

FORM 62-103F1

REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS

**1. Security and Reporting Issuer**

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

Common shares (“**Common Shares**”) of Crest Resources Inc. (the “**Issuer**”) of 1100 – 595 Howe Street, Vancouver, B.C. V6C 2T5.

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

Issuance from Treasury by the Issuer.

**2. Identity of the Acquiror**

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

Emma Fairhurst (the “**Acquiror**”) who is beneficial owner of Aeternum Capital Inc. and Quaestus Strategies Corp.  
150 – 1350 Burrard Street  
Vancouver, BC, V6Z 0C2

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

On July 25, 2019, the Issuer issued 10,400,000 Common Shares from treasury which diluted the Acquiror’s ownership interest in the Issuer from 38.6% to 21.3%, a decrease of 17.3%.

On July 31, 2019, the Issuer issued 600,000 Common Shares from treasury which diluted the Acquiror’s ownership interest in the Issuer from 21.3% to 20.8%, a decrease of 0.5%.

On August 19, 2019, the Issuer issued 2,200,000 Common Shares from treasury which diluted the Acquiror’s ownership interest in the Issuer from 20.8% to 19.0%, a decrease of 1.8%.

On September 10, 2019, the Issuer issued 2,700,000 Common Shares from treasury which diluted the Acquiror’s ownership interest in the Issuer from 19.0% to 17.2%, a decrease of 1.8%.

On September 12, 2019, the Issuer issued 1,500,000 Common Shares from treasury which diluted the Acquiror’s ownership interest in the Issuer from 17.2% to 16.4%, a decrease of 0.9%.

On September 23, 2019, the Issuer issued 2,250,000 Common Shares from treasury which diluted the Acquiror’s ownership interest in the Issuer from 16.4% to 15.3%, a decrease of 1.1%.

**2.3 State the name of any joint actors**

Not applicable.

**3. Interest in Securities of the Reporting Issuer**

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

The Acquiror neither acquired nor disposed of any securities. The Issuer issued Common Shares from treasury in such number that diluted the Acquiror's ownership interest in the Issuer so that the Acquiror is no longer a controlling shareholder of the Issuer.

On July 25, 2019, the Issuer issued 10,400,000 Common Shares from treasury which diluted the Acquiror's ownership interest in the Issuer from 38.6% to 21.3%, a decrease of 17.3%.

On July 31, 2019, the Issuer issued 600,000 Common Shares from treasury which diluted the Acquiror's ownership interest in the Issuer from 21.3% to 20.8%, a decrease of 0.5%.

On August 19, 2019, the Issuer issued 2,200,000 Common Shares from treasury which diluted the Acquiror's ownership interest in the Issuer from 20.8% to 19.0%, a decrease of 1.8%.

On September 10, 2019, the Issuer issued 2,700,000 Common Shares from treasury which diluted the Acquiror's ownership interest in the Issuer from 19.0% to 17.2%, a decrease of 1.8%.

On September 12, 2019, the Issuer issued 1,500,000 Common Shares from treasury which diluted the Acquiror's ownership interest in the Issuer from 17.2% to 16.4%, a decrease of 0.9%.

On September 23, 2019, the Issuer issued 2,250,000 Common Shares from treasury which diluted the Acquiror's ownership interest in the Issuer from 16.4% to 15.3%, a decrease of 1.1%.

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

The Acquiror neither acquired nor disposed of any securities.

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

Not applicable.

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

Prior to the Transaction, the Acquiror owned and controlled 4,950,000 Common Shares of the Issuer as follows:

- 650,000 Common Shares held directly;

- 300,000 Common Shares held indirectly by Quaestus Strategies Corp.; and
- 4,000,000 Common Shares held indirectly through Aeternum (the “Escrow Shares”),

representing approximately 38.6% of the issued and outstanding Common Shares of the Issuer based on a total of 12,809,001 Common Shares outstanding as of July 10, 2019.

On July 25, 2019, the Issuer issued 10,400,000 Common Shares from treasury which diluted the Acquiror’s ownership interest in the Issuer from 38.6% to 21.3% of the current issued and outstanding Common Shares of the Issuer based on a total of 23,209,001 Common Shares outstanding as of July 25, 2019.

On July 31, 2019, the Issuer issued 600,000 Common Shares from treasury which diluted the Acquiror’s ownership interest in the Issuer from 21.3% to 20.8% of the current issued and outstanding Common Shares of the Issuer based on a total of 23,809,001 Common Shares outstanding as of July 31, 2019.

On August 19, 2019, the Issuer issued 2,200,000 Common Shares from treasury which diluted the Acquiror’s ownership interest in the Issuer from 20.8% to 19.0% of the current issued and outstanding Common Shares of the Issuer based on a total of 26,009,001 Common Shares outstanding as of August 19, 2019.

On September 10, 2019, the Issuer issued 2,700,000 Common Shares from treasury which diluted the Acquiror’s ownership interest in the Issuer from 19.0% to 17.2% of the current issued and outstanding Common Shares of the Issuer based on a total of 28,709,001 Common Shares outstanding as of September 10, 2019.

On September 12, 2019, the Issuer issued 1,500,000 Common Shares from treasury which diluted the Acquiror’s ownership interest in the Issuer from 17.2% to 16.4% of the current issued and outstanding Common Shares of the Issuer based on a total of 30,209,001 Common Shares outstanding as of September 12, 2019.

On September 23, 2019, the Issuer issued 2,250,000 Common Shares from treasury which diluted the Acquiror’s ownership interest in the Issuer from 16.4% to 15.3% of the current issued and outstanding Common Shares of the Issuer based on a total of 32,459,001 Common Shares outstanding as of September 23, 2019.

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

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

See Item 3.4 above.

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

Not applicable.

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

Not applicable.

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

The Escrow Shares are held in escrow pursuant to the terms of a Form 46-201F1 – Escrow Agreement dated July 30, 2018 between, among others, the Issuer, Aeternum and National Issuer Services Ltd., as escrow agent. The Escrow Shares are scheduled for release as follows: 125,000 Escrow Shares on April 19, 2019 (released) and 375,000 Escrow Shares on each of October 19, 2019, April 19, 2020, October 19, 2020, April 19, 2021 and October 19, 2021.

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

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

Not applicable.

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

Not applicable.

#### **4. Consideration Paid**

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

Not applicable.

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

Not applicable.

## 5. Purpose of the Transaction

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

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

The Acquiror has acquired the Acquired Shares for investment purposes and in accordance with applicable securities laws. The Acquiror may, from time to time, acquire additional Common Shares and/or other equity, debt or other securities or instruments (collectively, “**Securities**”) of the Issuer in the open market or otherwise, and reserves the right, subject to applicable securities law, to dispose of any or all of its Securities in the open market or otherwise at any time and from time to time, and to engage in similar transactions with respect to the Securities, the whole depending on market conditions, the business and prospects of the Issuer and other relevant factors.

- (b) **a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**

Not applicable

- (c) **a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**

Not applicable.

- (d) **a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**

Pursuant to the terms of the purchase and sale agreement governing the Acquiror’s acquisition of the Escrow Shares on March 18, 2019 and provided that the Acquiror holds more than 10% of the voting rights attached to the Issuer’s outstanding securities, until the next annual general meeting of the shareholders of the Issuer, the Acquiror has the right to nominate one (1) individual for appointment or election to the board of directors of the Issuer (the “**Board**”) or as a senior officer of the Issuer; and, if required, the Issuer shall cause the Board and the management of the Issuer to be restructured, through resignations and appointments, so that the nominee of the Acquiror shall be nominated to the Board or appointed as a senior officer of the Issuer, as applicable. If any proposed nominee of the Acquiror for appointment or election to the Board or as a senior officer of the Issuer is not acceptable to the Canadian Securities Exchange (the “**Exchange**”), then the Acquiror may appoint such other nominee as may be acceptable to the Exchange.

Emma Fairhurst was appointed as the Acquiror’s nominee to the Board of the Issuer on April 5, 2019.

**(e) a material change in the present capitalization or dividend policy of the reporting issuer;**

Not applicable.

**(f) a material change in the reporting issuer's business or corporate structure;**

Not applicable.

**(g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**

Not applicable.

**(h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**

Not applicable.

**(i) the issuer ceasing to be a reporting issuer in any jurisdiction in Canada;**

Not applicable.

**(j) a solicitation of proxies from securityholders;**

Not applicable.

**(k) An action similar to any of those enumerated above;**

Not applicable.

Except as otherwise disclosed herein, the Acquiror currently has no plans or proposal which would relate to or would result in any of the matters described in Items 5(a)-(k) above; however, as part of her ongoing evaluation of this investment and investment alternatives, the Acquiror may consider such matters and, subject to applicable law, may formulate a plan with respect to such matters and, from time to time, may hold discussions with or make formal proposals to management or the Board of the Issuer, other shareholders of the Issuer or other third parties regarding such matters.

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

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

**provisions contained in loan agreements need not be included.**

See Items 3.6 and 5(d) above.

**7. Change in Material Fact**

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

None, except as otherwise disclosed herein.

**8. Exemption**

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

Not applicable.

**9. Certification**

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

**DATED** as of the 23<sup>rd</sup> day of September, 2019.

*"Emma Fairhurst"*

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**EMMA FAIRHURST**