A copy of this preliminary prospectus has been filed with the securities regulatory authority in British Columbia, Alberta, and Ontario but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authority in British Columbia, Alberta and Ontario.

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 therein only by persons permitted to sell such securities. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended, and, subject to certain exceptions, may not be offered, sold or delivered, directly or indirectly in the United States of America, its territories or possessions. See "Plan of Distribution".

PRELIMINARY PROSPECTUS

INITIAL PUBLIC OFFERING January 15, 2019

BLUE LAGOON RESOURCES INC.

610 – 700 West Pender Street, Vancouver, BC V6C 1G8

OFFERING:

4,030,500 Common Shares on Exercise of 4,030,500 Outstanding Special Warrants

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This prospectus (the "**Prospectus**") qualifies the distribution of 4,030,500 common shares (each, a "**Special Warrant Share**") of Blue Lagoon Resources Inc. (the "**Company**") to be distributed, without additional payment, upon the exercise or deemed exercise of 4,030,500 issued and outstanding special warrants (each, a "**Special Warrant**") of the Company.

The Special Warrants are not available for purchase pursuant to this Prospectus and no additional funds are to be received by the Company from the distribution of the securities under this Prospectus upon the exercise or deemed exercise of the Special Warrants.

The Special Warrants were issued by the Company on a private placement basis, in two tranches, (the "**Special Warrant Private Placement**") on November 30, 2018 (the "**First Closing Date**") and December 3, 2018 (the "**Second Closing Date**") (together, the "**Closing Dates**"). The Company issued an aggregate of 4,030,500 Special Warrants at a price of $0.10 per Special Warrant and received gross proceeds of $403,050 from the sale of the Special Warrants. Each Special Warrant entitles the holder to acquire, without further payment, one Common Share and will automatically convert at 5:00 p.m. (Vancouver time) on the date that is the earlier of: (a) the third business day after the date on which a receipt (the "**Receipt**") for a final prospectus to qualify for distribution the Special Warrant Shares has been issued; and (b) one year from the First Closing Date. Upon exercise or deemed exercise of the Special Warrants, and without additional payment therefor, the Company will issue 4,030,500 Special Warrant Shares.

	Net Proceeds to the Company[1]
Per Special Warrant	$0.10
Total	$403,050

(1) Before deducting the legal, accounting and administrative expenses of the Company in connection with the Special Warrant Private Placement, estimated at approximately $25,000.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted on any stock exchange or quotation service.

Concurrently with the filing of this Prospectus, the Company intends to apply to list its issued and outstanding Common Shares, the Special Warrant Shares qualified under this Prospectus and all other Common Shares issuable as described in this Prospectus on the Canadian Securities Exchange (the "**Exchange**").

There is currently no market through which any of the securities being distributed under this Prospectus, may be sold, and purchasers may not be able to resell such securities acquired hereunder. This may affect the pricing of such securities in the secondary market, the transparency and availability of trading prices, the liquidity of such securities and the extent of issuer regulation. See "Risk Factors" and "Cautionary Note Regarding Forward-Looking Information".

An investment in securities of the Company involves a high degree of risk and must be considered speculative due to the nature of the Company's business and the present stage of exploration of its mineral property. The risks outlined in this Prospectus and in the documents incorporated by reference herein should be carefully reviewed and considered by investors in connection with an investment in the Company's securities. See "Risk Factors".

No underwriter has been involved in the preparation of the Prospectus or performed any review or independent due diligence of the contents of the Prospectus.

As at the date of this prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., 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).

Notwithstanding that this Prospectus is being filed to qualify the distribution of all securities issuable upon the exercise or deemed exercise of the Special Warrants, in the event that a holder of Special Warrants exercises such securities prior to the date that the Receipt is received by the Company, the securities issued upon exercise of such Special Warrants will be subject to statutory hold periods under applicable securities legislation and shall bear such legends as required by applicable securities laws.

Investors should rely only on the information contained in this Prospectus and the documents incorporated by reference herein. The Company has not authorized anyone to provide investors with information different from that contained in this Prospectus. The information contained in the Prospectus is accurate only as of the date of this Prospectus.

The Company's head office is located 610 – 700 West Pender Street, Vancouver, BC V6C 1G8. The Company's registered office is located at 6th Floor, 905 West Pender Street, Vancouver, BC, V6C 1L6.

TABLE OF CONTENTS

GLOSSARY

The following is a glossary of certain terms used in this Prospectus. Terms and abbreviations used in the financial statements of the Company may be defined separately and the terms defined below may not be used therein.

"**Author**" means collectively, Edward Harrington, B.Sc., P.Geo, the author of the Technical Report;

"**Board**" means the Board of Directors of the Company;

"**Closing Dates**" mean November 30, 2018 and December 3, 2018;

"**Common Shares**" means the common shares in the capital of the Company and "Common Share" means any one of them;

"**Company**" means Blue Lagoon Resources Inc.;

"Effective Date" means the date of the Exchange bulletin giving notice that the Common Shares of the Company have been approved for listing on the Exchange.

"**Escrow Agent**" means Odyssey Trust Company, a trust company incorporated under the *Loan and Trust Corporation Act* (Alberta);

"**Escrow Agreement**" means the NP 46-201 escrow agreement dated [●] among the Company and various Principals and shareholders of the Company;

"**Exchange**" means the Canadian Securities Exchange;

"**First Closing Date**" means November 30, 2018;

"**Kode"** means Kode Mineral Exploration Ltd., a company incorporated under the laws of the Province of British Columbia.

"**Listing Date**" means the date on which the Common Shares of the Company are listed for trading on the Exchange;

"**NI 41-101**" means National Instrument 41-101 *General Prospectus Requirements* of the Canadian Securities Administrators;

"**NI 43-101**" means National Instrument 43-101 *Standards of Disclosure for Mineral Properties* of the Canadian Securities Administrators;

"**NI 52-110**" means National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators;

"**NI 58-101**" means National Instrument 58-101 *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators;

"**NP 46-201**" means National Policy 46-201 *Escrow for Initial Public Offerings* of the Canadian Securities Administrators;

"**NP 58-201**" means National Policy 58-201 *Corporate Governance Guidelines* of the Canadian Securities Administrators;

"**Offering**" means the offering of 4,030,500 Special Warrant Shares of the Company as described in this Prospectus;

"**Option Agreement**" means the option agreement entered into on October 15, 2018 with Kode, pursuant to which the Company has an option to earn up to a 100% interest in the Property.

"**Option Plan**" means the Company's stock option plan adopted on December 14, 2018 by the Board, and providing for the granting of incentive options to the Company's directors, officers, employees and consultants in accordance with the rules and policies of the Exchange;

"**Principal**" of an issuer means:

(a) a person or company who acted as a promoter of the issuer within two years before the prospectus;

(b) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the prospectus;

(c) a 20% holder – a person or company that holds securities carrying more than 20% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's initial public offering; or

(d) a 10% holder – a person or company that:

(i) holds securities carrying more than 10% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's initial public offering, and

(ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the issuer or any of its material operating subsidiaries;

"**Property**" means the claims comprising the Lac Gainsmoor Property of approximately 58.3 hectares near the village of Belleterre, Quebec, to which the Company has a right to acquire a 100% interest.

"**Private Placement**" means the non-brokered private placement financing by the Company conducted on February 27, 2017, and consisting of an aggregate of 1,000,000 Common Shares at a price of $0.02 per Share;

"**Prospectus**" means the preliminary or final prospectus with respect to the Offering, as the case may be.;

"**Qualified Person**" means an individual who:

(a) is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these;

(b) has experience relevant to the subject matter of the Property and of the Technical Report; and

(c) is in good standing with a professional association and, in the case of a foreign association listed in Appendix A of NI 43-101, has the corresponding designation in Appendix A of NI 43-101;

"**Second Closing Date**" means December 3, 2018;

"**Special Warrant**" means a special warrant issued by the Company entitling the holder the right to acquire, without additional payment, one Common Share for each special warrant held, the issuance of which Common Shares are qualified for issuance under this Prospectus;

"**Special Warrant Private Placement**" means the private placement closed by the Company for 4,030,500 Special Warrants at a price of $0.10 per Special Warrant for total gross proceeds of $403,050. Each Special Warrant entitles the holder to acquire, without further payment, one Common Share and will automatically convert on the earlier of: (a) the third business day after the date on which a receipt for a final prospectus to qualify for distribution the Special Warrant Shares has been issued; and (b) one year from the First Closing Date;

"**Special Warrant Shares**" means the 4,030,500 Common Shares of the Company issued on exercise or deemed exercise of the Special Warrants, qualified under this Prospectus; and

"**Technical Report**" means the report on the Property prepared for the Company by the Author, in accordance with NI 43-101.

CURRENCY

In this Prospectus, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to $ are to Canadian dollars.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Except for statements of historical fact relating to the Company, certain statements in this Prospectus may constitute forward-looking information, future oriented financial information, or financial outlooks (collectively, "forward looking information") within the meaning of Canadian securities laws. Forward-looking information may relate to this Prospectus, the Company's future outlook and anticipated events or results and, in some cases, can be identified by terminology such as "may", "could", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "projects", "predict", "potential", "targeted", "possible", "continue" or other similar expressions concerning matters that are not historical facts and include, but are not limited in any manner to, those with respect to commodity prices, mineral resources, mineral reserves, realization of mineral reserves, existence or realization of mineral resource estimates, the timing and amount of future production, the timing of construction of any proposed mine and process facilities, capital and operating expenditures, the timing of receipt of permits, rights and authorizations, and any and all other timing, development, operational, financial, economic, legal, regulatory and political factors that may influence future events or conditions, as such matters may be applicable. In particular, this Prospectus contains forward-looking statements pertaining to the following:

- Proposed expenditures for exploration work, and general and administrative expenses (see "Property Description and Location" and "Use of Proceeds" for further details);

- Expectations generally regarding completion of this Offering and the ability to raise further capital for corporate purposes; and

- Treatment under applicable governmental regimes for permitting and approvals (see "Risk Factors").

Such forward-looking statements are based on a number of material factors and assumptions, 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 Company 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". Forward-looking statements are based upon management's beliefs, estimates and opinions on the date the statements are made and, other than as required by law, the Company does not intend, and undertakes no obligation to update any forward-looking information to reflect, among other things, new information or future events.

Upon becoming a reporting issuer, the Company intends to discuss in its quarterly and annual reports referred to as the Company's Management's Discussion & Analysis documents, any events and circumstances that occurred during the period to which such document relates that are reasonably likely to cause actual events or circumstances to differ materially from those disclosed in the Prospectus. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

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

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.

Principal Business of the Company:	The Company is currently engaged in the business of exploration of mineral properties in Canada. The Company has the sole and exclusive option to acquire a 100% right, title and interest in and to the Property. The Company's objective is to explore and, if warranted, develop the Property. Should the Property not be deemed viable, the Company shall explore other financially viable business opportunities. See "Description of the Business".
Management, Directors & Officers:	Rana Vig — President, Chief Executive Officer and Director Carmelo Marrelli — Chief Financial Officer Gurdeep Bains — Director Norman Brewster — Director See "Directors and Executive Officers".
The Property:	The Property is an exploration stage property that consists of one mineral claim of approximately 58.3 hectares near the village of Belleterre, Quebec. See "The Lac Gainsmoor Property".
Special Warrants:	This Prospectus is being filed to qualify the distribution in British Columbia, Alberta, and Ontario of 4,030,500 Shares issuable to the holders of a total of 4,030,500 issued Special Warrants, upon the automatic exercise of the Special Warrants giving each holder thereof the right to acquire, without additional payment, one Share for each Special Warrant held by them. The Special Warrants will automatically convert at 5:00 p.m. on the date that is the earlier of: (a) the third business day after the date on which a receipt for a final prospectus to qualify for distribution the Special Warrant Shares has been issued; and (b) one year from the First Closing Date. Each Special Warrant was acquired by the holder for $0.10 per Special Warrant for net proceeds of $403,050, and there will be no additional proceeds to the Company from the exercise of the Special Warrants.
Listing:	The Company has applied to have its Common Shares listed on the Exchange. Listing is subject to the Company fulfilling all of the requirements of the Exchange, including minimum public distribution requirements. See "Plan of Distribution".
Use of Proceeds:	The total funds available to the Company as of the day of this Prospectus are approximately $375,000, representing all the remaining funds available from the Special Warrant Private Placement. The total available funds shall be used as follows:

To pay for certain aspects of the Phase I exploration program expenditures on the Property(1)	$107,000
To pay for option payments and additional exploration expenditures on the Property	$30,000
Initial Listing Fees(2)	$60,000
To pay for general and administrative costs for next 12 months	$60,000
Unallocated working capital	$118,000
TOTAL:	**$375,000**

1. See "Lac Gainsmoor Property – Recommendations".
2. Including legal, audit, securities commissions and Exchange fees.

Statement of Operations and Comprehensive Loss Data

	For the year ended November 30, 2018 ($) (audited)	**For the period ended November 30, 2017 ($) (audited)**
Revenue	0	0
Total Expenses	18,224	39
Net loss and comprehensive loss for the period	(18,224)	(39)
Loss per share (basic and diluted)	(0.02)	(0.02)

Balance Sheet Data

	As at November 30, 2018 ($) (audited)	**As at November 30, 2017 ($) (audited)**
Current Assets	348,292	261
Total Assets	373,292	261
Current Liabilities	13,485	280
Long Term Debt	0	0
Shareholders' Equity (Deficit)	359,807	(19)

See "Selected Financial Information" and "Management's Discussion and Analysis".

Risk Factors: An investment in the securities of the Company should be considered highly speculative and investors may incur a loss on their investment. The Company has an option only to acquire an interest in the Property. There is no guarantee that the Company will be able to meet its obligations under the Option Agreement. The risks, uncertainties and other factors, many of which are beyond the control of the Company, that could influence actual results include, but are not limited to: insufficient capital; limited operating history; lack of operating cash flow; there is not presently an active market for the Company's Common Shares; the future price of the Company's Common Shares will vary depending on factors unrelated to the Company's performance or intrinsic fair value; the Company's ability to discover commercial quantities of ore is uncertain; the Company's ability to market ore discovered by the Company is uncertain and dependent on variables beyond the Company's control and subject to a high degree of variability and uncertainty; the Company's ability to develop commercially marketable ore depends on variables that are unknown at this time; some aspects of the Company's operations entail risk that cannot be insured against or may not be covered by insurance; the calculation of the economic value of ore is subject to a high degree of variability and uncertainty; some of the Company's mineral claims have not yet been surveyed; if the Company cannot raise additional equity financing, then it may lose some or all of its interest in the Property; the Company is an early stage Company; the Company operates at a loss and may never generate a profit; the Company operates in a highly competitive environment; the Company operates in a highly regulated environment that is subject to changes, some unforeseen, to government policy; the Company operates in an environment with significant environmental and safety regulations and risks; regulatory requirements; volatility of mineral prices; some of the Company's directors have significant involvement in other companies in the same sector; the value of the Offered Securities may be significantly diluted; and price volatility of publicly traded securities. See the section entitled "Risk Factors" for details of these and other risks relating to the Company's business.

CORPORATE STRUCTURE

Name and Incorporation

Blue Lagoon Resources Inc. was incorporated under the *Business Corporations Act* (British Columbia) on March 17, 2017. The Company's registered and records office is located at 6th Floor, 905 West Pender Street, Vancouver, BC, V6C 1L6. The Company's head office is located at 610 – 700 West Pender Street, Vancouver, BC V6C 1G8.

On December 17, 2018, the name of the Company was changed from Blue Lagoon Capital Inc. to Blue Lagoon Resources Inc.

Inter-corporate Relationships

The Company has no subsidiaries.

DESCRIPTION OF THE BUSINESS

The Company is engaged in the business of mineral exploration in Canada and its objective is to locate and, if warranted, develop economic mineral properties.

The Company holds a right to acquire up to a 100% interest in a single mineral claim of approximately 58.3 hectares comprising the Property pursuant to the Option Agreement entered into on October 15, 2018 with Kode. The Company's agreement with Kode is an arm's length transaction. Under the terms of the Option Agreement, the Company has an option to earn up to a 100% interest in the Property by issuing an aggregate of 1,450,000 Common Shares, making cash payments totalling $150,000, and carrying out exploration and development work of $850,000. See "The Lac Gainsmoor Property".

Stated Business Objectives

The Company's Property is in the exploration stage. The Company intends to use the net proceeds raised under the Offering to carry out the Phase I exploration program for the Property, which is budgeted for $107,000. See "Lac Gainsmoor Property - Recommendations" and "Use of Proceeds".

The exploration, and if warranted, development of the Property may depend on specialized skills and knowledge possessed by directors and officers of the Company that are applicable to the mining industry. As at the most recent financial year, the Company did not have any employees. Rana Vig, Chief Executive Officer, President and Director, Gurdeep Bains and Norman Brewster are directors of the Company. Carmelo Marrelli is the Company's Chief Financial Officer. The mineral exploration and development industry is very competitive. As an emerging issuer, the Company is subject to numerous competitive conditions such as need for additional capital and commercial viability of the Property.

History

Following incorporation, the Company was capitalized by completing two private placement financings. The first financing, which was the Private Placement, raised $20,000, and the second financing, which was the Special Warrant Private Placement, raised $403,050, which funds have been used for the acquisition of the Property and for exploration activities and for general working capital.

THE LAC GAINSMOOR PROPERTY

Property Description and Location

The information in this Prospectus with respect to the Property is derived from a National Instrument 43-101 compliant report entitled "Technical Report on the Lac Gainsmoor Property, Abitibi-Temiscamingue, Quebec, Canada" prepared by Edward Harrington, B. Sc., P.Geo, dated October 31, 2018. Mr. Harrington is an independent and "Qualified Person" for purposes of National Instrument 43-101. The full text of the Technical Report is available for review at the registered office of the Company at 6th Floor, 905 West Pender Street, Vancouver, BC V6C 1L6 and may also be accessed online, under the Company's SEDAR profile at www.sedar.com.

The mineral claim comprising the Property is located on National Topographic System (NTS) sheet 31M/07, with a central reference point located at 47°23'14" latitude and 78°38'45" longitude, and 5,251,012mN; 682,682mE UTM NAD 83 Zone 17T (Figures 1 and 2).

The Property is situated in Guillet Township within the Abitibi-Temiscominque Region of Quebec. The Property is located approximately 11 km east of the village of Belleterre along the well-maintained gravel Chemin du Lac a La Truite road, and by air approximately 430 km northwest of the city of Montreal.

Figure 1 - Regional Location

Table 1: Claim Data

Claim	Size	Good to Date	Registered Owner
CDC2507954	58.3	17-Dec-19	Kode Mineral Exploration Ltd.

The Property consists of one unsurveyed mineral claim of approximately 58.3 hectares ("ha"). The claim was established electronically using the Quebec government's MERN registry system. The claim is registered to Kode of British Columbia, Canada. Through the Option Agreement with Kode dated October 15, 2018, the Company has an option to acquire a 100% interest in the Property from Kode by completing the following:

(a) Pay $25,000 in cash to Kode (paid);

(b) Issue 200,000 Common Shares to Kode within five business days of the Effective Date.

(c) On or before the date that is 14 months after the Effective Date:

    a. Incur Property expenditures of $150,000;
    b. Pay an additional $25,000 to Kode; and
    c. Issue an additional 500,000 Common Shares to Kode.

(d) On or before the date that is 28 months after the Effective Date:

    a. Incur additional Property expenditures of $700,000;
    b. Pay an additional $100,000 to Kode; and
    c. Issue an additional 750,000 Common Shares to Kode.

A 1% (one percent) net smelter royalty is retained by Kode. At the Company's choosing, all option payments and Property expenditures may be accelerated.

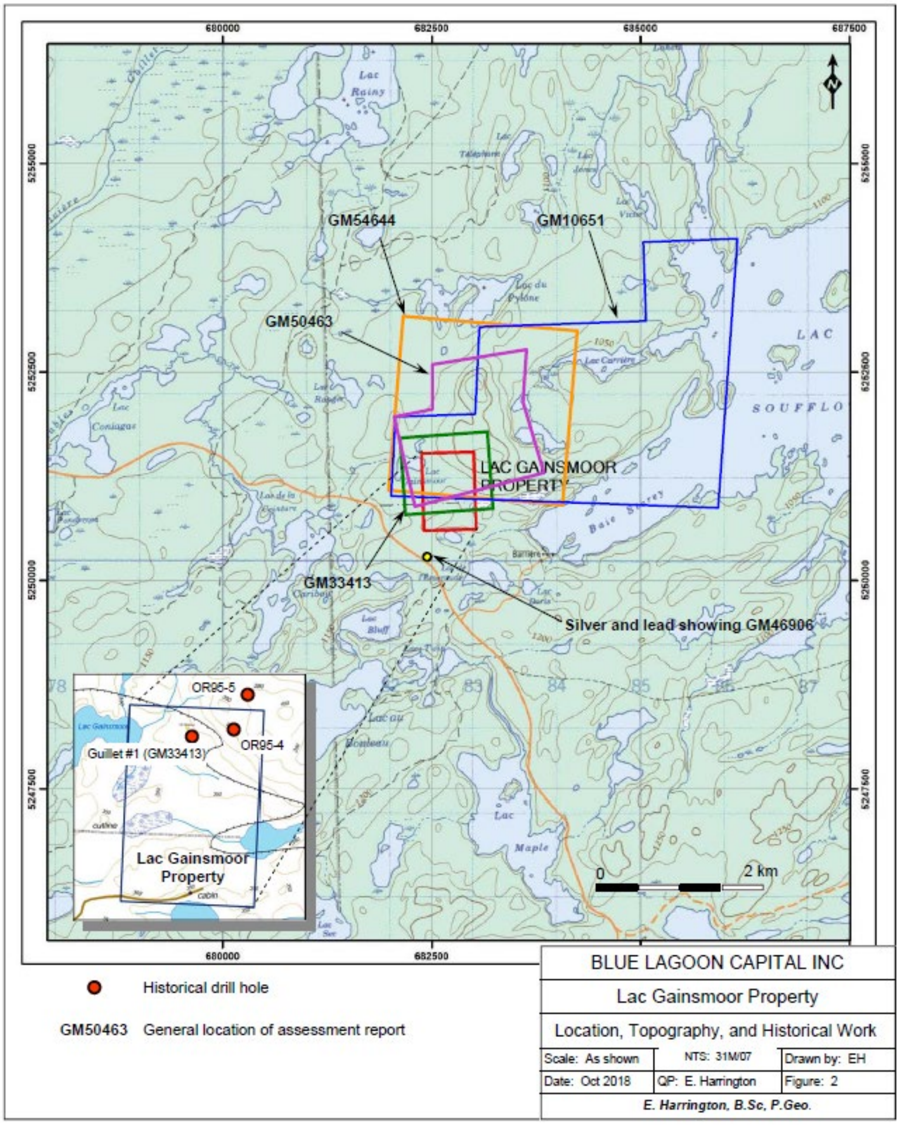


Figure 2

Control of the claim gives the Company the rights to explore and identify resources below the bedrock, but does not include surface rights. To the Author's knowledge there are no land claim issues, ownership disputes, or environmental issues concerning the Property.

The claim must be renewed every two years on the expiration date, at which time a renewal fee must be paid to maintain ownership. The claim also requires a minimum exploration expense over the two-year period, with a report describing the works performed due sixty (60) days before the renewal date of the claims. If work is not performed, the owner may pay an amount varying between 100% and 200% of the minimum required work expenditure to be able to renew the claim. If an excess has been spent on the claim, the amount can be credited forward over a maximum of six (6) renewal cycles.

The Québec Government requires that the claim owner consult the Ministère des Forêts, de la Faune et des Parcs (MFFP) as soon as exploration work requires cutting any size or type of tree, or the construction of permanent structures. Line-cutting and diamond drilling would require the acquisition of a permit (Permis d'intervention), as well as First Nations consultations, before any work can begin. A forestry technician must also be engaged to estimate the volume of merchantable timber that will be cut during the work and to assess the proper stumpage fee to be paid.

There are no formally registered land owners on the claims and there is no commercial logging in the area. There are no known restrictions to land-use on the claims. As per Québec law, notice must be provided to the local community 30 days prior to performing any exploration work on the claims. First Nations must be consulted before any type of major work is performed on the claims (construction, diamond drilling, line cutting, stripping, or trenching), and it is possible that breaks in communications between the government and First Nations could result in delays with issuing required work permits. Mine development would generally entail an environmental impact assessment for wildlife and wildlife habitat that is usually done in the following three stages:

(1) Stage 1 - Desk-based Study: All relevant data from the government, other agencies, First Nations, and research scientists for the mine tenure area. During this phase, all legally protected and designated areas should be identified;

(2) Stage 2 - Baseline Data Collection: Normally, two years of data collection is expected to capture inter-annual variation. Baseline data should be collected for important wildlife species identified in Stage 1; and

(3) Stage 3 - Environmental Impact Assessment: The Environmental Impact Assessment will use information from stages 1 and 2, including scientific literature on known impacts to wildlife from similar projects, to predict the disturbance impacts on populations. Mitigation measures should minimize or eliminate these impacts. Where impacts cannot be totally eliminated, compensation and monitoring plans may be required.

To the Author's knowledge, there are no restrictions to exploration or exploitation in regard to surface rights or legal access. No work permits for the Property have been applied for.

Accessibility, Climate, Local Resources, Infrastructure, and Physiography

The Property can be accessed using the well maintained Chemin du Lac Truite gravel road, travelling approximately 11 km east from the village of Belleterre, Quebec. The Property is situated approximately 500 meters north-east of the Lac Truite road. Belleterre is located in the western Quebec township of Guillet, and is approximately 170 km by road southeast of the town of Rouyn-Noranda using paved provincial highways 391 and 382.

Rouyn-Noranda is a seven-hour drive or a 90-minute daily flight from Montreal, and is a well-serviced town with a population of approximately 45,000. The village of Belleterre, population approximately 350, provides local gas, restaurants, and limited accommodation.

The Property is on relatively flat to gently rolling terrain with elevations ranging from 345 meters (1,130 feet) to 390 meters (1,280 feet). Topography would not pose any undue problems for construction of exploration and exploitation infrastructure. Vegetation is predominantly boreal forest consisting of jack pine, alder, cedar, and scrub undergrowth. Low areas usually contain standing water and muskeg.

The region experiences a continental climate with average temperatures of -17.2°C in January and 17.2°C in July. Peak rainfall occurs in July with an average of 95.4 mm and a yearly total of 635.2 mm.

Snowfall peaks in December with an average of 61 cm and a total annual snowfall of 300 cm. Annual precipitation is 914 mm. Work can be performed year-round, however, areas of the Property covered in wetlands would be best explored in the fall when groundwater levels are at their lowest, or in the winter months when the ground is frozen. As there are no power lines on the Property, power will have to be generated on site.

History

Area History

Exploration in the region began in 1933 with the discovery of quartz vein-hosted free gold at the Loken claims east of the Property in Halle Township. In 1934, the area was heavily staked and J.A. Retty of the Quebec Bureau of Mines mapped both the Guillet and Halle Townships. Rock sampling carried out by Retty verified the occurrence of free gold, but a sample of quartz vein material returned only 0.4 g/t gold. Also in 1934, McIntyre Porcupine Ltd discovered the extensive mineralized vein systems that would become the Belleterre Mine that produced gold until shut down in 1957.

Historical Property Exploration

In 1944, the claim area was prospected by Terrebonne Mines Limited as part of a larger holding that encompassed terrain stretching from just north of Lac Gainsmoor to south of the Property boundary. The best gold value reported from rock sampling was $0.07/ton or approximately 0.1 g/t gold at $20/oz. Terrebonne conducted a magnetic survey over part of the present claim in 1945. From 1945 through 1974, no recorded work was carried out in the Property area.

From 1975 through 1977, Patino Mines conducted ground magnetometer surveys and drilling. Hole Guillet #1, located in the northern portion of the Property (Figure 2) returned 1.37 g/t gold over 1.5 feet (0.46 m). The mineralized interval was from 110.0 ft to 111.5 feet and occurred in siliceous intermediate volcanic rock that showed cherty banding. No true width for the interval was given. The drill log reported the presence of quartz carbonate veins, chlorite alteration, sulfide content (pyrite and pyrrhotite) up to 10%, and graphitic sediments.

In 1988, Mines et Metaux Abitibi discovered a lead-silver showing approximately 500 meters southwest of the present Property. Sample 3022, taken from a quartz vein hosted in diorite containing 1% to 3% carbonate and 0.5% galena, returned 0.67 ounce per ton (“opt”) (23 g/t) silver and 0.75% lead. Sample 3019, taken from vitreous quartz with a similar content of carbonate and disseminated galena, returned 0.64 opt (21.9 g/t) silver and 1.33% lead. Gold values ranged from trace to 0.003 opt (0.103 g/t).

In 1989, Orina Mines carried out a seven-hole core drilling program to the northeast of the Property. In 1994, Orina carried out an Induced Polarity survey adjacent to the northern Property boundary. A chargeability anomaly, complete with low resistivity, was identified along the southern edge of the grid.

In 1995, Orina carried out a five-hole 1,129-meter drill program. Hole OR95-4 was located on the Property near the northern border, and OR95-5 was located approximately 50 meters north of the Property (Figure 2). The lithological assemblage encountered included diorite, crystal tuff, quartz porphyry, basalt, andesite, and local graphite. In OR95-4, gold values ranged from 0 to 18 ppb (0.018 g/t) and silver from 0.3 to 1.2 g/t. In OR95-5, gold values ranged from 1 to 35 ppb (0.035 g/t) with no silver values reported. The drill log for OR95-4 reported the presence of felsic porphyries and dikes, graphitic zones, epidote alteration, and breccia textures.

In 2004, Aurora Platinum Corporation carried out a regional-scale airborne magnetic survey, geological mapping, and prospecting programs.

Geological Setting and Mineralization

Regional Geology and Structure

Regional geology consists of Archean volcano-sedimentary and plutonic rocks as well as Proterozoic north-south- and northeast-southwest-trending diabase dikes. Syn- and post-tectonic plutonic granitoid rocks were emplaced during the Kenoran Orogeny, at approximately 2.68 Ga.

The Property lies close to the southern limits of the Pontiac Sub-province of the Superior Province of the Canadian Shield, approximately 10 km northwest of the Grenville Front and 100 km south of the regional Cadillac Tectonic Zone (“CTZ”). The CTZ, also known as the Cadillac-Larder Lake Break, roughly defines the northern contact between the Pontiac and Abitibi sub-provinces. This major tectonic zone is characterized by intense shearing and mechanical deformation that can be traced for over 250 km from Kirkland Lake to Louvicourt in a generally east-west trend. The region’s geological evolution from sub-aqueous to sub-aerial deposition included three phases of volcanism:

- Phase 1 involved the creation, through sub-aqueous fissure eruptions, of a large sub-marine plain composed of mafic and ultramafic lavas of tholeiitic affinity;

- Phase 2 included island arc volcanism of tholeiitic to calc-alkaline volcanism that was occasionally sub-aerial; and

- Phase 3 was characterized by the emergence of volcanic centers with associated erosion and sediments deposited in basins delimited by associated faulting.

Structural and tectonic evolution can be divided into two major periods: pre-Kenoran and Kenoran. Pre-Kenoran activity created syn-volcanic and syn-sedimentary faults (volcanic and fault activity that was contemporaneous with rock formation). Regional-scale east-west-trending faults developed during syn-sedimentary faulting. The Kenoran orogeny was a multi-phase deformation event that produced the large-scale deformation structures that are characteristic of the region. Metamorphism in the region is predominantly greenschist facies. As the Grenville Front is approached, metamorphism gradually increases from greenschist to amphibolite facies.

Property Geology

The Property is located in the Pontiac Sub-province of the Abitibi Greenstone Belt, within a band of east-west-trending volcano-sedimentary rocks bounded to the south by the Lac Soufflot monzonite pluton. Foliations are sub-vertical and rocks are strongly folded sub-parallel to the overall trend, with individual beds pinched out in folds (Figure 3).

Property lithology consists primarily of Lac DuBois volcanics including basalts, andesites, felsic tuffs, rhyolite, and porphyritic basalts. Rocks are silicified with minor layers (<10cm) of sedimentary schists, argillites, and greywacke sandstone. Contacts are often gradational between volcanics and sediments.

Belleterre meta-basalts are abundant but occur only in the northeast corner of the Property. Sedimentary units occur within all of the volcanic packages and include small (<50cm) diabase intrusions. The Property is bisected by an east-west-trending regional shear zone. Foliation, bedding, and folding generally trend east-west to northeast-southwest.

Mineralization

Most anomalous metal values in the region have been found either adjacent to or within deformation structures or at lithological contacts. Some of the most important indicators for gold mineralization in the region include pyrite (iron sulfide), pyrrhotite (magnetic iron sulfide), ankerite (calcium, iron, magnesium, and manganese carbonate), arsenopyrite (arsenic sulfide), graphite and fuchsite (chromium mica).

Mineralization occurs with silicification and quartz veining, or with local clay alteration. Generally, rocks show disseminated pyrite as euhedral crystals. Rocks can be quartz-rich with pyrite ranging from minor disseminations to semi-massive and mixed with pyrrhotite and weak chalcopyrite-sphalerite. Intergrowths of pyrite and pyrrhotite occur with quartz infill in seams up to 10 cm in thickness. Historical drilling has returned 1.5 g/t gold over 1.5 feet (0.46 m) from 110.0 ft to 111.5 feet hosted in siliceous intermediate volcanic rock that showed cherty banding.

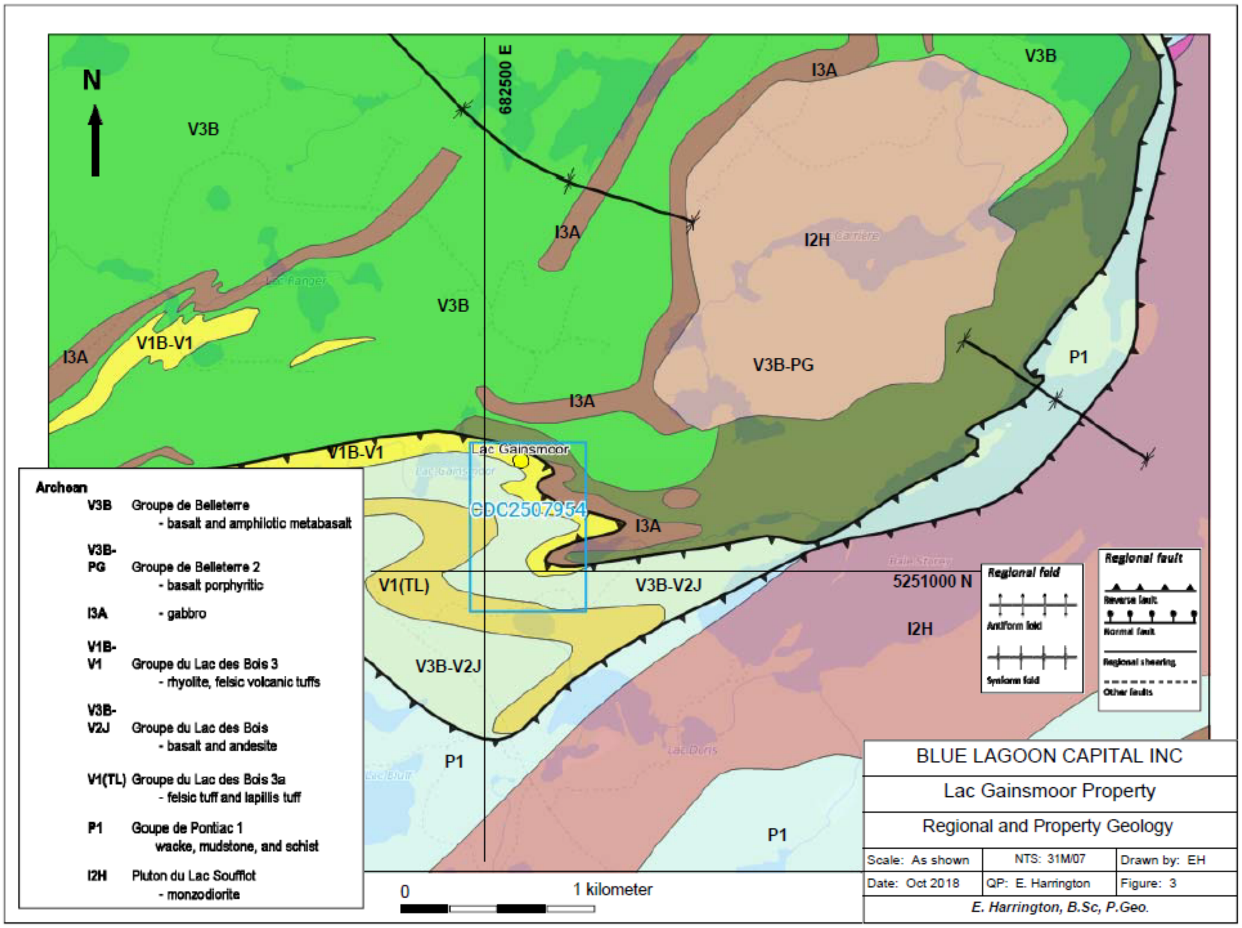


Figure 3

Deposit Type

The exploration target on the Property is intrusion-related gold mineralization in quartz carbonate veins containing massive sulfides. Veins are emplaced in en echelon fractures around the periphery of subvolcanic plutons in volcanic arc and continental margin settings. The subvolcanic setting for these deposits is transitional between porphyry copper and epithermal systems. Host rocks are andesitic tuffs, turbidites or early intrusive phases around the periphery of medium- to coarse-grained, locally porphyritic, granodiorite stocks and batholiths.

Structurally controlled mineralization can be hosted in en echelon vein sets, shear veins, extension veins, and tension gashes. Veins vary in width from centimeters to meters and can be traced for hundreds of meters. Veins may be composed of:

(1) Massive fine-grained pyrrhotite and/or pyrite; or

(2) Massive bull quartz with minor calcite and minor to accessory disseminations, knots, and crystal aggregates of sulfides.

These two types of mineralization may grade into each other along a single vein or may occur in adjacent, but separate, veins. Some veins have undergone post-ore ductile and brittle shearing that complicates textural and structural interpretations.

The geochemical signature would include values for gold, silver, copper, arsenic, and zinc. The geophysical signature would include anomalous electromagnetic resistivity, IP, VLF-EM, and magnetics.

Exploration

Work Program – 2018

In 2018, at the request of Kode, Exploration Facilitation Unlimited Inc, London, Ontario ("EFU") carried out a 14-day exploration program that included line cutting (3.5 line-kilometers), soil sampling, ground geophysics (VLF-EM/Mag, IP, and Beep Mat), geological mapping, rock sampling, and small-diameter backpack core drilling.

The geophysics program consisted of ground VLF-EM and magnetometer surveys, an Induced Polarity (IP) survey, and a Beep Mat survey. Survey lines were oriented north-south at 100 m line spacings with 12.5 m between stations. VLF-EM and mag surveys were carried out using a GSM-19V Overhauser proton magnetometer with a VLF/EM module. The VLF station NAA 24.0 kHz, located in Cutler, Maine provided the VLF signal for the measurements on the Gainsmoor survey. The mag and VLF-EM survey totaled 6.1 line-kilometers of readings and utilized not only the cut grid lines, but also uncut measured and flagged lines. The IP survey was carried out using a GDD Tx III system and covered 1.8 line-kilometers of cut line.

The Beep Mat geophysical unit, a BM-8 model from Instrumentation GDD Inc, Quebec, is frame-mounted and man-portable. The Beep Mat provides data for magnetic susceptibility and relative EM conductivity with GPS positioning. A Beep Mat reading comprises High Frequency ("HFR") and Low Frequency ("LFR") responses that represent relative conductivity. The effective depth of penetration is approximately 10 feet (3 meters).

The Beep Mat program was carried out over a stripped and trenched gossanous area approximately 100 m by 100 m. Due to the open nature of the survey area, Beep Mat lines were often less than 50 cm apart. In all cases, the source of the anomalies was sulfide mineralization consisting of semi-massive to massive pyrrhotite and pyrite, with minor chalcopyrite and sphalerite observed in the drill core.

During the 2018 exploration program, 97 soil samples were collected at 100 m intervals on lines spaced 100 m apart (Figure 4). Samples were taken from an average depth of 37 cm and targeted C horizon soil. Samples taken in swampy areas targeted more clay-rich horizons.

Anomalous conductive sites from the Beep Mat survey and areas of interest identified during mapping were investigated with a gas-powered, man-portable "Shaw" backpack-style diamond drill. The Shaw prospecting drill produces AQ sized core (18 mm), and has an effective penetration depth of approximately 10 meters. The shallow depth penetration was considered adequate as near-surface mineralization was targeted. All drill holes were logged, photographed, and sampled in the field. Eight holes totaling 4.10 m of core were completed and nine core samples were collected from the eight drill holes for analysis (Figure 5). All eight drill holes tested targets in the gossanous stripped and trenched area.

Geological mapping and rock sampling were limited to the stripped and trenched gossanous area. Three of the four trenches located in the stripped area were mapped and six select rock samples taken.

Results

(1) Geophysics

J. M. Hubert P.Eng (Geophysics) carried out an interpretation of the combined Beep Mat magnetic and VLF-EM, and IP data from the 2018 work program. A total of six anomalous areas designated targets A to F were interpreted (Figure 6), but only five of targets A to E are recommended for further work. During the IP survey, electrical disturbance occurred on lines L682800 and L682900 occurred. Despite these disturbances, the IP survey data was included in the interpretation. Redoing the IP survey was recommended.

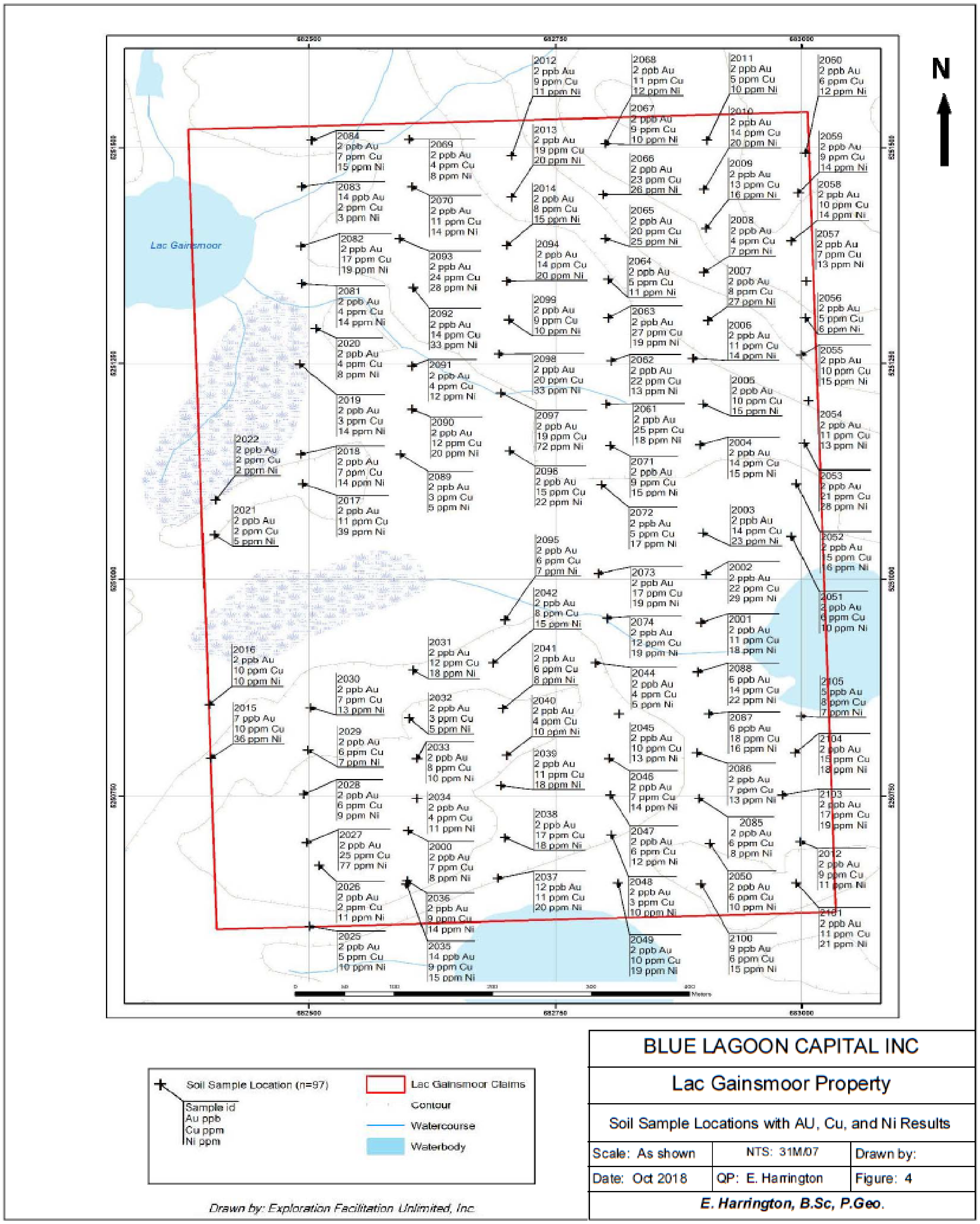
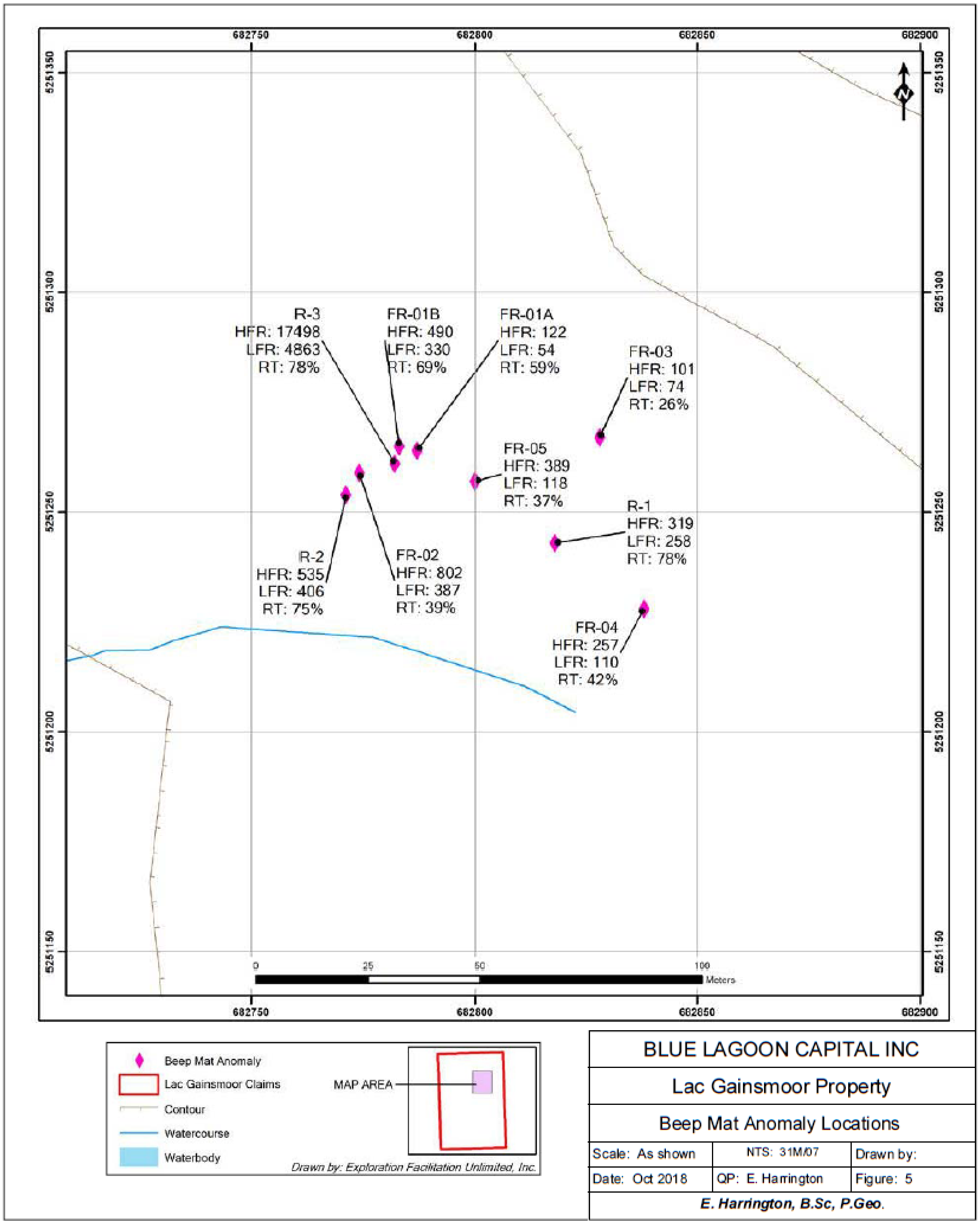

N
Lac Gainsmoor
Soil Sample Location (n=97)
Sample id
Au ppb
Cu ppm
Ni ppm
Lac Gainsmoor Claims
Contour
Watercourse
Waterbody
Drawn by: Exploration Facilitation Unlimited, Inc.
BLUE LAGOON CAPITAL INC
Lac Gainsmoor Property
Soil Sample Locations with AU, Cu, and Ni Results
Scale: As shown
NTS: 31M/07
Drawn by:
Date: Oct 2018
QP: E. Harrington
Figure: 4
E. Harrington, B.Sc, P.Geo.

Figure 4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682800
682850
682900
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5251300
5251250
5251200
5251150
R-3
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LFR: 4863
RT: 78%
FR-01B
HFR: 490
LFR: 330
RT: 69%
FR-01A
HFR: 122
LFR: 54
RT: 59%
FR-03
HFR: 101
LFR: 74
RT: 26%
FR-05
HFR: 389
LFR: 118
RT: 37%
R-1
HFR: 319
LFR: 258
RT: 78%
R-2
HFR: 535
LFR: 406
RT: 75%
FR-02
HFR: 802
LFR: 387
RT: 39%
FR-04
HFR: 257
LFR: 110
RT: 42%
0
25
50
100
Meters
Beep Mat Anomaly
Lac Gainsmoor Claims
Contour
Watercourse
Waterbody
MAP AREA
Drawn by: Exploration Facilitation Unlimited, Inc.
BLUE LAGOON CAPITAL INC
Lac Gainsmoor Property
Beep Mat Anomaly Locations
Scale: As shown
NTS: 31M/07
Drawn by:
Date: Oct 2018
QP: E. Harrington
Figure: 5
E. Harrington, B.Sc, P.Geo.

Figure 5

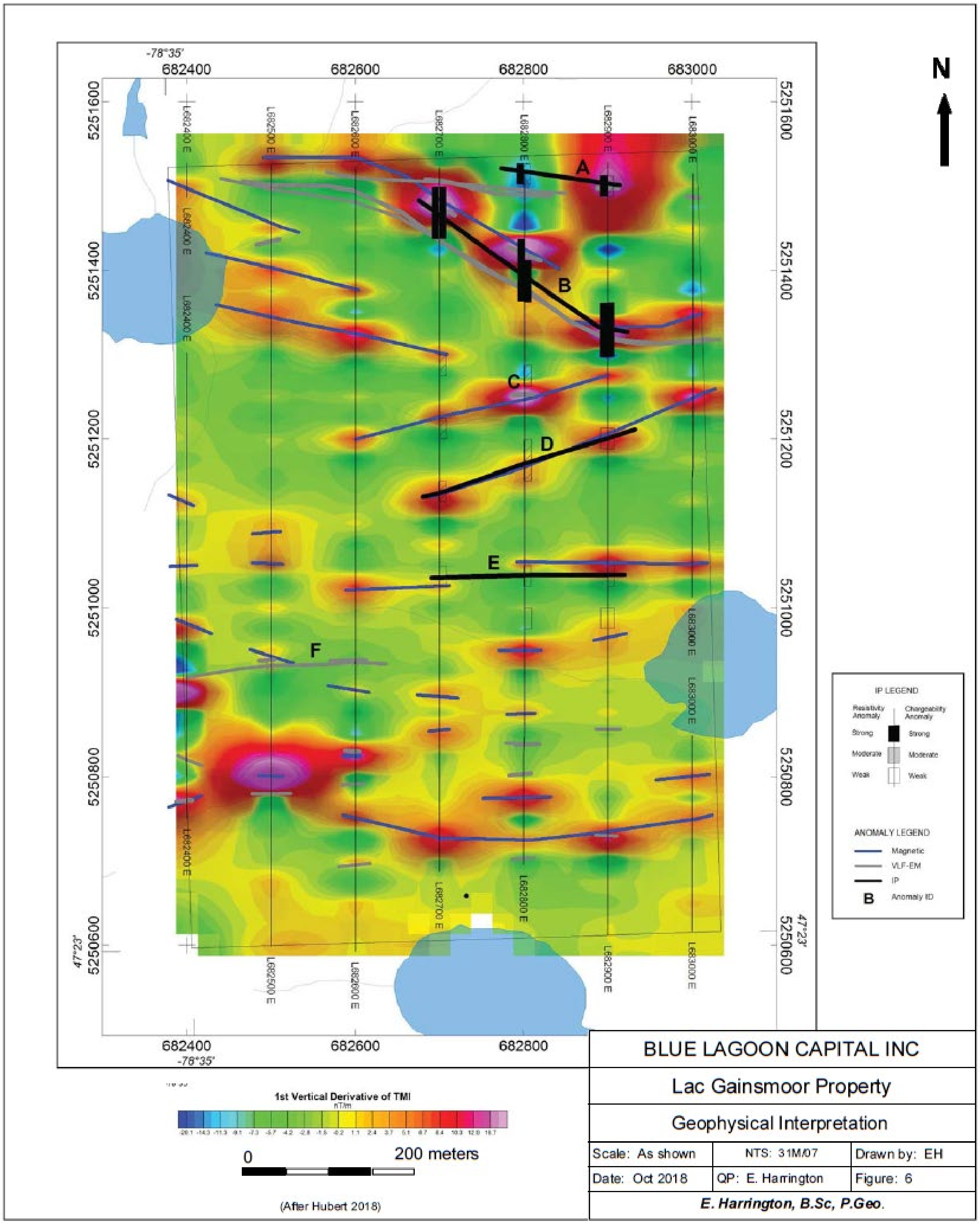

N
682400
682600
682800
683000
5251600
5251400
5251200
5251000
5250800
5250600
A
B
C
D
E
F
IP LEGEND
Resistivity Anomaly
Chargeability Anomaly
Strong
Moderate
Weak
ANOMALY LEGEND
Magnetic
VLF-EM
IP
Anomaly ID
1st Vertical Derivative of TMI
nT/m
0
200 meters
(After Hubert 2018)
BLUE LAGOON CAPITAL INC
Lac Gainsmoor Property
Geophysical Interpretation
Scale: As shown
NTS: 31M/07
Drawn by: EH
Date: Oct 2018
QP: E. Harrington
Figure: 6
E. Harrington, B.Sc, P.Geo.

Figure 6

Target A

Target A is located at the end of IP survey lines and is characterized by high chargeability, and very low resistivity. A VLF-EM conductor is present nearby. A magnetic anomaly coincides on line L682900, but erratic readings were observed on L682800. Graphite and/or massive sulfides are likely the sources of the anomalies.

Target B

Target B shows the strongest chargeability and the lowest resistivity values of any of the target areas. A strong VLF conductor is present along the south side and a weaker VLF conductor is associated with a magnetic anomaly on the north side. Graphite is suspected as the source of the strong VLF conductor and lower values of resistivity. Massive sulfides, with an appreciable amount of pyrrhotite, may also be present.

Target C

Target C is characterized by a weak VLF anomaly associated with a magnetic high. The anomaly is present only on line L682800, but the magnetic readings suggest that it could extend to adjacent lines. High chargeability values are observed nearby and the interpreted anomaly may have been misplaced due to the disturbance in the induced polarization data. It is recommended to resurvey this line.

Target D

Target D comprises high chargeability and magnetic anomalies. There is no significant decrease in resistivity and no associated VLF conductor. Disseminated sulfides including pyrrhotite may be present.

Target E

Target E comprises a weak chargeability anomaly with a nearby weak magnetic high and could be significant with associated geochemical anomalies.

Target F

Target F comprises a weak VLF anomaly without magnetic association. The target is located on the side of a hill and is attributed to conductive overburden.

There are also several weak isolated anomalies in the southern part of the survey. It is strongly recommended to redo the Induced Polarization survey. Geophysical anomalies should also be reevaluated in conjunction with available geochemical or geological data.

(2) Soil Survey

Eight of ninety-seven soil samples returned gold values ranging from 0.005 g/t to 0.014 g/t (Figure 7). The anomalous threshold value for gold is calculated as >0.007 ppm (Standard Deviation 0.0027 x 2.5 = 0.007). Three samples returned silver values of 0.2 g/t. Copper values ranged from 2.0 to 27 ppm, with twenty samples returning values > 14 ppm.

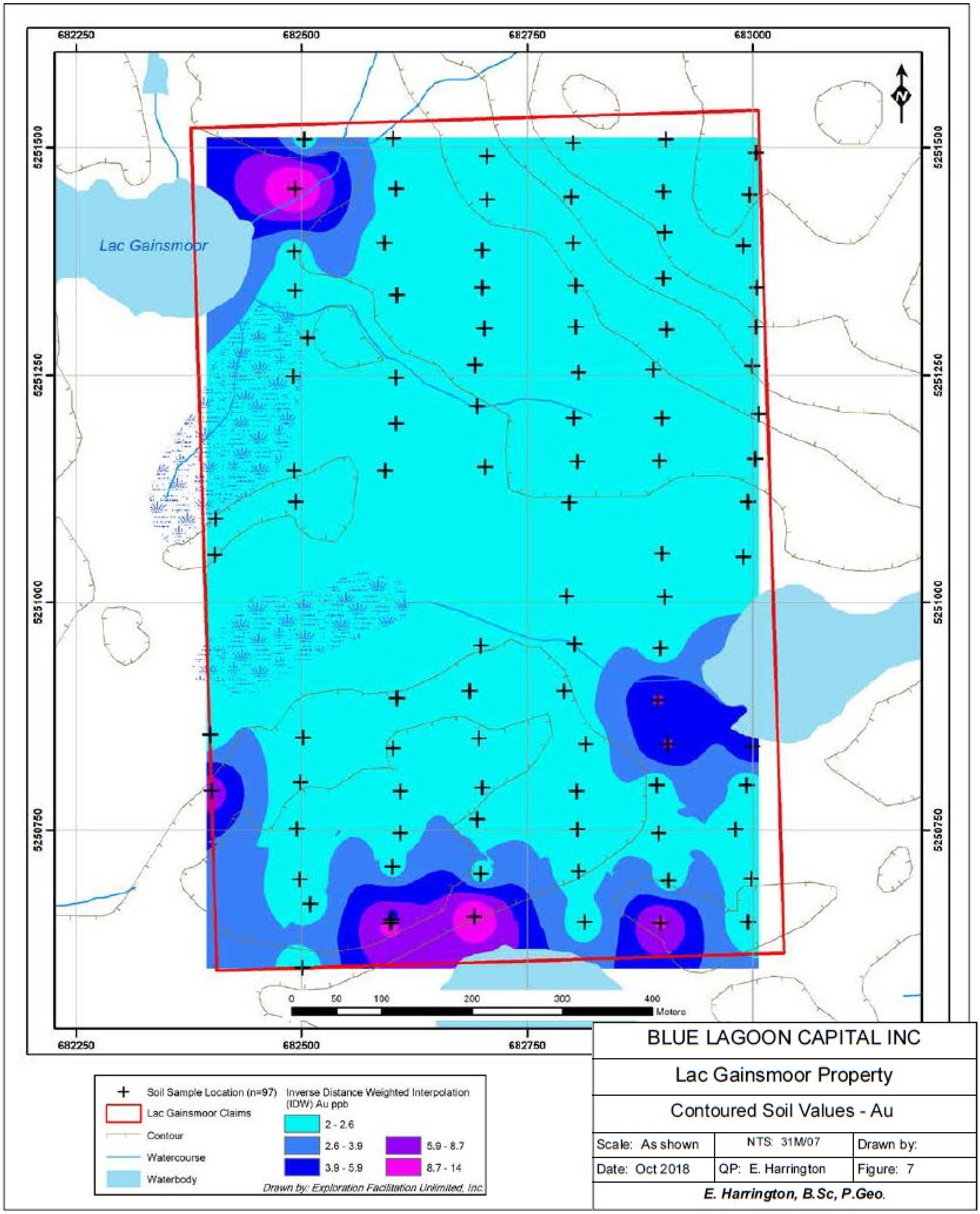

682250
682500
682750
683000
5251500
5251250
5251000
5250750
Lac Gainsmoor
0 50 100 200 300 400 Meters
BLUE LAGOON CAPITAL INC
Lac Gainsmoor Property
Contoured Soil Values - Au
Scale: As shown
NTS: 31M/07
Drawn by:
Date: Oct 2018
QP: E. Harrington
Figure: 7
E. Harrington, B.Sc, P.Geo.
Soil Sample Location (n=97)
Lac Gainsmoor Claims
Contour
Watercourse
Waterbody
Inverse Distance Weighted Interpolation (IDW) Au ppb
2 - 2.6
2.6 - 3.9
3.9 - 5.9
5.9 - 8.7
8.7 - 14
Drawn by: Exploration Facilitation Unlimited, Inc.

Figure 7

Table 2: Element Correlations – Soil

	Gold	Silver	Chrome	Copper	Nickel	Zinc
Gold	1					
Silver	0.27	1				
Chrome	0.00	0.02	1			
Copper	-0.06	-0.06	0.50	1		
Nickel	0.00	-0.03	0.92	0.63	1	
Zinc	-0.07	0.23	0.61	0.36	0.64	1

Soil results show no correlation between gold and chrome, copper, nickel, or zinc, and only a very weak correlation with silver. Nickel and chrome show the strongest correlation, suggesting a mafic rock source for soil formation.

(3) Mapping and Rock Sampling

Geological mapping of the stripped and trenched area shows stratigraphy is folded and refolded, with many units pinched out by the folding.

Lithology consists predominantly of felsic to mafic volcanics interbedded with schistose and sandy sedimentary interbeds, cut by a single 35 cm mafic dike (Figures 8, and 9).

Table 3: Selected Assay Results - Rock and Core

Sample	Type	Assay Results (ppm)						
		Gold	Silver	Cobalt	Copper	Nickel	Lead	Zinc
00851	Core	0.005	0.7	15	95	35	5	80
00852	Select	0.024	3.6	7	382	102	14	65
00853	Core	<0.005	1.3	4	58	14	10	78
00854	Select	0.008	1	15	55	18	3	52
00855	Core	0.035	2.9	127	257	125	7	72
00856	Core	0.013	2.2	47	189	95	6	106
00857	Core	<0.005	<0.2	4	15	9	<0.2	5
00858	Core	<0.005	<0.2	25	44	60	<0.2	77
00859	Core	<0.005	0.4	17	130	32	15	109
00860	Select	<0.005	0.2	7	49	8	3	107
00861	Core	<0.005	0.3	6	68	11	3	126
00862	Select	<0.005	0.5	8	38	13	4	43
00863	Select	<0.005	0.4	9	24	6	4	27
00864	Core	<0.005	0.3	7	33	8	3	51
00865	Select	<0.005	0.6	4	15	2	7	18

Table 4: Element Correlations - Rock and Core

	Gold	Silver	Cobalt	Copper	Nickel	Lead	Zinc
Gold	1						
Silver	0.89	1					
Cobalt	0.79	0.53	1				
Copper	0.86	0.92	0.49	1			
Nickel	0.89	0.81	0.76	0.87	1		
Lead	0.35	0.59	0.08	0.63	0.35	1	
Zinc	0.10	0.15	0.17	0.30	0.28	0.27	1

Based on rock and core sample results, the anomalous threshold value for gold is calculated as >0.027 ppm (Standard Deviation 0.0106 x 2.5 = 0.007). Correlation analysis shows that gold values, while generally low, are strongly associated with silver and the tri-element grouping of cobalt, copper, and nickel that are common constituents of pyrite, pyrrhotite, and chalcopyrite sulfides observed in mapping.

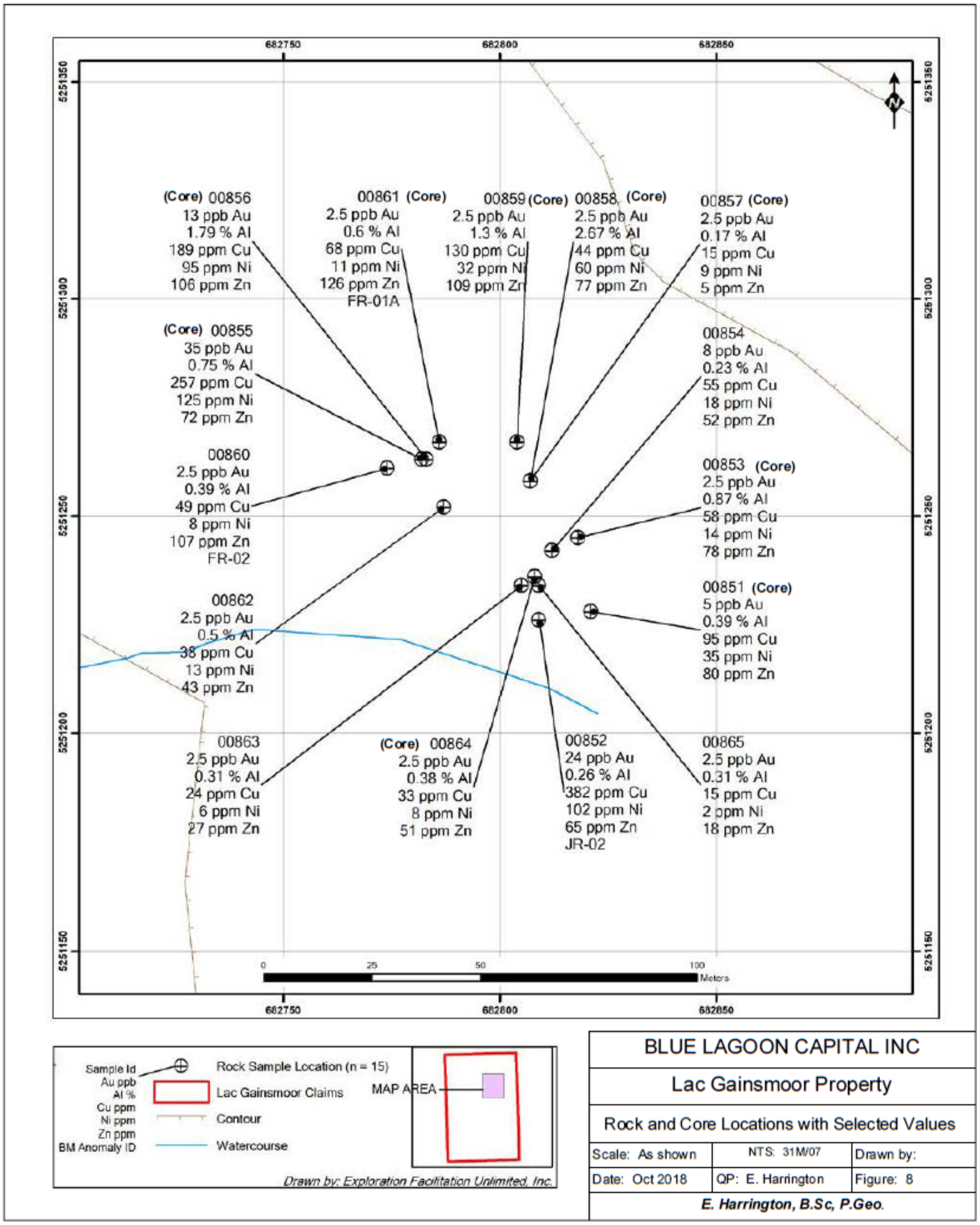
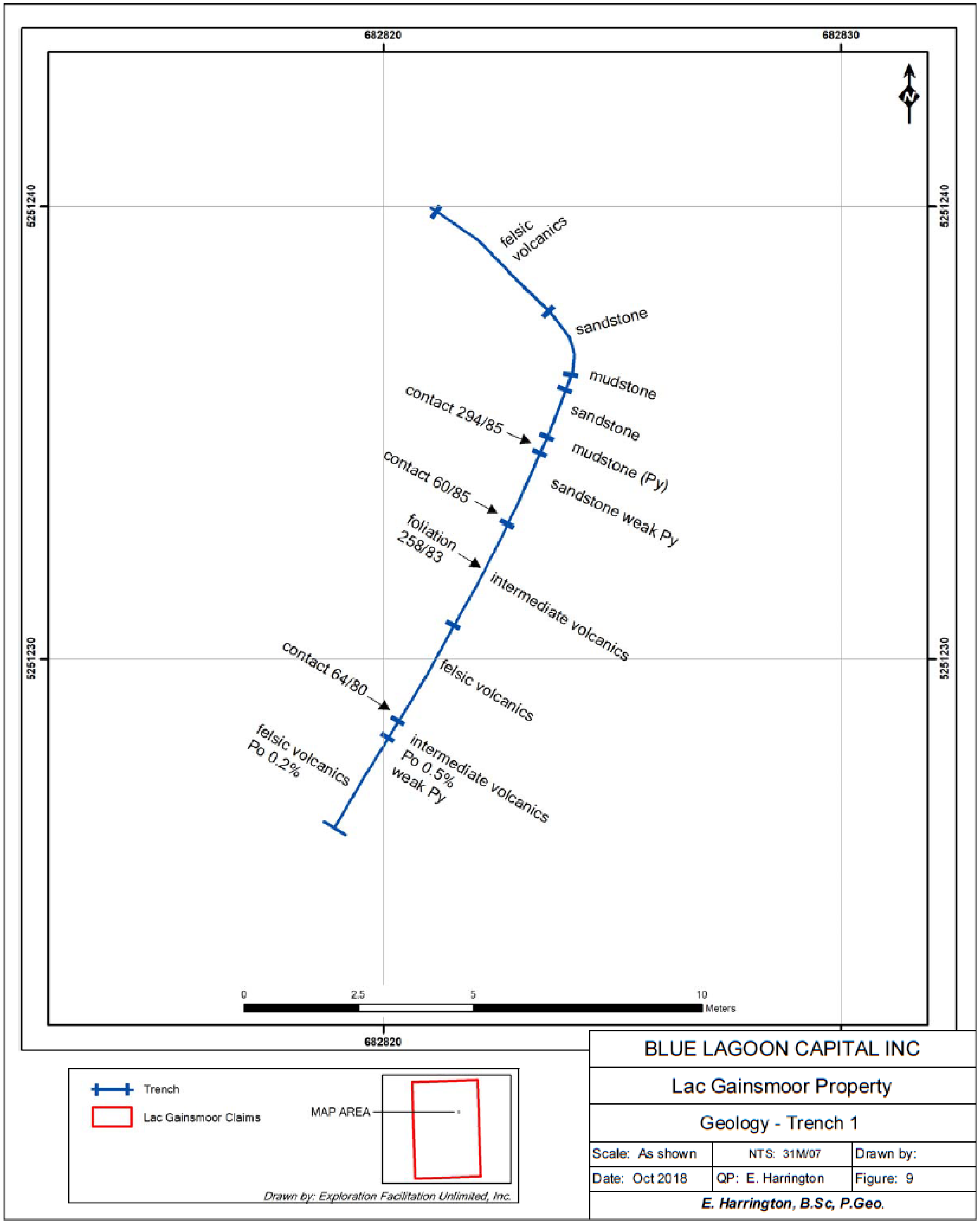


Figure 8



682820
682830
5251240
5251230
N
felsic volcanics
sandstone
mudstone
sandstone
contact 294/85
mudstone (Py)
contact 60/85
sandstone weak Py
foliation 258/83
intermediate volcanics
felsic volcanics
contact 64/80
felsic volcanics Po 0.2%
intermediate volcanics Po 0.5% weak Py
0
2.5
5
10
Meters
Trench
Lac Gainsmoor Claims
MAP AREA
Drawn by: Exploration Facilitation Unlimited, Inc.
BLUE LAGOON CAPITAL INC
Lac Gainsmoor Property
Geology - Trench 1
Scale: As shown
NTS: 31M/07
Drawn by:
Date: Oct 2018
QP: E. Harrington
Figure: 9
E. Harrington, B.Sc, P.Geo.

Figure 9

Sample Preparation, Analysis, and Security

For the 2018 reconnaissance program, samples collected in the field were described in detail and GPS-derived UTM co-ordinates were recorded for each individual sample. Samples were placed into plastic sample bags with a unique sample tag inserted into the bag and the corresponding number written in black permanent marker on the outside of the bag. Sample bags were then sealed using plastic zip ties before being removed from the field. All samples collected were maintained in locked storage until transported to the lab. Samples were reviewed to ensure proper identification prior to transport. The author of the Technical Report has deemed the sample preparation and security procedures employed by EFU employees to be adequate. Soil and rock samples were delivered to ALS Labs, Val-d'Or, Quebec by EFU personnel and all samples were subsequently processed at ALS labs in Sudbury, Ontario and Vancouver, BC. Samples underwent the following analyses:

- Gold 50 g fire assay with AA finish using method Au-AA24; and
- 35 element aqua regia digestion using method ME-ICP41.

ALS's quality management systems operate in accordance with ISO/IEC 17025:2005 (CAN-P-4E) and are also compliant with CAN-P-1579 Guidelines for Mineral Analysis Testing Laboratories. The management system and methods are accredited by the Standards Council of Canada. ALS uses comprehensive quality control programs to monitor sample preparation and analysis. Quality control measures include the use of barren material to clean sample equipment in between batches.

Analytical accuracy and precision are monitored by the analysis of reagent blanks, reference materials, and replicate samples. Bar coding and scanning technology provide complete chain of custody records for sample preparation and analytical process. The author of the Technical Report considers ALS to have adequate sample preparation, security, and analytical procedures, and to operate at industry standards. The Company and Kode have no relationship with ALS other than as clients.

Data Verification

On July 11, 2018, the author of the Technical Report carried out a field inspection of the Property. The status and details of the claim comprising the subject Property was verified using the MERN's GESTIM database accessed by the writer on October 23, 2018. The writer reviewed selected assay certificates and report maps to check for transposition errors. No value errors were noted. The writer did not attempt to verify other Property information as the accuracy of information provided by the cited sources is considered by the author of the Technical Report to be sufficient.

Adjacent Properties

No properties relevant to the Technical Report are adjacent to the Property. The following nearby properties are considered by the author of the Technical Report to be relevant. The Lac de la Ceinture showing is located approximately 3 km east of the Property, the Loken showing 5.5 km north-northeast, and the past-producing Belleterre gold mine 8 km west-northwest. Information contained within this section is taken from historical reports found on the Government of Quebec SIGEOM website and has not been verified by the Author.

<u>Lac de la Ceinture</u>

The showing was discovered in 1990 and has had little reported exploration work. Mineralization consists of disseminated pyrite in tuffs and intermediate to mafic volcanic rocks. Two trenched rock samples returned 1.02 g/t and 1.20 g/t gold (Cote 1990).

<u>Loken</u>

The showing was discovered in 1933 and consists of structurally controlled disseminated native gold, chalcopyrite, pyrite, pyrrhotite, and galena in quartz veins. The mineralized area is approximately 90 meters long and 5 meters wide, with north-south trends and generally vertical dips (GM10706). The quartz veins are hosted in mafic tuffs associated with felsic porphyry dikes and show remobilization and re-deposition. Alteration comprises carbonatization and silicification.

Belleterre

The past-producing Belleterre gold mine was discovered in 1936. When production ended in 1956, the mine had produced approximately 2.18 million tonnes of ore grading 10.73 g/t gold and 1.37 g/t silver.

In 1987, reserves were estimated at 467,000 tonnes averaging 6.17 g/t gold. The reserve estimate prepared for the Belleterre deposit is considered relevant, but is historical, does not meet NI 43-101 standards, and therefore should not be relied upon. The author of the Technical Report has not verified the reserve calculations or the assay results supporting them.

The generally northeast-southwest-trending, west-dipping, structurally controlled deposit has an irregular tabular form approximately 900 meters long, 400 meters deep, and from centimeters up to 3 meters wide. Mineralization consists of gold, silver, copper, zinc, lead, and antimony in sulfides that comprise approximately 5% of the rock. Mineralization is hosted by a series of grey quartz veins in a lithological package consisting of Archean-age basalt, lamprophyre dikes, volcanic tuff, and schist. The sulfide assemblage includes chalcopyrite, pyrrhotite, sphalerite, galena, and pyrite, and is associated with carbonate, chlorite, muscovite, and epidote gangue material. Original mineralization emplacement was contemporaneous the hosting volcanics, with subsequent remobilization by late-stage volcanism and shearing.

While mineralization found at Lac de la Ceinture, Loken, and Belleterre is not necessarily indicative of mineralization on the Lac Gainsmoor Property, similarities in lithological type, age, and structure demonstrate exploration potential on the Property.

Interpretations and Conclusions

Interpretations

The Property is situated within an environment favorable for gold deposits. The Property is situated at the contact between the Groupe de Belleterre basalts and gabbros, and the Groupe du Lac des Bois rhyolites, felsic tuffs, and basalts. The Groupe de Belleterre hosts numerous gold showings and deposits including the past producing Belleterre gold mine, as well as some minor zinc showings. The Groupe du Lac des Bois hosts three reported gold showings, as well as one silver-zinc showing south of the Property.

Rocks on the Property have been subjected to greenschist metamorphism as well as hydrothermal activity, as shown by the often strong silicification and sulfide content of lithologies and structures. Regional-scale faulting cuts through the area.

The 2018 reconnaissance geophysics program identified six anomalous geophysical targets. Rock sampling returned gold values to 0.035 g/t and silver to 3.6 g/t, with weak enrichment in copper, nickel, and zinc. Historical drilling in the northern portion of the Property returned 1.37 g/t gold over a drilled interval of 1.5 feet (0.46 m).

A possible risk associated with exploration work at the current stage involves the consultations with First Nations that are required as part of the permit application process. Part of this permitting process includes consultation with First Nations and assumes that relations between the government and First Nations are positive and moving forward. Any break in communications between the two parties could result in delays, as any work related to the permit cannot begin until work permits have been issued.

Conclusions

The Property is classified as a grassroots prospect that could be considered to have potential to host gold mineralization.

The Property is situated in a region that hosts numerous gold and zinc showings and deposits that are generally associated with complex lithological, structural, and geochemical controls on mineralization.

Mineralization in the region occurs either adjacent to or within deformation structures or at lithological contacts. Regionally, important indicators for sulfide and gold mineralization include pyrite, pyrrhotite, and graphite. Historical drilling on the Property has encountered:

- Weak gold values;
- Pyrite and pyrrhotite mineralization;
- Quartz carbonate veining;
- Porphyries;
- Intrusive dikes;
- Chlorite and epidote alteration; and
- Breccia textures.

The combination of these factors may suggest a possibly suitable environment for gold mineralization at Lac Gainsmoor.

Recommendations

The Lac Gainsmoor Property is a grassroots property that could justify the following two-phase exploration program.

Phase 1

The ground geophysical portion of the 2018 work program detailed six anomalous targets, five of which (Targets A to E) were recommended for further work. Target F, located in the southern portion of the Property, along with several other isolated anomalies, returned weak VLF response with no magnetic association. Target F was attributed to conductive overburden.

The geophysical interpretation also strongly recommended that at least two IP lines, L682800 and L682900, be repeated due to erratic readings. As well, the interpretation suggested that the geophysical anomalies be reevaluated in light of the geochemical results from the 2018 soil and rock sampling programs.

Contoured soil values show weakly anomalous zones in the area of Target F and in northwestern portion of the Property. As only the northeastern corner of the Property was covered by the 2018 IP survey, it is recommended that the two erratic IP lines be resurveyed and an IP survey be carried out in the southern portion of the Property. The northwestern soil anomaly consists of a single value and should be prospected in greater detail, but no IP is recommended due to the small size.

In conjunction with the IP survey, geological mapping, rock sampling, and soil sampling should be carried out. Soil sampling should be carried out between lines already surveyed for greater detail.

The estimated Phase 1 program cost is $107,000.

Phase 2

Phase 2 would consist of diamond drilling and is contingent upon positive results from Phase 1. Phase 2 would involve approximately 3,000m of NQ2-sized diamond drilling. The project would require a project manager, a core logging geologist assisted by a technician and possibly up to two core cutters. The cost of sampling will be based on continuous sampling throughout the drilling as controls for mineralization are still poorly understood and selective sampling is not recommended at this stage. The cost of using a bulldozer for site prep has been included. The estimated cost of Phase 2 work is $1,270,000.

USE OF PROCEEDS

The Company is not raising any funds in conjunction with this prospectus. Accordingly, there are no proceeds. However, the Company continues to have negative operating cash flow. For the year ended November 30, 2018, the Company sustained net losses from operations and had negative cash flow from operating activities of $20,019. All funds available to the Company will be used to fund future and anticipated negative cash flow from its operating activities.

Funds Available and Principal Purposes

The Company has working capital of approximately $375,000 as of the day of this Prospectus, representing the remaining funds from the Special Warrant Private Placement. Of the $403,050 raised from the Special Warrant Private Placement, approximately $28,050 has been previously allocated to the initial Property option payments and the commissioning of the Technical Report. The remaining proceeds from the Special Warrant Private Placement will be used for the purposes described below:

Use of Proceeds	($)
Complete recommended Phase 1 exploration program on the Property(1)	$107,000
Option payments and additional exploration expenditures on the Property	$30,000
Initial Listing Fees(2)	$60,000
General and administrative costs for next 12 months(3)	$60,000
Unallocated working capital	$118,000
TOTAL:	$375,000

Notes:

(1) See "The Lac Gainsmoor Property – Recommendations."

(2) Including legal, audit, securities commissions and Exchange fees.

(3) See the table below for a description of the estimated administrative costs of the Company for the next 12 month period.

Upon completion of the Offering, the Company estimates that its working capital will be sufficient to meet its administrative costs and exploration expenditures for the 12 month period following the Listing Date. Administrative costs for the 12 month period following the Listing Date are comprised of the following:

General and Administrative Costs for 12 Month Period Following the Listing Date	($)
Transfer Agent, Listing, Filing and Legal Fees	$30,000
Accounting and Auditing	$20,000
Office and Miscellaneous	$5,000
Travel	$5,000
TOTAL:	$60,000

Business Objectives and Milestones

The Company's sole intended business objective and milestone following the Offering is to complete the Phase 1 exploration program on the Property, as described herein. Based upon the recommendations of the Author in the Technical Report, the Company intends to carry out the initial aspects of Phase 1.

Although the Company intends to expend the funds available to it as set out above, the amount actually expended for the purposes described above could vary significantly depending on, among other things, the price of gold, unforeseen events, and the Company's future operating and capital needs from time to time. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary.

Due to the nature of the business of mineral exploration, budgets are regularly reviewed with respect to both the success of the exploration program and other opportunities which may become available to the Company. Accordingly, the Company may abandon in whole or in part any of its property interests or may, as work progresses, alter the recommended work program, or may make arrangements for the performance of all or any portion of such work by other persons or companies and may use any funds so diverted for the purpose of conducting work or examining other properties acquired by the Company after the closing of the Offering, although the Company has no present plans in this respect. Subscribers to the Special Warrant Private Placement must rely on the experience, good faith and expertise of management of the Company with respect to future acquisitions and activities.

DIVIDENDS OR DISTRIBUTIONS

Dividends

The Company has neither declared nor paid any dividends on its Common Shares. The Company 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

The Company's Management's Discussion and Analysis provides an analysis of the Company's financial results for the most recent financial year ending November 30, 2018 and for the period ended November 30, 2017 and should be read in conjunction with the financial statements of the Company for such periods, and the notes thereto. The Company's Management's Discussion and Analysis is attached to this Prospectus as Schedule "C".

Certain information included in the Company's Management's Discussion and Analysis is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "Cautionary Statement Regarding Forward-Looking Statements" for further detail.

Disclosure of Outstanding Security Data.

Common Shares

As at the date of this Prospectus, the Company had 1,000,200 Common Shares issued and outstanding, and the Company will have 5,030,700 Common Shares issued and outstanding following the exercise or deemed exercise of all the Special Warrants.

Stock Options

The Company has not granted any stock options as at the date of this Prospectus.

Special Warrants

As at the date of this Prospectus, the Company had 4,030,500 Special Warrants outstanding, issued as part of the Special Warrant Private Placement. Following the exercise or deemed exercise of all the Special Warrants, the Company will have no special warrants outstanding.

Additional Disclosure for Junior Issuers

The Company anticipates that its estimated working capital of $375,000 as of the day of this Prospectus will fund operations for the next 12-month period. Management estimates that the Company will require $137,000 to pay for option payments and exploration on the Property, $60,000 for initial listing fees and $60,000 general and administrative expenses. Other than the costs stated above the Company does not anticipate incurring any other material capital expenditures during the next 12-month period.

DESCRIPTION OF SECURITIES DISTRIBUTED

Common Shares

The Company's authorized capital consists of an unlimited number of Common Shares, of which 1,000,200 are issued and outstanding as at the date of this Prospectus as fully paid and non-assessable. Following the exercise or deemed exercise of all the Special Warrants, there will be 5,030,700 Common Shares issued and outstanding. Holders of the Common Shares are entitled to vote at all meetings of the holders of the Common Shares and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Common Shares, to participate ratably in any distribution of the Company's property or assets upon liquidation or wind-up.

The Board is authorized to issue additional Common Shares on such terms and conditions and for such consideration as the Board may deem appropriate without further security holder action.

Special Warrants

The Company closed the Special Warrant Private Placement in two tranches, on November 30, 2018 and December 3, 2018, and issued an aggregate of 4,030,500 Special Warrants.

The Company has provided to each Special Warrant holder a contractual right of rescission of the prospectus exempt transaction under which the Special Warrant was initially acquired. The contractual right of rescission provides that if a Special Warrant holder who acquires another of our securities on exercise of the Special Warrant as provided for in this Prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of the Prospectus or an amendment to the Prospectus containing a misrepresentation, then:

1. the holder is entitled to rescission of both the holder's exercise of its Special Warrant and the private placement transaction under which the Special Warrant was initially acquired,

2. the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Company on the acquisition of the Special Warrant, and

3. if the holder is a permitted assignee of the interest of the original Special Warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

Upon conversion of the Special Warrants into Common Shares, holders of the Common Shares shall be entitled to vote at all meetings of the holders of Common Shares and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Common Shares, to participate rateably in any distribution of the Company's property or assets upon liquidation or winding-up.

CONSOLIDATED CAPITALIZATION

The following table sets out the share capitalization of the Company as at the dates specified below.

Description	Authorized	Outstanding as at November 30, 2018	Outstanding as at the date of this Prospectus(1)(2)	Outstanding following the exercise of all the Special Warrants
Common Shares	Unlimited	1,000,200	**1,000,200**	**5,030,700**

Notes:
(1) See "Prior Sales".
(2) On an undiluted basis.

Fully Diluted Share Capitalization

Common Shares	Amount of Securities	Percentage of Total
Issued and outstanding as at the date of this Prospectus	1,000,200	19.9%
Common Shares reserved for issuance upon the exercise of the Special Warrants	4,030,500	80.1%
Common Shares reserved for issuance upon exercise of options	0	0%
Total Fully Diluted Share Capitalization after the Offering	**5,030,700**	**100%**

OPTIONS TO PURCHASE SECURITIES

Outstanding Options

The Company has not granted any stock options as at the date of this Prospectus.

Stock Option Plan

The Option Plan was adopted by the Company's board of directors on December 14, 2018. The purpose of the Option Plan is to advance the interests of the Company and its shareholders by attracting, retaining and motivating the performance of selected directors, officers, employees or consultants of the Company of high caliber and potential and to encourage and enable such persons to acquire and retain a proprietary interest in the Company by ownership of its stock. The Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance, set aside and made available for issuance under the Option Plan may not exceed 10% of the issued and outstanding shares of the Company at the time of granting of options (including all options granted by the Company to date). The number of Common Shares which may be reserved in any 12 month period for issuance to any one individual upon exercise of all stock options held by that individual may not exceed 5% of the issued and outstanding Common Shares of the Company at the time of the grant.

The Option Plan will be administered by the Board or a special committee of directors, either of which will have full and final authority with respect to the granting of all stock options thereunder. Stock options may be granted under the Option Plan to such directors, officers, employees or consultants of the Company, as the board of directors may from time to time designate.

The exercise price of any stock options granted under the Option Plan shall be determined by the Board, but may not be less than the market price of the Common Shares on the Exchange on the date of the grant (less any discount permissible under Exchange rules). The term of any stock options granted under the Option Plan shall be determined by the Board at the time of grant but, subject to earlier termination in the event of termination or in the event of death, the term of any stock options granted under the Option Plan may not exceed five years. Options granted under the Option Plan are not to be transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession. Subject to certain exceptions, in the event that a director or officer ceases to hold office, options granted to such director or officer under the Option Plan will expire 90 days after such director or officer ceases to hold office.

Subject to certain exceptions, in the event that an employee, or consultant ceases to act in that capacity in relation to the Company, stock options granted to such employee, consultant or management company employee under the Option Plan will expire 30 days after such individual or entity ceases to act in that capacity in relation to the Company.

Stock options granted to optionees engaged in investor relations activities on behalf of the Company expire 30 days after such optionees cease to perform such investor relations activities for the Company. In the event of death of an option holder, options granted under the Option Plan expire the earlier of one year from the date of the death of the option holder and the expiry of the term of the option.

PRIOR SALES

The following table summarizes all sales of securities of the Company since the date of incorporation:

Date of Issue	Price per Security	Number of Securities
March 17, 2017	**$0.01**	**200 Common Shares**
February 27, 2018	**$0.02**	**1,000,000 Common Shares**
November 30, 2018	**$0.10**	**3,580,500 Special Warrants(1)**
December 3, 2018	**$0.10**	**450,000 Special Warrants(1)**

Notes:
(1) Comprised the Special Warrant Private Placement.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Pursuant to the Escrow Agreement, the Common Shares subject to contractual restriction and escrow are as shown in the following table:

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Common Shares	503,567(1)	10%(2)

Notes:
(1) These Common Shares are held under the Escrow Agreement in accordance with NP 46-201. The Escrow Agent is Odyssey Trust Company.
(2) Based on 5,030,700 Common Shares issued and outstanding following the exercise of all the Special Warrant Shares.

Escrow Agreement

NP 46-201 provides that all shares of an issuer owned or controlled by its Principals will be escrowed at the time of the issuer's initial public offering.

At the time of its initial public offering, an issuer will be classified for the purposes of escrow as either an "exempt issuer", an "established issuer" or an "emerging issuer" as those terms are defined in NP 46-201.

Uniform terms of automatic timed release escrow apply to Principals of exchange listed issuers, differing only according to the classification of the issuer. As the Company anticipates that its Common Shares will be listed on the Exchange, it will be classified as an "emerging issuer". As such, the following automatic timed releases will apply to the securities held by its Principals:

Date of Automatic Timed Release	Amount of Escrowed Securities Released
On the Listing Date	1/10 of the escrowed securities
6 months after the Listing Date	1/6 of the remaining escrowed securities
12 months after the Listing Date	1/5 of the remaining escrowed securities
18 months after the Listing Date	1/4 of the remaining escrowed securities
24 months after the Listing Date	1/3 of the remaining escrowed securities
30 months after the Listing Date	1/2 of the remaining escrowed securities
36 months after the Listing Date	The remaining escrowed securities

Assuming there are no changes to the escrowed securities initially deposited and no additional escrowed securities are deposited, automatic timed release escrow applicable to the Company will result in a 10% release on the Listing Date, with the remaining escrowed securities being released in 15% tranches every six months thereafter.

The automatic timed release provisions under NP 46-201 pertaining to "established issuers" provide that 25% of each Principal's and shareholder's escrowed securities are released on the Listing Date, with an additional 25% being released in equal tranches at six month intervals over eighteen months. If, within eighteen months of the Listing Date, the Company meets the "established issuer" criteria as set out in NP 46-201, the escrowed securities will be eligible for accelerated release available for established issuers. In such a scenario, that number of escrowed securities that would have been eligible for release from escrow if the Company had been an "established issuer" on the Listing Date will be immediately released from escrow. The remaining escrowed securities would be released in accordance with the timed release provisions for established issuers, with all escrowed securities being released eighteen months from the Listing Date.

Pursuant to the terms of the Escrow Agreement, 503,567 Common Shares will be held in escrow on the Listing Date.

PRINCIPAL SECURITYHOLDERS

To the knowledge of the directors and officers of the Company, as of the date of this Prospectus, and following the exercise of all the Special Warrants, the only person who beneficially owns or exercises control or direction over Common Shares carrying more than 10% of the votes attached to the Common Shares is as follows:

Name and Municipality of Residence	**Number of Common Shares beneficially owned**		**Percentage of Common Shares Outstanding**	
	As at the Date of this Prospectus	Following the exercise of the Special Warrants	As at the Date of this Prospectus	Following the exercise of the Special Warrants
Rana Vig Surrey, B.C.	333,567	503,567[(1)]	33.4%[(2)]	10%[(3)]

Notes:

- These Common Shares are subject to escrow restrictions imposed by NP 46-201. See “Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer”.
- Percentage is based on 1,000,200 Common Shares issued and outstanding as of the date of this Prospectus.
- Percentage is based on 5,030,700 Common Shares issued and outstanding following the exercise of all the Special Warrants

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holdings

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

Name and Municipality of Residence and Position with the Company	Director/Officer Since	Principal Occupation	Number and Percentage of Common Shares Beneficially Owned or Controlled, Directly or Indirectly	
			As at the Date of this Prospectus(1)	Following the exercise of the Special Warrants(2)
Rana Vig(3) Surrey, B.C. *Chief Executive Officer, President, and Director*	Director since March 3, 2017 Officer since February 1, 2018	Corporate executive, director of companies	333,567 (33.4%)	503,567 (10%)
Carmelo Marrelli Toronto, ON Canada *Chief Financial Officer*	September 3, 2018	Accountant	NIL	NIL
Gurdeep Bains(3)(4) Surrey, B.C. Canada *Director*	September 3, 2018	Corporate executive, accountant	NIL	NIL
Norman Brewster (3)(4) Norwood, ON *Director*	September 3, 2018	Corporate executive, director of companies	NIL	NIL

Notes:
(1) Percentage is based on 1,000,200 Common Shares issued and outstanding as of the date of this Prospectus.
(2) Percentage is based on 5,030,700 Common Shares issued and outstanding following the exercise of all the Special Warrants.
(3) Denotes a member of the Audit Committee of the Company.
(4) Denotes an independent director.

The term of office of the directors expires annually at the time of the Company's annual general meeting. The term of office of the executive officers expires at the discretion of the Company's directors. None of the Company's directors or executive officers have entered into non-competition or non-disclosure agreements with the Company.

As at the date of this Prospectus, the directors and executive officers of the Company as a group beneficially own, directly or indirectly, or exercised control or discretion over an aggregate of 333,567 Common Shares of the Company, which is equal to 33.4% of the Common Shares issued and outstanding as at the date hereof.

Following the exercise of all the Special Warrants, the directors and executive officers of the Company as a group beneficially own, directly or indirectly, or exercised control or discretion over an aggregate of 503,567 Common Shares of the Company, which is equal to 10% of the Common Shares issued and outstanding following the exercise of all the Special Warrants

Background

The following is a brief description of each of the directors and executive officers of the Company, including their names, ages, positions and responsibilities with the Company, relevant educational background, principal occupations or employment during the five years preceding the date hereof, experience in the Company's industry and the amount of time intended to be devoted to the affairs of the Company:

Rana Vig – Director, President, and Chief Executive Officer, 55 years old.

Mr. Vig has more than 30 years of business experience and has been involved in publicly traded companies since 2010. Mr. Vig is an active investor and has served on numerous public company boards and committees, including audit committees. He is also active in various charitable and community organizations acting as chair, director and advisor.

As the Chief Executive Officer of the Company, Mr. Vig is responsible for the day-to-day operations, outside contractors and service providers, acquisitions and project development, and of the financial operations of the Company in conjunction with the Chief Financial Officer and with outside accounting, tax and auditing firms. Mr. Vig anticipates devoting approximately 50% of his working time for the benefit of the Company. Mr. Vig is not an employee but is an independent consultant. Mr. Vig has not entered into a non-competition or non-disclosure agreement with the Company.

Carmelo Marrelli – Chief Financial Officer, 47 years old

Carmelo Marrelli is a Chartered Professional Accountant (CPA, CA, CGA) and a member of the Institute of Chartered Secretaries and Administrators, a professional body that certifies corporate secretaries. He has a Bachelor of Commerce degree from the University of Toronto and has over 17 years of experience offering regulatory compliance services to listed companies on the Toronto Stock Exchange (TSX), TSX Venture Exchange (TSX-V) and the Canadian Securities Exchange.

As the Chief Financial Officer of the Company, Mr. Marrelli is responsible for coordination of the financial operations of the Company in conjunction with the President and with outside accounting, tax and auditing firms. Mr. Marrelli will devote the time necessary to fulfill his function. Mr. Marrelli anticipates devoting approximately 10% of his working time for the benefit of the Company. Mr. Marrelli is not an employee but is an independent consultant of the Company. Mr. Marelli has not entered into a non-competition or non-disclosure agreement with the Company.

Gurdeep Bains – Director, 41 years old.

Gurdeep Bain is a Chartered Professional Accountant (CPA, CA) who in 2003 received his Chartered Accountant Designation from the Institution of the Chartered Accountants of BC and in 2004 graduated from Simon Fraser University with a Bachelor of Business Administration. From 2000 to 2005, he was a Senior Auditor, Assurance Services at KPMG.

Additionally, Mr. Bains was with Canaccord Genuity as Vice President, internal audit and financial analysis from 2005 to 2014, and from June 2014 to Feb 2018, he was the CFO at OK Tire. Currently, Mr. Bains is at the Monark Group, contributing in both finance and business development roles.

Mr. Bains anticipates devoting approximately 20% of his working time for the benefit of the Company. Mr. Bains is not an employee but is an independent consultant of the Company. Mr. Bains has not entered into a non-competition or non-disclosure agreement with the Company.

Norman Brewster – Director, 71 years old.

Currently Mr. Brewster is the President, Director and C.E.O. of Cadillac Ventures Inc., with development projects in Ontario (copper) and New Brunswick (Tungsten). Mr. Brewster has served on many public and private company boards over his career in the mineral industry. Prior to joining Cadillac Ventures Inc., Mr. Brewster was the interim President and Executive Chairman of Iberian Minerals Corp., successfully financing, developing and putting into production the Aguas Tenidas Mine in Andalucia, Spain, which became the region's largest employer. During his tenure Mr. Brewster led negotiations for the purchase of the Condestable Mine in Peru by Iberian Minerals Corp., and as a final duty Mr. Brewster led a committee in reviewing the successful bid by Trafigura Group Pte. Ltd. (revenue in 2015 of 97 Bn) to acquire Iberian Minerals Corp., in an all cash takeover. Mr. Brewster also sat on a committee, as a Director of Spider Resources Inc., which reviewed the successful all cash acquisition of Spider Resources Inc., by Cliffs Natural Resources Inc. Mr. Brewster holds Bachelor of Science and Education Degrees from Acadia University and was approved as a Member of the Association of Geoscientists of Ontario. Mr. Brewster anticipates devoting approximately 15% of his working time for the benefit of the Company. Mr. Brewster is not an employee but is an independent consultant of the Company. Mr. Brewster has not entered into a non-competition or non-disclosure agreement with the Company.

Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed below, no director or executive officer of the Company is, as at the date of this Prospectus, or was within ten years before the date hereof, a director, Chief Executive Officer or Chief Financial Officer of any company, including the Company, that:

(i) was subject to a cease trade order, an order similar to cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period for more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer; or

(ii) was subject to an a cease trade order, an order similar to cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period for more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, Chief Executive Officer or Chief Financial Officer and which resulted from an event that occurred while that person was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer.

Penalties or Sanctions

No director or executive officer of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

(i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement with a regulatory authority; or

(ii) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

Mr. Brewster pled guilty to 10 counts of failing to report insider trading in 1987 and a fine of $15,000 was paid to the Ontario Securities Commission.

Bankruptcies

Other than as disclosed below, no director or executive officer of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(i) is, as at the date of this Prospectus, or has been within the ten years before the date hereof, a director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(ii) has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Conflicts of Interest

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

To the best of the Company's knowledge, and other than as disclosed herein, there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company 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 Company and their duties as a director or officer of such other companies.

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company. The directors and officers of the Company are directors and officers of other companies, some of which are in the same business as the Company. In particular, Mr. Vig will be devoting approximately 50% of his time to the affairs of the Company and the remaining directors and officers will be devoting 10-20% of their respective time to the affairs of the Company. The directors and officers of the Company are required by law to act in the best interests of the Company. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligations to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives.

EXECUTIVE COMPENSATION

The Company was not a reporting issuer at any time during the fiscal year ended November 30, 2018, the Company's most recently completed financial year. Accordingly, and in accordance with Form 51-102F6 *Statement of Executive Compensation* ("**Form 51-102F6**"), the following is a discussion of all significant elements of compensation to be awarded to, earned by, paid to or payable to Named Executive Officers of the Company, once the Company becomes a reporting issuer, to the extent this compensation has been determined.

For the purposes hereof, the term Named Executive Officer, or NEO, means each Chief Executive Officer, each Chief Financial Officer and each of the Company's three most highly compensated executive officers, other than the Chief Executive Officer and the Chief Financial Officer, who were serving as executive officers as at the end of the Corporation's most recently completed financial year ended November 30, 2018 and whose total salary and bonus exceeds $150,000 and any additional individuals for whom disclosure would have been provided except that the individual was not serving as an officer of the Company at the end of the Company's most recently completed financial year.

Compensation Discussion and Analysis

At its present stage of development, the Company does not have any formal objectives, criteria and analysis for determining the compensation of its Named Executive Officers and primarily relies on the discussions and determinations of the board of directors. With a view to minimizing its cash expenditures not directed at the exploration of the Property, the emphasis in compensating the Named Executive Officers shall be the grant of incentive stock options under the Option Plan set forth below. The type and amount of future compensation to be paid to NEOs and directors has not been determined.

Option Based Awards

On December 14, 2018, the Company implemented the Option Plan in order to provide effective incentives to directors, officers, senior management personnel and employees of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Company's shareholders. The Company has no equity incentive plans other than the Option Plan. The size of stock option grants is dependent on each officer's level of responsibility, authority and importance to the Company and the degree to which such officer's long-term contribution to the Company will be key to its long-term success.

During the fiscal year ended November 30, 2018, the Company did not grant any Options to its NEOs.

Defined Benefit Plans

The Company does not have any defined benefit or actuarial plan.

Termination and Change of Control Benefits

The Company does not have any contracts, agreements, plans or arrangements in place with any NEOs that provides for payment following or in connection with any termination (whether voluntary, involuntary or constructive) resignation, retirement, a change of control of the Company or a change in an NEOs responsibilities.

Director Compensation

The Company does not have any arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts. As with the Named Executive Officers, the Board intends to compensate directors primarily through the grant of stock options and reimbursement of expenses incurred by such persons acting as directors of the Company.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Aggregate Indebtedness

Other than as disclosed herein and other than routine indebtedness, as that term is defined in paragraph 10.3(c) of Form 51-102F5 *Information Circular* ("Form 51-102F5"), no directors, executive officers and employees and no former directors, executive officers and employees of the Company are or were indebted to the Company in connection with a purchase of securities and all other indebtedness as at the date of this Prospectus.

Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs

Other than as disclosed herein, or other than routine indebtedness, as that term is defined in paragraph 10.3(c) of Form 51-102F5, no directors or executive officers of the Company, and associates of such directors or executive officers are or were indebted to the Company as at the date of this Prospectus.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Audit Committee

The Audit Committee's role is to act in an objective, independent capacity as a liaison between the auditors, management and the Board and to ensure the auditors have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations. NI 52-110, NI 41-101 and Form 52-110F2 require the Company, as an IPO venture issuer, to disclose certain information relating to the Company's audit committee and its relationship with the Company's independent auditors.

Audit Committee Charter

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

Composition of Audit Committee

The members of the Company's Audit Committee are:

Gurdeep Bains	Independent(1)	Financially literate(2)
Rana Vig	Not Independent(1)	Financially literate(2)
Norman Brewster	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 Company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. Mr. Vig is not independent, as Mr. Vig is the President and Chief Executive Officer of the Company.

(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 Company's financial statements.

Relevant Education and Experience

Each member of the Company's present Audit Committee has adequate education and experience that is relevant to his 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 Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

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

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

See "Directors and Executive Officers" for further details.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4, 6.1(4), (5), or (6) of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance 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 bought by the Company. 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

The fees billed by the Company's external auditors in each of the last two fiscal years for audit and non-audit related services provided to the Company or its subsidiaries (if any) are as follows:

Financial Year End	Audit Fees	Audit Related Fees(1)	Tax Fees(2)	All other Fees(3)
November 30, 2018	$5,500	Nil	Nil	Nil
November 30, 2017	$500	Nil	Nil	Nil

Notes:

(1) Fees charged for assurance and related services that are reasonably related to the performance of an audit, and not included under Audit Fees.
(2) Fees charged for tax compliance, tax advice and tax planning services.
(3) Fees for services other than disclosed in any other column.

Exemption

The Company has relied upon the exemption provided by section 6.1 of NI 52-110, which states that the Company, as an IPO Venture Issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations).

CORPORATE GOVERNANCE

General

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. NP 58-201 provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, NI 58-101 prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

Board of Directors

The Board facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board. The Board is comprised of three directors: Rana Vig, Gurdeep Bains, and Norman Brewster. As the size of the Board is small, the Board has no formal procedures designed to facilitate the exercise of independent supervision over management, relying instead on the integrity of the individual members of its management team to act in the best interests of the Company.

Mr. Vig is not independent as he is the Chief Executive Officer and President of the Company. Mr. Bains and Mr. Brewster are independent.

Directorships

Currently, the following directors are also directors of the following other reporting issuers:

Rana Vig	Norsemont Capital Inc., Jinhua Capital Corporation, Specialty Liquid Transportation Corp., Fireswirl Technologies Inc.
Norman Brewster	BWR Exploration Inc., Continental Precious Minerals Inc., Cadillac Ventures Inc.
Gurdeep Bains	Fireswirl Technologies Inc.

Orientation and Continuing Education

New Board members receive an orientation package which includes reports on operations and results, and any public disclosure filings by the Company, as may be applicable. Board meetings are sometimes held at the Company's offices and, from time to time, are combined with presentations by the Company's management to give the directors additional insight into the Company's business. In addition, management of the Company makes itself available for discussion with all Board members.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual 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 Company.

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 Company, this policy will be reviewed.

Compensation

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

Other Board Committees

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

Assessments

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

PLAN OF DISTRIBUTION

This Prospectus qualifies the distribution of 4,030,500 Special Warrant Shares to be distributed, without additional payment, upon the exercise or deemed exercise of 4,030,500 Special Warrants.

Pursuant to the Special Warrant Private Placement, the Company sold the Special Warrants at a price of $0.10 per Special Warrant. The Special Warrant Price was determined by negotiation between the Company and the investors. The Company completed the Special Warrant Private Placement in two tranches on the Closing Dates pursuant to exemptions from the prospectus requirements of applicable securities laws in accordance with subscription agreements between the Company and the purchasers of the Special Warrant. The gross proceeds of the Special Warrant Private Placement were $403,050. Each Special Warrant entitles the holder to acquire, without further payment, one Common Share and will automatically convert at 5:00 p.m. on the date that is the earlier of: (a) the third business day after the date on which a receipt for a final prospectus to qualify for distribution the Special Warrant Shares has been issued; and (b) one year from the First Closing Date.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities qualified for distribution hereunder within the United States or to U.S. persons (as such terms are defined in Regulation S under the United States Securities Act of 1933, as amended).

The securities distributed under this Prospectus have not been, and will not be, registered under the U.S. Securities Act, or any state securities laws, and except pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws, may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. Person. This Prospectus does not constitute an offer to sell or solicitation of an offer to buy any of the securities offered hereby within the United States.

Listing of Common Shares

The Company has applied to list its issued and outstanding Common Shares, under this Prospectus and all other Common Shares issuable as described in this Prospectus on the Exchange. Listing of the Company's Common Shares will be subject to the Company fulfilling all of the listing requirements of the Exchange. The Special Warrants will not be listed on the Exchange.

IPO Venture Issuer

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

RISK FACTORS

General

The Company is in the business of exploring and, if warranted, developing 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 significant portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective Subscribers should evaluate carefully the following risk factors associated with an investment in the Company's securities prior to purchasing any of the securities offered hereunder.

Limited Operating History

The Company has no history of earnings. There are no known commercial quantities of mineral reserves on any properties optioned by the Company. The purpose of the Offering is to raise funds to carry out exploration and, if thought appropriate, development with the objective of establishing economic quantities of mineral reserves. There is no guarantee that economic quantities of mineral reserves will be discovered on any properties optioned by the Company in the near future or at all. If the Company does not generate revenue, it may be unable to sustain its operations in which case it may become insolvent and you may lose your investment.

Speculative Nature of Mineral Exploration

Resource exploration 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 Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital. There is no assurance that the Company's mineral exploration activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company'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.

Financing Risks

The Company has no history of significant earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable. The Company has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is through the sale of its securities. Even if the results of exploration are encouraging, the Company 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 the properties owned by the Company. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of the property owned by the Company, there is no assurance that any such funds will be available. 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.

Property Interests

The Company does not own the mineral rights pertaining to the Property. Rather, it holds an option to acquire the mineral rights. There is no guarantee the Company will be able to raise sufficient funding in the future to explore and develop the Property so as to maintain its interests therein. If the Company loses or abandons its interest in the 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 Company, whether by way of option or otherwise, should the Company wish to acquire any additional properties. Unless the Company acquires additional property interests, any adverse developments affecting the Property could have a material adverse effect upon the Company and would materially and adversely affect any profitability, financial performance and results of operations of the Company.

If the Company cannot raise additional equity financing, then it may lose some or all of its interest in the Property

The Property is subject to the option agreement with Kode which requires the Company to make cash and share payments and incur expenditures in order to maintain its interest. The Company's ability to maintain an interest in the Property may be dependent on its ability to raise additional funds by equity financing. Failure to obtain additional financing may result in the Company being unable to make periodic payments and expenditures required for the maintenance or acquisition of these properties and could result in a delay or postponement of further exploration and the partial total loss of the Company's interest in these properties.

Commercial Ore Deposits

The Property is in the exploration stage only and is without a known body of commercial ore. Development of this property would follow only if favourable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

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 Company 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 Company.

Permits And Government Regulations

The future operations of the Company 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 Company 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 Property.

Environmental And Safety Regulations And Risks

Environmental laws and regulations may affect the operations of the Company. 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 Company 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 Company generally relies on recognized designers and development contractors from which the Company will, in the first instance, seek indemnities. The Company 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 Company's operations more expensive.

Key Person Insurance

The Company does not maintain key person insurance on any of its directors or officers, and as result the Company would bear the full loss and expense of hiring and replacing any director or officer in the event the loss of any such persons by their resignation, retirement, incapacity, or death, as well as any loss of business opportunity or other costs suffered by the Company from such loss of any director or officer.

Mineral Titles

The Company is satisfied that evidence of title to the Property is adequate and acceptable by prevailing industry standards with respect to the current stage of exploration on the Property. The Company may face challenges to the title the Property or subsequent properties it may acquire, which may prove to be costly to defend or could impair the advancement of the Company's business plan.

Aboriginal Title

Uncertainties about the resolution of aboriginal rights in British Columbia may affect the Company. On June 26, 2014, the Supreme Court of Canada (the "**SCC**") released a decision in *Tsilhqot'in Nation v. British Columbia* (the "**William Decision**"), pursuant to which the SCC upheld the First Nations' claim to Aboriginal title and rights over a large area of land in central British Columbia, including rights to decide how the land will be used, occupancy and economic benefits. The court ruling held that while the provincial government had the constitutional authority to regulate certain activity on aboriginal title lands, it had not adequately consulted with the Tsilhqot'in. The SCC also held that provincial laws of general application apply to land held under Aboriginal title if the laws are not unreasonable, impose no undue hardship, and do not deny the Aboriginal tile holders their preferred means of exercising their rights. The Company currently does not hold any properties in the area involved in the William Decision. The Company will continue to manage its operations within the existing legal framework while paying close attention to the direction provided by the Courts regarding the application of this ruling.

Fluctuating Mineral Prices

The Company's revenues in the future, if any, are expected to be in large part derived from the extraction and sale of precious and base minerals and metals, which in turn depend on the results of the Company's exploration on these properties and whether development will be commercially viable or even possible. Factors beyond the control of the Company 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 Company's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices.

Competition

The mining industry is intensely competitive in all its phases. The Company competes for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees with many companies possessing greater financial resources and technical facilities than the Company. The competition in the mineral exploration and development business could have an adverse effect on the Company's ability to hire or maintain experienced and expert personnel or acquire suitable properties or prospects for mineral exploration in the future.

Management

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

Negative Cash Flows From Operations

For the year ended November 30, 2018, the Company sustained net losses from operations and had negative cash flow from operating activities of $20,019. The Company continues to have negative operating cash flow. It is possible the Company may have negative cash flow in any future period and as a result, the Company may need to use available cash, including proceeds to fund any such negative cash flow.

Resale of Common Shares

The continued operation of the Company 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 Company is unable to generate such revenues or obtain such additional financing, any investment in the Company may be lost. In such event, the probability of resale of the Common Shares purchased would be diminished.

Community Groups

There is an ongoing level of public concern relating to the effects of mining on the natural landscape, on communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations (“NGOs”) who oppose resource development can be vocal critics of the mining industry. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company or its relationships with the communities in which it operates, which could have a material adverse effect on the Company’s business, financial condition, results of operations, cash flows or prospects.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in 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 Company in creating revenues, cash flows or earnings. The value of Common Shares distributed hereunder will be affected by such volatility. There is no public market for the Common Shares. An active public market for the Common Shares might not develop or be sustained after the Offering. The price of the Special Warrants has been determined by the Company and this price will not necessarily reflect the prevailing market price of the Common Shares following the 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 Special Warrant price.

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 Company. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the British Columbia *Business Corporations Act*. Some of the directors and officers of the Company 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 Company and their duties to the other companies on whose boards they serve, the directors and officers of the Company have agreed to the following:

- 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;

- No commissions or other extraordinary consideration will be paid to such directors and officers; and business opportunities formulated by or through other companies in which the directors and officers are involved will not be offered to the Company except on the same or better terms than the basis on which they are offered to third party participants.

Tax Issues

Income tax consequences in relation to the Common Shares will vary according to circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisers prior to investing in Common Shares of the Company.

Dividend

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

PROMOTER

Rana Vig may be considered to be the Promoter of the Company in that he took the initiative in organizing the business of the Company.

Other than as disclosed above, no person who was a Promoter of the Company:

1. received anything of value directly or indirectly from the Company;

2. sold or otherwise transferred any asset to the Company within the last 2 years;

3. is at of the date hereof, or was within 10 years before the date hereof, a director, CEO or CFO of any person or company that was the subject of a cease trade order or similar order or an order that denied the relevant person or company access to any statutory exemptions for a period of more than 30 consecutive days while that person was acting in the capacity as director, CEO or CFO;

4. is at of the date hereof, or was within 10 years before the date hereof, a director, CEO or CFO of any person or company that was the subject of a cease trade order or similar order or an order that denied the relevant person or company access to any statutory exemptions for a period of more than 30 consecutive days that was issued after the person ceased to be a director, CEO or CFO and which resulted from an event that occurred while the person was acting in the capacity as director, CEO or CFO;

5. is at of the date hereof, or was within 10 years before the date hereof, a director or executive officer of any person or company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the 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 or receiver manager or trustee appointed to hold its assets;

6. has, within 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the person;

7. has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority;

8. has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision; or

9. has within the past 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets.

LEGAL PROCEEDINGS

Legal Proceedings

The Company is not currently a party to any legal proceedings, nor is the Company currently contemplating any legal proceedings, which are material to its business. Management of the Company is not currently aware of any legal proceedings contemplated against the Company.

Regulatory Actions

From incorporation to the date of this Prospectus, management knows of no:

(i) penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority;

(ii) other penalties or sanctions imposed by a court or regulatory body against the Company necessary for the Prospectus to contain full, true and plain disclosure of all material facts relating to the securities being distributed; and

(iii) settlement agreements the Company entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as noted in this Prospectus, from incorporation on March 17, 2017 to the date of this Prospectus, none of the following persons or companies has had any material interest, direct or indirect, in any transaction which has materially affected or is reasonably expected to materially affect the Company:

(a) any director or executive officer of the Company;

(b) any person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of any class or series of the Company's outstanding voting securities; and

(c) any associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b).

AUDITORS

The auditor of the Company is Saturna Group Chartered Professional Accountants LLP, at Suite 1250, 1066 West Hastings Street, Vancouver, BC V6E 3X1 (“**Saturna**”).

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent of the Company is Odyssey Trust Company, at 323 – 409 Granville Street, Vancouver, BC V6C 1T2.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Company from incorporation on March 17, 2017 to the date of this Prospectus which are currently in effect and considered to be currently material:

1. The Registrar and Transfer Agent Agreement dated November 9, 2018;
2. The Escrow Agreement dated [●]; and
3. The Option Agreement with Kode dated October 15, 2018.

A copy of any material contract and the Technical Report may be inspected during normal business hours at the Company's registered offices at 6th Floor, 905 West Pender Street, Vancouver, BC, V6C 1L6.

EXPERTS

Names of Experts

The following persons or companies whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company are named in this Prospectus as having prepared or certified a report, valuation, statement or opinion in this Prospectus:

The Technical Report was prepared by Edward Harrington, B.Sc., P.Geo. Mr. Harrington has no interest in the Company, the Company's securities or the Property.

Saturna, auditor of the Company, who prepared the independent auditor's report on the Company's audited financial statements included in and forming part of this Prospectus, has informed the Company that it is independent of the Company within the meaning of the code of professional conduct of the Chartered Professional Accountants of British Columbia (“CPABC”).

Interests of Experts

Other than as disclosed herein, none of the persons set out under the heading "Experts – Names of Experts" have held, received or is to receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of its associates or affiliates when such person prepared the report, valuation, statement or opinion aforementioned or thereafter.

OTHER MATERIAL FACTS

Other than as disclosed in this Prospectus, there are no other material facts about the securities being distributed pursuant to this Offering that are not disclosed under any other items and are necessary in order for this Prospectus to contain full, true and plain disclosure of all material facts relating to the Common Shares to be distributed.

RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in the Province of British Columbia, Alberta, and Ontario provides purchasers 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 some provinces, the securities legislation further provides a purchaser with remedies for rescission, revisions of the price, or damages if this Prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser 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

Audited financial statements of the Company for the year ended November 30, 2018 and period ended November 30, 2017, are included in this Prospectus as Schedule "B".

SCHEDULE "A"

Audit Committee Charter

This Charter establishes the composition, the authority, roles and responsibilities and the general objectives of the Company's audit committee, or its Board of Directors in lieu thereof (the "Audit Committee"). The roles and responsibilities described in this Charter must at all times be exercised in compliance with the legislation and regulations governing the Company and any subsidiaries.

Composition

- *Number of Members*. The Audit Committee must be comprised of a minimum of three directors of the Company, a majority of whom will be independent. Independence of the board members will be as defined by applicable legislation.
- The members of the Committee will be appointed by the board of directors of the Company ("Board") annually at the first meeting of the Board following the annual meeting of the shareholders, to serve until the next annual meeting of shareholders or until their successors are duly appointed.
- *Chair*. If there is more than one member of the Audit Committee, members will appoint a chair of the Audit Committee (the "Chair") to serve for a term of one (1) year on an annual basis. The Chair may serve as the chair of the Audit Committee for any number of consecutive terms.
- *Financially Literacy.* All members of the audit committee will be financially literate as defined by applicable legislation. If upon appointment a member of the Audit Committee is not financially literate as required, the person will be provided with a period of three months to acquire the required level of financial literacy.

Meetings

- *Quorum*. The quorum required to constitute a meeting of the Audit Committee is set at a majority of members.
- *Agenda*. The Chair will set the agenda for each meeting, after consulting with management and the external auditor. Agenda materials such as draft financial statements must be circulated to all Audit Committee members for members to have a reasonable amount of time to review the materials prior to the meeting.
- *Notice to Auditors*. The Company's auditors (the "Auditors") will be provided with notice as necessary of any Audit Committee meeting, will be invited to attend each such meeting and will receive an opportunity to be heard at those meetings on matters related to the Auditor's duties.
- *Minutes*. Minutes of the Audit Committee meetings will be accurately recorded, with such minutes recording the decisions reached by the committee.

Roles and Responsibilities

The roles and responsibilities of the Audit Committee include the following:

<u>External Auditor</u>

The Audit Committee will:

A. *Selection of the external auditor*. Select, evaluate and recommend to the Board, for shareholder approval, the Auditor to examine the Company's accounts, controls and financial statements.

B. *Scope of Work*. Evaluate, prior to the annual audit by the Auditors, the scope and general extent of the Auditor's review, including the Auditor's engagement letter.

C. *Compensation*. Recommend to the Board the compensation to be paid to the external auditors.

D. *Replacement of Auditor*. If necessary, recommend the replacement of the Auditor to the Board of Directors.

E. *Approve Non-Audit Related Services*. Pre-approve all non-audit services to be provided by the Auditor to the Company or its subsidiaries.

F. *Direct Responsibility for Overseeing Work of Auditors*. Must directly oversee the work of the Auditor. The Auditor must report directly to the Audit Committee.

G. *Resolution of Disputes*. Assist with resolving any disputes between the Company's management and the Auditors regarding financial reporting.

<u>Consolidated Financial Statements and Financial Information</u>

The Audit Committee will:

H. *Review Audited Financial Statements*. Review the audited consolidated financial statements of the Company, discuss those statements with management and with the Auditor, and recommend their approval to the Board.

I. *Review of Interim Financial Statements*. Review and discuss with management the quarterly consolidated financial statements, and if appropriate, recommend their approval by the Board.

J. *MD&A, Annual and Interim Earnings Press Releases, Audit Committee Reports*. Review the Company's management discussion and analysis, interim and annual press releases, and audit committee reports before the Company publicly discloses this information.

K. *Auditor Reports and Recommendations*. Review and consider any significant reports and recommendations issued by the Auditor, together with management's response, and the extent to which recommendations made by the Auditor have been implemented.

<u>Risk Management, Internal Controls and Information Systems</u>

The Audit Committee will:

L. *Internal Control*. Review with the Auditors and with management, the general policies and procedures used by the Company with respect to internal accounting and financial controls. Remain informed, through communications with the Auditor, of any weaknesses in internal control that could cause errors or deficiencies in financial reporting or deviations from the accounting policies of the Company or from applicable laws or regulations.

M. *Financial Management*. Periodically review the team in place to carry out financial reporting functions, circumstances surrounding the departure of any officers in charge of financial reporting, and the appointment of individuals in these functions.

N. *Accounting Policies and Practices*. Review management plans regarding any changes in accounting practices or policies and the financial impact thereof.

O. *Litigation*. Review with the Auditors and legal counsel any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the consolidated financial statements.

P. *Other.* Discuss with management and the Auditors correspondence with regulators, employee complaints, or published reports that raise material issues regarding the Company's financial statements or disclosure.

Complaints

Q. *Accounting, Auditing and Internal Control Complaints*. The Audit Committee must establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters.

R. *Employee Complaints*. The Audit Committee must establish a procedure for the confidential transmittal on condition of anonymity by the Company's employees of concerns regarding questionable accounting or auditing matters.

Authority

- *Auditor*. The Auditor, and any internal auditors hired by the company, will report directly to the Audit Committee.

- *To Retain Independent Advisors*. The Audit Committee may, at the Company's expense and without the approval of management, retain the services of independent legal counsels and any other advisors it deems necessary to carry out its duties and set and pay the monetary compensation of these individuals.

Reporting

The Audit Committee will report to the Board on:

- the Auditor's independence;

- the performance of the Auditor and any recommendations of the Audit Committee in relation thereto;

- the reappointment and termination of the Auditor;

- the adequacy of the Company's internal controls and disclosure controls;

- the Audit Committee's review of the annual and interim consolidated financial statements;

- the Audit Committee's review of the annual and interim management discussion and analysis;

- the Company's compliance with legal and regulatory matters to the extent they affect the financial statements of the Company; and

- all other material matters dealt with by the Audit Committee.

SCHEDULE "B"

FINANCIAL STATEMENTS FOR THE YEAR ENDED NOVEMBER 30, 2018 AND THE PERIOD ENDED NOVEMBER 30, 2017

[See attached]

BLUE LAGOON RESOURCES INC.

(formerly BLUE LAGOON CAPITAL INC.)

FINANCIAL STATEMENTS

YEAR ENDED NOVEMBER 30, 2018 AND PERIOD ENDED NOVEMBER 30, 2017

(expressed in Canadian dollars)

SATURNA GROUP
CHARTERED PROFESSIONAL ACCOUNTANTS LLP
1066 West Hastings Street, Suite 1250
Vancouver, BC Canada V6E 3X1

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Blue Lagoon Resources Inc. (formerly Blue Lagoon Capital Inc.)

We have audited the accompanying financial statements of Blue Lagoon Resources Inc. (formerly Blue Lagoon Capital Inc.), which comprise the statements of financial position as at November 30, 2018 and 2017 and the statements of operations and comprehensive loss, changes in equity, and cash flows for the year ended November 30, 2018 and for the period from March 17, 2017 (date of incorporation) to November 30, 2017, and 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, 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 audits. We conducted our audits 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 the auditor's 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, the auditor considers 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 involves evaluating the appropriateness of the 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 audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Blue Lagoon Resources Inc. (formerly Blue Lagoon Capital Inc.) as at November 30, 2018 and 2017 and its financial performance and its cash flows for the year ended November 30, 2018 and for the period from March 17, 2017 (date of incorporation) to November 30, 2017, in accordance with International Financial Reporting Standards.

Emphasis of Matter

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

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

January xx, 2019

BLUE LAGOON RESOURCES INC.
(formerly BLUE LAGOON CAPITAL INC.)
STATEMENTS OF FINANCIAL POSITION
(expressed in Canadian dollars)

	Note		**November 30, 2018**		**November 30, 2017**
ASSETS					
Current assets					
Cash		$	333,292	$	261
Prepaid expenses			15,000		–
Total current assets			348,292		261
Non-current assets					
Exploration and evaluation assets	5		25,000		–
Total assets		**$**	**373,292**	**$**	**261**
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)					
Current liabilities					
Accounts payable and accrued liabilities		$	13,205	$	–
Due to related party			280		280
Total liabilities			13,485		280
Shareholders' equity (deficit)					
Share capital			20,020		20
Special warrants	7		358,050		–
Deficit			(18,263)		(39)
Total shareholders’ equity (deficit)			359,807		(19)
Total liabilities and shareholders’ equity (deficit)		**$**	**373,292**	**$**	**261**

Going concern (Note 1)
Subsequent event (Note 11)

Approved for issuance on behalf of the Board of Directors on January xx, 2019:

(Signed) Rana Vig Director

(Signed) Gurdeep Bains Director

BLUE LAGOON RESOURCES INC.
(formerly BLUE LAGOON CAPITAL INC.)
STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(expressed in Canadian dollars)

		For the year ended November 30, 2018		For the period from March 17, 2017 (date of incorporation) to November 30, 2017
Expenses				
Bank charges	$	315	$	39
Exploration and evaluation costs		4,704		–
Legal		13,205		–
Total expenses		18,224		39
Net loss and comprehensive loss	**$**	**(18,224)**	**$**	**(39)**
Basic and diluted loss per share	**$**	**(0.02)**	**$**	**(0.20)**
Weighted average number of common shares outstanding		**756,364**		**200**

(The accompanying notes are an integral part of these financial statements)

BLUE LAGOON RESOURCES INC.
(formerly BLUE LAGOON CAPITAL INC.)
STATEMENTS OF CHANGES IN EQUITY
(expressed in Canadian dollars)

	Share capital				
	Number of shares	**Amount**	**Special warrants**	**Deficit**	**Total shareholders' equity (deficit)**
Balance, March 17, 2017 (date of incorporation)	**200**	**$ 20**	**$ –**	**$ –**	**$ 20**
Net loss				(39)	(39)
Balance, November 30, 2017	**200**	**20**	**–**	**(39)**	**(19)**
Shares issued for cash	1,000,000	20,000	–	–	20,000
Special warrants issued for cash	–	–	358,050	–	358,050
Net loss	–	–	–	(18,224)	(18,224)
Balance, November 30, 2018	**1,000,200**	**$ 20,020**	**$ 358,050**	**$ (18,263)**	**$ 359,807**

(The accompanying notes are an integral part of these financial statements)

BLUE LAGOON RESOURCES INC.
(formerly BLUE LAGOON CAPITAL INC.)
STATEMENTS OF CASH FLOWS
(expressed in Canadian dollars)

	For the year ended November 30, 2018	For the period from March 17, 2017 (date of incorporation) to November 30, 2017
Operating activities		
Net loss	$ (18,224)	$ (39)
Changes in non-cash working capital:		
Prepaid expenses	(15,000)	–
Accounts payable and accrued liabilities	13,205	–
Net cash used in operating activities	**(20,019)**	**(39)**
Investing activities		
Acquisition of exploration and evaluation assets	(25,000)	–
Net cash used in investing activities	(25,000)	–
Financing activities		
Proceeds from related party advances	–	280
Proceeds from issuance of share capital	20,000	20
Proceeds from issuance of special warrants	358,050	–
Net cash provided by financing activities	378,050	300
Change in cash	333,031	261
Cash, beginning	261	–
Cash, ending	**$ 333,292**	**$ 261**

(The accompanying notes are an integral part of these financial statements)

1. NATURE OF OPERATIONS AND GOING CONCERN

Blue Lagoon Resources Inc. (formerly Blue Lagoon Capital Inc.) (the "Company") was incorporated under the British Columbia Business Corporations Act on March 17, 2017. On December 17, 2018, the Company changed its name from Blue Lagoon Capital Inc. to Blue Lagoon Resources Inc. The Company is in the business of acquiring, exploring, and evaluating mineral resource interests.

The address of the Company's corporate office and principal place of business is Suite 610, 700 West Pender Street, Vancouver, British Columbia.

These financial statements are prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of the business for the foreseeable future. The Company has an accumulated deficit of $18,263 since inception and expects to incur losses from operations for the foreseeable future. These conditions indicate the existence of material uncertainty, which casts significant doubt about the Company's ability to continue as a going concern. The continuing operations of the Company are dependent upon obtaining, in the short term, the necessary financing to meet the Company's operating and mineral property commitments as they come due and to finance future exploration and development of potential business acquisitions, economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, and upon future profitable production. Failure to continue as a going concern would require that assets and liabilities be recorded at their liquidation values, which might differ significantly from their carrying values. Such adjustments have not been included in these financial statements and could be material.

2. BASIS OF PREPARATION

Statement of Compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board.

Basis of Measurement

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Canadian dollars, which is also the Company's functional currency, unless otherwise indicated. The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

3. SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and Evaluation Expenditures

The cost of acquiring and maintaining the Company's interest in its exploration and evaluation assets are capitalized on a property-by-property basis pending determination of the technical feasibility and the commercial viability of the project. The capitalized costs are presented as either tangible or intangible exploration and evaluation assets according to the nature of the assets acquired. When a license is relinquished or a project is abandoned, the related costs are recognized in the statement of operations immediately.

Exploration and evaluation costs are expensed as incurred. Costs directly related to the acquisition are capitalized once the legal rights to explore the exploration and evaluation assets are acquired or obtained. When the technical and commercial viability of a mineral resource has been demonstrated and a development decision has been made, the capitalized costs of the related property are first tested for impairment, then transferred to mining assets and depreciated using the units of production method on commencement of commercial production.

Management reviews the carrying value of capitalized mineral property interests at least annually. The review is based on the Company's intentions for development of an undeveloped property. If a project does not prove viable, all unrecoverable costs associated with the project net of any previous impairment provisions are written off. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped property. Amounts shown for mineral property interests, net of write-downs and recoveries, are not intended to represent present or future values.

Income Taxes

Income tax expense comprises current and deferred income tax. Current tax and deferred tax are recognized in the statement of operations, except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable income or loss.

Recognition of deferred tax assets for unused tax losses, tax credits, and deductible temporary differences is restricted to those instances where it is probable that future taxable income will be available against which the deferred tax asset can be utilized. At the end of each reporting year, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Decommissioning Liabilities

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities and may from time to time incur decommissioning liabilities and the associated retirement costs related to site reclamation and abandonment. The fair value of the liability for a decommissioning liability is recorded when it is incurred and the corresponding increase to the asset is depreciated over the life of the asset. The liability is increased over time to reflect an accretion element considered in the initial measurement at fair value.

Financial Instruments

(i) Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss when the financial asset is held for trading or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if: (i) it has been acquired principally for the purpose of selling in the near future; (ii) it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as fair value through profit or loss are stated at fair value with any gain or loss recognized in the statement of operations. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. Cash is classified as fair value through profit or loss.

Held-to-maturity investments

Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as held-to-maturity investments.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

(i) Non-derivative financial assets (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to the statement of operations. The Company does not have any assets classified as available-for-sale financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. The Company does not have assets classified as loans and receivables.

Impairment of financial assets

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to the statement of operations in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as amounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of operations.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

(i) Non-derivative financial assets (continued)

Impairment of financial assets (continued)

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of available-for-sale equity securities, impairment losses previously recognized through the statement of operations are not reversed through the statement of operations. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

(ii) Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: accounts payable and accrued liabilities, and amount due to related party.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

(iii) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based Compensation

The grant date fair value of share-based payment awards granted to employees is recognized as stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

Earnings (Loss) Per Share

Basic earnings (loss) per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all “in the money” stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive.

Accounting Standards Issued But Not Yet Effective

Certain new standards, interpretations, and amendments to existing standards have been issued by the IASB or International Financial Reporting Interpretations Committee that are mandatory for fiscal years beginning on or after January 1, 2018.

- Amended standard IFRS 2, “Share-based Payment” – is effective for annual periods beginning on or after January 1, 2018

- New standard IFRS 9, “Financial Instruments” – is effective for annual periods beginning on or after January 1, 2018

- New standard IFRS 15, “Revenue from Contracts and Customers” – is effective for annual periods beginning on or after January 1, 2018

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Standards Issued But Not Yet Effective (continued)

- New standard IFRS 16, "Leases" – is effective for annual periods beginning on or after January 1, 2019

The Company is evaluating the impact of these new or amended standards on its financial statements. The impact is not expected to have a material impact on the statements of financial position or results of operations of the Company.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both. Information about critical estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below.

Estimates

<u>Income taxes</u>

Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities. In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable income will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Estimates (continued)

Economic recoverability and probability of future economic benefits of exploration and evaluation assets

Management has determined its exploration and evaluation assets, which have been recognized on the statement of financial position, are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geological data, scoping studies, accessible facilities, and existing and future permits.

Judgments

Title to exploration and evaluation assets

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing historical characteristic of many properties. The Company has investigated title to its mineral properties and, to the best of its knowledge title to all of its properties is in good standing. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Going Concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgments of management with respect to assumptions surrounding the short- and long-term operating budget, expected profitability, investing and financing activities, and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

5. EXPLORATION AND EVALUATION ASSETS

		Lac Gainsmoor Gold Project
Acquisition costs		
Balance, March 17, 2017 (date of incorporation) and November 30, 2017	$	–
Payment		25,000
Balance, November 30, 2018	$	25,000

5. EXPLORATION AND EVALUATION ASSETS (continued)

On October 15, 2018, the Company entered into an option agreement whereby the Company has the right to earn a 100% interest in the Lac Gainsmoor Gold Project located in Quebec, Canada. To earn the 100% interest, the Company is obligated to do the following:

- Payment of $25,000 within 5 days of execution of the agreement (paid)
- Issuance of 200,000 common shares of the Company within 5 business days of the Canadian Securities Exchange ("CSE") bulletin giving notice that the shares have been approved for listing on the CSE.
- Incur exploration expenditures of $150,000 within 14 months of having the shares approved for listing on the CSE.
- Payment of $25,000 within 14 months of having the shares approved for listing on the CSE.
- Issuance of 500,000 common shares to the optionor within 14 months of having the shares approved for listing on the CSE.
- Incur additional exploration expenditures of $700,000 within 28 months of having the shares approved for listing on the CSE.
- Payment of $100,000 within 28 months of having the shares approved for listing on the CSE.
- Issuance of 750,000 common shares to the optionor within 28 months of having the shares approved for listing on the CSE.

If the CSE approval of the Company's listing is later than May 1, 2019, the Company is required to pay an additional $25,000 on or before May 5, 2019.

The optionor retains a 1% net smelter royalty interest.

6. SHARE CAPITAL

Authorized: Unlimited number of common shares without par value

On February 27, 2018, the Company issued 1,000,000 common shares pursuant to a private placement at a price of $0.02 per share for proceeds of $20,000. Included in this issuance were 333,367 common shares issued to the President of the Company for proceeds of $6,667.

On March 17, 2017, the Company issued 200 common shares to the Company's founder at a price of $0.10 per share for proceeds of $20.

7. SPECIAL WARRANTS

On November 30, 2018, the Company issued 3,580,500 special warrants at a price of $0.10 per special warrant for proceeds of $358,050. This included proceeds of $17,000 from the President of the Company, $43,000 from the spouse of the President of the Company, and $12,000 from immediate family members of the President of the Company. Each special warrant is exercisable at any time without additional consideration into one common share by the subscriber. All unexercised special warrants will deem to be exercised on the earlier of: (i) the 3rd business day after the day on which the Company receives a receipt for a final prospectus and (ii) November 30, 2019.

(expressed in Canadian dollars)

8. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue its business objectives. Therefore, the Company monitors the level of risk incurred in its expenditures relative to its capital structure. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the operation of the Company.

The Company considers its capital structure to include shareholders' equity. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the potential underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favorable terms.

9. FINANCIAL INSTRUMENTS AND RISKS

Fair values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at November 30, 2018 as follows:

	Fair value measurements using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, November 30, 2018 $
Cash	333,292	–	–	333,292

The fair values of other financial instruments, which include accounts payable and accrued liabilities, and amount due to related party, approximate their carrying values due to the relatively short-term maturity of these instruments.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. As at November 30, 2018, the Company had cash of $333,292 to settle current liabilities of $13,205. The Company intends to finance future requirements from its existing cash reserves together with share issuances, the exercise of options and/or warrants, debt or other sources. There can be no certainty of the Company's ability to raise additional financing through these means.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to meet their payment obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

(expressed in Canadian dollars)

9. FINANCIAL INSTRUMENTS AND RISKS (continued)

Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at November 30, 2018, the Company does not have any interest-bearing loans or liabilities outstanding. All accounts payable and accrued liability balances as at November 30, 2018 are current and as such, are not subject to interest.

Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

10. INCOME TAXES

The reconciliation of the provision for income taxes at the federal statutory rate compared to the Company's income tax expense as reported is as follows:

		For the year ended November 30, 2018		For the period from March 17, 2017 (date of incorporation) to November 30, 2017
Net loss	$	(18,224)	$	(39)
Statutory rate		26.92%		26%
Expected income tax expense (recovery)		(4,906)		(10)
Tax effect of:				
Change in enacted tax rates		(15)		–
Change in unrecognized deferred income tax assets		4,921		10
Income tax provision	**$**	–	**$**	–

The significant components of deferred income tax assets at November 30, 2018 and 2017 are as follows:

		November 30, 2018		November 30, 2017
Non-capital losses carried forward	$	3,661	$	10
Resource pools		1,270		–
Unrecognized deferred income tax assets		(4,931)		(10)
	$	–	**$**	–

(expressed in Canadian dollars)

10. INCOME TAXES (continued)

As at January 31, 2018, the Company has non-capital losses carried forward of $13,559, which are available to offset future years' taxable income. These losses expire as follows:

2037	$	39
2038		13,520
	$	13,559

The Company also has available mineral resource related expenditure pools totaling $29,704 which may be deducted against future taxable income on a discretionary basis.

The potential future tax benefits of these expenses and losses carried-forward have not been reflected in these financial statements due to the uncertainty regarding their ultimate realization. Tax attributes are subject to review, and potential adjustment by tax authorities.

11. SUBSEQUENT EVENT

Subsequent to November 30, 2018, the Company issued 450,000 special warrants at a price of $0.10 per special warrant for proceeds of $45,000. Each special warrant is exercisable at any time without additional consideration into one common share by the subscriber. All unexercised special warrants will deem to be exercised on the earlier of: (i) the 3rd business day after the day on which the Company receives a receipt for a final prospectus and (ii) November 30, 2019.

SCHEDULE “C”

MANAGEMENT’S DISCUSSION & ANALYSIS

[See attached]

BLUE LAGOON RESOURCES INC.
(formerly Blue Lagoon Capital Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended November 30, 2018 and For the Period from March 31, 2017 (Date of Incorporation) to November 30, 2017

This Management's Discussion and Analysis ("MD&A") of Blue Lagoon Resources Inc. (formerly Blue Lagoon Capital Inc.) ("Blue Lagoon" or the "Company"), prepared as of January 15, 2019, should be read in conjunction with the financial statements and the notes thereto for the year ended November 30, 2018 and the period from March 17, 2017 (date of incorporation) to November 30, 2017 which were prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise indicated.

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding future results of operations, performance and achievements of the Issuer. The Issuer has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect" and similar expressions. The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Issuer to differ materially from those expressed in, or implied by, these statements.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

DESCRIPTION OF BUSINESS

The Company was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (British Columbia) on March 17, 2017.

The Company is in the business of acquiring, exploring and evaluating mineral resource interests.

The address of the Company's corporate office and principal place of business is Suite 610, 700 West Pender Street, Vancouver, British Columbia.

EXPLORATION PROJECTS

Lac Gainsmoor Gold Project

On October 15, 2018, the Company entered into an option agreement whereby the Company has the right to earn a 100% interest in the Lac Gainsmoor Gold Project located in Quebec, Canada. To earn the 100% interest, the Company is obligated to do the following:

- Payment of $25,000 upon execution of the agreement (paid)
- Issuance of 200,000 shares of the Company within 5 business days of a Canadian Securities Exchange ("CSE") bulletin giving notice that the shares have been approved for listing on the CSE.
- Incur expenditures of $150,000 within 14 months of having the shares approved for listing on the CSE.
- Payment of $25,000 within 14 months of having the shares approved for listing on the CSE.
- Issue 500,000 shares to the Optionor within 14 months of having the shares approved for listing on the CSE.
- Incur additional expenditures of $700,000 within 28 months of having the shares approved for listing on the CSE.
- Payment of $100,000 within 28 months of having the shares approved for listing on the CSE.
- Issue 750,000 shares to the Optionor within 28 months of having the shares approved for listing on the CSE.

(Expressed in Canadian dollars).

If the CSE approval of the Company's listing is later than May 1, 2019, the Company is required to pay an additional $25,000 on or before May 5, 2019.

The Optionor retains a 1% net smelter royalty interest.

	$
Acquisition Costs:	
Balance, November 30, 2017	–
Additions	25,000
Balance, November 30, 2018	25,000

RESULTS OF OPERATIONS

For the year ended November 30, 2018, the Company had a net loss of $18,224.

PRIVATE PLACEMENTS

Share Issuances

On February 27, 2018, the Company issued 1,000,000 common shares pursuant to a private placement at a price of $0.02 per share for proceeds of $20,000. Included in this issuance were 333,367 common shares issued to the President of the Company for proceeds of $6,667.

On March 17, 2017, the Company issued 200 shares to the Company's founders at a price of $0.10 per share for proceeds of $20.

Special Warrants

On November 30, 2018, the Company issued 3,580,500 special warrants at a price of $0.10 per special warrant for proceeds of $358,050. This included proceeds of $17,000 from the President of the Company, $43,000 from the spouse of the President of the Company, and $12,000 from immediate family members of the President of the Company. Each special warrant is exercisable at any time without additional consideration into one common share by the subscriber. All unexercised special warrants will deem to be exercised on the earlier of: (i) the 3rd business day after the day on which the Company receives a receipt for a final prospectus and (ii) November 30, 2018.

(Expressed in Canadian dollars).

SELECTED ANNUAL INFORMATION

The following is a summary of the Company's financial results for the most recently completed periods.

	Year ended November 30, 2018 $	Period from March 31, 2017 (date of incorporation) to November 30, 2017 $
Total revenues	–	–
Net loss	(18,224)	(39)
Net loss per share, basic and diluted	(0.02)	(0.19)
Total assets	373,292	261

The net loss for the year ended November 30, 2018 consisted of bank charges of $315, exploration and evaluation asset costs of $4,704 and legal fees of $13,205.

The net loss for the period from March 31, 2017 (date of incorporation) to November 30, 2017 consisted of bank charges of $39.

SUMMARY OF QUARTERLY RESULTS

A summary of selected information for each of the eight most recent quarters is as follows:

	Net	Net Loss	
Three Months Ended	Revenues ($)	Total ($)	Per Share ($)
2018-November 30	-	(18,224)	(0.02)
2018-August 31	-	nil	(0.00)
2018-May 31	-	nil	(0.00)
2018-February 28	-	nil	(0.00)
2017-November 30	-	(39)	(0.20)
2017-Augsut 31	-	nil	(0.00)
2017-May31	-	nil	(0.00)

RESULTS OF OPERATIONS

For the year ended November 30, 2018, the Company had a net loss of $18,224 (period ended November 30, 2017 - $39) which is composed of bank charges of $315 (period ended November 30, 2017 - $39), exploration and evaluation costs of $4,704 and legal fees of $13,205.

The results of operations for the fourth quarter of the year ended November 30, 2018 were the same as the results of operations for the fiscal year ended November 30, 2018.

LIQUIDITY AND CAPITAL RESOURCES

As at November 30, 2018, the Company had cash of $333,292 (2017 - $261). As at November 30, 2018, the Company had working capital of $334,807 (2017 – deficit of $19).

Total assets were $373,292 as at November 30, 2018 (2017 - $261). The increase of the assets was mainly due to the cash proceeds received from the private placements during the year ended November 30, 2018.

As at November 30, 2018, total liabilities were $13,485 (2017 - $280). The variation was primarily the result of accounts payable and accrued liabilities which are usually paid as and when they become due during the year ended November 30, 2018.

The Company may have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

Year ended November 30, 2018:

Operating activities

For the year ended November 30, 2018, the Company's operating activities used cash of $20,019 (2017 - $39) which is composed of net loss of $18,224 and changes in non-cash working capital of $1,795 including increase of prepaid expenses of $15,000 and increase of accounts payable and accrued liabilities of $13,205.

Investing activities

For the year ended November 30, 2018, the Company used cash of $25,000 (2017 - $nil) for exploration and evaluation of asset expenditures.

Financing activities

For the year ended November 30, 2018, the Company was provided cash of $378,050 by financing activities from proceeds from the private placements. For the comparative period, the Company was provided cash of $300 from financing activities.

The Company has no operating revenues and therefore must utilize its income from financing transactions to maintain its capacity to meet ongoing operating activities.

The Company has minimal debt and its credit and interest rate risk is minimal. Accounts payable and accrued liabilities and due to related parties are short-term and non-interest-bearing.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue its business objectives. Therefore, the Company monitors the level of risk incurred in its expenditures relative to its capital structure. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the operation of the Company.

The Company considers its capital structure to include shareholders' equity. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the potential underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favorable terms.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Certain new standards, interpretations, and amendments to existing standards have been issued by the IASB or International Financial Reporting Interpretations Committee that are mandatory for accounting periods beginning after January 1, 2018, or later periods.

- Amended standard IFRS 2, "Share-based Payment" – is effective for annual periods beginning on or after January 1, 2018
- New standard IFRS 9, "Financial Instruments" – is effective for annual periods beginning on or after January 1, 2018
- New standard IFRS 15, "Revenue from Contracts and Customers" – is effective for annual periods beginning on or after January 1, 2018
- New standard IFRS 16, "Leases" – is effective for annual periods beginning on or after January 1, 2019

The Company is evaluating the impact of these new or amended standards on its financial statements. The impact is not expected to have a material impact on the statements of financial position or results of operations of the Company.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

FINANCIAL INSTRUMENTS AND RISKS

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at November 30, 2018 as follows:

(Expressed in Canadian dollars).

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, November 30, 2018 $
Cash	333,292	–	–	333,292

The fair values of other financial instruments, which include accounts payable and accrued liabilities, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. As at November 30, 2018, the Company had cash of $333,292 to settle current liabilities of $13,485. The Company intends to finance future requirements from its existing cash reserves together with share issuances, the exercise of options and/or warrants, debt, or other sources. There can be no certainty of the Company's ability to raise additional financing through these means.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to meet their payment obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at November 30, 2018, the Company does not have any interest-bearing loans or liabilities outstanding. All accounts payable and accrued liability balances as at November 30, 2018 are current and as such, are not subject to interest.

Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

ADDITIONAL DISCLOSURE FOR COMPANIES WITHOUT SIGNIFICANT REVENUE

An analysis of material components of the Company's general and administrative expenses is disclosed in the financial statements for the year ended November 30, 2018 and period ended November 30, 2017 to which this MD&A relates.

DISCLOSURE OF OUTSTANDING SHARE DATA

Share Capital

As at January 15, 2019, the Company had 1,000,200 shares issued and outstanding.

Special Warrants

As at January 15, 2019, the Company had 4,030,050 special warrants issued and outstanding with each special warrant exercisable at a price of $0.10 for one common share of the Company.

Stock Options

As at January 15, 2019, the Company had no stock options outstanding.

OTHER

Additional disclosures pertaining to the Company's material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.

SUBSEQUENT EVENT

Subsequent to November 30, 2018, the Company issued 450,000 special warrants at a price of $0.10 per special warrant for proceeds of $45,000. Each special warrant is exercisable at any time without additional consideration into one common share by the subscriber. All unexercised special warrants will deem to be exercised on the earlier of: (i) the 3rd business day after the day on which the Company receives a receipt for a final prospectus and (ii) November 30, 2019.

CERTIFICATE OF THE COMPANY

Date: January 15, 2019

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, Alberta, and Ontario.

/s/ Rana Vig	/s/ Carmelo Marrelli
Rana Vig President, Chief Executive Officer and Director	Carmelo Marrelli Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

/s/ Gurdeep Bains	/s/ Norman Brewster
Gurdeep Bains Director	Norman Brewster Director

CERTIFICATE OF THE PROMOTER

Date: January 15, 2019

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, Alberta, and Ontario.

/s/ Rana Vig

Rana Vig
Promoter