%	0.87	4.56	0.4
R20	34520	706029	5578599	Grab ang. subcrop. Qtz rich volc. Diss. Po Cc. Minor Cp-Py Mal, staining.	4.96%	3.53	11.8	63.7
R21	34521	705353	5581126	Grab 0.5 m Shear zone. Heavy Py	845	12.9	1.32	67.4
R22	34522	703411	5581265	Grab 10 cm fine mass Py. in volcanic rocks	414	0.85	0.19	46
R23	RMR-R-18-01	702590	5582053	Outcrop, Krisp showing on highway, Mal. staining with Cp	1.355%	1.98	6.79	1.3
R24	RMR-R-18-02	703917	5581697	Subcrop, blast pit, Py-Mal	72.3	0.79	0.1	2.6
R25	RMR-R-18-03	704727	5580559	Grab sample, blast pit, Py-Mal-Ep.	3.54%	1.8	20.8	6.1
R26	RMR-R-18-04	705009	5580068	Grab sample, blast pit, Py-Bn-Ep	3.31%	14.1	11.9	1.9

Map No.	Sample	Easting	Northing	Description	Cu ppm	Mo ppm	Ag ppm	As ppm
R27	RMR-R-18-05	705034	5580087	Grab sample, blast pit, Mal. staining	4.17%	0.8	9.48	23.3
R28	RMR-R-18-06	705239	5580010	Grab sample, Eclair pit, Mal-Az. staining	2.54%	1.49	7.72	3.6
R29	RMR-R-18-07	705012	5580077	Grab sample, Eclair pit, Mal-Cp-Py	4.2%	23.2	9.65	10.3
R30	RMR-R-18-08	704724	5580895	Grab sample, Eclair pit, Mal-Cp-Py	2.42%	0.9	10.7	5.2
R31	RMR-R-18-09	703885	5582366	Grab sample, Wacor pit, Mt	542	0.32	0.22	1.6
R32	RMR-R-18-10	703914	5582309	Outcrop, Wacor pit, Fe rich basalt (test sample for Fe)	937	0.95	0.22	0.5

Note: Cu values in % were reanalyzed using different analytical technique; Py = pyrite, Cp = chalcopyrite, Bn = bornite, Cc = chalcocite, Mal = malachite, Az = azurite, Mt = magnetite, Ep = epidote, Qtz = quartz

Beep Mat Survey

A Beep Mat geophysical prospecting survey was conducted by Rich River between March 20-31, 2018. The instrument used was a GDD Instruments BM8 model Beep Mat. This instrument records near surface electromagnetic and magnetic responses emanating from subsurface outcrop, subcrop and float that contain detectable amounts of sulphide minerals and magnetite. The instrument is dragged on the ground either behind a person on foot (Figure 15) or in some cases an ATV or snowmobile. The instrument records UTM location and the high frequency conductivity response (HFR), plus either the low frequency conductivity response (LFR) or magnetic susceptibility response (MAG) of near surface rock material. The HFR, LFR and MAG values are influenced by the conductivity of an object and its magnetite content (Figure 16). An LFR value indicates that the object is more conductive than magnetic, while a MAG value indicates the opposite. A conductive and magnetic rock could give an LFR or MAG value according to the proportion of those elements. The bigger the object is or the closer it is to the probe, the higher the value. The presence of humidity in the ground causes the addition of an offset of 0 to -100 to the MAG value. For that reason, in the absence of conductors, the readings are generally MAG.

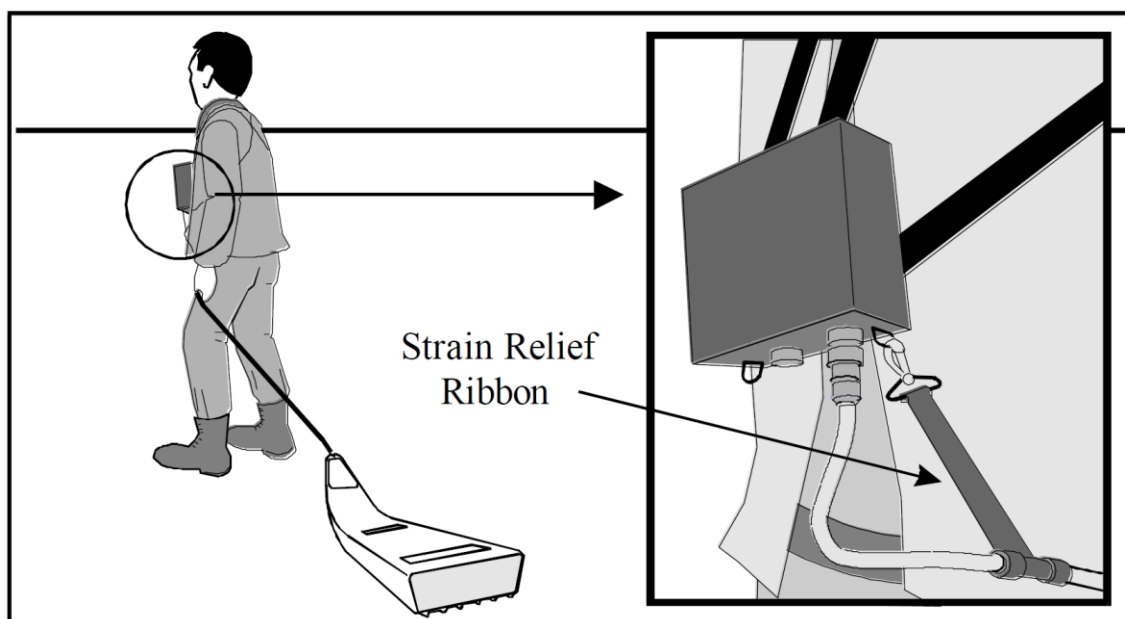


Figure 15. Typical use of the BM8 Beep Mat. Source: BM8 user manual.

The depth of the conductor influences the magnitude of the conductivity values with near surface material giving

higher readings. The concentration of near surface sulphide material in bedrock or float will be proportional to the HFR/LFR response. The HFR is always displayed by the instrument. The LFR is displayed as long as no magnetite is present; otherwise the unit displays the MAG value instead of LFR. The MAG reading is the magnetic value (relative magnetic susceptibility) of near surface bedrock or float and increases in the presence of magnetite. The MAG value is indicated by a negative sign (magnetic content). A reading of -1000 corresponds approximately to 1% magnetite content (BM8 Instruction Manual).

The BM8 Beep Mat takes readings at 3 second intervals. The survey done on the Property recorded 32,682 data points. High Rt (Ratio) values indicate a good conductor which may be related to the presence of sulphide minerals in subsurface bedrock or float. Of the 32,682 data points, 618 had positive HFR values, 1870 had positive LFR values and 260 had both positive HFR and LFR values and a corresponding Rt calculation. The higher the Rt value the stronger the conductor (BM8 user manual). The Rt is calculated only if magnetite is not present. Table 7 lists data points with Rt values greater than 80%. The area covered by the survey and the location of anomalous conductivity readings shown as proportional symbol plots is shown in Figure 17. Data points with Rt values greater than 80% are plotted as purple squares.

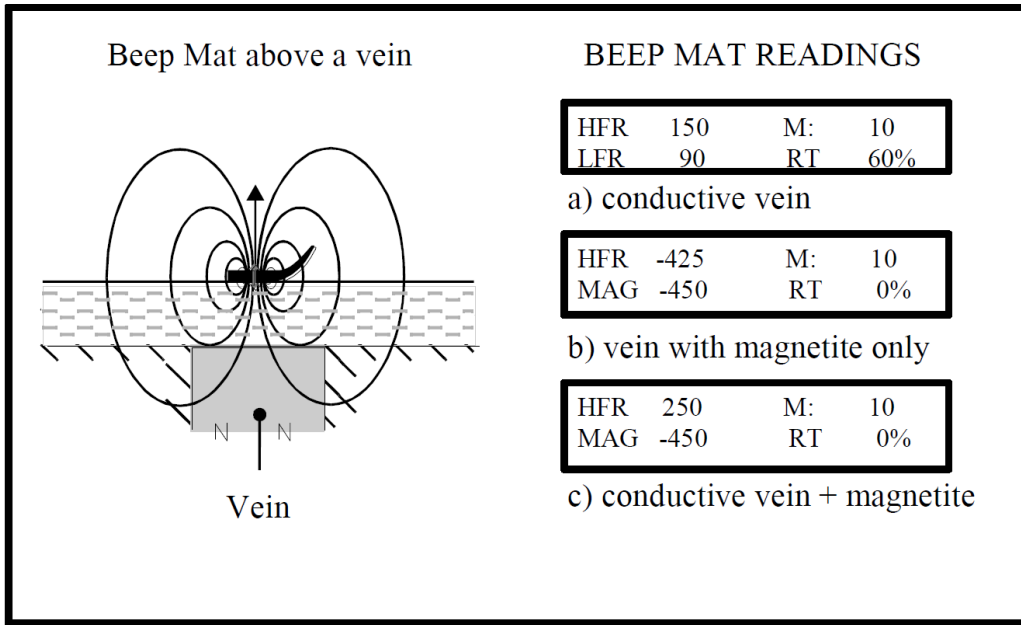


Figure 16. Typical HFR, LFR and MAG values from a near surface vertical vein. Note that for a non magnetic conductor the RT value (LFR/HFR) is positive. Source: BM8 user manual.

Table 7. Beep Mat data points with Rt values greater than 80% (strong conductors)

Record No.	HFR	LFR	Rt	Northing	Easting	Record No.	HFR	LFR	Rt	Northing	Easting
2	51	45	88	5583136	702437	8156	25	37	99	5582174	702608
3	51	44	86	5583135	702435	8176	431	446	99	5579439	706050
75	91	79	86	5582986	702412	8249	1121	1103	98	5579612	705947
214	10	39	99	5583035	702407	9077	6992	6689	95	5582299	702594
215	72	93	99	5583035	702407	9078	5086	4888	96	5582298	702593
216	71	90	99	5583037	702410	9385	49	62	99	5582181	702542
217	72	90	99	5583037	702410	9390	79	94	99	5582179	702541
218	70	89	99	5583040	702411	9564	264	272	99	5582083	702553
219	71	91	99	5583040	702411	9681	69	84	99	5582028	702542
220	57	77	99	5583044	702410	9711	17	15	89	5582012	702535
221	48	69	99	5583044	702410	9807	76	85	99	5581981	702518

Record No.	HFR	LFR	Rt	Northing	Easting	Record No.	HFR	LFR	Rt	Northing	Easting
222	65	84	99	5583047	702410	10163	21	37	99	5581794	702004
223	79	97	99	5583047	702410	10467	102	128	99	5581879	702011
224	58	78	99	5583049	702410	10468	45	80	99	5581880	702011
225	42	65	99	5583049	702410	10469	47	81	99	5581881	702010
226	72	90	99	5583051	702409	10470	44	79	99	5581881	702010
227	62	81	99	5583051	702409	11121	140	151	99	5581990	702002
228	51	72	99	5583053	702409	12369	118	124	99	5580973	702825
597	42	47	99	5581718	703134	12529	14	54	99	5581714	702114
648	38	60	99	5583212	702335	12530	11	56	99	5581714	702114
700	91	113	99	5583211	702324	12532	16	57	99	5581715	702114
982	456	443	97	5583113	702353	12533	21	62	99	5581715	702114
1579	13	35	99	5583102	702338	12643	274	259	94	5581603	702672
2054	10	39	99	5582320	703291	12727	17	31	99	5581760	702112
2055	10	38	99	5582320	703292	12728	133	111	82	5581761	702111
2057	10	39	99	5582320	703292	12729	49	51	99	5581761	702111
2597	11	17	99	5582279	703244	12730	14	46	99	5581762	702110
2639	22	39	99	5582279	703241	12731	48	66	99	5581762	702110
2840	332	347	99	5583087	702430	12786	11	29	99	5581764	702107
2876	52	59	99	5582243	703237	12850	383	356	93	5581775	702106
2914	156	138	88	5582271	703225	13010	29	36	99	5581000	703079
3065	602	528	87	5583080	702479	13053	122	141	99	5581004	703090
3076	247	235	95	5583087	702468	13079	141	145	99	5581823	702104
3101	70	81	99	5583009	702431	13084	252	246	97	5581015	703106
3143	10	37	99	5582946	702398	13270	712	693	97	5581494	704671
3422	108	144	99	5582696	703527	13404	2064	1975	95	5581861	704491
3723	531	517	97	5582408	703830	13405	2074	1985	95	5581861	704491
3726	2078	2012	96	5582408	703830	13406	2356	2251	95	5581862	704490
3727	1772	1705	96	5582408	703830	13407	1092	1051	96	5581862	704490
3728	1778	1711	96	5582408	703830	13414	1456	1403	96	5581866	704487
3734	667	697	99	5582408	703828	13415	1551	1494	96	5581867	704486
3735	1999	1957	97	5582408	703828	13465	167	176	99	5581953	704392
3736	1127	1103	97	5582408	703828	13645	107	126	99	5582283	704028
3763	92	82	88	5583179	702472	13646	524	514	98	5582285	704026
3839	26	46	99	5583147	702480	13766	6145	5598	91	5582403	703922
3851	1571	1570	99	5582257	703755	13849	402	405	99	5582191	703860
3876	755	778	99	5582253	703700	13850	862	830	96	5582192	703861
4116	1741	1593	91	5583071	702520	13851	1754	1683	95	5582192	703861
4264	25	21	86	5583108	702509	13852	1744	1675	96	5582192	703861
4501	100	167	99	5583176	702482	13853	410	417	99	5582192	703861
4563	125	144	99	5582103	701627	13967	318	324	99	5582163	703986
4567	130	180	99	5583171	702497	14198	87	135	99	5582831	701481
4602	17	34	99	5582072	701579	14324	19	31	99	5582706	701353
4607	123	132	99	5583187	702483	14358	14	25	99	5582646	701348
4777	1621	1555	95	5582135	701580	14444	183	186	99	5582515	701357
4778	935	908	97	5582136	701581	14445	225	225	99	5582514	701356
4878	786	761	96	5582304	701602	14446	123	130	99	5582513	701356
4949	144	162	99	5582186	701761	14476	26	38	99	5582495	701324

Record No.	HFR	LFR	Rt	Northing	Easting	Record No.	HFR	LFR	Rt	Northing	Easting
4950	196	211	99	5582186	701761	14477	32	42	99	5582495	701323
5194	70	60	85	5583080	702560	14597	86	98	99	5582461	701157
5250	1549	1484	95	5582602	701738	14664	98	98	99	5582385	701154
5384	445	430	96	5582432	701935	14665	51	55	99	5582386	701152
5385	735	706	96	5582430	701932	14736	37	43	99	5582423	701059
5824	26	24	93	5583210	702574	14737	49	54	99	5582424	701058
5901	280	240	85	5583223	702563	14751	114	119	99	5582451	701043
5902	49	49	99	5583223	702563	14858	180	180	99	5582471	700967
6325	64	66	99	5578637	705200	14859	181	180	99	5582470	700968
6326	30	34	99	5578638	705200	14881	254	250	98	5582433	700975
6470	11	21	99	5578854	705221	14932	28	30	99	5582368	700971
6471	58	62	99	5578854	705221	14956	118	118	99	5582332	700982
6481	208	209	99	5578864	705218	15227	18	22	99	5582240	700838
6583	250	248	98	5578999	705212	15413	2360	2289	96	5581652	701971
6706	101	99	98	5583282	702373	15495	635	659	99	5581882	702070
6707	28	36	99	5583282	702372	15533	224	268	99	5582004	702067
6712	35	43	99	5583283	702372	15792	188	232	99	5582629	702474
6742	70	74	99	5583306	702379	15827	2788	2703	96	5582746	702484
6752	255	237	93	5583312	702379	16025	224	246	99	5583330	702361
6824	55	53	96	5583374	702354	16334	65	95	99	5582616	702560
6825	48	43	88	5583374	702354	16453	90	103	99	5579378	706156
6965	325	339	99	5579751	705098	16469	11	13	99	5579386	706157
7472	460	457	99	5580504	705310	16684	18	26	99	5578792	706189
7479	512	513	99	5580513	705314	16685	190	189	99	5578792	706190
7550	598	606	99	5580511	705484	16686	190	189	99	5578791	706189
7601	59	94	99	5580379	705538	16827	57	62	99	5578726	706147
7602	134	165	99	5580378	705538	16828	59	63	99	5578726	706145
7703	70	107	99	5580185	705706	16829	58	63	99	5578726	706145
7723	13	41	99	5582085	702578	16830	16	25	99	5578726	706146
7746	11	40	99	5582089	702578	17147	15	20	99	5578522	706074
7804	522	525	99	5580032	705887	17148	20	24	99	5578523	706073
7805	97	123	99	5580030	705888	17271	23	19	82	5578511	705945
7906	11	21	99	5582123	702580	17354	217	216	99	5578458	705999
7919	12	22	99	5582126	702580	17355	728	700	96	5578457	705999
7920	11	22	99	5582126	702580	17719	1875	1804	96	5578989	705939
7921	12	22	99	5582126	702580	17720	17	52	99	5578990	705938
7924	14	23	99	5582129	702582	18013	919	851	92	5580037	705156
7925	12	21	99	5582129	702582	18402	104	124	99	5581972	703042
7941	17	25	99	5582139	702585	18547	26	69	99	5582126	702921
7998	1142	1119	98	5579779	706238	18549	11	60	99	5582126	702919
8001	495	514	99	5579780	706234	18569	11	60	99	5582138	702903
8002	573	587	99	5579778	706234	18578	24	77	99	5582149	702895
8003	571	585	99	5579778	706234	18590	27	81	99	5582146	702882
8024	21	28	99	5582159	702593	19192	247	204	82	5582154	702726
8025	20	27	99	5582159	702593	19411	42	57	99	5582076	702760
8029	12	26	99	5582160	702594	19512	62	82	99	5582063	702821
8032	25	34	99	5582159	702595	19530	254	226	89	5582072	702832

Record No.	HFR	LFR	Rt	Northing	Easting	Record No.	HFR	LFR	Rt	Northing	Easting
8033	26	38	99	5582159	702595	19727	173	159	91	5580253	704843
8034	16	28	99	5582159	702595	20040	984	909	92	5580030	705119
8035	15	27	99	5582160	702595	20618	3449	3101	89	5580018	705194
8036	12	27	99	5582160	702596	20635	153	170	99	5580028	705200
8039	10	28	99	5582161	702597	ND	177	159	89	5581628	702999
8105	22	28	99	5582166	702610	ND	1996	1913	95	5581181	703309
8116	6715	6450	96	5579374	705996	ND	4934	4705	95	5581978	703108
8117	14835	14104	95	5579374	705994	ND	2094	2029	96	5580051	703727
8118	3566	3393	95	5579372	705994	ND	3425	3291	96	5580053	703726
8119	2868	2739	95	5579371	705995	ND	989	958	96	5580788	703393
8123	303	364	99	5579375	705994	ND	2550	2456	96	5581465	702682
8124	167	231	99	5579375	705994	ND	1535	1497	97	5581886	703176
8125	628	662	99	5579375	705994	ND	568	562	98	5580789	703393
8132	11	26	99	5582170	702614	ND	516	509	98	5581042	703349
8133	15	28	99	5582170	702613	ND	406	403	99	5581115	703330
8155	12	32	99	5582174	702608	ND	303	309	99	5580625	703187

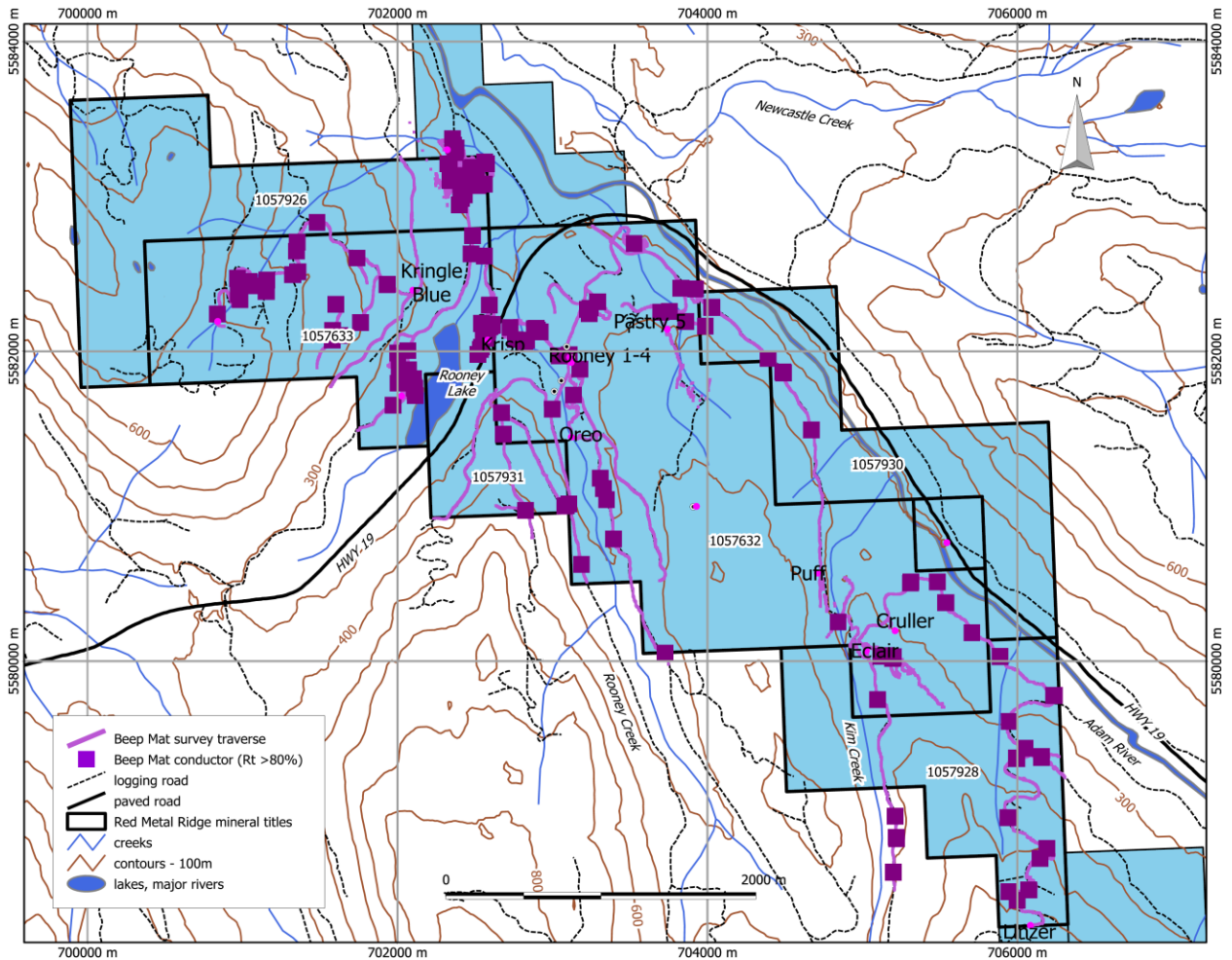


Figure 17. Beep Mat survey lines and location of strong conductors (purple squares) with Rt (Ratio) values >80%. Map produced by D.G. MacIntyre from survey data provided by Rich River, September, 2018.

Prospecting and Trenching

In 2018 Rich River prospected and sampled an area of approximately 818 hectares as shown in Figure 18. Prospecting was done off of existing logging roads. As described in Section 9 above, 32 rock samples were collected from mineralized outcrops located during the prospecting program. Where bedrock was not well exposed hand trenches were dug. The hand trenches are listed and described in Table 8 and their locations are shown in Figure 18. A total of 22 trenches were completed. The trenches vary in size from 2 to 3 square metres and were dug to depths of 0.5 metres on average.

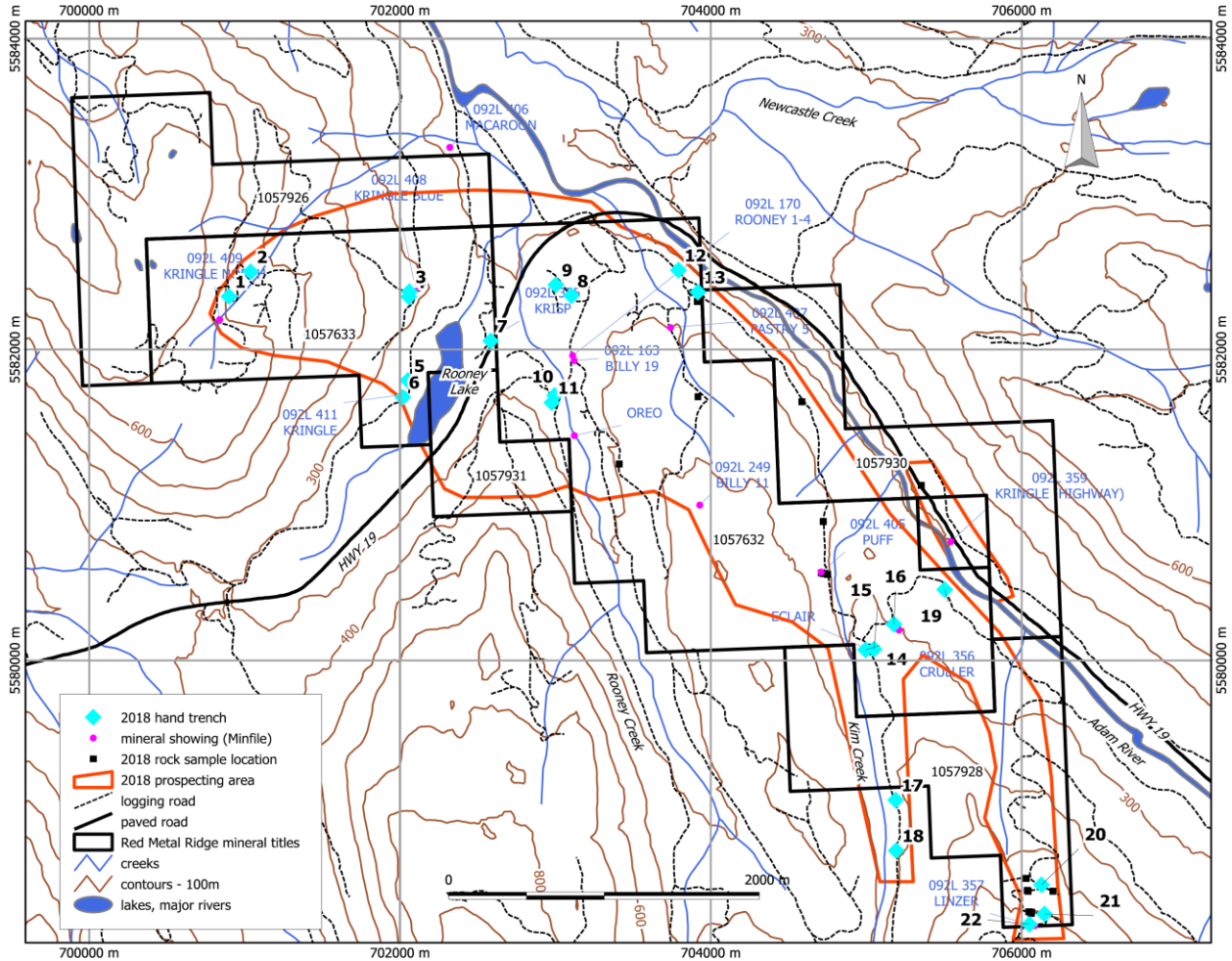


Figure 18. Location of hand trenches, rock samples and area prospected in 2018. Map prepared by D.G. MacIntyre from data supplied by Rich River.

Table 8. List of hand trenches completed in 2018 by Rich River.

No.	Easting	Northing	Size	Description
1	700900	5582342	1 x 2 m	Kringle North area - road cut - weak pyrite in quartz veins
2	701039	5582501	1 x 2 m	Kringle North area - road cut - weak pyrite
3	702061	5582373	1 x 2 m	Kringle Blue zone - weak chalcopyrite in outcrop and float
4	702057	5582340	1 x 2 m	Kringle Blue zone - weak chalcopyrite in intrusive outcrop
5	702051	5581801	1 x 2 m	Kringle 40 zone - granitic outcrops with weak pyrite, minor chalcopyrite
6	702018	5581694	1 x 2 m	Kringle 40 zone - weak pyrite, minor chalcopyrite
7	702584	5582056	1 x 2 m	Shear zone - in Highway road cut - disseminated chalcopyrite, malachite stain

8	703103	5582346	1 x 3 m	Rooney/Krisp zone - quarry shear zone with malachite stain 1-5% chalcopyrite
9	703002	5582416	1 x 2 m	Rooney/Krisp zone - quarry face, malachite stain
10	702995	5581705	1 x 2 m	Billy Showing area - weak malachite stain in intrusives
11	702977	5581659	1 x 2 m	Oreo area - weak malachite stain in intrusives
12	703792	5582511	1 x 2 m	Pastry zone - disseminated chalcopyrite in intrusives
13	703917	5582370	1 x 2 m	Pastry zone - weak disseminated chalcopyrite in intrusives
14	704996	5580068	1 x 2 m	Billy Showing area - weak malachite stain in intrusives
15	705050	5580073	1 x 2 m	Billy Showing area - weak malachite stain in intrusives
16	705178	5580233	1 x 2 m	Billy Showing area - malachite stain in intrusives
17	705189	5579102	1 x 3 m	Eclair Showings - massive chalcopyrite veins and shears in Volcanic East zone
18	705193	5578777	1 x 3 m	Eclair Showings - massive chalcopyrite veins and shears in Volcanic West zone
19	705505	5580456	1 x 2 m	Cruller zone - skarn chalcopyrite, magnetite - limestone, volcanics
20	706128	5578557	1 x 2 m	Linzer East Spur Rd - chalcopyrite and pyrite in veins and shears
21	706147	5578369	1 x 3 m	Linzer West Spur Rd - chalcopyrite and pyrite in veins and shears
22	706050	5578303	1 x 2 m	Linzer rock cuts - massive chalcopyrite and pyrite in veins and shears

Drilling

Only limited diamond drilling has been done on the Red Metal Ridge Property and this work is described in the History section of this report. No recent diamond drilling has been done on the Property which is still in the early stages of exploration.

Sample Preparation, Analyses and Security

The evaluation of the Red Metal Ridge Property is partially based on historical data derived from British Columbia Mineral Assessment Reports and other regional reports. Rock sampling and assay results are critical elements of this review. The description of sampling techniques utilized by previous workers is described in the assessment reports, in particular for the work done by M. Schau between 2003 and 2013. The historical work done on the Property was done by reputable exploration companies or individuals and the Author is confident that industry best practises applicable at the time were followed in the collection and preparation of samples.

The following information describes the sample preparation, analyses and security procedures used for geochemical surveys conducted on the property in 2018 by Rich River.

All soil sample sites were marked in the field with labelled pink flagging tape. Field notes for each sample site were logged and recorded. The locations were determined using a handheld GPS. Where possible samples were collected from the B soil horizon. The samples were placed in kraft paper bags and stored securely prior to shipping to the ALS Minerals laboratory ("ALS") in North Vancouver.

Rock samples collected in 2018 were placed in labelled plastic bags, with a label also placed within the bag. Field notes and GPS location coordinates were recorded for each sample sites. Both grab samples and chip samples were collected. The rock samples were shipped directly to the ALS.

The security procedures followed by personnel working on the Property in 2018 are deemed to be appropriate for the type of sampling being done. Samples were not left unattended and were kept secure in vehicles and hotel rooms until they could be shipped directly to ALS. The Author is confident that the samples were kept secure and that they were not tampered with prior to arriving at the ALS Minerals laboratory.

ALS is an ISO17025:2005 accredited analytical laboratory. At the lab, samples are crushed to 70% less than 2 mm in size. A 250 gram subsample is riffle split off and pulverized to better than 75% passing 75 microns. A prepared sample (0.50 g) is digested with aqua regia in a graphite heating block. After cooling, the resulting solution is diluted with deionized water, mixed and analyzed by inductively coupled plasma-atomic emission spectrometry (ICP-AES)

for 51 elements (ME MS41 package). The upper and lower ranges of values that can be determined by this method are given in Table 9. Ore grade samples containing >10,000 ppm Cu were also analyzed by ICP-AES to quantify the Cu content to a percentage level (Cu-OG46 assay procedure). For these a prepared sample is digested in 75% aqua regia for 120 minutes. After cooling the resulting solution is diluted to 100 ml with de-ionized water, mixed and analyzed by ICP-AES. The results are reported in percent rather than ppm. The upper limit for this method is 20% for Cu.

ALS performs quality assurance procedures that include repeat sampling and insertion of blank and/or standard samples for the purpose of data verification. ALS runs standards and provides re-samples at varying intervals for each sample shipment analysed. In the Author's opinion the analytical procedures used to determine the concentrations of base and precious metals in the samples submitted was appropriate. The quality control employed by ALS indicates a high level of precision and accuracy in the analytical results.

Table 9. Upper and Lower limits for ICP-AES analyses (ALS ME MS41 package)

ANALYTES & RANGES (ppm)							
Ag	0.01-100	Cs	0.05-500	Mo	0.05-10,000	Sr	0.2-10,000
Al	0.01-25%	Cu	0.2-10,000	Na	0.01%-10%	Ta	0.01-500
As	0.1-10,000	Fe	0.01%-50%	Nb	0.05-500	Te	0.01-500
Au*	0.2-25	Ga	0.05-10,000	Ni	0.2-10,000	Th	0.2-10,000
B	10-10,000	Ge	0.05-500	P	10-10,000	Ti	0.005%-10%
Ba	10-10,000	Hf	0.02-500	Pb	0.2-10,000	Tl	0.02-10,000
Be	0.05-1,000	Hg	0.01-10,000	Rb	0.1-10,000	U	0.05-10,000
Bi	0.01-10,000	In	0.005-500	Re	0.001-50	V	1-10,000
Ca	0.01%-25%	K	0.01%-10%	S	0.01%-10%	W	0.05-10,000
Cd	0.01-1,000	La	0.2-10,000	Sb	0.05-10,000	Y	0.05-500
Ce	0.02-500	Li	0.1-10,000	Sc	0.1-10,000	Zn	2-10,000
Co	0.1-10,000	Mg	0.01%-25%	Se	0.2-1,000	Zr	0.5-500
Cr	1-10,000	Mn	5-50,000	Sn	0.2-500		

Data Verification

The Author visited the Property on April 25, 2018. During this visit rock sample sites at the Eclair quarry locality and nearby soil sample sites were examined (Photo 1). These were clearly marked and appropriately labelled. The rock sample sites were located in bedrock exposed in the back walls of the quarry. This material was well mineralized with visible malachite and azurite staining on fracture surfaces (Photo 2). Chalcopyrite and pyrite were observed in sheared quartz veins and as disseminations. The material being collected at the sample sites that were examined was representative of the extent and intensity of mineralization observed at each site. The analytical results for these samples are consistent with the intensity of mineralization observed in outcrop. The Author also independently took GPS readings at each site as a check on the location accuracy being recorded by field personnel. The results were nearly identical. Overall the density and distribution of sample sites was adequate for the purpose of showing the extent and grade of mineralization exposed on surface. The analytical results obtained in 2018 were similar to those determined by previous operators and in the Author's opinion these results give an accurate indication of the grade of mineralization that occurs in outcrop at the sampled localities.



Photo 2. The Author examining mineralized outcrop and Rich River sample site 34507 at the Eclair showing quarry locality, Red Metal Ridge Property. Photo taken April 25, 2018 by field assistant J. MacIntyre.



Photo 3. Green malachite staining in outcrop at sample site 34507, Eclair showing. This sample site returned 5.27% Cu and 24 ppm Ag. Photo taken by the Author, April 25, 2018.

Mineral Processing and Metallurgical Testing

There is no record of any mineral processing or metallurgical testing having been done on samples from the Red Metal Ridge Property.

Mineral Resource and Mineral Reserve Estimates

There has not been sufficient drilling to determine the subsurface extent and overall grade of mineralization on the Red Metal Ridge Property. Therefore, there are no mineral resource estimates for the Property.

Adjacent Properties

There are two adjacent properties covering two minfile showings respectively – Kringle (Highway) and Macaroon. The Kringle (Highway) showing is situated on Mineral Title 1061860 which is held by Mr. Dorian Leslie. This mineral title is surrounded by mineral titles that comprise the Property (Figure 3). The Macaroon showing is covered by Mineral Title 1056074 which is held by Mr. David Wayne Hendrick. This mineral title is adjacent to the northern boundary of the Property (Figure 3).

Kringle (Highway) - Minfile# 092L 359

The Kringle (Highway) showing is located on the east side of the Adam River. The area is underlain by the volcanic rocks of the Triassic Karmutsen Formation (Vancouver Group) and limestones of the Triassic Quatsino Formation (Vancouver Group). These are near the contact with the Jurassic Adam River batholith to the east. Early altered dykes are near, and fresh porphyry dykes cut, the altered contact.

Locally, sulphides occur as veins cutting, garnet skarns, granodiorite, and feldspar porphyries, and as replacement masses at contacts between rock types, especially marble and garnetite. Sulphide mineralization consists of bornite

along with, and among, magnetite, chalcopyrite, pyrrhotite, and pyrite. Local masses of wollastonite are also reported.

In 2002, a sample (E187880) of malachite-stained, argillically altered felsite returned 7.05% Cu, 67.2 grams per tonne silver. Another sample (E187881) returned 0.112% molybdenum with 0.203% Cu. Samples of massive magnetite yielded up to 36.7% iron (Schau, 2002; Assessment Report 26930). In 2006, a sample (A8-79) assayed 0.018% molybdenum and 0.218% vanadium (Schau, 2009; Assessment Report 31039).

Macaroon – Minfile# 092L 406

The Macaroon occurrence is located west of Rooney Creek, approximately 300 m south-southwest of its junction with the Adam River. The area to the west of the Adam River is underlain mainly by the upper part of the Triassic Karmutsen Formation, comprising mainly thick massive flows with local intercalations of amygdaloidal basalt and pods of autoclastic breccias, pillowed and massive flows with thin intercalations of volcanoclastic and limy sandstones, all cut by thin dolerite/gabbro sills.

Locally, a highly sheared and strained silicified, chloritic and epidotic andesite hosts sulphide mineralization. Small dodecahedrons of reddish-brown garnet occur with epidote and felsitic rocks. In 2004, sampling yielded up to 2.4% Cu and 21.7 grams per tonne silver with anomalous values in gold and palladium (Schau 2004; Assessment Report 27463).

Other Relevant Data and Information

The Author has reviewed all public and private reports pertaining directly to the Property. The Author is not aware of any additional sources of information that might significantly change the conclusions presented in this technical report.

Interpretation and Conclusions

Work done on the Red Metal Ridge Property in 2018 has confirmed the presence of a number of high grade Cu+/-Ag showings hosted by Upper Triassic Karmutsen basalt. These showings are best classified as Cu-Ag vein showings (B.C. Mineral Deposit Profile I06) and are most likely related to emplacement of a granodioritic intrusion in mid Jurassic time. Presently this intrusion is exposed northeast of the Adam River but may also underlie the Property at depth as well. Alternatively, the Red Metal Ridge Property showings could be related to hydrothermal activity directly associated with eruption of Karmutsen volcanics but in the Author's opinion this is a less likely scenario. Clearly the showings on the property are emplaced along fractures or faults that have subsequently been disrupted by post mineral shearing. The timing of this shearing is currently unknown but could be quite recent.

The showings found to date, although very high grade, are not of sufficient size to support a mining operation. Future work on the property needs to focus on locating an area where the density of veining is sufficient to support a small open pit operation or alternatively to locate a vein that is of sufficient width and continuity to support an underground mining operation. With this in mind the area north of the Linzer showing may hold the best potential given the number of showings located in this area.

Soil sampling along logging roads has detected an area of anomalous concentrations of Cu in soil near the Puff and Eclair showings. The significance of these anomalies is difficult to determine as the samples were only taken along the road and the extent of anomalous soils beyond the road is unknown.

A number of strong conductors were also located by the Beep Mat survey. These should be followed up with hand or excavator trenching as they may be related to concentrations of sulphide minerals in near surface float or bedrock.

Recommendations

In the Author's opinion the Red Metal Ridge Property continues to be a property of merit and additional exploration expenditures are warranted. Numerous high grade Cu+/-Ag showings have been detected on the property. New logging roads continue to expose new occurrences of Cu-Ag veins. Following up on the work done in 2018, the Author recommends a Phase 1 exploration program focussed on additional soil sampling and coincident magnetometer survey. In particular, the extent of anomalous soils located near the Puff and Eclair showings needs to be determined. It is recommended that a soil sampling grid with line spacing of 100 m and sample intervals of 25 m be established to cover the area that would include the Puff, Eclair and Cruller showings. Given the density of underbrush it may be

necessary to cut lines in order to facilitate sampling. A magnetometer or Beep Mat survey on the same grid would also be useful. Similarly, the area north of the Linzer showing should also be covered by a soil sampling and magnetometer grid. The objective of these surveys is to try to determine the extent of subsurface mineralization beyond the current known showings, all of which are located in road cuts or quarries along logging roads. Depending on the results of the recommended soil/magnetometer surveys a Phase 2 program would involve additional work in the form of IP or EM ground geophysics. The projected costs for the recommended work program is given in Table 10.

Table 10. Projected costs for proposed exploration program, Red Metal Ridge Property

PHASE 1				
Expense	Number of Units	Units	Unit cost	Total
Mob/Demob				\$5,000
Line cutting				\$10,000
Soil sampling/geophysics				\$62,000
Camp costs – food & lodging	120	person days	\$100	\$12,000
Analytical	300	analyses	\$30	\$9,000
Report preparation	10	days	\$600	\$6,000
TOTAL:				\$104,000
PHASE 2				
Expense	Number of Units	Units	Unit cost	Total
Geophysical surveys				\$200,000
Per diem costs	240	Person days	\$100	\$24,000
Analytical	300	analyses	\$30	\$9,000
Geologists/camp manager	30	Person days	\$600	\$18,000
Report preparation	10	days	\$600	\$6,000
TOTAL:				\$267,000
TOTAL PHASE 1 + 2:				\$361,000

USE OF PROCEEDS

Proceeds

The Agent has agreed to use its commercially reasonable efforts to secure subscriptions for the Common Shares offered pursuant to the Offering in the provinces of British Columbia and Alberta. If all of the Common Shares offered pursuant to this Offering are sold, the gross proceeds to the Issuer will be \$350,000 (assuming no exercise of the Over-Allotment Option).

This Offering is subject to the completion of a minimum subscription of 3,500,000 Common Shares for gross proceeds to the Issuer of \$350,000. If the minimum subscription is not completed within 90 days of the issuance of a receipt for the Prospectus, all subscription monies will be returned to Subscribers without interest or deduction. Subject to the foregoing, the Offering will remain open until the date that is 90 days after a receipt is issued for the Prospectus, unless an amendment to the Prospectus is filed and the principal regulator has issued a receipt for the amendment, in which case the Offering must cease within 90 days after the date of the receipt for the amendment to the Prospectus. In any event, the Offering must cease at the latest 180 days from the date of the receipt for the Prospectus.

Funds Available

The gross proceeds to the Issuer (excluding proceeds which may be received from the exercise of the Over-Allotment Option) from the sale of the Common Shares offered hereby will be \$350,000. The total funds available to the Issuer at the closing of the Offering, after deducting the estimated expenses of the Offering of \$80,000, the Agent's Commission of \$35,000 and the balance of the Corporate Finance Fee of \$30,000 and including estimated working capital as at August 31, 2018, of \$39,257, are estimated to be \$244,257.

Principal Purposes

Expenses	Funds to be Used
To pay the estimated cost of the recommended Phase 1 exploration program and the budget on the Red Metal Ridge Property as outlined in the Technical Report ⁽³⁾	\$104,000
To provide funding sufficient to meet administrative costs for 12 months	\$88,000 ⁽²⁾
To provide general working capital to fund the Issuer's ongoing operations ⁽¹⁾	\$52,257
TOTAL:	\$244,257

Notes:

(1) The Issuer intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary. In the event of exercise of the Over-Allotment Option, the Issuer will use the proceeds for general working capital and in part, to fund Phase 2 of the recommended exploration program on the Red Metal Ridge Property.

(2) The Issuer anticipates that \$36,000 will be paid as management fees to Matalia Investments Ltd. a private company. See the "Administrative Expenses" table below.

(3) See "Narrative Description of the Business – Recommendations" above for a summary of the work to be undertaken, a breakdown of the estimated costs and the nature of title to, or the Issuer's interest in, the Red Metal Ridge Property.

Upon completion of the Offering, the Issuer's working capital available to fund ongoing operations will be sufficient to meet its administrative costs and exploration expenditures for twelve months. Estimated administrative expenditures for the 12 months following completion of the Offering are comprised of the following:

Administrative Expenses	Funds to be Used
Office Rent	\$12,000
Management and Administration Services	\$36,000 ⁽¹⁾
Miscellaneous Office and Supplies	\$6,000
Transfer Agent	\$4,000
Legal	\$5,000
Accounting and Audit	\$25,000
TOTAL:	\$88,000

Notes:

(1) To be paid to Matalia Investments Ltd., a private company.

Since its incorporation on November 23, 2017, the Issuer 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 Phase 1 exploration program on the Red Metal Ridge Property. Although the Issuer has allocated \$88,000 (as above) from the Offering to fund its ongoing operations for a period of 12 months, thereafter, the Issuer will be reliant on future equity financings for its funding requirements.

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

Until required for the Issuer's purposes, the proceeds will be invested only in securities of, or those guaranteed by, the Government of Canada or any province of Canada, in certificates of deposit or interest-bearing accounts of Canadian chartered banks or trust companies or in prime commercial paper. The Issuer's Chief Financial Officer will be responsible for the investment of unallocated funds.

In the event of exercise, in full, of the Over-Allotment Option, potential additional gross proceeds totalling \$52,500 will be added to the Issuer's general working capital to be used, in part, to fund the Issuer's ongoing operations and, in

part, to fund the recommended Phase 2 exploration program, in the event such program is proceeded with.

Stated Business Objectives and Milestones

The Issuer's business objectives in using the available funds are to:

- (a) obtain a listing of its Common Shares on the Exchange; and
- (b) conduct the Phase 1 exploration program on the Red Metal Ridge Property recommended in the Technical Report.

The listing of the Issuer's Common Shares on the Exchange is subject to the Issuer fulfilling all of the requirements of the Exchange and is expected to occur shortly after completion of this Offering. Upon completion of the Offering, the Phase 1 exploration program is expected to be conducted in late 2018 or early 2019, depending on the weather.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION AND ANALYSIS

Financial Information

The Issuer was incorporated in the province of British Columbia on November 23, 2017. The following table summarizes selected information from the Issuer's audited financial statements for the period ended May 31, 2018.

	Period Ended May 31, 2018 (audited)
Total revenues	Nil
Exploration expenditures	\$101,269
Consulting fees	\$18,000
Professional fees	\$4,429
Office expenses	\$4,116
Rent	\$5,953
Share-based payments	\$30,000
Net Loss	(\$65,025)
Basic and diluted loss per common share	(0.01)
Total assets	\$185,016
Long-term financial liabilities	Nil
Cash dividends per share	Nil

Dividends

There are no restrictions that would prevent the Issuer from paying dividends on the Common Shares, however, the Issuer has neither declared nor paid any dividends on its Common Shares since incorporation and has not established any dividend or distribution policy. The Issuer intends to retain its earnings to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

Management's Discussion and Analysis

Period ended May 31, 2018

The following discussion of the operating results and financial position of the Issuer should be read in conjunction with the audited financial statements and related notes for the period ended May 31, 2018. The financial statements are included in this Prospectus under Schedule "B" and should be referred to when reading this disclosure. The financial statements summarize the financial impact of the Issuer's financings, investments and operations, which financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following Management's Discussion and Analysis ("MD&A") is quoted in Canadian dollars.

During the financial period ended May 31, 2018, the Issuer reported nil revenue and a net loss of (\$65,025) (\$0.01 per common share). The Issuer incurred \$4,429 for professional fees and \$4,116 for office expenses during the financial period. The Issuer also paid the aggregate amount of \$18,000 in consulting fees to a private company, Matalia Investments Ltd.

During the financial period ended May 31, 2018, the Issuer incurred exploration expenditures in the aggregate amount of \$101,269.

The Issuer received \$217,001 in gross proceeds for shares issued, all of which was received for shares issued in the period ended May 31, 2018. The Issuer was deemed to have incurred a share-based payment expense of \$30,000 due to the fact that 2,000,000 shares worth an estimated \$40,000 were issued at a price of \$0.005 for proceeds of \$10,000.

As of the date of this Prospectus, the Company has granted 425,000 stock options, each option exercisable for one common share at a price of \$0.10 per share to its directors and officers.

Liquidity and Capital Resources

During the first year after completion of this Offering, the Issuer estimates that the aggregate annual cost of general administration for its operations will be approximately \$88,000. See "Use of Proceeds" above. The net proceeds from the Offering should be sufficient to fund the Issuer's operations for at least a period of 12 months. There are no other capital expenditures to be incurred by the Issuer during the period.

The Issuer does not yet generate positive cash flow from operations and is therefore reliant upon the issuance of its Common Shares to fund its operations. As of May 31, 2018, its capital resources consisted of a cash balance of \$68,205 and accounts receivable of \$5,542. The Issuer also had an accounts payable balance of \$3,040. The Issuer expects that it will be able to meet its current obligations as they come due with its existing cash and other receivable balances.

The Issuer's sole property is the Red Metal Ridge Property located near Sayward, British Columbia, consisting of six contiguous mineral tenures. The Issuer has the option of acquiring a 100% interest in the Red Metal Ridge Property, subject to a 3% net smelter returns royalty, as set out in the Property Option Agreement (see "General Development of the Business" above). During the period ended May 31, 2018, the Issuer incurred \$101,269 in exploration and evaluation asset expenditures comprised of a \$5,000 initial payment for the first 51% interest to Rich River pursuant to the Property Option Agreement and \$96,269 for sampling work conducted on the Red Metal Ridge Property and the geochemical analysis of such samples, as well as the preparation of the Technical Report. In order to exercise the Option under the Property Option Agreement, the Issuer is required to pay \$5,000 on the Listing Date, and thereafter is not required to make any exploration expenditures on the Red Metal Ridge Property or make further payments of cash installments to the Optionors until 12 months after the Listing Date of the Common Shares under this Offering. For a summary of the Issuer's payment and exploration expenditure obligations under the Property Option Agreement, see "General Development of the Business" above. In order to meet future exploration commitments and cash payments, the Issuer will require additional capital resources.

As of August 31, 2018, the Issuer had a working capital of \$39,257. The Issuer expects to incur losses for at least the next 24 months and there can be no assurance that the Issuer will ever make a profit. To achieve profitability, the Issuer must advance its Property through further exploration in order to bring the Property to a stage where the Issuer can attract the participation of a major resource company, which has the expertise and financial capability to place such property into commercial production.

The Issuer has concluded transactions and arrangements with related parties. See "Interest of Management and Others in Material Transactions" below for further details.

The Issuer's ability to continue as a going-concern is dependent upon its ability to achieve profitability and fund any additional losses it may incur. The financial statements are prepared on a going-concern basis, which implies that the Issuer will realize its assets and discharge its liabilities in the normal course of business. The financial statements do not reflect adjustments to the carrying value of assets and liabilities that would be necessary if the Issuer were unable to achieve and maintain profitable operations.

DESCRIPTION OF SECURITIES DISTRIBUTED

Authorized and Issued Share Capital

The authorized share capital of the Issuer consists of an unlimited number of common shares without par value. As of the date of this Prospectus, 8,750,001 Common Shares were issued and outstanding as fully paid and non-assessable shares.

Common Shares

The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Issuer and each Common Share confers the right to one vote in person or by proxy at all meetings of the shareholders of the Issuer. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of the Issuer, are entitled to receive such dividends in any financial year as the Board of Directors may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Issuer, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Issuer, the remaining property and assets of the Issuer.

Compensation Options

The Issuer has also agreed to grant to the Agent, Compensation Options entitling the Agent to purchase that amount of Common Shares as is equal to 10% of Common Shares to be issued pursuant to this Offering, with an exercise price that is equal to the Offering Price.

Additional Common Shares

The Issuer has also agreed to issue 100,000 Corporate Finance Shares to the Agent as part of the Corporate Finance Fee. See "Plan of Distribution" below, and 100,000 Common Shares to the Optionors on the Listing Date in respect of the Red Metal Ridge Property. See "General Development of the Business" above and "Plan of Distribution" below.

CONSOLIDATED CAPITALIZATION

The following table summarizes the changes in the Issuer's capitalization since incorporation and after giving effect to the Offering:

Description	Authorized Amount	Authorized at the date of this Prospectus	Outstanding as at May 31, 2018 (Unaudited)	Outstanding at the date of this Prospectus (Unaudited)	Outstanding after giving effect to this Offering (Unaudited) ⁽¹⁾⁽²⁾
Common Shares	Unlimited	Unlimited	8,750,001	8,750,001	12,450,001
Long Term Debt	Nil	Nil	Nil	Nil	Nil

Notes:

(1) As partial consideration for the sale of Common Shares pursuant to this Prospectus, the Issuer has agreed to grant the Agent Compensation Options entitling the Agent to purchase up to that amount of Common Shares as is equal to 10% of the number of

Common Shares issued pursuant to this Offering, including any Common Shares sold under the Over-Allotment Option. The Compensation Options may be exercised at a price of \$0.10 per Common Share for a period of 24 months from the Closing Day. This Prospectus qualifies the distribution of the Compensation Options and Corporate Finance Shares to the Agent to the extent that such Compensation Options and Corporate Finance Shares constitute as Qualified Compensation Securities. The Common Shares issuable on exercise of the Compensation Options and Over-Allotment Option are not reflected in these figures.

(2) Includes the 100,000 Common Shares to be issued to the Optionors in respect of the Red Metal Ridge Property and the 100,000 Corporate Finance Shares to be issued to the Agent as part of the Corporate Finance Fee but does not include any shares issued upon any exercise of the Over-Allotment Option (up to 525,000 additional Common Shares).

OPTIONS TO PURCHASE SECURITIES

The Stock Option Plan was approved by the Issuer's directors on July 13, 2018. The purpose of the Stock Option Plan is to assist the Issuer in attracting, retaining and motivating directors, officers, employees and consultants (together "eligible persons") of the Issuer and of its affiliates and to closely align the personal interests of such eligible persons with the interests of the Issuer and its shareholders.

The Stock Option Plan provides that so long as the Issuer is a non-reporting issuer, the maximum number of Common Shares which may be issued pursuant to options granted under the Stock Option Plan shall be that number equal to 15% of the Issuer's then issued share capital on the date on which an option is granted.

From the date that the Issuer becomes a reporting issuer with its Common Shares listed on a stock exchange (in this section, the "Listing Date"), the Stock Option Plan provides that the aggregate number of Common Shares reserved for issuance will be 10% of the number of Common Shares of the Issuer issued and outstanding from time to time.

The Stock Option Plan will be administered by the Board of Directors, who will have full and final authority with respect to the granting of all options thereunder.

Options may be granted under the Stock Option Plan to such eligible persons of the Issuer and its affiliates, if any, as the Board may from time to time designate. The exercise prices shall be determined by the Board, but shall, in no event, be less than the closing market price of the Issuer's shares on the Exchange on the date of grant of such options, less the maximum discount permitted under the Exchange policies. The Stock Option Plan provides that after the Listing Date, the number of Common Shares issuable on the exercise of options granted to all persons together with all of the Issuer's other previously granted options may not exceed 10% of the Issuer's issued and outstanding Common Shares on a non-diluted basis, from time to time. In addition, the number of Common Shares, which may be reserved for issuance to any one individual upon the exercise of all stock options held by such individual within a one-year period, may not exceed 5% of the Common Shares issued and outstanding on the grant date, on a non-diluted basis, unless otherwise approved by disinterested shareholders of the Issuer. Subject to earlier termination in the event of dismissal for cause, early retirement, voluntary resignation or termination other than for cause, or in the event of death or disability, all options granted under the Stock Option Plan will expire on the date set by the Board as the expiry date of the option, which expiry date shall not be more than 10 years from the date that such options are granted. Options granted under the Stock Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

The following table sets out information about the Options issued and outstanding pursuant to the Stock Option Plan as of the date hereof:

Name of Optionee	Designation of Securities under Option	Number of Common Shares under Option	Exercise price per Common Share	Expiry Date
All executive officers and past executive officers as a group (2 persons)	Common Shares	150,000	\$0.10	July 13, 2023
All directors and past directors who are not also executive officers as a group (2 persons)	Common Shares	275,000	\$0.10	July 13, 2023

Compensation Options

The Issuer will issue to the Agent, Compensation Options for the purchase of up to that number of Common Shares as is equal to 10% of the Common Shares of the Issuer issued pursuant to the Offering, including any Common Shares sold under the Over-Allotment Option, exercisable at a price of \$0.10 per Common Share for a period of 24 months from the Closing Day.

PRIOR SALES

The following table summarizes the sales of securities of the Issuer prior to the date of this Prospectus:

Issue Date	Price Per Common Share	Number of Common Shares Issued	Proceeds to the Issuer
November 23, 2017	\$1.00	1	\$1.00
December 31, 2017	\$0.005	2,000,000	\$10,000
January 24, 2018	\$0.02	2,000,000 ⁽¹⁾	\$40,000
March 1, 2018	\$0.02	2,250,000 ⁽²⁾	\$45,000
March 16, 2018	\$0.02	100,000	\$2,000
March 23, 2018	\$0.05	2,400,000	\$120,000
TOTAL:		8,750,001	\$217,001

Notes:

(1) of which 2,000,000 shares were issued as flow-through Common Shares.

(2) of which 2,250,000 shares were issued as flow-through Common Shares.

ESCROWED SECURITIES

Escrowed Securities

Under the applicable policies and notices of the Canadian Securities Administrators, securities held by Principals (as defined below) are required to be held in escrow in accordance with the escrow regime applicable to initial public distributions. Equity securities, including Common Shares, owned or controlled by the Principals of the Issuer are subject to the escrow requirements set out in National Instrument 46-201 - *Escrow for Initial Public Offerings*.

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

- (a) directors and senior officers of the Issuer, as listed in this Prospectus;
- (b) promoters of the Issuer during the two years preceding this Offering;
- (c) those who own and/or control more than 10% of the Issuer's voting securities immediately after completion of this Offering if they also have appointed or have the right to appoint a director or senior officer of the Issuer or of a material operating subsidiary of the Issuer;
- (d) those who own and/or control more than 20% of the Issuer's voting securities immediately after completion of this Offering; and
- (e) associates and affiliates of any of the above.

The Principals of the Issuer are Dušan Berka, Mark Lotz, Paul V. John and John Hiner.

The Issuer is an "emerging issuer" as defined in the applicable policies and notices of the Canadian Securities Administrators and if the Issuer achieves "established issuer" status during the term of the Escrow Agreement (as defined below), it will "graduate" resulting in a catch-up release and an accelerated release of any securities remaining

in escrow under the 18-month schedule applicable to established issuers as if the Issuer had originally been classified as an established issuer.

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

- (a) transfers to continuing or, upon their appointment, incoming directors and senior officers of the Issuer or of a material operating subsidiary, with approval of the Board of Directors;
- (b) transfers to a person or company that before the proposed transfer holds more than 20% of the voting rights attached to the Issuer's outstanding securities;
- (c) transfers to a person or company that after the proposed transfer will (i) hold more than 10% of the voting rights attached to the Issuer's outstanding securities; and (ii) has the right to elect or appoint one or more directors or senior officers of the Issuer or any of its material operating subsidiaries;
- (d) transfers to an RRSP or similar trustee plan provided that the only beneficiaries are the transferor or the transferor's spouse or children or parents;
- (e) transfers upon bankruptcy to the trustee in bankruptcy;
- (f) pledges to a financial institution as collateral for a loan, provided that upon a realization the securities remain subject to escrow; or
- (g) tenders of Escrowed Securities to a take-over bid are permitted provided that, if the tenderer is a Principal of the successor corporation upon completion of the take-over bid, securities received in exchange for tendered Escrowed Securities are substituted in escrow on the basis of the successor corporation's escrow classification.

The following table sets forth details of the Escrowed Securities that are subject to the Escrow Agreement as of the date of this Prospectus:

Name	No. of Escrowed Common Shares ⁽¹⁾⁽²⁾	Offering Percentage (After Giving Effect to the Offering) ⁽³⁾⁽⁴⁾
Paul V. John	2,500,000 owned beneficially and of record	20.08%

Notes:

(1) These shares have been deposited in escrow with the Escrow Agent.

(2) Pursuant to an escrow agreement (the "Escrow Agreement") dated effective July 30, 2018, among the Issuer, the Escrow Agent and a Principal of the Issuer, the Principal agreed to deposit in escrow their Common Shares (the "Escrowed Securities") with the Escrow Agent. The Escrow Agreement provides that 10% of the Escrowed Securities will be released from escrow upon the Listing Date and that, where there are no changes to the Common Shares initially deposited and no additional Escrow Securities, the remaining Escrowed Securities will be released in equal tranches of 15% every 6-month interval thereafter, over a period of 36 months.

(3) Does not include exercise of Compensation Options or Over-Allotment Options.

(4) Includes the 100,000 Corporate Finance Shares and the 100,000 Common Shares to be issued to the Optionors; in result, the aggregate number of issued and outstanding Common Shares after completion of the Offering would total 12,450,001 Common Shares.

Shares Subject to Resale Restrictions

Those securities which are issued to the Agent and which do not constitute Qualified Compensation Securities will be subject to a four month hold period, in accordance with applicable securities laws.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and officers of the Issuer, as of the date of this Prospectus, no person beneficially owns or exercises control or direction over Common Shares carrying more than 10% of the votes attached to the Issuer's Common Shares except for the following:

Prior to the Offering			After Giving Effect to the Offering		
Name	Number of Common Shares Owned Directly or Indirectly	Percentage of Common Shares Held	Number of Common Shares Beneficially Owned Directly or Indirectly	Percentage of Common Shares Held ⁽¹⁾⁽²⁾	Percentage of Common Shares Held ⁽³⁾
Paul V. John	2,500,000 owned beneficially and of record	28.57%	2,500,000 owned beneficially and of record	20.08%	19.56% ⁽⁴⁾

Notes:

(1) Does not include exercise of Compensation Options or the Over-Allotment Option.

(2) Includes the 100,000 Corporate Finance Shares and the 100,000 Common Shares to be issued to the Optionors.

(3) On a fully-diluted basis, assuming completion of the Offering, the issuance of the Corporate Finance Shares, the 100,000 Common Shares to the Optionors, the exercise of all 425,000 stock options, and the exercise of all 402,500 potential Compensation Options and the Over-Allotment Option.

(4) Includes the exercise of 200,000 stock options held by Paul V. John.

DIRECTORS AND OFFICERS

The following table provides the names, provinces of residence, positions, principal occupations and the number of voting securities of the Issuer that each of the directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as of the date hereof:

Name and Province of Residence and Position with the Issuer	Director/ Officer Since	Principal Occupation for the Past Five Years	Number and % of Common Shares Beneficially Owned Directly or Indirectly (at the date of this Prospectus)
Dušan Berka ⁽¹⁾ British Columbia, Canada <i>President, Chief Executive Officer, Director</i>	Director since November 23, 2017. President and Chief Executive Officer since November 23, 2017.	Professional Engineer and director and officer of numerous mineral exploration companies.	1 0.00%
Mark Lotz ⁽¹⁾ British Columbia, Canada <i>Chief Financial Officer, Director</i>	Director since November 23, 2017. Chief Financial Officer since November 23, 2017	Accountant and director and officer of several companies in various industries, including mining.	Nil

Name and Province of Residence and Position with the Issuer	Director/ Officer Since	Principal Occupation for the Past Five Years	Number and % of Common Shares Beneficially Owned Directly or Indirectly (at the date of this Prospectus)
Paul V. John British Columbia, Canada <i>Director</i>	Director since February 1, 2018	Businessman and a director of MAX Resource Corp.	2,500,000 28.57%
John Hiner ⁽¹⁾ Washington State, USA <i>Director</i>	Director since November 23, 2017	Licensed geologist and director of mineral exploration companies.	Nil

Note:

(1) Denotes a member of the Audit Committee of the Issuer.

The term of office of the directors expires annually at the time of the Issuer's annual general meeting. The term of office of the officers expires at the discretion of the Issuer's directors.

The Issuer has one committee, the audit committee, comprised of Dušan Berka (Chairman), Mark Lotz and John Hiner.

The following is a brief description of the background of the key management, directors and promoters of the Issuer.

Dušan Berka, Chief Executive Officer, President and Director

Mr. Berka is the Chief Executive Officer, President and a director of the Issuer and provides his services to the Issuer on a part-time basis. He has served the Issuer as Chief Executive Officer, President and a director since November 23, 2017. He will devote approximately 25% of his time to the affairs of the Issuer. His responsibilities with the Issuer in his capacity as President and Chief Executive Officer include managing day-to-day operations of the Issuer, executing policies implemented by the Board of Directors and reporting back to the Board.

Mr. Berka has extensive experience in the management, marketing, promotion and administration of public companies as well as in corporate communication, shareholders information, public relations and contract negotiation. Mr. Berka has served as a director and/or officer of various public companies traded on the TSX and TSX Venture Exchanges, the Canadian Securities Exchange and the NASDAQ System in the USA. Currently, Mr. Berka serves as a director of Eoro Resources Inc., King's Bay Gold Corp., Aguila American Gold Ltd., Megastar Development Corp. and Pivit Exploration Inc.

Mr. Berka holds a degree in engineering with a M.Sc. (Dipl. Ing.) degree from the Slovak Technical University, Bratislava, Slovakia (1968) and has been a member of the Association of Professional Engineers and Geoscientists of B.C. since 1977.

Mr. Berka is an independent contractor of the Issuer, has not entered into a non-competition or non-disclosure agreement with the Issuer and is 72 years of age.

Mark Lotz, Chief Financial Officer and Director

Mr. Lotz is the Chief Financial Officer and a director of the Issuer and provides his services to the Issuer on a part time basis. He has served the Issuer as director and Chief Financial Officer since November 23, 2017. He will devote approximately 15% of his time to the affairs of the Issuer. In his capacity as Chief Financial Officer, Mr. Lotz reports to the President of the Issuer regarding strategic and tactical matters as they relate to budget management, cost-benefit analysis, forecasting needs and securing adequate funding.

Mr. Lotz is a businessman and provides management consulting and corporate finance services to public and private companies. He has several years of experience with reporting issuers, and currently serves as a director of Golden Raven Resources Ltd., Logan Resources Ltd., Radiant Health Care Inc. and Vodis Pharmaceuticals Inc.

Mr. Lotz is an independent contractor of the Issuer, has not entered into any non-competition or non-disclosure agreements with the Issuer and is 55 years of age.

Paul V. John, Director

Mr. John has been a director of the Issuer since February 1, 2018 and provides his services to the Issuer on a part-time basis. He will devote approximately 10% of his time to the affairs of the Issuer. As a director, he is responsible for directing and overseeing management of the Issuer.

Mr. John is a businessman and has extensive experience with reporting issuers, having served as a director of various public companies traded on the TSX Venture Exchange and the OTC Bulletin Board. Mr. John currently serves as a director for MAX Resource Corp., a position he has held since 2008.

Mr. John is not an independent contractor or employee of the Issuer, has not entered into a non-competition or non-disclosure agreement with the Issuer and is 72 years of age.

John E. Hiner, Director

Mr. Hiner is a director of the Issuer and provides his services to the Issuer on a part-time basis. He has served as a director of the Issuer since November 23, 2017, and will devote approximately 10% of his time to the affairs of the Issuer. As a director, he is responsible for directing and overseeing management of the Issuer.

Mr. Hiner is a licensed geologist in the State of Washington and SME registered member and he has an exploration history of over 45 years with several major mining companies exploring for geothermal energy, precious metals and industrial minerals. He has served as a director and/or officer of mineral exploration and mining development companies, and works as an independent consulting geologist for mining companies. Previously, Mr. Hiner was an officer of Geocom Resources Inc., and is currently a director of Red Pine Petroleum Ltd.

Mr. Hiner is not an independent contractor or employee of the Issuer, has not entered into a non-competition or non-disclosure agreement with the Issuer and is 71 years of age.

Corporate Cease Trade Orders or Bankruptcies

To the Issuer's knowledge:

- (a) Except as disclosed below, no existing or proposed director, executive officer or promoter of the Issuer is, or within the ten years prior to the date hereof has been, a director or executive officer of any other company that, while that person was acting in the capacity of director or executive officer of that company, was the subject of a cease trade order or similar order or an order that denied the company access to any statutory exemptions for a period of more than 30 consecutive days;
- (b) No existing or proposed director, executive officer or promoter of the Issuer is, or within the ten years prior to the date hereof ceased to be a director or executive officer of any other company that, was the subject of a cease trade order or similar order or an order that denied the company access to any statutory exemptions for a period of more than 30 consecutive days that was issued after the director, executive officer or promoter ceased to be a director or executive officer and which resulted from an event that occurred while that person was acting in the capacity as director or executive officer; and
- (c) No existing or proposed director, executive officer or promoter of the Issuer is, or within the ten years prior to the date hereof has been, a director or executive officer of any other company that, while that person was acting in the capacity of director, executive officer or promoter of that company, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted

any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

To the Issuer's knowledge, no existing or proposed director, executive officer, promoter or other member of management of the Issuer has been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion, formation or management of a publicly traded company, or involving fraud or theft.

Personal Bankruptcies

Except as disclosed below, to the Issuer's knowledge no existing or proposed director, officer, promoter or other member of management of the Issuer has, during the ten years prior to the date hereof, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

Conflicts of Interest

The directors of the Issuer are required by law to act honestly and in good faith with a view to the best interests of the Issuer and to disclose any interests, which they may have in any project or opportunity of the Issuer. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the Issuer's knowledge and other than disclosed herein, there are no known existing or potential conflicts of interest among the Issuer, its promoters, directors and officers or other members of management of the Issuer or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies and therefore it is possible that a conflict may arise between their duties to the Issuer and their duties as a director or officer of such other companies.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The executive compensation discussion below discloses compensation paid to 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, as determined in accordance with Section 1.3(5) of Form 51-102F6V under National Instrument 51-102 – *Continuous Disclosure Obligations*, for that financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Issuer, nor acting in a similar capacity, as at the end of the most recently completed financial year,

(each a "Named Executive Officer").

During the period ended May 31, 2018, the Issuer had two individuals who were Named Executive Officers, namely (i) Dušan Berka, who was appointed the Chief Executive Officer and President of the Issuer on November 23, 2017

and (ii) Mark Lotz, who was appointed Chief Financial Officer of the Issuer on November 23, 2017.

Compensation Discussion and Analysis

In assessing the compensation of its Named Executive Officers, the Issuer does not have in place any formal objectives, criteria or analysis; compensation payable is currently determined by the Board of Directors.

As of the date of this Prospectus, the Board of Directors has not established any benchmark or performance goals to be achieved or met by Named Executive Officers, however, such Named Executive Officers are expected to carry out their duties in an effective and efficient manner so as to advance the business objectives of the Issuer. The satisfactory discharge of such duties is subject to ongoing monitoring by the Issuer's directors.

The Issuer's Named Executive Officer compensation during the most recently completed financial period ended May 31, 2018 was determined and administered by the Board of Directors. The Board of Directors was solely responsible for assessing the compensation to be paid to the Issuer's Named Executive Officers and for evaluating their performance.

It is expected that once the Issuer becomes a reporting issuer, base salary will be the principal component of Named Executive Officer compensation. The base salary for each Named Executive Officer will be based on the position held, the related responsibilities and functions performed by the executive and salary ranges for similar positions in comparable companies. Individual and corporate performance will also be taken into account in determining base salary levels.

Another component of Named Executive Officer compensation is the grant of stock options pursuant to the Issuer's Stock Option Plan. The objective of this compensation component is to attract, retain and motivate certain persons of training, experience and leadership as key service providers to the Issuer, including its directors, Named Executive Officers and employees and to advance the interest of the Issuer by providing such persons with additional compensation and the opportunity to participate in the success of the Issuer.

In addition to, or in lieu of, the compensation components described above, payments may be made from time to time to individuals, including Named Executive Officers or directors of the Issuer, or companies they control for the provision of management or consulting services. Such services are paid for by the Issuer at competitive industry rates for work of a similar nature by reputable arm's length services providers.

Summary Compensation Table

The following table sets forth the value of the compensation, excluding compensation securities, of the Issuer's directors and Named Executive Officers, for the period ended May 31, 2018:

Name and principal position	Year	Salary	Share-based awards	Option-based awards	Non-equity incentive plan compensation		Pension value	All other compensation	Total compensation
					Annual incentive plans	Long-term incentive plans			
Dušan Berka <i>Chief Executive Officer, President and Director</i> ⁽¹⁾	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Name and principal position	Year	Salary	Share-based awards	Option-based awards	Non-equity incentive plan compensation		Pension value	All other compensation	Total compensation
					Annual incentive plans	Long-term incentive plans			
Mark Lotz <i>Chief Financial Officer and Director</i> ⁽²⁾	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Dušan Berka was appointed Chief Executive Officer, President and director on November 23, 2017.

(2) Mark Lotz was appointed Chief Financial Officer and director on November 23, 2017.

Director Compensation Table

The table below sets out the compensation of directors that are not also Named Executive Officers of the Issuer.

Name	Fees earned	Share-based awards ⁽¹⁾	Option-based awards	Non-equity incentive plan compensation	Pension value	All other compensation	Total
Paul V. John <i>Director</i>	Nil	\$30,000	Nil	Nil	Nil	Nil	\$30,000
John E. Hiner <i>Director</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Paul V. John purchased founder's shares at \$0.005 per share on December 31, 2017, before he was appointed a director. But for his impending directorship, he would not have been able to purchase these shares.

External Management Companies

Of the Issuer's Named Executive Officers, neither Dušan Berka or Mark Lotz were or are employees of the Issuer.

As of the date of this Prospectus, the Issuer has not executed any employment, consulting or management agreements with any of its directors or Named Executive Officers. The Issuer has a management services agreement with private company Matalia Investments Ltd.

Stock Options and Other Compensation Securities

Stock options are granted to provide an incentive to the directors, officers, employees and consultants of the Issuer to achieve the longer-term objectives of the Issuer; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Issuer; and to attract and retain persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Issuer. See "Options to Purchase Securities" above for a description of the material terms of the Issuer's Stock Option Plan.

There were no stock options or other compensation securities granted or issued during the most recent financial year, however, as at the date of this Prospectus, there are 425,000 outstanding stock options granted to the Issuer's directors and Named Executive Officers. See "Options to Purchase Securities" above.

Proposed Compensation

During the next 12 months, the Issuer proposes to pay the following compensation to its Named Executive Officers

and directors:

Name and Principal Position	Salary	All Other Compensation	Total Compensation
Dušan Berka <i>Chief Executive Officer and President</i>	Nil	Nil	Nil
Mark Lotz <i>Chief Financial Officer</i>	Nil	Nil	Nil
Paul V. John <i>Director</i>	Nil	Nil	Nil
John E. Hiner <i>Director</i>	Nil	Nil	Nil

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than routine indebtedness for travel and other expense advances, no existing or proposed director, executive officer or senior officer of the Issuer or any associate of any of them, was indebted to the Issuer as at May 31, 2017, or is currently indebted to the Issuer at the date of this Prospectus.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Audit Committee

National Instrument 52-110 – *Audit Committees* ("NI 52-110"), NI 41-101 and Form 52-110F1 require the Issuer to disclose certain information relating to the Issuer's audit committee (the "Audit Committee") and its relationship with the Issuer's independent auditors.

Audit Committee Charter

The text of the Audit Committee's charter is attached hereto as Schedule "A".

Composition of Audit Committee

The members of the Audit Committee are set out below:

Dušan Berka (Chairman)	Not Independent	Financially literate ⁽²⁾
Mark Lotz	Not Independent	Financially literate ⁽²⁾
John E. Hiner	Independent ⁽¹⁾	Financially literate ⁽²⁾

Notes:

(1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Issuer, which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment.

(2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Issuer's financial statements.

Relevant Education and Experience

Each member of the Issuer's present Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Issuer to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Issuer's financial statements or experience actively supervising individuals engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting.

Dušan Berka: Mr. Berka is a professional engineer with experience as a director and officer of public companies, including as an audit committee member and is familiar with the financial reporting requirements applicable to public companies in Canada.

Mark Lotz: Mr. Lotz is a Chartered Professional Accountant practicing publicly through his firm Lotz CPA Inc. He is a director and officer of several public companies, in addition to serving as a member of the audit committee of several reporting issuers, and is familiar with the financial reporting requirements applicable to public companies in Canada.

John E. Hiner: Mr. Hiner has several years of experience with mineral exploration and mining development companies and is familiar with the financial reporting requirements applicable to public companies in Canada.

See "Directors and Officers" above for further details.

Audit Committee Oversight

The Audit Committee was established on May 31, 2018 and will, among other things, make recommendations to the Board of Directors to nominate or compensate an external auditor. As of the date of this Prospectus, the Audit Committee has not made any such recommendations for the Board to consider.

Reliance on Certain Exemptions

At no time since the commencement of the Issuer's most recently completed financial period has the Issuer relied on the exemptions in Sections 2.4, 3.2, 3.4, 3.5, 3.6 or Part 8 of NI 52-110, or an exemption from subsections 3.3(2) of NI 52-110. The Issuer is relying on the exemption in Section 6.1 of NI 52-110 regarding the composition of the audit committee and reporting obligations.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board of Directors to review the performance of the Issuer's external auditors and approve in advance the provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services engaged by the Issuer. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairman of the Audit Committee deems is necessary and the Chairman will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Committee's consideration and, if thought fit, approval in writing.

External Auditor Service Fees

As of the date of this Prospectus, the Issuer has not compensated any external auditors for audit and non-audit related services provided to the Issuer.

Exemption

As per Section 223 of the *Business Corporations Act* (British Columbia), the Issuer is not a public company or a financial institution and as such, was not required to establish an Audit Committee at the first annual meeting following incorporation.

Corporate Governance

General

The Board of Directors believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 - *Corporate Governance Guidelines* provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Issuer. In addition, National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101") prescribes certain disclosure by the Issuer of its corporate governance practices. This disclosure is presented below.

Board of Directors

NP 58-201 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors within the meaning of NI 52-110.

The Board is currently comprised of four directors, of whom John E. Hiner and Paul V. John are independent for the purposes of NI 52-110. Dušan Berka and Mark Lotz are not independent as Mr. Berka serves as Chief Executive Officer and President of the Issuer and Mr. Lotz as Chief Financial Officer. Because the Board is not comprised of a majority of independent directors, in order to facilitate its exercise of independent supervision over the Issuer's management, the Board carefully examines the issues before it, consults with outside counsel and other advisors as necessary and encourages the independent directors to regularly and independently confer amongst themselves.

Directorships

Certain of the Issuer's directors are also currently directors of other reporting issuers as follows:

Name	Reporting Issuer (Exchange/Market: Trading Symbol)
Dušan Berka	92 Resources Corp. (TSX.V: NTY) Aguila American Gold Ltd. (TSX.V: AGL) Eloro Resources Ltd. (TSX.V: ELO) King's Bay Resources Corp. (TSX.V: KBG) Megastar Development Corp. (TSX.V: MDV) Pivit Exploration Inc. (CSE: PIVT)
Mark Lotz	Golden Raven Resources Ltd. (N/A) Logan Resources Ltd. (TSX.V: LGR) Radiant Health Care Inc. (N/A) Vodis Pharmaceuticals Inc. (CSE: VP)
Paul V. John	MAX Resource Corp. (TSX.V: MXR)
John E. Hiner	Red Pine Petroleum Ltd. (TSX.V: RPN)

Board Mandate

The Board of Directors has not adopted a written mandate or code delineating the Board's roles and responsibilities, since it believes it is adequately governed by the requirements of applicable corporate and securities common and statute law which provide that the Board has responsibility for the stewardship of the Issuer. That stewardship includes responsibility for strategic planning, identification of the principal risks of the Issuer's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Issuer's internal control and management information systems.

Orientation and Continuing Education

When new directors are appointed they receive orientation, commensurate with their previous experience, on the Issuer's business, assets and industry and on the responsibilities of directors. Meetings of the Board are sometimes held at the Issuer's offices and, from time to time, are combined with presentations by the Issuer's management to give the directors additional insight into the Issuer's business. In addition, management of the Issuer makes itself available for discussion with all members of the Board.

Ethical Business Conduct

The Board of Directors has not adopted a formal code of business conduct and ethics. The Board has found that the fiduciary duties placed on individual directors by the Issuer's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Issuer.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience.

The Board does not have a nominating committee and these functions are currently performed by the Board as a whole, however, if there is a change in the number of directors required by the Issuer, this policy will be reviewed.

Compensation

The Board is responsible for determining compensation for the directors of the Issuer to ensure it reflects the responsibilities and risks of being a director of a public company.

Other Board Committees

The Board has no committee other than the Audit Committee.

Assessments

Due to the minimal size of the Board of Directors, no formal policy has been established to monitor the effectiveness of the directors, the Board and its committees.

PLAN OF DISTRIBUTION

The Offering consists of 3,500,000 Common Shares at a price of \$0.10 per Common Share, to raise gross proceeds of \$350,000, and will be conducted through the Agent in the provinces of British Columbia and Alberta.

Pursuant to the Agency Agreement, the Issuer has engaged the Agent as its exclusive agent for the purposes of the Offering. The Offering Price and terms of the Offering were established through negotiation between the Issuer and the Agent, in accordance with the policies of the Exchange. The Agent has agreed to use its commercially reasonable efforts to secure subscriptions for the Common Shares offered pursuant to the Offering in the provinces of British Columbia and Alberta. This Prospectus qualifies the distribution of the Common Shares to Subscribers in those jurisdictions. The Agent may offer selling group participation in the normal course of the brokerage business to selling groups of other licensed dealers, brokers, and investment dealers who may or may not be offered part of the Agent's Commission or Compensation Options derived from this Offering.

The Agent may terminate its obligations under the Agency Agreement by notice in writing to the Issuer at any time before the Closing if, on the basis of its assessment of the state of the financial markets or the market for the Common Shares, the Common Shares cannot be marketed profitably or upon the occurrence of certain other stated events. The Agent may also terminate its obligations under the Agency Agreement at any time upon the occurrence of certain events, such as the breach of any term of the Agency Agreement by the Issuer.

The Agency Agreement provides that if the Agent exercises its right to terminate the Agency Agreement, then the Issuer will immediately issue a press release setting out particulars of the termination.

The Issuer has agreed to (i) pay the Agent (A) a cash Agent's Commission equal to 10% of the aggregate Offering Price of the Common Shares sold under the Offering; and, if applicable, the Over-Allotment Option and (B) a cash Corporate Finance Fee of \$30,000; and (ii) to issue 100,000 Corporate Finance Shares. In addition, upon successful completion of the Offering, the Agent is entitled to receive, as part of its remuneration, Compensation Options entitling the holder thereof to purchase that number of Common Shares equal to 10% of the number of Common Shares issued pursuant to this Offering and if applicable, the Over-Allotment Option. The Compensation Options will be exercisable at a price of \$0.10 per Common Share for a period of 24 months from the Closing Day.

The Issuer has agreed to ensure that the directors and officers of the Issuer will execute a written acknowledgement agreeing not to directly or indirectly sell, agree to sell or announce any intention to sell any Common Shares or other securities of the Issuer for a period of 90 days from the Closing Day.

The Issuer has granted to the Agent an Over-Allotment Option exercisable, in whole or in part, up to 48 hours prior to Closing, to sell an additional number of Common Shares up to a maximum of 525,000 Common Shares. The Over-Allotment Option and the Over-Allotment Option Shares are also qualified for distribution under this Prospectus.

Pursuant to NI 41-101 the aggregate number of securities which may be distributed under a prospectus to an Agent as compensation must not exceed 10% of the Common Shares offered pursuant to this Prospectus, which in the case of this Offering (and assuming the exercise of the Over-Allotment Option in full) is 402,500 securities. For the purposes of this Offering, any combination of the following, totalling 402,500 securities, are Qualified Compensation Securities and are qualified for distribution by this Prospectus: (i) up to 100,000 Corporate Finance Shares; and (ii) up to a maximum of an aggregate 402,500 Compensation Options. To the extent that the Agent is entitled to receive securities as compensation exceeding 10% of the Offering and the Over-Allotment Option, those securities exceeding the 10% threshold will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus and will be subject to a hold period in accordance with applicable securities laws.

This Offering is subject to the completion of a minimum subscription of 3,500,000 Common Shares for gross proceeds to the Issuer of \$350,000, which proceeds shall be held by the Agent pending the completion of the Offering. If the minimum subscription is not completed within 90 days of the issuance of a receipt for the final prospectus, all subscription monies will be returned to Subscribers without interest or deduction.

The Issuer has applied to list its Common Shares on the Canadian Securities Exchange and received conditional listing approval on September 19, 2018. Final listing approval will be subject to the Issuer fulfilling all of the requirements of the Canadian Securities Exchange, including the public distribution requirements. Confirmation of the Listing of the Common Shares on the Exchange as of the Closing Day is a condition of Closing.

As at the date of this Prospectus, the Issuer does not have any of its securities listed or quoted, has not applied to list or quote any of its securities and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

Subscriptions for the Common Shares will be received and subject to rejection or allotment in whole or in part by the Issuer and the right is reserved to close the subscription books at any time. Upon rejection of a subscription, the subscription price and the subscription agreement will be returned to the Subscriber forthwith without interest or deduction.

This Prospectus also qualifies the distribution of the 100,000 Common Shares issuable to the Optionors in respect of the Red Metal Ridge Property; such Common Shares will be issued in accordance with the schedule set out under the heading "General Development of the Business" above.

RISK FACTORS

The Issuer is in the business of exploring mineral properties, which is a highly speculative endeavor. A purchase of any of the securities offered hereunder involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate

liquidity in their investment. An investment in the securities offered hereunder should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective purchasers should evaluate carefully the following risk factors associated with an investment in the Issuer's securities prior to purchasing any of the securities offered hereunder.

Insufficient Capital

The Issuer does not currently have any revenue producing operations and may, from time to time, report a working capital deficit. To maintain its activities, the Issuer will require additional funds which may be obtained either by the sale of equity capital or by entering into an option or joint venture agreement with a third party providing such funding. There is no assurance that the Issuer will be successful in obtaining such additional financing; failure to do so could result in the loss or substantial dilution of the Issuer's interest in the Red Metal Ridge Property. The Issuer's unallocated working capital will not suffice to fund the recommended Phase 2 exploration program on the Red Metal Ridge Property and there is no assurance that the Issuer can successfully obtain additional financing to fund such Phase 2 program.

Financing Risks

The Issuer has no history of earnings and, due to the nature of its business, there can be no assurance that the Issuer will be profitable. The Issuer has paid no dividends on its Common Shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Issuer is through the sale of its Common Shares. Even if the results of exploration are encouraging, the Issuer may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists on any of its properties. While the Issuer may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there is no assurance that any such funds will be available on terms acceptable to the Issuer, or at all. If available, future equity financing may result in substantial dilution to purchasers under the Offering. At present it is impossible to determine what amounts of additional funds, if any, may be required.

Limited Operating History and Negative Operating Cash Flow

The Issuer has no history of earnings. There are no known commercial quantities of mineral reserves on the Red Metal Ridge Property. The purpose of this Offering is to raise funds to carry out exploration and development on the Red Metal Ridge Property with the objective of establishing economic quantities of mineral reserves.

To the extent that the Issuer has a negative operating cash flow in future periods, the Issuer may need to allocate a portion of its cash reserves to fund such negative operating cash flow. The Issuer may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that additional capital or other types of financing will be available when needed or that these financings will be on terms favourable to the Issuer.

Resale of Shares

The continued operation of the Issuer will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Issuer is unable to generate such revenues or obtain such additional financing, any investment in the Issuer may be lost. In such event, the probability of resale of the Common Shares purchased would be diminished.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Issuer in creating revenues, cash flows or earnings. The value of Common Shares distributed hereunder will be affected by such volatility.

Before this Offering, there has been no public market for the Issuer's Common Shares. An active public market for

the Common Shares might not develop or be sustained after this Offering. The Offering Price of the Common Shares has been determined by negotiations between the Issuer and representatives of the Agent, and such Offering Price will not necessarily reflect the prevailing market price of the Common Shares following this Offering. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline below the Offering Price to the public.

Property Interests

The Issuer does not own the mineral rights pertaining to the Red Metal Ridge Property. Rather, it holds an option to acquire a 100% interest. There is no guarantee the Issuer will be able to raise sufficient funding in the future to explore and develop the Red Metal Ridge Property so as to maintain its interests therein. If the Issuer loses or abandons its interest in the Red Metal Ridge Property, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange. There is also no guarantee that the Exchange will approve the acquisition of any additional properties by the Issuer, whether by way of option or otherwise, should the Issuer wish to acquire any additional properties.

In the event that the Issuer acquires a 100% interest in the Red Metal Ridge Property, there is no guarantee that title to the Red Metal Ridge Property will not be challenged or impugned. The Issuer's mineral property interests may be subject to prior unregistered agreements or transfers or aboriginal or indigenous land claims or title may be affected by undetected defects. Surveys have not been carried out on any of the Issuer's mineral properties, therefore, in accordance with the laws of the jurisdiction in which such properties are situated; their existence and area could be in doubt. Until competing interests in the mineral lands have been determined, the Issuer can give no assurance as to the validity of title of the Issuer to those lands or the size of such mineral lands.

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

Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Issuer may be affected by numerous factors which are beyond the control of the Issuer and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Issuer not receiving an adequate return of investment capital.

There is no assurance that the Issuer's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Issuer's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Uninsurable Risks

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

Permits and Government Regulations

The future operations of the Issuer may require permits from various federal, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that the Issuer will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on the Red Metal Ridge Property. The Issuer currently does not have any permits in place.

Environmental Laws and Regulations

Environmental laws and regulations may affect the operations of the Issuer. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be withdrawn temporarily where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Issuer for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations. In all major developments, the Issuer generally relies on recognized designers and development contractors from which the Issuer will, in the first instance, seek indemnities. The Issuer intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards. There is a risk that environmental laws and regulations may become more onerous, making the Issuer's operations more expensive.

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 Issuer and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

No Commercial Ore

The Red Metal Ridge Property on which a portion of the proceeds of the Offering is to be expended does not contain any known amounts of commercial ore.

Competition

The mining industry is intensely competitive in all its phases and the Issuer competes with other companies that have greater financial resources and technical facilities. Competition could adversely affect the Issuer's ability to acquire suitable properties or prospects in the future.

Management

The success of the Issuer is currently largely dependent on the performance of its officers. The loss of the services of these persons will have a materially adverse effect on the Issuer's business and prospects. There is no assurance the Issuer can maintain the services of its officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Issuer and its prospects.

Fluctuating Mineral Prices

The Issuer's revenues, if any, are expected to be in large part derived from the extraction and sale of precious and base

minerals and metals. Factors beyond the control of the Issuer may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Issuer's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices. In addition, currency fluctuations may affect the cash flow which the Issuer may realize from its operations, since most mineral commodities are sold in the world market in United States dollars.

Conflicts of Interest

Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with the Issuer. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the *Business Corporations Act* (British Columbia).

Some of the directors and officers of the Issuer are or may become directors or officers of other companies engaged in other business ventures. In order to avoid the possible conflict of interest which may arise between the directors' duties to the Issuer and their duties to the other companies on whose boards they serve, the directors and officers of the Issuer have agreed to the following:

- (a) participation in other business ventures offered to the directors will be allocated between the various companies and on the basis of prudent business judgment and the relative financial abilities and needs of the companies to participate;
- (b) no commissions or other extraordinary consideration will be paid to such directors and officers; and
- (c) business opportunities formulated by or through other companies in which the directors and officers are involved will not be offered to the Issuer except on the same or better terms than the basis on which they are offered to third party participants.

Dividends

The Issuer does not anticipate paying any dividends on its Common Shares in the foreseeable future.

PROMOTERS

Paul V. John is considered to be a promoter of the Issuer in that he took the initiative in organizing the business of the Issuer. Mr. John beneficially holds, directly or indirectly, a total of 2,500,000 (28.57%) of the Issuer's currently issued and outstanding Common shares. See "Principal Shareholders" above for further details. Mr. John also holds 200,000 stock options, see "Stock Options and Other Compensation Securities" and "Options to Purchase Securities" above for further details.

The named promoter of the Issuer may in the future provide management and administrative services to the Issuer for monthly fees, but as of the current date, has not provided management and administrative services to the Issuer.

LEGAL PROCEEDINGS

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

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as set out above, the directors, senior officers and principal shareholders of the Issuer, a person or company that beneficially owns or controls or directs, directly or indirectly more than 10% of the Common Shares of the Issuer, or any associate or affiliate of the foregoing have had no material interest, direct or indirect, in any transactions in which the Issuer has participated within the three year period prior to the date of this Prospectus, or will have any material interest in any proposed transaction, which has materially affected or will materially affect the Issuer.

Pursuant to the Property Option Agreement, the Issuer acquired a 51% interest in the Red Metal Ridge Property through the payment of \$5,000 to the Optionors upon the execution and delivery of the Property Option Agreement

by the Issuer and the Optionors, with the ability to acquire a further 49% interest in the property through cash payments and securities issuances to the Optionors and by making certain exploration expenditures. See "General Development of the Business" above. Other than nominal cash outlays, there were no acquisition costs incurred or payable by Lynes for the Red Metal Ridge Property as the six mineral titles comprising the Red Metal Ridge Property were acquired by Lynes through staking.

RELATIONSHIP BETWEEN THE ISSUER AND AGENT

The Issuer is not a related party or connected party to the Agent (as such terms are defined in National Instrument 33-105 *Underwriting Conflicts*).

AUDITORS

The auditor of the Issuer is Manning Elliott LLP, Chartered Professional Accountants, of 11th Floor, 1050 West Pender Street, Vancouver, British Columbia, V6E 3S7.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent of the Issuer is National Issuer Services Ltd., of 760 - 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Issuer since the incorporation of the Issuer to the date of this Prospectus that are still in effect:

1. Management Services Agreement made between the Issuer and Matalia Investments Ltd., dated November 30, 2017.
2. Property Option Agreement made between the Issuer, Rich River Exploration Ltd. and Craig A. Lynes, dated January 5, 2018, referred to under "General Development of the Business".
3. Stock Option Plan approved by the Board of Directors on July 13, 2018 referred to under "Options to Purchase Securities".
4. Stock Option Agreements approved by the directors on July 13, 2018 between the Issuer and the directors and officers of the Issuer referred to under "Options to Purchase Securities".
5. Escrow Agreement among the Issuer, National Issuer Services Ltd. and a Principal of the Issuer made as of July 30, 2018 referred to under "Escrowed Shares".
6. Agency Agreement between the Issuer and Haywood Securities Inc., dated for reference September 25, 2018 referred to under "Plan of Distribution".

A copy of any material contract and the Technical Report may be inspected during the Offering of the Common Shares being offered under this Prospectus and for a period of 30 days thereafter during normal business hours at the Issuer's offices at Suite 200, 551 Howe Street, Vancouver, British Columbia, V6C 2C2. As well, the Technical Report is available for viewing on SEDAR located at: www.sedar.com.

EXPERTS

Except as disclosed below, no person or company whose profession or business gives authority to a report, valuation, statement or opinion and who is named as having prepared or certified a part of this Prospectus or as having prepared or certified a report or valuation described or included in this Prospectus holds or is to hold any beneficial or registered interest, direct or indirect, in any securities or property of the Issuer or any associate or affiliate of the Issuer.

Certain legal matters related to this Offering will be passed upon on behalf of the Issuer by Lotz & Company and by DuMoulin Black LLP on behalf of the Agent. Jonathan Lotz, the principal of Lotz & Company owns 200,000

Common Shares in the capital of the Issuer, which represent 2.29% of the Issuer's issued and outstanding Common Shares as at the date of this Prospectus.

Legal matters referred to under "Eligibility for Investment" will be passed upon by Thorsteinssons LLP on behalf of the Issuer.

Donald George MacIntyre, Ph.D., P. Eng., the Author of the Technical Report on the Red Metal Ridge Property, is independent from the Issuer within the meaning of NI 43-101.

Manning Elliott LLP, Chartered Accountants is the auditor of the Issuer. Manning Elliott has informed the Issuer that it is independent of the Issuer within the meaning of the rules of professional conduct of the Institute of Chartered Professional Accountants of British Columbia (ICABC).

OTHER MATERIAL FACTS

There are no other material facts other than as disclosed herein.

PURCHASERS' STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

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

FINANCIAL STATEMENTS

Attached as Schedule "B" and forming part of this Prospectus are the Audited Financial Statements of the Issuer for the Period Ended May 31, 2018.

SCHEDULE "A"

Audit Committee Charter

See attached.

CREST RESOURCES INC.

AUDIT COMMITTEE CHARTER

1. Mandate and Purpose of the Committee

The Audit Committee (the "Committee") of the board of directors (the "Board") of Crest Resources Inc. (the "Company") is a standing committee of the Board whose primary function is to assist the Board in fulfilling its oversight responsibilities relating to:

- (a) the integrity of the Company's financial statements;
- (b) the Company's compliance with legal and regulatory requirements, as they relate to the Company's financial statements;
- (c) the qualifications, independence and performance of the Company's auditor;
- (d) internal controls and disclosure controls;
- (e) the performance of the Company's internal audit function;
- (f) consideration and approval of certain related party transactions; and
- (g) performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

2. Authority

The Committee has the authority to:

- (a) engage and compensate independent counsel and other advisors as it determines necessary or advisable to carry out its duties; and
- (b) communicate directly with the Company's auditor.

The Committee has the authority to delegate to individual members or subcommittees of the Committee.

3. Composition and Expertise

The Committee shall be composed of a minimum of three members, each of whom is a director of the Company. The majority of the Committee's members must not be officers or employees of the Company or an affiliate of the Company.

Committee members shall be appointed annually by the Board at the first meeting of the Board following each annual meeting of shareholders. Committee members hold office until the next annual meeting of shareholders or until they are removed by the Board or cease to be directors of the Company.

The Board shall appoint one member of the Committee to act as Chairman of the Committee. If the Chairman of the Committee is absent from any meeting, the Committee shall select one of the other members of the Committee to preside at that meeting.

4. Meetings

Any member of the Committee or the auditor may call a meeting of the Committee. The Committee shall meet at least four times per year and as many additional times as the Committee deems necessary to carry out its duties. The Chairman shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and senior management.

Notice of the time and place of every meeting shall be given in writing to each member of the Committee, at least 72 hours (excluding holidays) prior to the time fixed for such meeting. The Company's auditor shall be given notice of every meeting of the Committee and, at the expense of the Company, shall be entitled to attend and be heard thereat. If requested by a member of the Committee, the Company's auditor shall attend every meeting of the Committee held during the term of office of the Company's auditor.

A majority of the Committee who are not officers or employees of the Company or an affiliate of the Company shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. Business may also be transacted by the unanimous written consent resolutions of the members of the Committee, which when so approved shall be deemed to be resolutions passed at a duly called and constituted meeting of the Committee.

The Committee may invite such directors, officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Committee.

The Committee shall meet without management present whenever the Committee deems it appropriate.

The Committee shall appoint a Secretary who need not be a director or officer of the Company. Minutes of the meetings of the Committee shall be recorded and maintained by the Secretary and shall be subsequently presented to the Committee for review and approval.

5. Committee and Charter Review

The Committee shall conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter. The Committee shall conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board.

The Committee shall also review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any guidelines recommended by regulators or the Canadian Securities Exchange and shall recommend changes to the Board thereon.

6. Reporting to the Board

The Committee shall report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

7. Duties and Responsibilities

(a) Financial Reporting

The Committee is responsible for reviewing and recommending approval to the Board of the Company's annual and interim financial statements, any auditor's report thereon, MD&A and related news releases, before they are published.

The Committee is also responsible for:

- (i) being satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in the preceding paragraph, and for periodically assessing the adequacy of those procedures;
- (ii) engaging the Company's auditor to perform a review of the interim financial statements and receiving from the Company's auditor a formal report on the auditor's review of such interim financial statements;
- (iii) discussing with management and the Company's auditor the quality of applicable accounting principles and financial reporting standards, not just the acceptability of thereof;
- (iv) discussing with management any significant variances between comparative reporting periods; and
- (v) in the course of discussion with management and the Company's auditor, identifying problems or areas of concern and ensuring such matters are satisfactorily resolved.

(b) Auditor

The Committee is responsible for recommending to the Board:

- (i) the auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
- (ii) the compensation of the Company's auditor.

The Company's auditor reports directly to the Committee. The Committee is directly responsible for overseeing the work of the Company's auditor engaged for

the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the Company's auditor regarding financial reporting.

(c) **Relationship with the Auditor**

The Committee is responsible for reviewing the proposed audit plan and proposed audit fees. The Committee is also responsible for:

- (i) establishing effective communication processes with management and the Company's auditor so that it can objectively monitor the quality and effectiveness of the auditor's relationship with management and the Committee;
- (ii) receiving and reviewing regular feedback from the auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditor's final report;
- (iii) reviewing, at least annually, a report from the auditor on all relationships and engagements for non-audit services that may be reasonably thought to bear on the independence of the auditor; and
- (iv) meeting in camera with the auditor whenever the Committee deems it appropriate.

(d) **Accounting Policies**

The Committee is responsible for:

- (i) reviewing the Company's accounting policy note to ensure completeness and acceptability with applicable accounting principles and financial reporting standards as part of the approval of the financial statements;
- (ii) discussing and reviewing the impact of proposed changes in accounting standards or securities policies or regulations;
- (iii) reviewing with management and the auditor any proposed changes in major accounting policies and key estimates and judgments that may be material to financial reporting;
- (iv) discussing with management and the auditor the acceptability, degree of aggressiveness/conservatism and quality of underlying accounting policies and key estimates and judgments; and
- (v) discussing with management and the auditor the clarity and completeness of the Company's financial disclosures.

(e) **Risk and Uncertainty**

The Committee is responsible for reviewing, as part of its approval of the financial statements:

- (i) uncertainty notes and disclosures; and
- (ii) MD&A disclosures.

The Committee, in consultation with management, will identify the principal business risks and decide on the Company's "appetite" for risk. The Committee is responsible for reviewing related risk management policies and recommending such policies for approval by the Board. The Committee is then responsible for communicating and assigning to the applicable Board committee such policies for implementation and ongoing monitoring.

The Committee is responsible for requesting the auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are managed or controlled.

(f) **Controls and Control Deviations**

The Committee is responsible for reviewing:

- (i) the plan and scope of the annual audit with respect to planned reliance and testing of controls; and
- (ii) major points contained in the auditor's management letter resulting from control evaluation and testing.

The Committee is also responsible for receiving reports from management when significant control deviations occur.

(g) **Compliance with Laws and Regulations**

The Committee is responsible for reviewing regular reports from management and others (e.g. auditors) concerning the Company's compliance with financial related laws and regulations, such as:

- (i) tax and financial reporting laws and regulations;
- (ii) legal withholdings requirements;
- (iii) environmental protection laws; and
- (iv) other matters for which directors face liability exposure.

(h) **Related Party Transactions**

All transactions between the Company and a related party (each a "related party transaction"), other than transactions entered into in the ordinary course of business, shall be presented to the Committee for consideration.

The term "related party" includes (i) all directors, officers, employees, consultants and their associates (as that term is defined in the *Securities Act* (British Columbia), as well as all entities with common directors, officers, employees and consultants (each "general related parties"), and (ii) all other individuals and entities having beneficial ownership of, or control or direction over, directly or indirectly securities of the Company carrying more than 10% of the voting rights attached to all of the Company's outstanding voting securities (each "10% shareholders").

Related party transactions involving general related parties which are not material to the Company require review and approval by the Committee. Related party transactions that are material to the Company or that involve 10% shareholders require approval by the Board, following review thereof by the Committee and the Committee providing its recommendation thereon to the Board.

8. Non-Audit Services

All non-audit services to be provided to the Company or its subsidiary entities by the Company's auditor must be pre-approved by the Committee.

9. Submission Systems and Treatment of Complaints

The Committee is responsible for establishing procedures for:

- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

The Committee is responsible for reviewing complaints and concerns that are brought to the attention of the Chairman of the Audit Committee and for ensuring that any such complaints and concerns are appropriately addressed. The Committee shall report quarterly to the Board on the status of any complaints or concerns received by the Committee.

10. Procedure For Reporting Of Fraud Or Control Weaknesses

Each employee is expected to report situations in which he or she suspects fraud or is aware of any internal control weaknesses. An employee should treat suspected fraud seriously, and ensure that the situation is brought to the attention of the Committee. In addition, weaknesses in the internal control procedures of the Company that may result in errors or omissions in financial information, or that create a risk of potential fraud or loss of the Company's assets, should be brought to the attention of both management and the Committee.

To facilitate the reporting of suspected fraud, it is the policy of Company that the employee (the "whistleblower") has anonymous and direct access to the Chairman of the Audit Committee. Should a new Chairman be appointed prior to the updating of this document, the current Chairman will ensure that the whistleblower is able to reach the new Chairman in a timely manner. In the event that the Chairman of the Audit Committee cannot be reached, the whistleblower should contact the Chairman of the Board.

In addition, it is the policy of the Company that employees concerned about reporting internal control weaknesses directly to management are able to report such weaknesses to the Committee anonymously. In this case, the employee should follow the same procedure detailed above for reporting suspected fraud.

11. Hiring Policies

The Committee is responsible for reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditor of the Company.

SCHEDULE "B"

Audited Financial Statements for the Period Ended May 31, 2018

See attached.

CREST RESOURCES INC.

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

MAY 31, 2018



INDEPENDENT AUDITORS' REPORT

To the Directors of
Crest Resources Inc.

We have audited the accompanying financial statements of Crest Resources Inc. which comprise the statement of financial position as at May 31, 2018, and the statements of comprehensive loss, changes in equity and cash flows for the period from incorporation date November 23, 2017 to May 31, 2018, and the related notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Crest Resources Inc. as at May 31, 2018, and its financial performance and its cash flows for the period from incorporation date November 23, 2017 to May 31, 2018 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Crest Resources Inc. to continue as a going concern.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
September 26, 2018

CREST RESOURCES INC.
STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Note	May 31, 2018
		\$
ASSETS		
CURRENT		
Cash		68,205
Amounts receivable		5,542
		73,747
DEFERRED FINANCING COSTS	11(ii)	10,000
EXPLORATION AND EVALUATION ASSET	5	101,269
		185,016
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities		3,040
SHAREHOLDERS' EQUITY		
SHARE CAPITAL	6	217,001
CONTRIBUTED SURPLUS	6	30,000
DEFICIT		(65,025)
		181,976
		185,016

NATURE OF BUSINESS AND CONTINUING OPERATIONS (Note 1)
COMMITMENTS (Note 11)
SUBSEQUENT EVENT (Note 12)

Approved and authorized for issue on behalf of the Board on September 26, 2018

"Mark Lotz" Director "John Hiner" Director

The accompanying notes are an integral part of these financial statements

CREST RESOURCES INC.
STATEMENT OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Note	Period ended May 31, 2018
		\$
EXPENSES		
Advertising and promotion		2,188
Bank charges		339
Consulting fees		18,000
Office		4,116
Professional fees		4,429
Rent		5,953
Share-based payments	7, 6(c)	30,000
NET LOSS AND COMPREHENSIVE LOSS		65,025
LOSS PER SHARE – Basic and diluted		0.01
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		4,941,535

The accompanying notes are an integral part of these financial statements

CREST RESOURCES INC.
STATEMENT OF CHANGES IN EQUITY
(Expressed in Canadian dollars)

	Common Shares		Contributed Surplus	Deficit	Total
	Number of Shares	Amount			
		\$	\$	\$	\$
Incorporation, November 23, 2017	1	1	-	-	1
Shares issued for founder	2,000,000	10,000	-	-	10,000
Shares issued for cash	2,500,000	122,000	-	-	122,000
Shares issued for cash (flow-through)	4,250,000	85,000	-	-	85,000
Share-based payments	-	-	30,000	-	30,000
Net loss for the period	-	-	-	(65,025)	(65,025)
Balance, May 31, 2018	8,750,001	217,001	30,000	(65,025)	181,976

The accompanying notes are an integral part of these financial statements

CREST RESOURCES INC.
STATEMENT OF CASH FLOWS
(Expressed in Canadian dollars)

	Period ended May 31, 2018
	\$
CASH PROVIDED BY (USED IN):	
OPERATING ACTIVITIES	
Net loss for the period	(65,025)
Item not involving cash:	
Share-based payments	30,000
Changes in non-cash working capital balances:	
Increase in amounts receivable	(5,541)
Increase in accounts payable and accrued liabilities	3,040
Cash used in operating activities	(37,526)
INVESTING ACTIVITIES	
Exploration and evaluation asset expenditures	(101,269)
FINANCING ACTIVITIES	
Issuance of common shares	217,000
Deferred finance costs	(10,000)
Cash provided by financing activities	207,000
INCREASE IN CASH	-
CASH, BEGINNING OF PERIOD	-
CASH, END OF PERIOD	68,205
SUPPLEMENTAL CASH DISCLOSURES	
Interest paid	\$ -
Income taxes paid	\$ -

The accompanying notes are an integral part of these financial statements

CREST RESOURCES INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MAY 31, 2018
(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS

Crest Resources Inc. (“the Company”) was incorporated on November 23, 2017 under the laws of British Columbia. The address of the Company’s corporate office and its principal place of business is 200-551 Howe Street, Vancouver, British Columbia, Canada.

The Company’s principal business activities include the acquisition and exploration of mineral property assets. As at May 31, 2018, the Company had not yet determined whether the Company’s mineral property asset contains ore reserves that are economically recoverable. The recoverability of amount shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company’s ability to continue as a going concern.

The Company had a deficit of \$65,025 as at May 31, 2018, which has been funded by the issuance of equity. The Company’s ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”).

These financial statements were authorized for issue in accordance with a resolution from the Board of Directors on September 26, 2018.

b) Basis of presentation

The financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

c) Cash equivalents

Cash equivalents include short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. As of May 31, 2018, the Company held no cash equivalents.

CREST RESOURCES INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MAY 31, 2018
(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Exploration and evaluation assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units-of-production method over estimated recoverable reserves.

Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavourable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds three years. In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written-down to the estimated recoverable amount.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

e) Share-based payments

Share-based payments to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

Share-based compensation expense relating to deferred share units is accrued over the vesting period of the units based on the quoted market price. As these awards can be settled in cash, the expense and liability are adjusted each reporting period for changes in the underlying share price.

f) Flow-through shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

CREST RESOURCES INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MAY 31, 2018
(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Flow-through shares (continued)

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

g) Foreign currency

Transactions and balances in currencies other than the Canadian dollar, the currency of the primary economic environment in which the Company operates ("the functional currency"), are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange prevailing on the statement of financial position date are recognized in the statement of comprehensive loss.

h) Decommissioning, restoration and similar liabilities

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is immaterial.

i) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

CREST RESOURCES INC.
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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the period end date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each period end date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

k) Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings. The Company's cash is classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. At May 31, 2018, the Company has not classified any financial assets as loans and receivables.

Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that are considered other than temporary which are recognized in earnings. At May 31, 2018, the Company has not classified any financial assets as available for sale.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

l) Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized costs using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable are classified as other financial liabilities.

CREST RESOURCES INC.
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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Financial liabilities (continued)

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading and recognized at fair value with changes in fair value recognized in earnings unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in earnings. At May 31, 2018, the Company has not classified any financial liabilities as FVTPL.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

m) Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are expensed.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Significant accounting estimates

- i. the assessment of indications of impairment of the mineral property and related determination of the net realizable value and write-down of the mineral property where applicable; and
- ii. the inputs used in accounting for share-based payments.

Significant accounting judgments

- i. the determination of categories of financial assets and financial liabilities;
- ii. the evaluation of the Company's ability to continue as a going concern; and
- iii. the measurement of deferred income tax assets and liabilities.

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4. NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standards issued, but not yet effective, up to the date of issuance of the Company's financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective.

Effective for annual periods beginning on January 1, 2018

IFRS 2 Share-based Payment

The amendments clarify the classification and measurement of share-based payment transactions.

IFRS 9 Financial Instruments – Classification and Measurement

IFRS 9 is the first step in the process to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces new requirements for classifying and measuring financial assets and liabilities and carries over from the requirements of IAS 39.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 is a new standards which supersedes *IAS 11 – Construction Contracts*, *IAS 18 – Revenue*, *IFRIC 13 – Customer Loyalty Programmes*, *IFRIC 15 – Agreements for the Construction of Real Estate*, *IFRIC 18 – Transfers of Assets from Customers*, and *SIC 31 – Revenue – Barter Transactions Involving Advertising Services*. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition.

Effective for annual periods beginning on January 1, 2019

New standard IFRS 16 Leases

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

The Company does not expect the adoption of these standards and interpretations to have significant impact to the financial statements.

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee (“IFRIC”) that are mandatory for accounting periods beginning on or after July 1, 2017, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list above.

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5. EXPLORATION AND EVALUATION ASSET

	Acquisition Costs	Exploration Costs	Total
	\$	\$	\$
Opening balance	-	-	-
Acquisition and exploration costs	5,000	96,269	101,269
Balance, May 31, 2018	5,000	96,269	101,269

Red Metal Ridge Property

Pursuant to an option agreement (the "Agreement") dated January 5, 2018, the Company was granted an option to acquire a 100% undivided interest in two stages in the Red Metal Ridge Property (the "Property") located near Sayward in British Columbia.

In accordance with the Agreement, the Company has the option to acquire first 51% undivided interest (earned) in the Property by paying \$5,000 (paid) in cash upon execution of the Agreement. The Company has the option to earn the remaining 49% interest in the Property by issuing a total of 600,000 common shares of the Company to the Optionors, making cash payments totaling \$155,000, and incurring a total of \$500,000 in exploration expenditures as follows:

	Number of Common Shares	Cash	Exploration Expenditures
		\$	\$
Upon listing of the Company's common shares on a Canadian Stock Exchange (the "Listing")	100,000	5,000	-
On or before the first anniversary of the Listing	100,000	20,000	100,000
On or before the second anniversary of the Listing	100,000	30,000	100,000
On or before the third anniversary of the Listing	300,000	100,000	300,000
Total	600,000	155,000	500,000

The Optionors will retain a 3% Net Smelter Returns royalty on the Property. The Company has the right to purchase the first 1% of the royalty for \$750,000 and the remaining 2% for \$1,000,000 at any time prior to the commencement of commercial production.

6. SHARE CAPITAL

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

b) Escrow Shares:

Subsequent to May 31, 2018, the Company entered into an escrow agreement, whereby 2,500,000 common shares will be held in escrow and are scheduled for release in accordance with the terms of the escrow agreement.

CREST RESOURCES INC.
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6. SHARE CAPITAL (continued)

- c) Issued and Outstanding as at May 31, 2018: 8,750,001 common shares.

For the period ended May 31, 2018, the Company had the following share capital transactions:

- (i) The Company issued an incorporation share for \$1.
- (ii) The Company issued 2,000,000 common shares at a price of \$0.005 per share for gross proceeds of \$10,000. The fair value of the 2,000,000 common shares was estimated to be \$40,000. Accordingly, the Company recorded share-based payments of \$30,000 and a corresponding increase to contributed surplus.
- (iii) The Company issued 6,750,000 common shares at a price between \$0.02 and \$0.05 per share for gross proceeds of \$207,000. 4,250,000 of those common shares were issued on a flow-through basis.

For the purposes of the calculating the tax effect of any premium related to the issuance of the flow-through shares, the Company reviewed recent financings and compared it to determine if there was a premium paid on the shares. As a result of the review the Company did not recognize any premium on the flow-through shares issued.

7. RELATED PARTY BALANCES AND TRANSACTIONS

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

The Company had incurred the following key management personnel cost from related parties:

	Period ended May 31, 2018
	\$
Share-based payments	30,000

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). During the period ended May 31, 2018, the Company issued 2,000,000 common shares with estimated fair value of \$40,000 (see Note 6c) to a director of the Company. Accordingly, the Company recorded an amount of \$30,000 as share-based payments for the period ended May 31, 2018.

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8. INCOME TAXES

The Company has losses carried forward of approximately \$35,025 available to reduce income taxes in future years which expire in 2038.

The Company has not recognized any deferred income tax assets. The Company recognizes deferred income tax assets based on the extent to which it is probable that sufficient taxable income will be realized during the carry forward periods to utilize all deferred tax assets.

The following table reconciles the amount of income tax recoverable on application of the statutory Canadian federal and provincial income tax rates:

	Period ended May 31, 2018
Canadian statutory income tax rate	26%
	\$
Income tax recovery at statutory rate	(16,907)
Effect of income taxes of:	
Permanent differences	7,800
Income tax rate change	(350)
Change in deferred tax assets not recognized	9,457
Deferred income tax recovery	-

The temporary differences that give rise to significant portions of the deferred tax assets not recognized are presented below:

	May 31, 2018
	\$
Non-capital loss carry forwards	9,457
Deferred tax assets not recognized	(9,457)
	-

9. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of 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 or dispose of assets or adjust the amount of cash.

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10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value of Financial Instruments

The Company's financial assets include cash and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's statement of financial position as at May 31, 2018 are as follows:

	Fair Value Measurements Using			Total
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
	\$	\$	\$	\$
Cash	68,205	-	-	68,205

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at May 31, 2018 because of the demand nature or short-term maturity of these instruments.

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

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10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

(i) *Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution.

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

11. COMMITMENTS

- i) The Company is committed to certain cash payments, common share issuances and exploration expenditures as described in Note 5.
- ii) The Company entered into an agency agreement with Haywood Securities Inc. (the "Agent") whereby the Agent has agreed to raise on commercially reasonable efforts up to \$350,000 in the initial public offering ("IPO") by the issuance of up to 3,500,000 common shares of the Company at a price of \$0.10 per common share.

Pursuant to the terms of the agency agreement, the Company has agreed to pay to the Agent a commission of 10% of the gross proceeds of the IPO. The Company has also agreed to grant to the Agent options (the "Agent's Option") which will entitle the Agent to purchase up to 10% of the common shares sold under the IPO, at a purchase price that is equal to the price per share offered in the IPO. The Agent's Options are exercisable until 24 months from the Listing date. In addition, the Company has agreed to pay a corporate finance fee of \$40,000 of which \$10,000 will be paid for in common shares. In addition, the Company will pay the Agent's legal fees incurred, and any other reasonable expenses of the Agent pursuant to the IPO. As at May 31, 2018, the Company had paid a security deposit \$10,000.

CREST RESOURCES INC.
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12. SUBSEQUENT EVENT

Subsequent to the period ended May 31, 2018, the Company adopted a Stock Option Plan ('Plan') for directors, officers and employees, consultants of the Company. The Company may grant options to individuals, options are exercisable over periods of up to ten years, as determined by the Board of Directors of the Company, to buy shares of the Company at the fair market value on the date the option is granted. The maximum number of shares which may be issuable under the Plan can not exceed 10% of the total number of issued and outstanding shares on a non-diluted basis. On July 13, 2018 the Company granted 425,000 stock options to the directors and officers of the Company. The options vested on grant date and are exercisable at \$0.10 per share until July 13, 2023.

CERTIFICATE OF CREST RESOURCES INC.

Dated: September 26, 2018

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

"Dušan Berka"

DUŠAN BERKA

Chief Executive Officer and President

"Mark Lotz"

MARK LOTZ

Chief Financial Officer

**ON BEHALF OF THE BOARD OF DIRECTORS OF
CREST RESOURCES INC.**

"Paul V. John"

PAUL V. JOHN

Director

"John E. Hiner"

JOHN E. HINER

Director

CERTIFICATE OF THE PROMOTER

Dated: September 26, 2018

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

"Paul V. John"

PAUL V. JOHN

CERTIFICATE OF THE AGENT

Dated: September 26, 2018

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

HAYWOOD SECURITIES INC.

"Don Wong"

DON WONG

Vice President, Investment Banking