

**LISTING STATEMENT  
FORM 2A**

**ARCTIC FOX VENTURES INC.**

**June 2, 2021**

## NOTE TO READER

This Listing Statement contains a copy of the final non-offering prospectus of Arctic Fox Ventures Inc. (the “**Issuer**”) dated May 27, 2021 (the “**Prospectus**”), which is attached as Schedule A hereto. Certain sections of the Canadian Securities Exchange (the “**CSE**”) form of Listing Statement have been included following the Prospectus to provide additional disclosure about the Issuer required by the CSE.

All capitalized terms not defined in this Listing Statement have the meanings given to them in the Prospectus.

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**Schedule A**  
**Final Non-Offering Prospectus dated May 27, 2021**  
**(See attached)**

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

*This Prospectus does not constitute a public offering of securities.*

## PROSPECTUS

**Non-Offering Prospectus**

**May 27, 2021**

### ARCTIC FOX VENTURES INC.

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No securities are being offered pursuant to this Prospectus

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This prospectus (the “**Prospectus**”) is being filed with the British Columbia Securities Commission and the Ontario Securities Commission to enable Arctic Fox Ventures Inc. (the “**Company**”) to become a reporting issuer pursuant to applicable securities legislation in British Columbia and Ontario notwithstanding that no sale of its securities is contemplated herein.

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

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

The Company has applied to list its Common Shares on the CSE. The CSE has conditionally approved the listing of the Common Shares. The listing is subject to the Company fulfilling all the listing requirements of the CSE.

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

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

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

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

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## PROSPECTUS SUMMARY

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

**The Company:** The Company was incorporated under the laws of the Province of British Columbia on February 19, 2013 under the name “Arctic Fox Interactive Ltd.” On November 23, 2020, the Company changed its name to “Arctic Fox Ventures Inc.” The Company does not have any subsidiaries.

**Business of the Company:** The Company is a junior mining exploration company. Its initial focus is to conduct the proposed exploration program on the Spius Property located in the Nicola and New Westminster Mining Divisions, British Columbia, as more particularly set out in the Technical Report, and to continue to identify and potentially acquire additional property interests, assess their potential and engage in exploration activities. The Company has an option to acquire 60% right, title and interest in and to the Spius Property and to enter into a joint venture arrangement with the optionor for the purpose of proceeding with the continued exploration and, if warranted, development of the Spius Property, subject to a 3% net smelter return royalty payable following the commencement of commercial production on the Spius Property and payments and share issuances payable by the Company with respect to the Spius Property under the Option Agreement. The joint venture will be entitled to purchase 0.5% of the royalty by paying \$1,500,000 in accordance with the Option Agreement.

Prior to entering the mining industry, the Company conducted business as a technology company focused on mobile gaming. However, the Company has no plans to develop of the technology side of the business and ultimately intends to divest the technology-related assets over the next 12 months.

See “*Description of the Business*”.

**Listing:** The Company has applied to list its Common Shares on the CSE. The CSE conditionally approved the listing of the Common Shares. The listing is subject to the Company fulfilling all of the requirements of the CSE.

<b>Directors and Management:</b>	Harry Chew	Chief Executive Officer, President and Director
	Sonny Chew	Chief Financial Officer, Secretary and Director
	Eddy Siu	Director

Terrance Owen                      Director

Gerald George Carlson            Director

See “*Directors and Executive Officers*”.

**Risk Factors:** Investment in the Company involves a substantial degree of risk and must be regarded as highly speculative due to the proposed nature of the Company’s business and its present stage of development. Prospective investors should carefully consider, in addition to matters set forth elsewhere in this Prospectus, the risks described under “*Risk Factors*”, which are summarized below:

- The Company has no operating history or revenue which would permit you to judge the probability of its success.
- The Company is subject to risks inherent in the establishment of a new business enterprise.
- Mining operations involve significant financial risk and capital investment. There can be no assurance that the Company will be able to obtain the necessary financing in a timely manner, on acceptable terms or at all.
- The Company may not be successful in managing its growth and the Company may fail as a result.
- The Company may experience an inability to attract or retain qualified personnel.
- If you purchase Common Shares of the Company in an offering, you may experience dilution.
- Future sales of Common Shares by existing shareholders could cause the share price to fall.
- The Company may not be able to obtain or renew licenses or permits that are necessary to its operations.
- There can be no assurance that the Company’s business and strategy will enable it to become profitable or sustain profitability in future periods.
- The Company’s business operations are exposed to a high degree of risk inherent in the mining sector.
- The Company’s input costs can be impacted by changes in factors including market conditions, government policies, exchange rates, inflation rates and commodity prices, which are unpredictable and outside the control of the Company.
- While the Company will be hiring independent contractors who will

obtain the necessary insurance to address certain risks in such amounts as the Company considers to be reasonable, such insurance has limitations on liability that may not be able to cover all potential liabilities and may not continue to be available or may not be adequate to cover any resulting liability.

- The Company's information technology systems are subject to disruption, damage or failure from a number of sources, including, but not limited to, computer viruses, security breaches, natural disasters, power loss and defects in design. This may result in a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.
- Legal proceedings may arise from time to time in the course of the Company's business.
- The Company relies on outside parties whose work may be negligent, deficient or not completed in a timely manner.
- The Company may experience significant fluctuations in its quarterly and annual results of operations for a variety of reasons, many of which are outside of the Company's control.
- During the fiscal year ended June 30, 2020, the Company had negative cash flow from operating activities.
- The Company may be subject to potential conflicts of interest.
- The Company's projects may be adversely affected by risks outside the control of the Company.
- There can be no assurance that variations on the CSE will not affect the price of the Company's securities in the future and that the price of the Common Shares will not decrease after listing on the CSE.
- The market price of a publicly traded stock is affected by many variables, including the availability and attractiveness of alternative investments and the breadth of public market for the stock.
- There can be no guarantee that an active and liquid trading market will develop or be maintained, the failure of which may have a material adverse effect on the value of the Common Shares and the ability of an investor to dispose of the Common Shares in a timely manner, or at all.
- Economic and geopolitical uncertainty may negatively affect the business of the Company or its portfolio companies.
- As a reporting issuer, the Company will be subject to reporting requirements under applicable securities law and stock exchange policies which may divert management's attention from other

business concerns, which could harm the Company's business.

- The officers and directors of the Company currently hold a significant number of the Common Shares.
- The Company operates in a volatile industry which is sensitive to economic conditions.
- There can be no assurance that the Company will be able to compete effectively with other companies in and out of its peer group.
- The failure by the Board and/or management to use available funds effectively could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.
- The Company's projects now or in the future may be adversely affected by risks outside the control of the Company.
- The Company's operations may be significantly impacted by changes in the price of copper.
- The Company's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of precious metals.
- The Company's properties may now or in the future be the subject of native land claims.
- All phases of the Company's exploration and mining operations will be subject to environmental regulation.
- Failure to comply with environmental regulation could adversely affect the Company's business.
- Land reclamation requirements may be burdensome.
- Failure to comply with federal, provincial and/or local laws and regulations could adversely affect the Company's business.
- There is no assurance that the Company has been or will at all times be in full compliance with all laws and regulations or hold, and be in full compliance with, all required health and safety permits.
- There can be no guarantee that the interest of the Company in its properties is free from title defects.
- Infrastructure required to carry on the Company's business may be affected by unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure.
- Due to the speed with which the COVID-19 situation is developing and the uncertainty of its magnitude, outcome and duration, it is not possible to estimate its impact on the Company's business, operations

or financial results; however, the impact could be material.

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

**Summary of  
Financial  
Information:**

The following selected financial information has been derived from and is qualified in its entirety by the audited financial statements of the Company for the years ended June 30, 2019 and 2020 and the unaudited financial statements for the nine month period ended March 31, 2021 and notes thereto included in this Prospectus and should be read in conjunction with such financial statements and related notes thereto, along with the MD&A included in this Prospectus. All financial statements are prepared in accordance with IFRS.

	<b>Nine months ended March 31, 2021  (unaudited)</b>	<b>Year ended June 30, 2020  (audited)</b>	<b>Year ended June 30, 2019  (audited)</b>
Revenue	Nil	Nil	Nil
Expenses	\$79,822	\$98,021	\$39,120
Other expense	Nil	Nil	\$730,376
Net loss	(\$79,822)	(\$98,021)	(\$769,496)
Net loss per share	Nil	Nil	(\$0.06)
Total assets	\$281,702	\$232,156	\$99,627
Total liabilities	\$1,568	\$2,200	\$14,800

See “*Business of the Company*” and “*Financial Statements*”.

**Use of  
Available  
Funds:**

As at April 30, 2021, the Company had approximately \$273,500 of working capital available. The primary business objectives and milestones that the Company hopes to achieve through use of these funds include completing Phase 1 of the proposed exploration program as set out in the Technical

Report, and fulfilling cost requirements relating to the Company’s application to list the Common Shares on the CSE. Specifically, the anticipated uses of the Company’s estimated available funds available over the next 12 months, as well as the anticipated timelines for achieving certain business objectives in respect of such activities (where applicable), are set out in the table below

The table below sets out the expected principal purposes for which such funds will be used.

<b>Principal Purposes:</b>	
<b>Available Funds</b>	<b>\$273,500</b>
To pay the estimated cost of Phase I of the recommended exploration program as outlined in the Technical Report	\$150,000
Property Payment	\$30,000
Prospectus and CSE listing costs	\$10,000 <sup>(1)</sup>
Transfer agent fees, exchange fees, SEDAR fees and audit fees	\$10,000
Operating expenses for 12 months	\$72,000 <sup>(2)</sup>
Unallocated working capital	\$1,500 <sup>(3)</sup>
<b>Estimated Total Funds Used:</b>	<b>\$273,500</b>

Notes:

- (1) Costs include exchange fees, legal fees and other costs relating to listing of the Common Shares on the CSE. The Company hopes that these costs will be incurred by May 2021.
- (2) Estimated operating expenses include rent (\$18,000), utilities (\$6,000), insurance (\$2,000), transfer agent fees (\$6,000), audit fees (\$10,000), office and admin (\$6,000) legal fees (\$12,000), SEDAR fees (\$2,500) and travel and promotion (\$9,500). Of these amounts, the Company anticipates paying \$1,500 plus GST per month for rent and administration payments to Pacific Paragon Capital Group Ltd., a company controlled by Harry Chew, the Company’s Chief Executive Officer, President and a director. The Company currently anticipates compensating executive officers through the issuance of stock options and as a result, no fees have been allocated to payment to executive officers over the next 12 months and none are anticipated at this time.
- (3) This amount will be used in part for additional exploration expenditures as necessary, and general working capital.

See “*Use of Available Funds*”

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



## GLOSSARY

1. “**Associate**” When used to indicate a relationship with a person or company, means:
  - a. an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of the issuer from the time being outstanding;
  - b. any partner of the person or company;
  - c. any trust or estate in which such person or company has a substantial beneficial interest or as to which such person or company serves as trustee or in a similar capacity;
  - d. any relative of that person who resides in the same home as that person;
  - e. any person who resides in the same home as that person and to whom that person is married or with whom that person is living in a conjugal relationship outside marriage; or
  - f. any relative of a person mentioned in clause (e) who has the same home as that person.
2. “**BCBCA**” means the *Business Corporations Act (British Columbia)*.
3. “**Board**” means the board of directors of the Company.
4. “**Common Shares**” means the class A common shares without par value in the share capital of the Company.
5. “**Company**” means Arctic Fox Ventures Inc., a corporation incorporated pursuant to the laws of the province of British Columbia.
6. “**CSE**” or “**Exchange**” means the Canadian Securities Exchange.
7. “**Escrow Agent**” means Odyssey Trust Company.
8. “**insider**” if used in relation with an issuer, means:
  - a. a director or officer of the issuer;
  - b. a director or officer of the company that is an insider or subsidiary of the issuer;

- c. a person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or
  - d. the issuer itself if it holds any of its own securities.
9. “**Listing**” means the proposed listing of the Common Shares on the CSE for trading.
10. “**MD&A**” means the management’s discussion and analysis of the Company for the year ended June 30, 2020 and the nine month period ended March 31, 2021.
11. “**Spius Property**” means the Spius mineral property in the Nicola and New Westminster Mining Divisions, British Columbia, 40 km southwest of Merritt and 10 km east-northeast of Boston Bar comprising of seven mineral claims covering 2,205.5 hectares.
12. “**Technical Report**” means the technical report entitled “Technical Report for the Spius Project New Westminster **and** Nicola Mining Divisions, British Columbia, Canada” dated effective March 15, 2021. The Technical Report was prepared by Gordon Gibson, P. Geo.
13. “**Transfer Agent**” means Odyssey Trust Company.

## FORWARD-LOOKING INFORMATION

This Prospectus contains certain information that may constitute “forward-looking information” and “forward-looking statements” (collectively “**forward-looking statements**”) which are based upon the Company’s current internal expectations, estimates, projections, assumptions and beliefs. Such statements can be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “anticipate”, “aim”, “estimate”, “intend”, “plan”, “seek”, “believe”, “potential”, “continue”, “is/are likely to” and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions “may” or “will” happen. Actual results and developments may differ materially from those contemplated by these statements. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance or other statements that are not statements of fact. The forward-looking statements included in this Prospectus are made only as of the date of this Prospectus. Forward-looking statements in this Prospectus include, but are not limited to, statements relating to:

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

Forward-looking statements are not a guarantee of future performance and are based upon a number of estimates and assumptions of management of the Company, in light of management’s experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, as of the date of this Prospectus, including, without limitation, the following:

- the Company's Common Shares being listed on the CSE;
- the costs associated with the preparation and filing of this Prospectus, as well as with respect to listing of the Company's Common Shares on the CSE;
- management's general expectations concerning the mining industry and estimates relating to this industry prepared by management using data from publicly available industry sources as well as from market research and industry analysis, and assumptions based on data and knowledge of this industry and user base which management believe to be reasonable;
- the impact of potential competition on the Company; and
- the Company's anticipated future cash flows and costs, and their effect on the Company's ability to achieve its stated business objectives.

Although the Company believes that the assumptions and expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. Many assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct. The Company's forward-looking statements are expressly qualified in their entirety by this cautionary statement. A number of factors could cause actual events, performance or results to differ materially from what is projected in the forward-looking statements. Furthermore, such forward-looking statements involve a variety of known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, performance or achievements of the Company to be materially different from any future plans, intentions, activities, results, performance or achievements express or implied by such forward-looking information. These risks include, but are not limited to, the risks outlined under the heading "*Risk Factors*" in this Prospectus.

The purpose of forward-looking statements is to provide the reader with a description of management's expectations, and such forward-looking statements may not be appropriate for any other purpose. Undue reliance should not be placed on forward-looking statements contained in this Prospectus. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

## **CORPORATE STRUCTURE**

The Company was incorporated under the laws of the Province of British Columbia on February 19, 2013 as "Arctic Fox Interactive Ltd." On November 6, 2020, a special meeting of the shareholders of the Company was held and a resolution to change the Company's business from a technology company involved in the development of mobile gaming to a mining company initially engaged in mineral exploration was approved. On November 23, 2020, the Company changed its name to "Arctic Fox Ventures Inc." The head office and registered and records office

of the Company is located at 905-1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3.

As at the date of this Prospectus, the Company has no subsidiaries.

## **BUSINESS OF THE COMPANY**

### **General Description of the Business**

The Company is a junior mining exploration company. Its current focus is to conduct the proposed exploration program on the Spius Property in the province of British Columbia as more particularly set out in the Technical Report, along with continuing to identify and potentially acquire additional property interests, assess their potential and engage in exploration activities. Should the Spius Property not be deemed viable, the Company shall explore opportunities to acquire interests in other properties.

### **Change in Business**

The Company has historically been a developer of mobile gaming. The Company attempted to create a commercial version of its developing technologies; however, the successful commercialization has not taken place. Further, the Board of the Company reached a determination that recent and significant global economic developments have created geopolitical circumstances that will result in commercially attractive mining opportunities becoming available to management teams with experience and resources. These opportunities will potentially allow the Company to deliver shareholder value to shareholders over the next 3-5 years and the Company intends to use its cash position and management experience to find mining operations that will combine low cost, long life production in politically safe jurisdictions. In light of these recent global economic developments and the fact that the Company has not yet successfully commercialized its technologies, the Board concluded that it was in the best interest of the Company to complete a change of business to become a mining issuer and seek commercial projects in that sector. The change of business was subsequently approved by the shareholders of the Company on November 6, 2020. The principal reason for the change of business was to acquire the Property so that the Company can operate as a mining issuer and seek a listing on the CSE.

The Company has no current plans to develop of the technology side of the business and ultimately intends to divest the technology-related asset over the next 12 months. Specifically, the Company intends to look for a buyer for the entire game (including the source code and all other related assets). If the Company is not able to do so, it will seek to sell the game in parts.

### **Mining Exploration**

Due to the Company's management team's experience and resources, certain attractive mining opportunities have been made available to the Company. The opportunities will potentially allow the Company to deliver shareholder value over the next three to five years by using the Company's cash position and management experience to find suitable exploration projects in politically safe jurisdictions.

On October 20, 2020, the Company entered into a mineral property option agreement (the "**Option Agreement**") whereby the Company has the right to earn a 60% interest in certain mineral claims located in the Nicola and New Westminster Mining Districts in British Columbia, Canada.

To earn this interest, the Company is to make cash payments totalling \$60,000, issue a total of 1,000,000 common shares, and incur exploration expenditures on the property aggregating \$550,000 as follows:

- Cash consideration to be paid as follows:
  - a) \$15,000 to be paid within 5 business days of the Company being listed on the TSX Venture Exchange or the CSE (the "**Listing Date**");
  - b) a further \$15,000 on or before December 31, 2021; and
  - c) a further \$30,000 on or before December 31, 2022.
- Common shares to be issued as follows:
  - a) 200,000 shares within 10 days of the Listing Date;
  - b) a further 200,000 shares on or before December 31, 2021; and
  - c) a further 600,000 shares on or before December 31, 2022.
- Exploration expenditures to be incurred as follows:
  - a) \$150,000 on or before December 31, 2021; and
  - b) \$550,000 in the aggregate on or before December 31, 2022

### ***Employees and other Service Providers***

As of the date of this Prospectus, the Company currently has no employees, and will hire independent contractors to carry out Phase I of the recommended exploration program as outlined in the Technical Report, as well as a Chief Executive Officer and Chief Financial Officer who are engaged as independent contractors. These contractors are engaged on an as needed basis, and they are paid upon completion of each task.

### ***Competitive Conditions***

The Company competes with other entities in the search for and acquisition of mineral properties. As a result of this competition, the majority of which is with companies with greater financial resources, the Company may be unable to acquire attractive properties in the future on terms it considers acceptable. The Company also competes for financing with other resource companies, many of whom have more advanced properties. There is no assurance that additional capital or other types of financing will be available to the Company if needed or that, if available, the terms of such financing will be favourable to the Company. See “*Risk Factors*”.

### **Company’s History Over the Last Two Years**

The Company was previously a technology company that focused on the development and potential subsequent commercialization of apps in the mobile gaming industry, and has one game currently developed, “After, the Lawless” (“**After**”). However, the Company has no current plans to develop of the technology side of the business and ultimately intends to divest the technology-related assets.

Over the past two years, the Company has been primarily focused on refining its initial gaming app, After, developing its internal team and external network of contractors and consultants, and raising capital for ongoing operations and future development including the formal launch of After.

To date, the Company has spent \$355,561 on developing its initial game, which is comprised of the following expenses:

Consulting	\$121,721
Software Development	\$204,252
Content	\$22,034
Server / Hosting	\$7,554
<b>Total</b>	<b>\$355,561</b>

Most of these costs (\$325,215) were incurred in financial years of the Company ending on or before June 30, 2017, as it was during this time that the primary development of the game was conducted. Since that time, the Company has incurred lower costs due to limited resources and, while costs during this period have been incurred in the same general areas as noted above, they have been more focused on refining the game and conducting research to explore other areas of interest relating to the game.

In particular, the Company had conducted research on and had begun some initial exploration into the possibility of integrating blockchain technology into its existing game, as well as fine-tuning and working through “bugs” in the game. The Company had engaged developers to study how the blockchain technology functions, and examine some of the available programming languages currently available. However, the Company has not yet integrated blockchain technology into its existing game and there is currently no definitive timeline for doing so. The purpose of the prior research activities was to explore the possibilities of integration into the Company’s game and to research where the technology was at that point, in order to find viable and realistic integration points. Specifically, this research involved an examination of how the technology worked, possible integration points into the Company’s iPhone App, the speed of the network, the costs involved, and potential pitfalls. This included spending time changing internal code to make this possible. A proof of concept was created, but the blockchain technology was still at a relatively early stage of development at the time and it was not feasible to implement it then in a manner that would be viable for the Company.

Now that the Company has changed its business to a mineral exploration focused company, it anticipates conducting Phase I of its exploration program as described under the heading “*Use of Available Funds*” below.

Since June 30, 2019, the Company has continued to focus on developing its management team and raising capital to fund its operations and continued business objectives.

In July 2019, the Company issued 3,500,000 Common Shares through a non-brokered private placement financing at a price of \$0.05 per Common Share, for proceeds of \$175,000.

The Company appointed Harry Chew as Chief Executive Officer and Sonny Chew as Chief Financial Officer on July 4, 2019. Harry Chew and Sonny Chew are brothers. On the same date, the Company appointed two new directors, Eddy Siu and Terrance Owen.

On March 26, 2020, the Company issued 1,700,000 Common Shares through a non-brokered private placement at a price of \$0.10 per Common Share, for proceeds of \$170,000.

On December 22, 2020, the Company issued 1,300,000 Common Shares through a non-brokered private placement at a price of \$0.10 per Common Share, for proceeds of \$130,000.

On December 29, 2020 the Company appointed Gerald George Carlson as a director.

**MINERAL PROJECT - TECHNICAL REPORT  
ON THE SPIUS PROPERTY**



## **Current Technical Report**

The Technical Report relating to the Spius Property is titled “Technical Report for the Spius Project New Westminster and Nicola Mining Divisions, British Columbia, Canada” and is dated effective March 15, 2021. The author of the Technical Report is Gordon Gibson, P. Geo., an independent consulting geologist and member in good standing of the Association of Professional Engineers and Geoscientists of British Columbia.

## **SUMMARY**

### **Introduction**

Arctic Fox Ventures Inc. (“Arctic Fox”) retained Gordon Gibson, P. Geo. to produce a National Instrument 43-101 Technical Report (or the “Report”) for the Spius Project (“Spius” or the “Property”) in British Columbia, Canada. This Report was prepared for Arctic Fox to satisfy CSE disclosure requirements related to Arctic Fox’s option to acquire up to a 60% interest in the Spius project from Pacific Ridge Exploration Ltd. (“Pacific Ridge”) as described in Section 4.0.

This represents the first NI 43-101 Report on the Property, summarizing work performed up to October 31, 2020.

### **Property Description and Location**

The Property is in southwestern British Columbia, approximately 10 km east-northeast of Boston Bar and 40 km southwest of Merritt, BC, in the New Westminster and Nicola Mining Divisions. The Property comprises 7 mineral claims covering 2,205.5 ha. Pacific Ridge is the recorded owner of a 100% interest in the claims while the beneficial owners are John A. Chapman (25%), Gerald G. Carlson (25% - held on behalf of KGE Management Ltd.), Christopher R. Paul (25%) and Michael A. Blady (25%).

Under the terms of an agreement dated October 22, 2020 Arctic Fox has an option to acquire up to a 60% interest in the Spius copper porphyry project from Pacific Ridge. The agreement is subject to regulatory approval. The Property is subject to underlying royalties of 3% of net smelter returns.

### **Geological Setting and Mineralization**

The Property lies within the Eagle Plutonic Complex. Rocks within the Property are mainly biotite granodiorite, with younger feldspar porphyry and quartz-feldspar porphyry intruded by felsic and lamprophyre dikes. The Copper Zone, in the central part of the Property, is defined by a strong copper soil geochemical anomaly, with associated anomalous molybdenum, with a surrounding

pyritic alteration zone. Although the Copper Zone is mainly till covered, mineralization has been observed mainly in float and occasionally in outcrop and includes secondary copper minerals, including malachite and azurite, locally chalcopyrite in stockwork veins and disseminations and minor molybdenite.

### **Exploration**

Arctic Fox has not carried out exploration on the Property.

Historical exploration dates to the 1960's, when Orequest Exploration Syndicate (1969), Murray Mining (1969), Arrow Inter-America (1970), Brascan Resources (1971 and 1974) and Canadian Occidental Petroleum (1976) explored the claims. Work during this period included geological mapping, soil sampling, IP and EM geophysical surveys, road building, trenching and drilling (10 percussion drill holes and 12 diamond drill holes), all less than 100 m depth. Unfortunately, the data from most of this work was not recorded in assessment reports and has now been lost.

In 2019, Pacific Ridge completed a four-hole, 1,087 m diamond drilling program to test the Copper Zone. Holes were targeted to test the strongest soil geochemical values, guided by the 2018 IP survey results. The 2019 drill program confirmed the presence of porphyry style mineralized system associated with a porphyritic biotite granodiorite in the upper or northern part of the Copper Zone. Mineralization occurs mainly within the foliated biotite granodiorite, but both mineralization and alteration are spatially associated with the porphyritic granodiorite, which appears to be syn-mineralization and likely the causative intrusion. The biotite latite porphyry occurs within the porphyritic granodiorite, appears to be co-magmatic, but it is unmineralized and therefore post-mineral.

In 2020, Pacific Ridge exposed high-grade mineralization (the High Grade Zone) in bedrock approximately 150 m north and upslope from the 2019 drilling, and collected 11 rock samples including 3 from the High Grade Zone. The high-grade copper mineralization was noted to occur in a porphyry unit that cut the Eagle Granodiorite and was in turn cut by a pegmatitic unit. Two (2) samples from the porphyry unit graded 6,420 ppm (0.642%) Cu and 3,570 ppm (0.357%) Cu while one (1) sample from the adjacent unmineralized Eagle Granodiorite graded 139.5 ppm (0.014%) Cu.

Expenditures by Pacific Ridge since acquiring the Property in 2018 have amounted to \$317,850.

### **Conclusions and Recommendations**

The best intersection from the 2019 Pacific Ridge diamond drilling program occurred at the bottom of hole SP-19-03, drilled at the northern end of the Copper Zone. It encountered 51.8 m averaging .099% Cu from 224.3 to 273 m, including 39.0 m at .113% Cu from 237-276 m. The distribution of

mineralization and alteration in the 2019 drill holes suggests that the potential for higher grade mineralization lies at depth and to the north, associated with the porphyritic granodiorite.

Ongoing exploration is recommended in 2 phases:

**Phase 1.** An initial program of 550 m of drilling to test beneath the High-Grade Zone and at depth, to the north of all previous drill holes. Total Budget \$150,000.

**Phase 2.** Contingent on success in Phase 1, a second phase of geological mapping, prospecting, soil sampling and up to 2,500 m of drilling. Total Budget \$678,250.

## INTRODUCTION

Arctic Fox has retained Gordon Gibson, P.Geo., to produce a National Instrument 43-101 Technical Report (“NI43-101 Report” or the “Report”) for the Spius Project in the New Westminster and Nicola Mining Divisions of British Columbia, Canada (the “Property”). This NI43-101 Report was prepared for Arctic Fox to satisfy CSE disclosure requirements related to Arctic Fox’s option to acquire up to a 60% interest in the Spius project from Pacific Ridge as described below in Section 4.0. The Report is written in compliance with disclosure and reporting requirements set forth in the Canadian Securities Administrators’ National Instrument 43-101, “Standards of Disclosure for Mineral Projects”.

This NI43-101 Report is based on information contained in publicly available assessment reports filed with the British Columbia Ministry of Energy, Mines and Petroleum Resources (BCMEMP), professional opinions from first-hand experience at the Property, data compilations as well as unpublished reports provided by Arctic Fox. A complete list of references is provided at the end of this Report.

All map coordinates are given as North American Datum 1983 (NAD83), UTM zone 10N coordinates in meters or Latitude / Longitude. Other abbreviations and units used in this report are provided in Table 0.1.

*Table 0.1: Abbreviations and units*

Abbreviations		Units of Measure	
C	Celsius	\$	Canadian dollar
CSE	Canadian Securities Exchange	cm	centimetre
Cu	Copper	g/t	grams/tonne
DDH	Diamond Drill Hole	ha	hectare
EM	Electromagnetics	kg	kilogram

FSR	Forest Service Road	km	kilometre
GSC	Geological Survey of Canada	km <sup>2</sup>	square kilometres
IP	Induced Polarization	m	metre
Mo	Molybdenum	mm	millimetre
MTO	Mineral Titles Online	mV/V	millivolt per volt
NAD	North American Datum	nT	nanotesla
NI 43-101	National Instrument 43-101	oz/ton	troy ounce per short ton
NSR	Net Smelter Return	ppb	part per billion
NTS	National Topographic System	ppm	part per million
ppm	parts per million	t	Metric tonne
QA	Quality Assurance		
QC	Quality Control		
RQD	Rock Quality Designation		
UTM	Universal Trans Mercator		

### **Scope of Work**

The purpose of this NI43-101 Report is to provide information relating to the Spius project. The scope includes the general setting, geology, exploration history, and historical drilling activity along with recommendations for ongoing exploration.

At the time of report writing, Arctic Fox has not conducted any exploration on the Property.

### **Qualifications of Project Team**

Gordon Gibson, P.Geo., is the qualified person (QP) responsible for all sections of this report.

### **Site Visit**

A site visit was completed on September 23, 2020 and is described further in Section 0.

### **RELIANCE ON OTHER EXPERTS**

For section 4.0, the author has relied on Mr. Harry Chew, President & CEO of Arctic Fox, for terms of their underlying agreement with Pacific Ridge and how that ties into tenure ownership, as detailed in an October 22, 2020, press release authored by Mr. Harry Chew (Arctic Fox, 2020). Also, for section 4.0, Mr. Harry Chew has communicated to the author that Arctic Fox is unaware of any environmental liabilities for the Property. The author has not relied on a report, opinion, or statement of an expert for other information concerning legal, political, environmental, or other issues.

## PROPERTY DESCRIPTION AND LOCATION

### Land Tenure

The Property is in southwestern British Columbia (Figure 4.1), approximately 10 km east-northeast of Boston Bar and 40 km southwest of Merritt, BC, in the New Westminster and Nicola Mining Divisions. The Property is centered at approximately 49°55'05" N latitude and 121°16'01" W longitude on NTS map sheet 92H/14. The Property comprises 7 mineral claims covering 2,205.5 ha. Pacific Ridge is the recorder owner of a 100% interest in the claims while the beneficial owners are John A. Chapman (25%), Gerald G. Carlson (25% - held on behalf of KGE Management Ltd.), Christopher R. Paul (25%) and Michael A. Blady (25%) (the “Vendors”) (Table 4.1 and Figure 4.2).

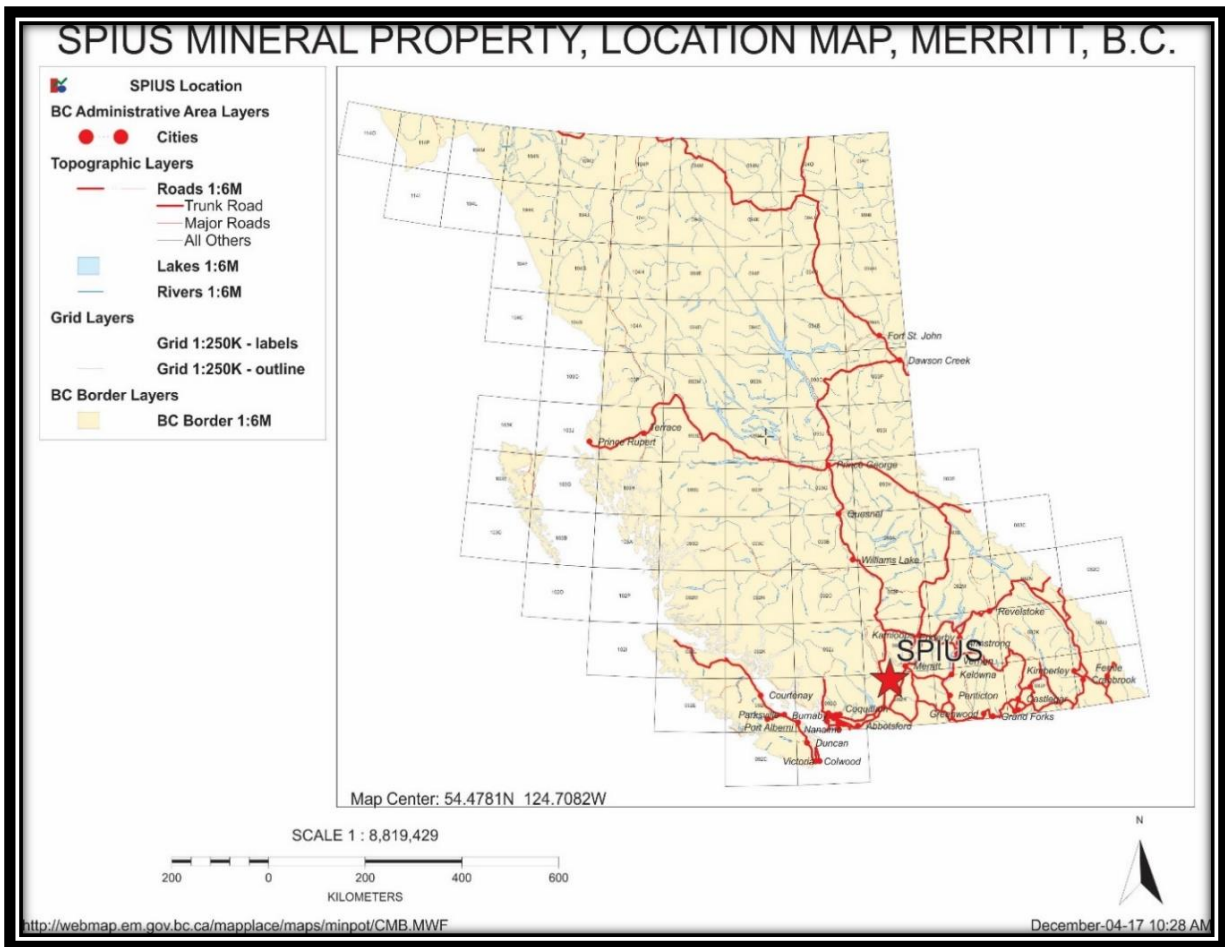


Figure 0.1 Spius Project location map. Source: Carlson (2019).

*Table o.1 Mineral tenure for the Spius property. Source: Mineral Titles Online.*

<b>Number</b>	<b>Name</b>	<b>Owner</b>	<b>NTS</b>	<b>Good to Date</b>	<b>Area (ha)</b>
1040680	SPIUS15C	Pacific Ridge Exploration Ltd.	092H	2029/DEC/31	270.47
1040681	SPIUS15B	Pacific Ridge Exploration Ltd.	092H	2029/DEC/31	312.02
1040682	SPIUS15A	Pacific Ridge Exploration Ltd.	092H	2029/DEC/31	249.58
1041084	SPIUS15D	Pacific Ridge Exploration Ltd.	092H	2029/DEC/31	249.71
1042505	SPIUS16A	Pacific Ridge Exploration Ltd.	092H	2029/DEC/31	332.80
1044594	SPIUS16B	Pacific Ridge Exploration Ltd.	092H	2029/DEC/31	686.91
1065095	SPIUS18A	Pacific Ridge Exploration Ltd.	092H	2028/DEC/31	104.01
				<b>Total</b>	<b>2205.50</b>

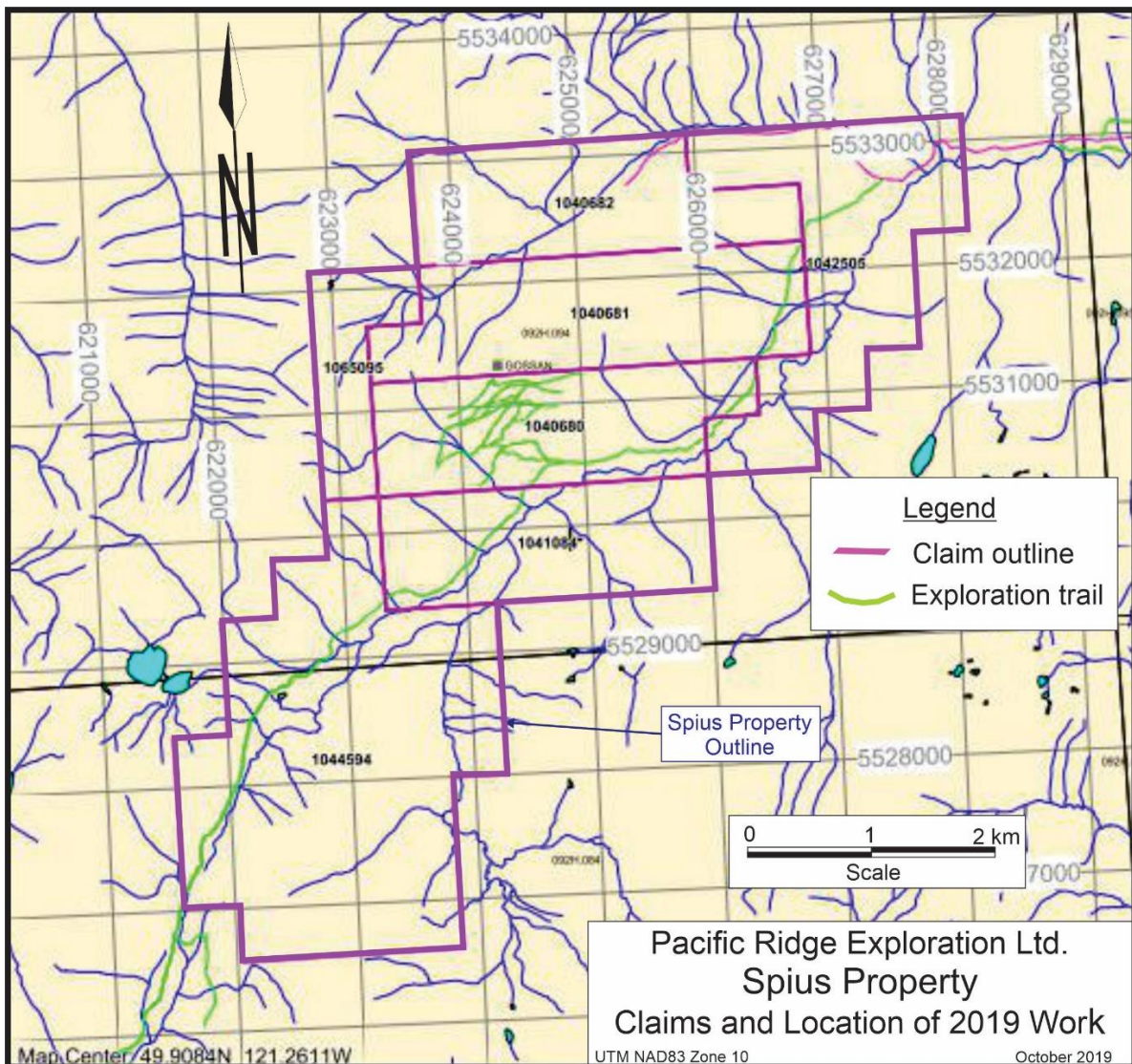


Figure 0.2 Spius land tenure map. Source: Carlson (2019).

On January 16, 2017 and as amended December 12, 2019 and September 23, 2020, the Vendors signed an agreement with Bruce and Patricia Bried (the “Brieds”) whereby the Brieds could earn a 100% interest in the Property, subject to a 2% NSR, half of which can be purchased for \$1.5 million, by making payments of \$100,000 and completing \$400,000 in exploration by December 31, 2021.

On April 27, 2018 and as amended December 12, 2019 and September 23, 2020, Pacific Ridge signed an agreement with the Brieds whereby Pacific Ridge could earn a 100% interest in the Property, subject to a 1% NSR, half of which can be purchased for \$1.5 million, by making payments

of \$110,000, issuing 1,400,000 shares and completing \$825,000 in exploration by December 31, 2021.

On October 22, 2020 Arctic Fox signed an earn-in agreement with Pacific Ridge to acquire up to a 60% interest in the Property by making cash payments of \$50,000, issuing 1,000,000 shares and completing \$550,000 in exploration expenditures on the Property by December 31, 2022 and subject to the 3% in underlying royalties. Pacific Ridge has a multi-year area-based exploration permit, MX-4-726, for 5 years of work on the Property, expiring October 11, 2023. Pacific Ridge has paid a \$12,500 reclamation bond. A provision of the exploration permit requires engagement with local First Nations communities. Since January 03, 2018, Pacific Ridge has been in ongoing consultation with the Coldwater Indian Band (CIB), Boston Bar Indian Band (BBIB) and Lower Nicola Indian Band (LNIB) regarding exploration of the Spius property.

Arctic Fox is unaware of any environmental liabilities or any other risks that may prevent them from carrying out future work.

## **ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE, PHYSIOGRAPHY**

### **Accessibility**

The Property is accessed from Merritt by heading southeast on Coldwater Road for 25 km and then west onto Patchett Road, a ranch road which ends at kilometer 11 and becomes the Spius Creek FSR, which is also the boundary of cellular service. At kilometer 25 of the Spius Creek FSR, a right turn is made over a bridge, followed by an immediate left onto the deactivated final section of the Spius Creek FSR, which continues for another 8.4 km, where it forks upon entering the Property. A right turn at the fork traverses the northern section of the claim block, while a left continues along the north side of Spius Creek to the Copper Zone, becoming heavily overgrown with alder and willow bushes for 8.5 km across the entire length of the Property. Several kilometers of brush were cleared on either side of the road in 2016, making enough room for a 4x4 truck to pass through. A bulldozer trail traverses north across the area of historical work up from the Spius Creek FSR. This trail was cleared for drill access in 2019 and has been reclaimed.

### **Local Resources and Infrastructure**

The Property is well located, with excellent infrastructure and local resources in the nearby service center of Merritt. Merritt is 87 km by road from the mining and industrial centre of Kamloops and 271 km by road from Vancouver.



There is no camp site on the property. Accommodations for the 2019 program were found at a cabin on the Coldwater Ranch, 35 km by road from the Property.

Surface rights over the Property are mostly owned by the Crown and administered by the Government of BC and would be available for any eventual mining operation. The project area has abundant water and water rights could be obtained for milling. It is still too early to determine potential tailings storage areas, potential waste disposal areas, and potential processing plant sites.

### **Climate**

The climate is characterized by warm summers with temperatures ranging from 10° C to 25° C and cold winters typically in the -10 o C to -15 o C range. The claims are situated just west of the interior rain shadow, and as such receive abundant precipitation carrying over from the Coast Mountains.

### **Physiography**

Geographically, the claims lie along the eastern edge of the Pacific Coastal Mountains. Elevations range from 1100 m at Spius Creek to 1,840 m at the highest point in the headwaters. The claims are centered on Spius Creek, with the mineral showings situated on a moderately steep south facing slope. Most rock outcroppings are limited to higher elevations and creek drainages. Seasonal exploration surveys can commence from about early June and normally end by late October.

The project area lies within the transition zone between the rugged Coast Mountains to the west and the rolling Interior Plateau physiographic province to the east. Relief is moderate on the claims, generally less than 600 m, with a mean elevation of 1400 masl. Topography is dominated by rocky ridges, which transition downward into colluvium-covered slopes, with alluvium-filled valley bottoms.

## **HISTORY**

**1968** - Orequest Exploration Syndicate (“Orequest”) optioned the Property from prospectors Clayton (Slim) Powney and John E. Nott and carried out trenching, geophysical and geochemical surveys, geological mapping and five diamond drill holes. Mapping revealed widespread mineralization containing appreciable pyrite along with some chalcopyrite and lesser chalcocite and molybdenite. Assays of the soil samples for copper and molybdenum showed sizeable parallel anomalous zones extending down the sidehill (Allen, 1969) with very high values up to 7,000 ppm Cu (George, 1976). The diamond drill holes were in the center of the Property, mostly

within a feldspar porphyry intrusion, mostly within a pyritic gossan near the top of the copper soil anomaly. Results of the drilling were not made available; however, a later Property File reports that DDH#2 intersected good mineralization in the bottom 60 ft (18.3 m), with the last 8 ft (2.43 m) ending in 0.42% Cu (Allen, 1969).

**1969** - Murray Mining improved and re-located a portion of the access road from Merritt and constructed over 8 miles of new road to connect with logging roads leading into Boston Bar. In addition, trenches and switchback roads on the Property were cleared and extended. An electromagnetic survey was completed over part of the area, defining a 1700-foot-long conductor striking north 65 degrees east on the southwest side of Canyon Creek. The field distortion was strong and interpreted to be the result of sulphide mineralization at shallow depth. Ten percussion holes were drilled to a maximum depth of 300 ft to the east of Canyon Creek, with the closest hole being 400 ft (122 m) north and 200 ft (61 m) higher than the EM conductor zone (Figure 6.1). Each hole contained considerable pyrite; however, no significant copper-molybdenum mineralization was intersected (Allen, 1969).

**1970** – Arrow Inter-America Corporation conducted an IP survey which revealed that most of the rocks underlying the grid to a depth of 300 ft (91.5 m) contain 1-3% by volume of sulphide minerals. Observed chargeability values range from 1.0 to in excess of 30.0 milliseconds (ms). Most of the survey area exhibited chargeability responses in excess of 10.0 ms (Figure 6.1), which is a moderate chargeability level by normal standards. It was concluded that since the increased chargeability responses are so widespread, that it was difficult to recommend targets for further investigation based on the geophysical results alone (Fominoff, and Baird, 1970). A 1976 report by Canadian Occidental Petroleum Ltd. indicates that Arrow Inter-America also conducted a magnetometer and soil geochemical survey and geologically mapped the area, however the results are not available (George, 1976)

**1971** – Brascan Resources Limited (“Brascan”) drilled 7 diamond drill holes on the Property, the results of which are not available, nor discussed in any later reports. The collar locations are shown on a 1974 compilation map by Brascan. They appear to have been drilled on a 500 m grid pattern.

**1974** – Brascan Resources Limited carried out 8,400 ft (2,560 m) of road work and 6,300 ft (1,920 m) of trenching. The road cuts and trenches tested an alluvium covered area having a coincident magnetic high, chargeability low, greater than 500 ppm Cu soil anomaly and a molybdenum soil anomaly. Mapping of the trenches found that better copper mineralization is associated with pink feldspar and quartz veining. Alteration minerals including secondary muscovite, biotite, quartz and feldspars were noted (Gannon, 1974).

**1976** – Canadian Occidental Petroleum Ltd. spent two days collecting approximately 100 soil

and stream sediment samples, as well as examining outcrops on the Property. The geochemical results corresponded quite well with Orequest's prior survey, returning values of up to 2,970 ppm Cu and 230 ppm Mo. Contouring of the values delineated an area of 2,000 ft (610 m) by 1,500 ft (457 m) of greater than 500 ppm Cu in the central part of the grid, surrounding an area of 2,000 ft (610 m) by 400 ft (122 m) of greater than 1,000 ppm Cu, open to the south (see Figure 6.1). Nine stream sediment samples returned values from 120 to 3,600 ppm Cu, with 5 values of greater than 1,000 ppm Cu. The conclusions of the 1976 report were that further work should be concentrated in the central area, bearing the large high value Cu soil geochemical anomaly and strong sericite alteration, as all the historic drilling had been focused outside of this zone (George, 1976). No further work however was conducted by Canadian Occidental on the Spius claims.

**2012** – J.T. Shearer staked the area covering the Spius Property and collected 40 soil samples at 15 m spacing for 600 m along the Spius Creek FSR, below the central copper anomaly described above by Canadian Occidental. The results again confirmed the presence of very high copper values and extended the anomaly to the south, with up to 4,640 ppm Cu and 20 ppm Mo. Most samples were over 500 ppm Cu (Shearer, 2012).

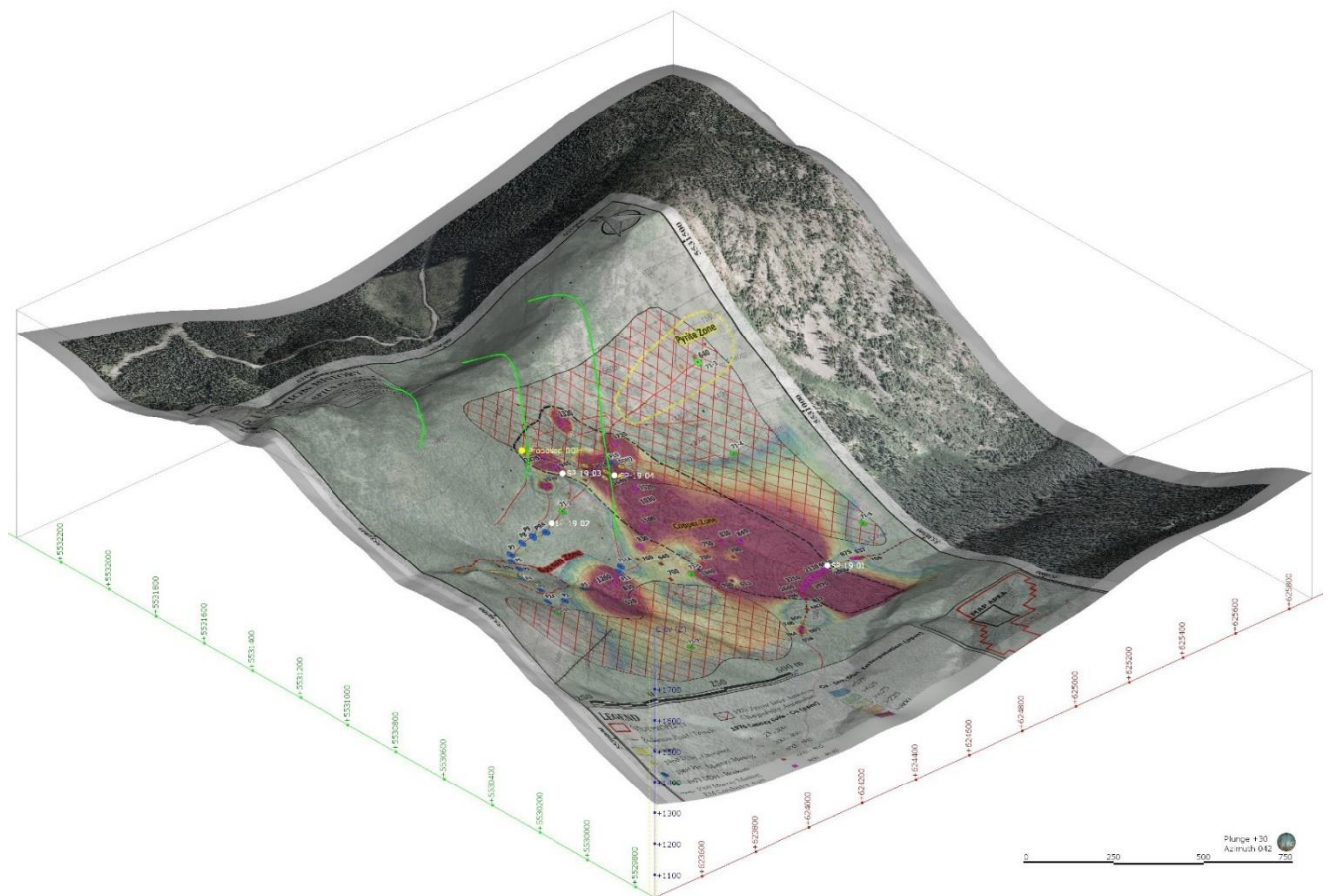
**2015 & 2016** – The Property was staked by the Vendors, who conducted geological and geochemical exploration work on the Property (Paul and Carlson, 2016), confirming the Shearer anomaly and discovering a boulder of high grade, porphyry style disseminated copper float that assayed 2.56% Cu (the High-Grade Zone).

**2017** – The Property was optioned to Bruce and Patricia Bried ("Bried"), who completed additional prospecting and soil sampling (Bried and Chapman, 2018), confirming and expanding the central Copper Zone soil anomaly.

**2018** –The Property was acquired from Bried by Pacific Ridge who completed a program of B horizon soil sampling and an IP geophysical survey. The soil survey confirmed and better defined the Copper Zone anomaly as outlined by earlier workers. The IP survey shows a horseshoe-shaped chargeability anomaly that surrounds and partially overlaps the Copper Zone anomaly.

**2019** – Pacific Ridge completed a four-hole, 1,087 m diamond drilling program to test the Copper Zone. Holes were targeted to test the strongest soil geochemical values, guided by the 2018 IP survey results. All holes intersected porphyry style alteration and mineralization. The best mineralization was encountered at the bottom of hole SP-19-03, drilled at the northern end of the Copper Zone, encountering 51.8 m averaging .099% Cu from 224.3 to 273 m, including 39.0 m at .113% Cu from 237-276 m (Carlson, 2019).

**2020** – On June 27, 2020, Danette Schwab, VP Exploration for Pacific Ridge, Chris Paul and Oliver Friesen from Ridgeline Exploration Ltd. and Bruce Bried, property vendor, visited the high grade showing (624148E, 5531087N; NAD83Z10 – see Figure 6.1). Using picks and shovels, they exposed the high-grade mineralization in bedrock and collected 3 rock samples. The high-grade copper mineralization was noted to occur in a porphyry unit that cut the Eagle Granodiorite and was in turn cut by a pegmatitic unit and a younger crowded feldspar porphyry (D. Schwab, pers. Comm.). Two (2) samples from the porphyry unit graded 6,420 ppm (0.642%) Cu and 3,570 ppm (0.357%) Cu while one (1) sample from the adjacent unmineralized Eagle Granodiorite graded 139.5 ppm (0.014%) Cu.



*Figure 0.1 Spius Project. Summary of historical drilling, EM and IP surveys, trenching and soil geochemistry for the period 1968-76. Also shown are 2019 drill holes, interpreted late faults (in green) and recommended drilling (this report – see Section 26.0). Aerial oblique view to northeast. Adapted from: Paul and Carlson (2017) and Carlson (2019).*

## Historical Drilling

In 1968, Orequest drilled 5 core holes. There are no collar locations or drill logs for this work. However, a later Property File reports that DDH#2 intersected good mineralization in the bottom 60 ft (18.3 m), with the last 8 ft (2.43 m) ending in 0.42% Cu (Allen, 1969).

In 1969, Murray Mining completed ten percussion holes that were drilled to a maximum depth of 300 ft to the east of Canyon Creek. No records of the precise locations of the collars or the results are available, but hole locations are shown on a 1971 Brascan compilation map.

In 1971, Brascan drilled 7 diamond drill holes, the results of which are not available, nor discussed in any later reports. Precise hole locations are not available, but the collar locations are shown on a 1974 compilation map by Brascan.

Four core diamond drill holes were completed on the Property by Pacific Ridge in 2019. Results of this program are discussed below.

*Table 0.1 Spius drilling history. Source: Carlson (2019)*

Operator	Year	Holes	Holes	Core	Metres	Collars	Logs	Assays	Core
Orequest Mining Syndicate	1968	DDH1 to DDH5	5	Core	?	?	No	No	No
Murray Mining	1969	P1 to P11A	11	Percussion	?	No	No	No	No
Brascan	1971	71-1 to 71-7	7	Core	?	No	No	No	No
Pacific Ridge	2019	KL-16 to -19	4	NQ	1,087	Yes	Yes	Yes	Yes
<b>Totals</b>			<b>27</b>						

*Table 0.2 Spius 2019 drill hole collar location and orientation data. Source: Carlson (2019)*

Hole	Easting	Northing	Elev.(m)	Azimuth	Dip	Depth(m)
SP-19-01	624793	5530529	1,219	60	-45	260
SP-19-02	624073	5530878	1,450	60	-70	285
SP-19-03	624257	5531035	1,459	0	90	276
SP-19-04	624422	5531000	1,427	130	-45	266
	NAD83, Zone 10				<b>Total</b>	<b>1,087</b>

Drill collar location and orientation data, where known, is provided in Table 0.2 and shown on Figure 0.2. The 1968 to 1971 drill hole locations are taken from a 1971 compilation map and the accuracy of the hole locations is not known. The 2019 drill hole collars were located by hand held Garmin GPS.

The target for the 2019 drill program was the coincident copper soil geochemical anomaly and underlying chargeability anomaly, for the most part to the south of the earlier drill programs. The

drilling confirmed the presence of a porphyry style mineralized system associated with a porphyritic biotite granodiorite in the upper or northern part of the Copper Zone. Mineralization occurs mainly within the foliated biotite granodiorite, but both mineralization and alteration are spatially associated with the porphyritic granodiorite, which appears to be syn-mineralization and likely the causative intrusion. The biotite latite porphyry occurs within the porphyritic granodiorite, appears to be co-magmatic, but it is unmineralized and therefore post-mineral.

The drill program encountered several intersections of sub-ore grade mineralization in holes SP-19-02, 03 and 04 (Table 6.3), while hole SP-19-01, drilled in the lower or southern portion of the system, encountered only weak mineralization and alteration. This suggests that the potential for higher grade mineralization lies at depth and to the north, associated with the porphyritic granodiorite. The 2019 drilling appears to have tested only the southern fringe of this intrusion, although its full extent is unknown due to its lack of exposure. The drilling failed to encounter a lithology or mineralization similar to the high grade (2.56% Cu) felsic intrusive float that was discovered in 2016, approximately 150 m north of hole SP-19-02 and 150 m west of SP-19-03, slightly upslope from both holes.

*Table 6.3 Spius Main Zone drill highlights. Source: Carlson (2019).*

Hole No.	From (m)	To (m)	Interval (m)	Cu (%)
SP-19-02	140.7	166.0	25.4	0.055
SP-19-03	224.2	276.0	51.8	0.099
includes	237.0	276.0	39.0	0.113
SP-19-04	179.0	263.0	84.0	0.071
includes	182.0	200.0	18.0	0.112

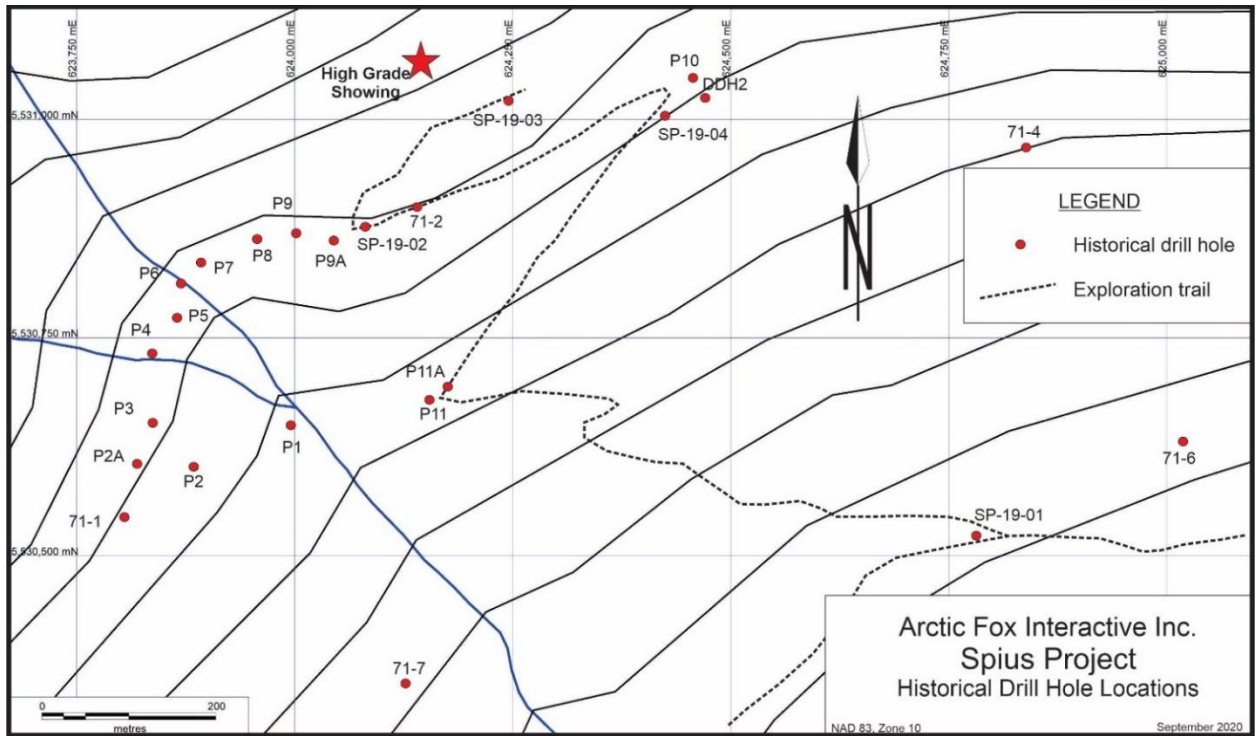


Figure 0.2 Spius 2019 drill hole plan map. Source: Carlson (2019).

### Drilling Procedures

There are no descriptions of drill procedures for the 1968 to 1971 programs.

The 2019 program was completed by Paycore Enterprises Ltd. using their track mounted Discovery II Heli-Track drill rig and NQ core and two twelve-hour shifts. Drill core was transported at the end of each shift to an open-air logging facility at Coldwater Ranch, approximately one hour distant from the project.

Collar locations were recorded using a hand held Garmin GPS unit. Downhole surveys were completed using an MBI Reflex Instrument at the bottom of each hole.

### Core Handling Procedures

For the 2019 program, core was transported to an open-air core logging facility located at the project camp at the Coldwater Ranch. The core was logged and marked for sampling, typically at 2 m intervals. Unaltered and unmineralized rock was not sampled.

Following the completion of the drill program, all the core was moved to storage in a Quonset hut at the ranch of Grant Fosbery, just outside of Merritt.

### Core Sample Preparation

For the 2019 program, Core was split using a hand core splitter. One half of the split core was placed in a plastic bag and sealed with a zap strap. Samples were shipped to the lab directly from the logging area to the lab either by pick-up truck driven by a Pacific Ridge employee or by Diamond Delivery couriers from Kamloops.

### Core Sample Security

For the 2019 program, core was kept in a secure location at the logging facility until shipment to the lab, MSA Mineral Services Analytical (Canada) Inc. in Langley, BC.

### Core Sample Quality Control Quality Assurance Program

In the 2019 campaign, Pacific Ridge inserted appropriate field standards (Certified Reference Material: CDN-CM-33 and CDN-CM-37 obtained from CDN Resource Laboratories Ltd.) and blanks at a ratio of 1:18 to monitor the accuracy and reliability of results (Carlson 2019).

The 333 core samples collected and analyzed for the 2019 campaign included additionally 11 core duplicates, 16 blanks and 17 standards. Six (6) crusher duplicates, 6 granite blanks, 5 standard blanks, and 2 standards (OREAS 25a and OREAS 600) were introduced by MSA Labs during the analytical process.

QA/QC assay checks using anonymously labeled CRM inserted into each sample batch indicate an acceptable level of accuracy and precision when assays fall within one standard deviation of the original reference assay. All MSA Labs assays of reference material meet this criterion. MSA Labs assays of blanks indicate acceptable results. In summary, a review of 2019 CRM and blanks from the Pacific Ridge database suggests assays would have passed typical QAQC protocols. QAQC for 2019 assays was reviewed on a batch by batch basis. Bias and precision were deemed within acceptable limits. Core and crusher duplicates showed excellent reproducibility.

It is the opinion of author Gibson that the location, downhole survey and assay data supplied is of adequate quality for use in early project evaluation and exploration targeting. Most location and assay data are likely suitable for use in mineral resource estimation.

### **Historical Mineral Resource Estimates**

There are no known historical mineral resource estimates for the Property.

### **Historical Production**



No ore production has been reported for the Property.

## **GEOLOGICAL SETTING AND MINERALIZATION**

### **Regional and Local Geology**

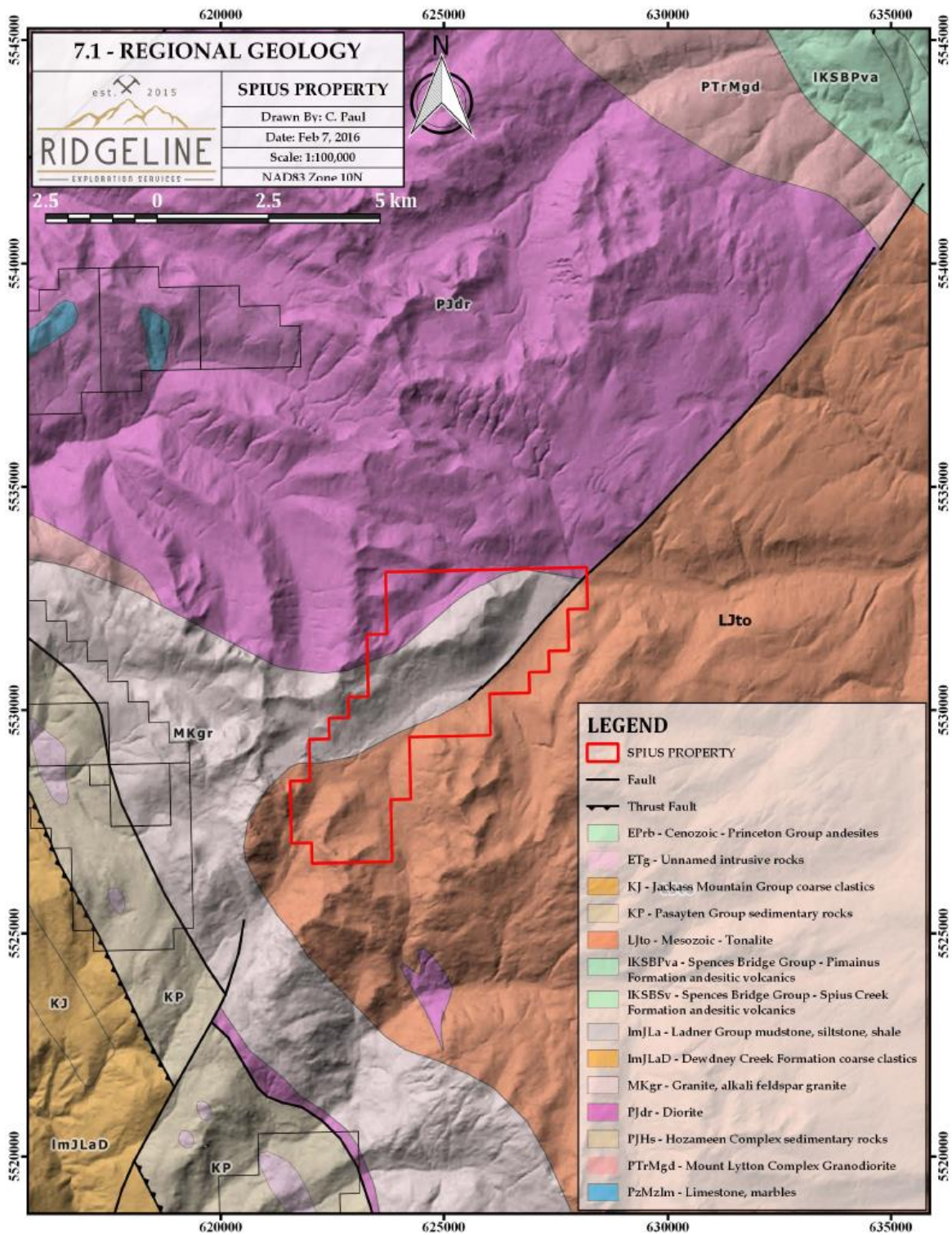


Figure 0.1 Regional geological setting of the Spius Project. Source: Carlson (2019).

The regional geological framework is prominently marked by a major break along the Fraser River the Fraser River – Straight Creek fault system. The fault system represents a suture-like zone between two accreted terranes (Cadwallader and Bridge River terranes) and has produced a zone of ductile deformation favourable for hosting mineralization. The general claim area is underlain by the Mount Lytton Complex, a major, 160-km-long intrusive complex trending northwest through central British Columbia. About 8 km to the west, the granitic rocks are in faulted contact with sediments of the Lower Cretaceous Jackass Mountain group.

### **Regional and Local Metallogeny**

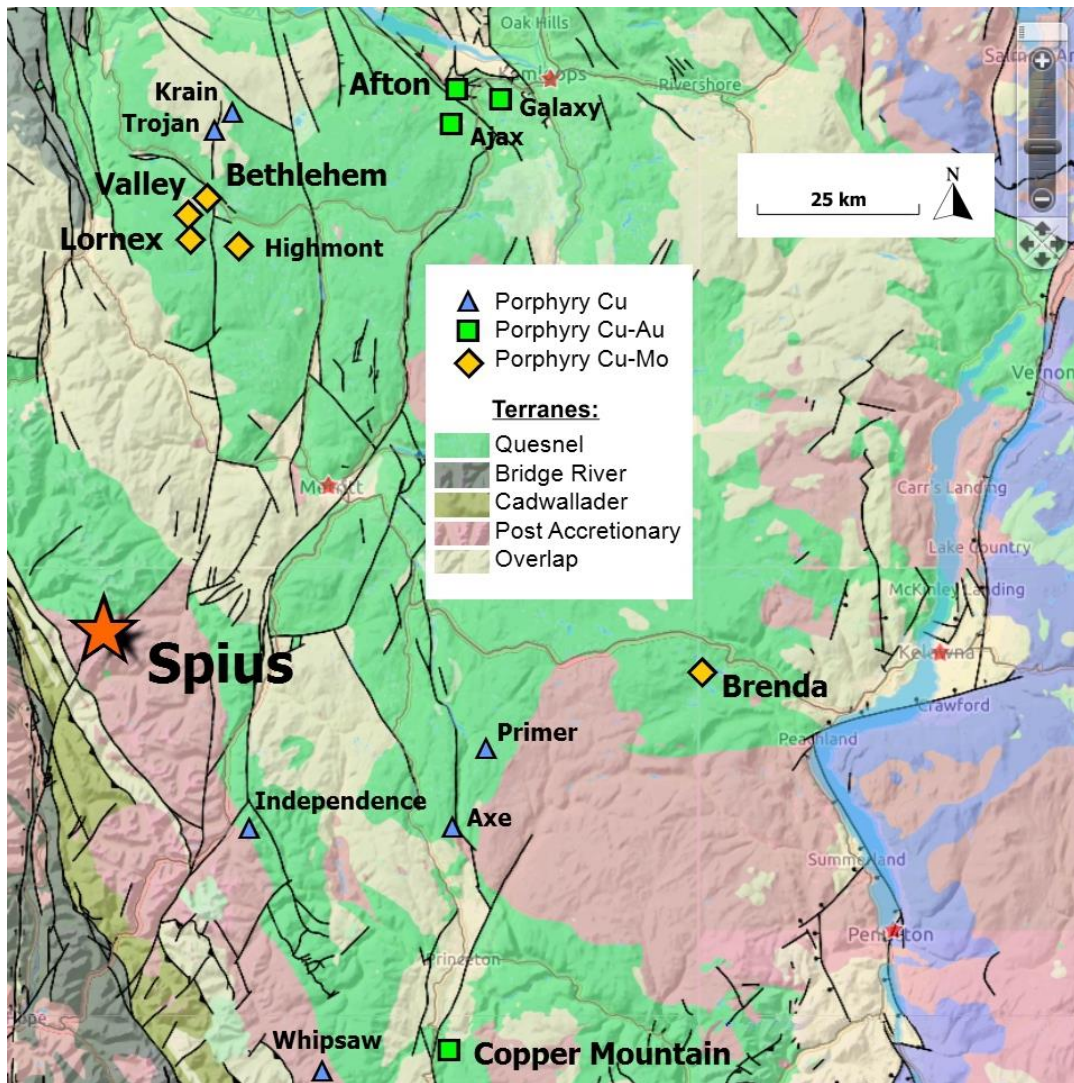


Figure 0.2 Regional and local metallogeny of the Spius Project showing nearby porphyry deposits. Source: BCGS MapPlace (1995) and USGS “Porphyry copper deposits of the world – Database and grade and tonnage models” (2008).

The Spius property is located within a belt of major pre-, syn- and post-accretion porphyry deposits - see Figure 7.2. These include the ~210 Ma calc-alkalic Cu-Mo Highland Valley deposits (Valley, Lornex, Bethlehem, Highmont) and the 206-203 Ma alkalic, silica undersaturated Cu-Au deposits of Copper Mountain and Afton. The Independence prospect is a Cu(Mo) porphyry hosted in ~55 Ma (Eocene) quartz-feldspar porphyry located approximately 38 km southeast of Spius.

### Property Geology

The following description of the Property geology is taken mainly from Allen (1969, 1970), Gannon (1974) and Paul and Carlson (2017). The central part of the Property is mostly underlain by a strongly foliated, coarse-grained biotite granodiorite, mapped by the GSC as the Eagle Granodiorite (Gd) of Jurassic or later age (Journeay and Monger, 1984). Based on field relations, the unit is interpreted to pre-date copper mineralization on the Property. Sulphide minerals, mostly pyrite, occur as disseminations and fracture coatings throughout the Eagle Granodiorite. Small, irregular, quartz-feldspar pegmatite bodies intrude the Eagle Granodiorite in several areas, some of which are mineralized.

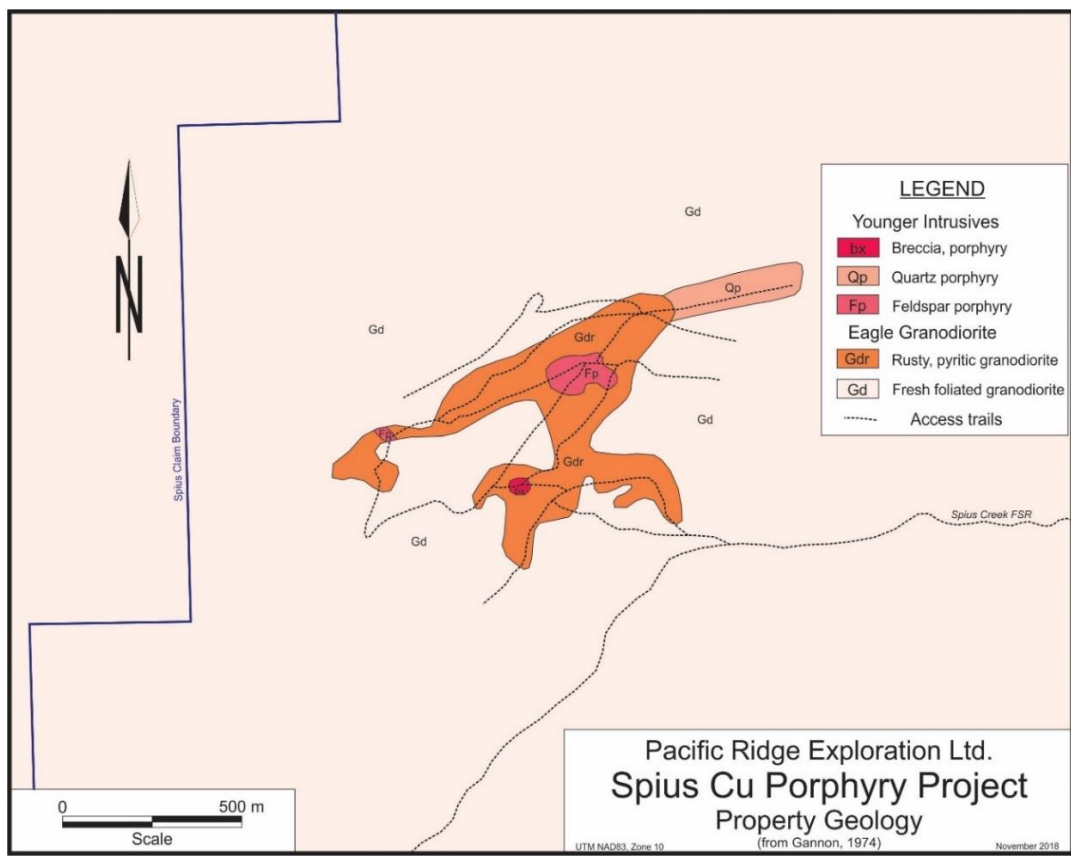


Figure 7.3 Spius property local geology (interpreted from Gannon, 1974).

A hornblende-feldspar dacite porphyry noted by its quartz eyes (Qp) occurs predominantly on the east side of the claim block (Figure 7.2) consisting of 15% plagioclase phenocrysts to 1 cm, 5% to 10% quartz eye phenocrysts to 0.5 cm and less than 2 % euhedral pyrite in perfect cubes up to 2 cm across and containing inclusions of quartz-eye phenocrysts. Many of the pyrite cubes are oxidized to produce vugs and resulting in a slight gossanous colour to the outcrops. It is not known whether the pyrite cubes are porphyroblasts or phenocrysts. Although they are not

associated with fractures or veins, the former possibility seems to be more likely due to their euhedral and poikilitic character. The rock is massive, very weakly jointed and altered. Quartz veins are rare in the unit and sericite was not noted. The Qp is strongly kaolinized, which may be aided by pyrite oxidation and weathering, to produce acidic ground water.

To the north and west of the claim block, pyrite and sericite concentrations decrease, grading into a barren foliated granodiorite to the north and contacting a leucocratic granodiorite with a weak foliation to the west. The central and northern granodiorite foliation trends from 160° to 200° with a dip of 70° to 90° to the west. The granodiorite to the west has a weak N-S foliation.

A quartz-feldspar porphyry plug (Fp) intrudes the Eagle Granodiorite near the upper end of the copper anomaly (Figure 7.2). The rock is dark grey, unfoliated and contains approximately 20% euhedral, kaolinized plagioclase crystals to 1 cm in diameter. An intense quartz stockwork with minor sulphide cuts the feldspar porphyry. B.Y. Kim mapped and described the area for Arrow Inter-America in 1971 and interpreted the Fp to be the locus of mineralization in the area (George, 1976). Paul (2017) disagrees with this interpretation, arguing that the unit is small, and several grab samples collected from it in 2016, including samples containing high sulfide and quartz veins returned very low copper and molybdenum concentrations. According to Brascan's 1974 work plan, the unit never reaches more than 200 ft (61 m) in thickness (Gannon, 1974). It seems unlikely that this small, barren unit is the source of the mineralized fluids capable of widespread alteration and mineralization elsewhere on the Property, however at this stage, an alternative causative intrusive has not been found. A float boulder discussed later in this report, which assayed 2.56% Cu and displays intense potassic and sericitic alteration in a unique, unfoliated intrusive lithology may be a more viable alternative. Hand trenching in 2020 located the bedrock source of this mineralization.

Lamprophyre and felsic dykes intrude the older intrusions but are of minor importance.

#### Alteration and Mineralization

Pyrite is widespread throughout the altered and sheared zones on the Property. The northeasterly exposures contain coarse cubic pyrite scattered throughout highly kaolinized, but massive quartz-eye porphyry rock. The central and western outcrops exhibit finely disseminated pyrite throughout finer-grained but silicified and sericitized granitic rocks. There is one outcrop of breccia composed of coarse angular fragments of altered granodiorite and quartz feldspar porphyry, with pyrite throughout. In places chalcopyrite is associated with the pyrite, mostly noted in and near fractured rock veined with quartz-K-feldspar veins.

Molybdenite has been noted locally associated with chalcopyrite and chalcocite within quartz veins at the Gossan Zone. Malachite and azurite oxidation typically coat copper mineralized

exposures.

The strongest alteration observed was at the Gossan Zone where phyllic quartz-sericite-pyrite (“QSP”) alteration was observed throughout as both fine-grained sericite as well as large flakes of secondary muscovite accompanying silicification, quartz-sulfide veining, and pyrite. Oxidation of sulfides give the rocks a vuggy texture, with bright yellow and orange oxides coating all surfaces. Minor potassic alteration was also observed at the Gossan Zone, mostly restricted to vein selvages as growths of secondary biotite as well as a pink hue around the veins indicating potassium metasomatism of feldspars.

Little outcrop is found west of the Copper Zone, however altered float rocks were found along the upper roadcuts, with both phyllic and potassic alteration. Also located in the same area was a set of Early Dark Mafic (“EDM”) veins cutting a malachite-stained and weakly k-spar altered intrusive rock. Pervasive potassium feldspar and sericite alteration also occurs within a strongly mineralized float boulder assaying 2.56% Cu, located along the upper roadcut.

## **DEPOSIT TYPES**

The Property is thought to host mineralization related to the calc-alkalic, porphyry deposit types. Calc-alkalic porphyry deposits are typically associated with zoned and/or multi-phase granodiorite to quartz monzonite intrusions emplaced into volcanic or sedimentary rocks (Sillitoe, 2010). These deposits are marked by complex alteration zones typically centred on the intrusive complex, comprising a potassic core enveloped by an overlapping peripheral zone of propylitic alteration. These alteration zones may be overprinted by zones of phyllic and/or argillic alteration, typically occurring between the potassic and propylitic zones or along structures. Copper and molybdenum mineralization are generally most abundant in the potassic core while pyrite is more prevalent in the propylitic and phyllic zones. The abundance of pyrite in these systems can result in the formation of strongly acidic groundwaters that, under appropriate climactic conditions, generate argillic-altered leached caps and supergene Cu mineralization. Ore sulphide mineralization comprises chalcopyrite, chalcocite, covellite, digenite, bornite, molybdenite and locally Cu-oxide minerals. These sulphides are hosted in quartz veinlet stockworks, veins, breccias, disseminations and replacements.

## **EXPLORATION**

Arctic Fox has not conducted any exploration work at the Property.

## **DRILLING**

Arctic Fox has not conducted any drilling at the Property. Information on historical drilling

conducted at Spius is presented under Section 6.0 (History).

### **SAMPLE PREPARATION, ANALYSES AND SECURITY**

Arctic Fox has done no exploration or sampling work on the Property.

Historical records of sample preparation, sample security, and quality assurance and quality control (QAQC) programs are provided for the 2019 program and are missing for all other ones.

The Property database provided by Pacific Ridge has 333 analyses of drill core samples.

Assay certificates are available only for the 2019 drill program.

### **DATA VERIFICATION**

Author Gibson in the company of Mr. Bruce Bried, conducted a site visit to the Spius Property on 23 September 2020. Additional data verification and analysis of 3D satellite imagery was performed by the author in October 2020.

Data review has verified no-transcription errors for:

- Seven of 7 claims in the Pacific Ridge database (Table 4.1) against Mineral Titles Online.
- Four of 4 drill collar locations in the Pacific Ridge database against historical maps.
- One hundred of 333 Cu and Mo analyses in the Pacific Ridge database against the original certificates of analysis (COA).

The Property site visit included the following data verification:

- Located collars for drill holes SP-19-01, 02, 03 and 04.
- Examined the High-Grade Zone stripped exposure and took 3 samples for verification.
- Examined 54 m of diamond drill core from drill hole SP-19-03 (222-276 m).

The locations of drill hole casings SP-19-01, 02, 03 and 04 were measured with a handheld Garmin GPSMAP 60CSx GPS and cross-checked with Viewranger GPS software operating on a mobile device, and found to be offset by less than 4 m compared to the drill hole database.

In the opinion of the author the data on the Spius property is of sufficient quality and is adequate for the purposes used in this technical report.



The High-Grade Zone stripped exposure was examined in detail and three (3) samples of the mineralized and unmineralized felsic intrusive were collected and submitted to Activation Laboratories Ltd., Kamloops for verification analyses (ICP-MS UT-1M and ICP-OES). Results are summarized in Table 12.1

*Table 12.1 Spius High-Grade Zone: 23 Sep 2020 verification sampling.*

Sample No.	Description	Type	Cu (ppm)	Cu (%)	Mo (ppm)
031504	Foliated Eagle Granodiorite	Grab	300	.03	2.4
031505	Feldspar porphyry	Grab	>10,000	1.16	4.0
031506	Feldspar porphyry	Grab	>10,000	1.11	5.3



*Figure 12.1 Site visit: 23 Sep 2020. The author sampling exposed High-Grade Zone (624148E, 5531087N; NAD83Z10).*

The High-Grade Zone hand trench, which was stripped to bedrock in June 2020 over an area of about 5 x 5 m, exposes feldspar porphyry cutting the Eagle Granodiorite which in turn is cut by a pegmatitic unit. Disseminated chalcopyrite (10-20%) occurs within the feldspar porphyry in a tabular steeply-dipping zone measuring approximately 2.4 x 0.3 m oriented at 135° azimuth. The mineralized zone contains at least 2 pods or stringers up to 3 cm wide containing up to 40-50% disseminated chalcopyrite with associated iron oxide alteration.

All core from the 2019 drill campaign is stored indoors in a Quonset hut at the ranch of Grant Fosbery on Coldwater Road a short distance southwest of Merritt. The core is cross stacked on pallets in 4 foot wooden boxes and is generally in excellent condition - see Figure 12.2.

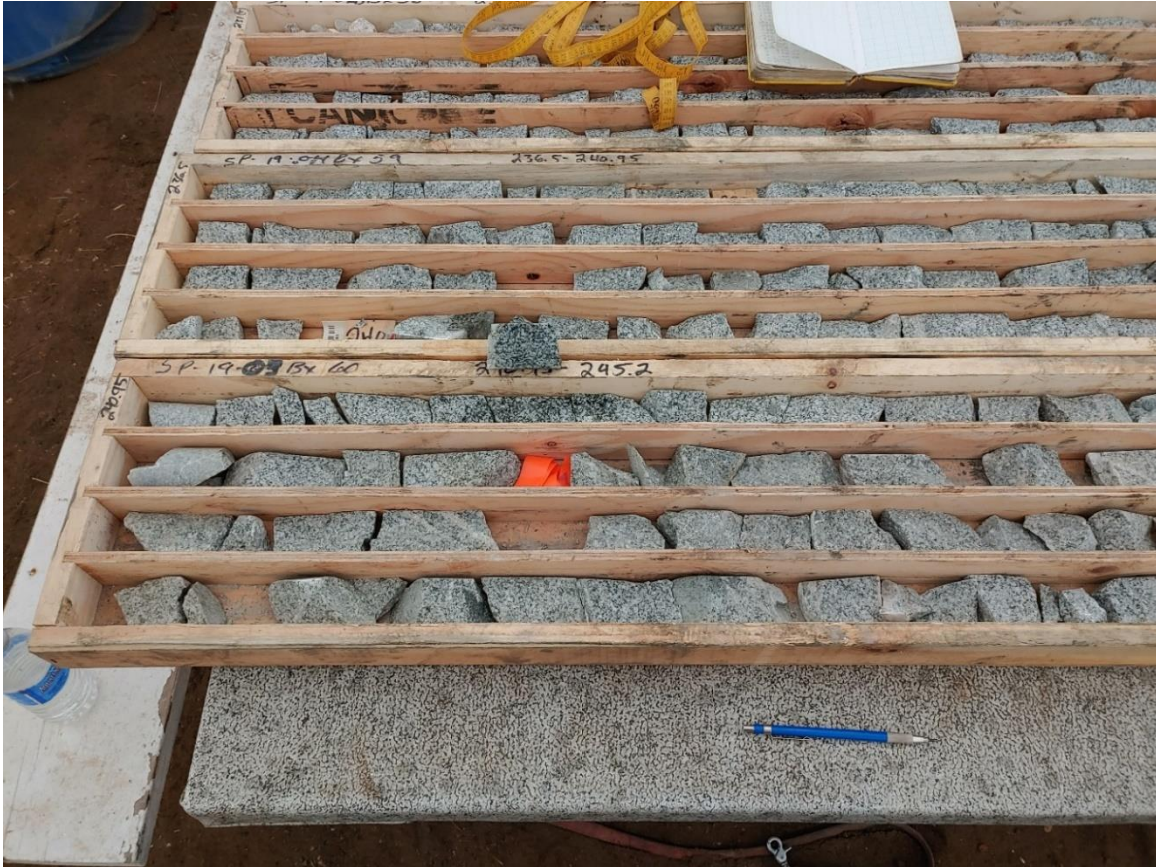


Figure 12.2 Site visit: 23 Sep 2020. Split core from drill hole SP-19-03, boxes 58, 59 and 60.

Core was examined from drill hole SP-19-03 for the interval from 221.7 m to the end-of-hole at 276.0 m. Note: this interval includes the best grading copper intersection obtained in the 2019 drill program (224.2-276.0 = 51.8 m grading 0.099% Cu, including 237.0-276.0 = 39.0 m grading 0.113% Cu). Results are presented below:

221.7-224.3 m Felsic Feldspar Porphyry (FP#2) – biotite-quartz latite porphyry. Sparse plagioclase phenocrysts 1-5 mm (5-10%) and biotite books 1-3 mm (1-5%) in very fine grained grey-brown quartzo-feldspathic groundmass. Post-mineral(?), barren.

224.3-224.4 m Pulverized zone, fault gouge

224.4-226.1 m Contact of post-mineral porphyry with mineralized porphyritic

granodiorite is fractured and cut by calcite-quartz microveinlets to 4mm and pervasive propylitic (chloritic) alteration. Lower contact is gradational (contact alteration, chilled margin) over 30 cm.

226.1-259.7 Felsic Feldspar Porphyry (FP#1) – weakly porphyritic granodiorite consisting of zoned plagioclase phenocrysts to 6x15mm (15-20%) suspended in a medium-grained matrix of Kspar (25%), quartz (20%), plagioclase (15%), biotite[>chlorite] (10-15%), sericite (5%), apatite (1-2%), and opaques [ilmenite, rutile, magnetite] (5%). Massive, unfoliated. Contains trace-2% chalcopyrite with lesser pyrite as pervasive disseminations (grains to 2 mm) and in rare cross-cutting glassy quartz-anhydrite veinlets (0.5-1%) and associated stockworks comprising veinlets up to 6 mm in width– see Figure 12.3.



*Figure 12.3 Site visit: 23 Sep 2020. Mineralized Felsic Feldspar Porphyry.  
SP-19-03; 244.87-244.99 m.*

253.43-253.73 m Potassic alteration as Kspar-chlorite selvages associated with strong quartz-anhydrite veins @45 o to CA

259.7-276.0 Eagle Granodiorite – weakly foliated biotite granodiorite. Weak

pervasive sericite alteration with tr-2% disseminated pyrite. Cut by occasional pegmatite dykes.

264.00-264.15 m Potassic alteration associated with quartz veins

268.28-268.75 m Potassic alteration associated with quartz veins

271.75-272.28 m Potassic alteration associated with quartz veins

Vein assemblages, textures and alteration in the lower part of this drill hole are typical of the potassic part of porphyry systems. However chalcopyrite > pyrite is to be expected in the core of a porphyry system, together with higher copper values and greater vein density. Combined evidence suggests that this hole is not yet in the core zone, which may lie deeper and/or to the north.

### **MINERAL PROCESSING AND METALLURGICAL TESTING**

No known mineral processing or metallurgical testing has been carried out at the Property.

### **MINERAL RESOURCE ESTIMATES**

No known mineral processing or metallurgical testing has been carried out at the Property.

### **ADJACENT PROPERTIES**

There is no information on adjacent properties which is necessary to make the technical report understandable and not misleading.

### **OTHER RELEVANT DATA AND INFORMATION**

No other information or explanation is necessary to make this technical report understandable and not misleading.

### **INTERPRETATION AND CONCLUSIONS**

The Spius Property lies within the Eagle Plutonic Complex. Rocks within the Property are mainly biotite-hornblende granodiorite, with younger feldspar porphyry and quartz-feldspar porphyry intruded by felsic and lamprophyre dikes. The Copper Zone, in the central part of the Property, is defined by a strong copper soil geochemical anomaly, with associated anomalous molybdenum, and with a surrounding pyritic alteration zone. Although the Copper Zone is mainly till and colluvium covered, mineralization has been observed mainly in float and occasionally in outcrop and includes secondary copper minerals, including malachite and azurite, locally chalcopyrite in stockwork veins and disseminations and minor molybdenite. Recent soil

sampling surveys and an IP geophysical survey have defined the Copper Zone as a significant porphyry copper target. Additional prospecting led to the discovery of the High-Grade Zone, a piece of float with porphyry-style disseminated pyrite-chalcopyrite mineralization that assayed 2.56% Cu.

In 2019, Pacific Ridge completed a four-hole, 1,087 m diamond drilling program to test the Copper Zone. Holes were targeted to test the strongest soil geochemical values, guided by the 2018 IP survey results. All holes intersected porphyry style alteration and mineralization. The best mineralization was encountered at the bottom of hole SP-19-03, drilled at the northern end of the Copper Zone. It encountered 51.8 m averaging .099% Cu from 224.3 to 273 m, including 39.0 m at .113% Cu from 237-276 m. The distribution of mineralization and alteration in the 2019 drill holes suggests that the potential for higher grade mineralization lies at depth and to the north, associated with the porphyritic granodiorite (Carlson, 2019) – see Figure 25.1

The drilling failed to encounter a lithology or mineralization similar to the high grade (2.56% Cu) felsic intrusive float that was discovered in 2016 and exposed in 2020, approximately 150 m north of hole SP-19-02 and 100 m northwest of SP-19-03, upslope from both holes.

Preliminary analysis of available aerial imagery and elevational data for the Spius property and environs was undertaken by the author in October 2020. Specifically, 20 cm/pixel color imagery dated December 30, 2005 and a DEM based on x,y,z data points extracted on 5m centres from Google Earth Pro (2m contours) was imported into Leapfrog Geo 3D for interpretation. Note that Carlson (2016) performed a comprehensive lineament analysis of the Spius Property at three levels of investigation: regional (1:1,500,000), intermediate (1:500,000) and property-scale (1:50,000). His property-scale analysis was based on available TRIM topography (20m contours) and public domain aeromagnetic maps (1:50,000). The observations presented below build on Carlson's property-scale interpretations and conclusions.

Three prominent northeast-trending lineaments cross the sub-alpine ridge north of the Copper Zone – see Figure 25.1. Based on their regular spacing, deeply-incised profiles, and consistent deflection as they transect topographic highs, the lineaments are interpreted to be the expression of northeast-striking, moderately northwest-dipping planar faults. The faults in turn appear to truncate the northern edge and to some extent control the internal grade distribution of the Copper Zone soil anomaly. Combined evidence suggests that such faults may be late (post-mineral) features, offsetting the host feldspar porphyry, and acting as fluid pathways for groundwater dispersion of copper from mineralization at depth. The High Grade Zone falls directly along the central of three interpreted faults. It may represent displaced (up-faulted) primary copper mineralization in the northwest block.

In conclusion, the author concurs with Carlson (2016) that attention to defined lineaments in the

immediate vicinity of the Copper Zone and north will be important in future property mapping programs and in the structural interpretation of those results.

The Spius property is in the exploration stage and without a known body of commercial ore. Development of the property will only follow upon obtaining satisfactory results from ongoing exploration. Mineral exploration and development involve a high degree of risk and few properties which are explored are ultimately developed into producing mines. There is no assurance that the mineral exploration proposed in Section 26 will result in the discovery of a body of commercial ore on the Spius property.

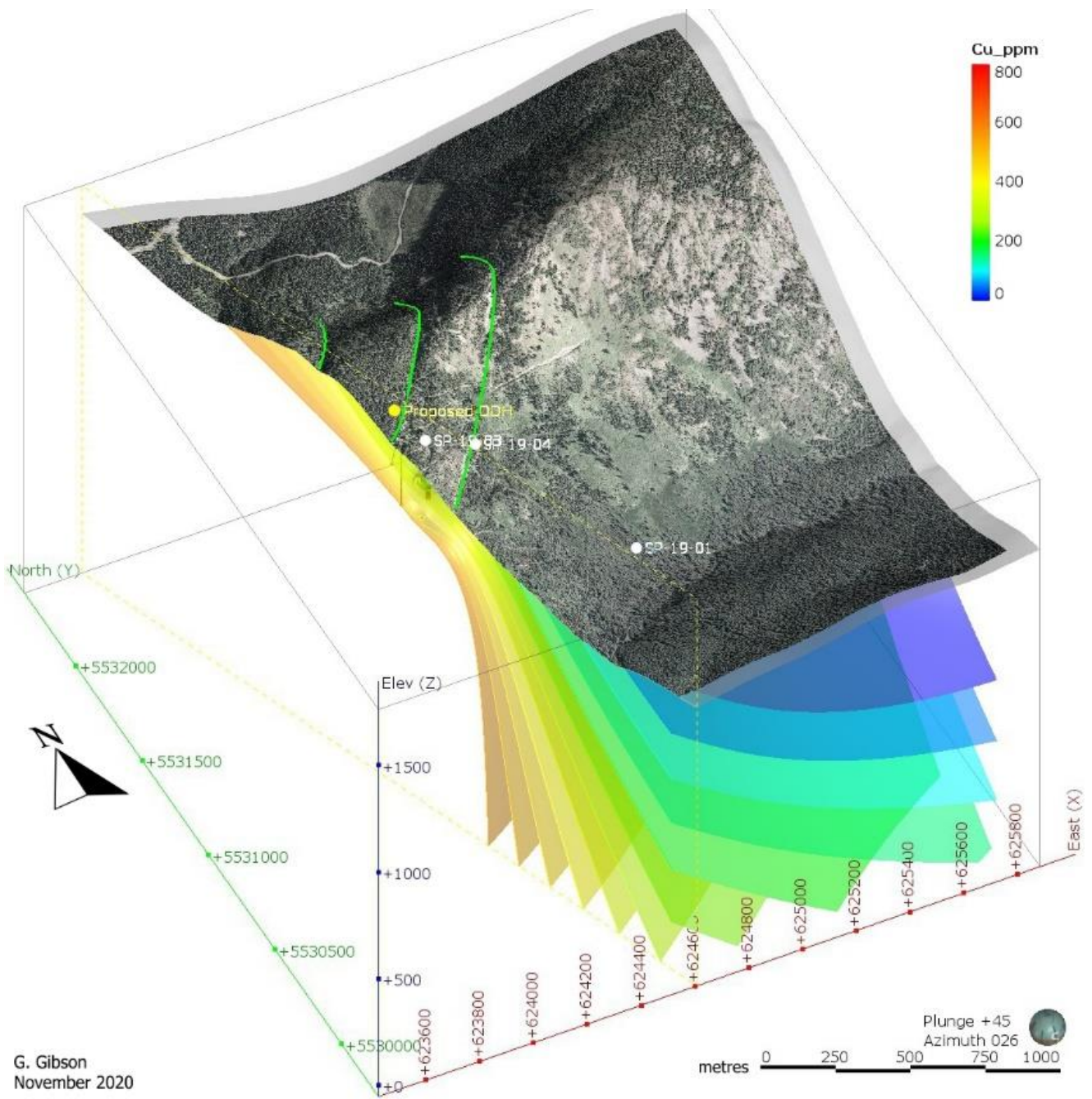


Figure 25.1 Spius Project - Aerial oblique cut-away view to northeast showing 2019 drill holes and copper grade shells derived from them. Potential for higher grade mineralization lies at depth and to the north. Interpreted late faults are shown in green.

## RECOMMENDATIONS

**Phase 1.** An initial program of drilling is recommended to test beneath the High-Grade Zone and at depth, to the north of the historical drill holes. Two holes are recommended collared from the same location (624,200E, 5,531,120N – NAD83Z10), with a -50° hole at 225° azimuth, to a depth of 150 m, and a vertical hole drilled to 400 m depth – see Figures 26.1 and 26.2.

**Phase 2.** Contingent on success in Phase 1, a second phase of drilling of up to 2,500 m in as many as 10 holes is recommended. Drilling in Phase 2 would be preceded and guided by the results of proposed detailed geological mapping, prospecting and soil sampling north of the Phase 1 drill site. Recommended mapping and prospecting should extend to the ridge line and the north-facing upper slopes beyond. Concurrent soil sampling on a 50 m x 50 m square grid is recommended over the corresponding approximately 1.0 square km area.

*Table o.1 Proposed work for the 2021 Spius work program.*

Phase 1			
Drilling	550 m @\$250/m	\$150,000	
Total:			\$150,000
Phase 2			
Geological mapping	15 days @ \$750	\$11,250	
Prospecting	15 days @ \$400	\$6,000	
Soil sampling (subcontract)	400 samples @ \$50	\$20,000	
Truck	15 days @ \$100	\$1,500	
ATV(s)	15 days @ \$80	\$1,200	
Fuel		\$1,000	
Food & accommodation	30 man-days @\$150	\$4,500	
Field equipment		\$1,000	
Analyses	400 samples @ \$17	\$6,800	
Drilling	2,500 m @\$250/m	\$625,000	
Total:			\$678,250



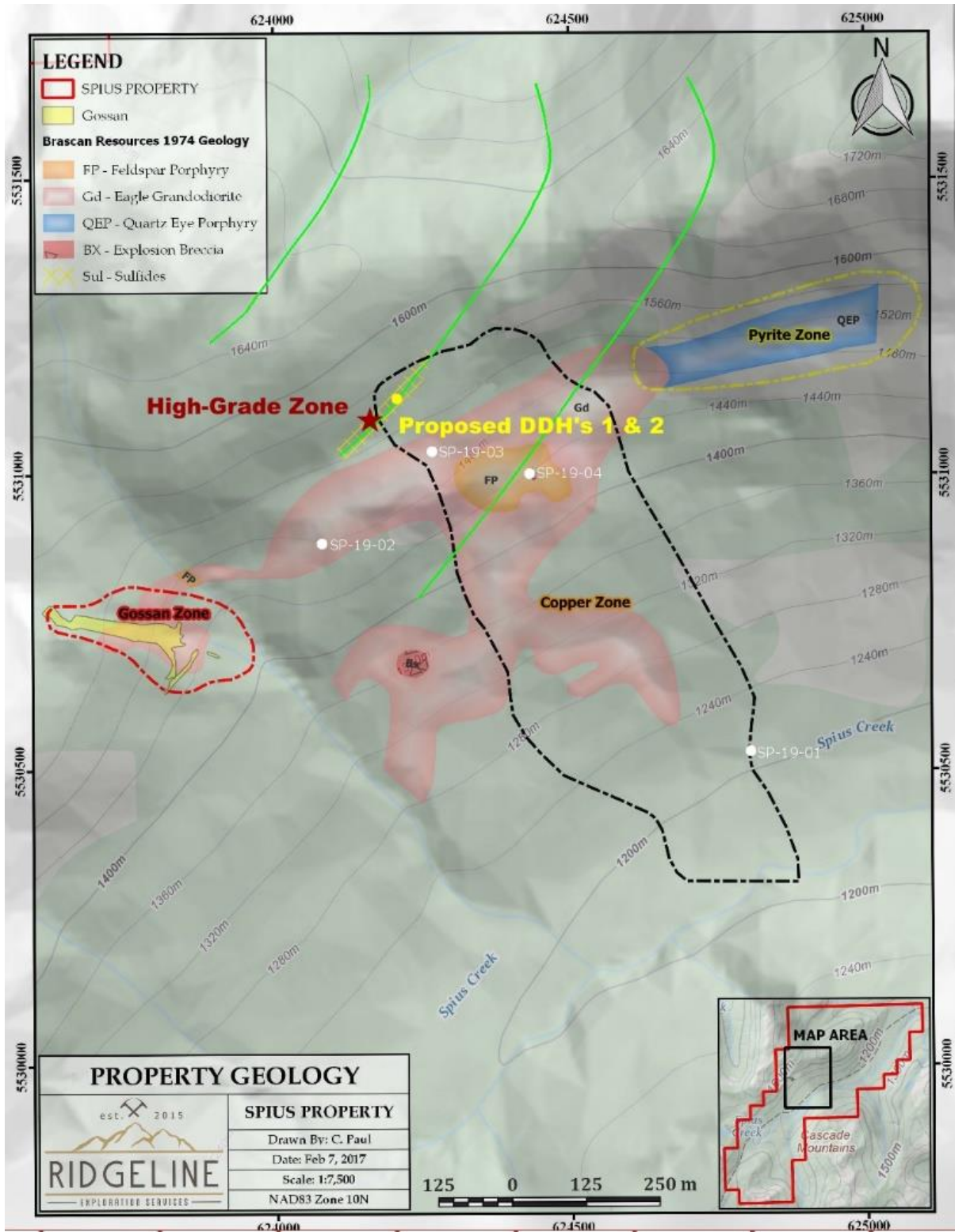


Figure 26.1 Spius Project – Property Geology showing Copper Zone, High-Grade Zone, 2019 drill holes and proposed drill holes. Interpreted late faults are shown in green. Adapted from: Paul and Carlson (2017).

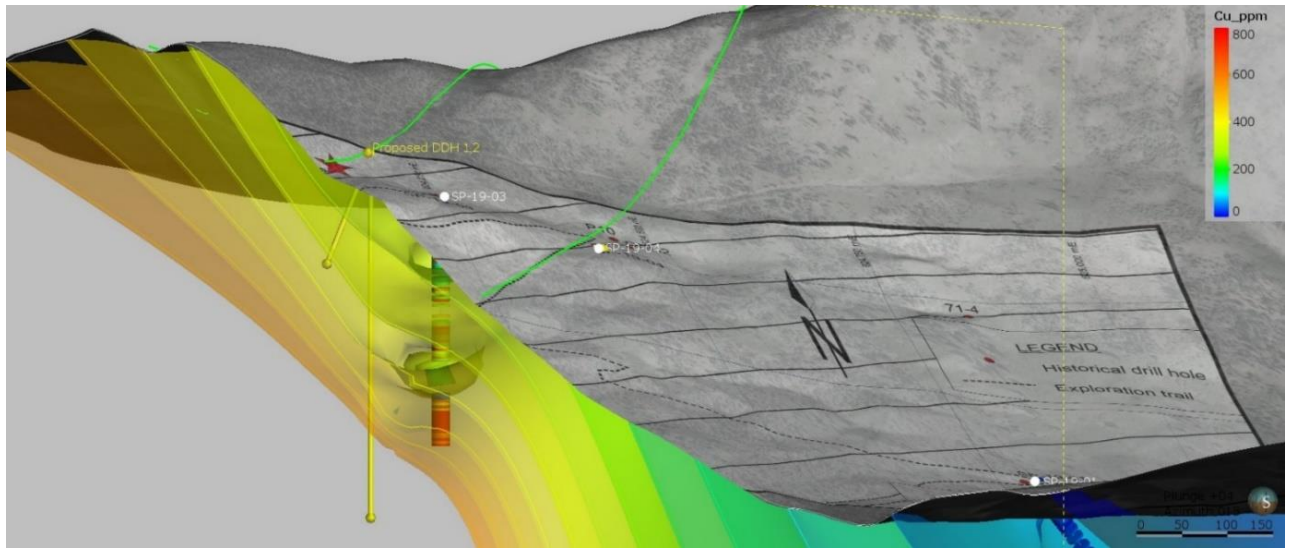


Figure 26.2 Spius Project – Aerial oblique cut-away view to northeast showing proposed drill holes, the High-Grade Zone (red star), 2019 drill holes and copper grade shells.

## USE OF AVAILABLE FUNDS

The Company's working capital as at April 30, 2021 was \$273,500. Management believes that the Company will have sufficient funds to continue operations for the next 12 months. Should the Company require additional funds to continue operations and/or to conduct additional activities beyond those that are currently contemplated, the Company may access additional capital through the capital markets.

The Company raised aggregate proceeds of \$175,000 from a private placement financing that closed on July 25, 2019. As at the date of this Prospectus, the Company had spent \$88,048 of the funds raised in this financing, for the following purposes: office and miscellaneous expenses (\$6,560); professional fees (\$54,091); rent and administration (\$18,900); software development costs (\$2,847); and CSE application fees (\$5,650). The rent and administration payments have been made to Pacific Paragon Capital Group Ltd., a company controlled by Harry Chew, the Chief Executive Officer, President and a director of the Company.

The Company raised aggregate proceeds of \$170,000 from a private placement financing that closed on March 26, 2020, for the following purposes: office and miscellaneous expenses (\$32,000); property payment (\$15,000); professional fees (\$22,000); rent and administration (\$18,000); Prospectus cost (\$25,000); with the balance of unallocated funds (\$58,000).

The Company raised aggregate proceeds of \$130,000 from a private placement financing that closed on December 22, 2020, for the following purposes: Phase I of the recommended exploration program as outlined in the Technical Report.

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

<b>Principal Purposes:</b>	
<b>Total funds available</b>	<b>\$273,500</b>
To pay the estimated cost of Phase I of the recommended exploration program as outlined in the Technical Report	\$150,000
Property payment	\$30,000

Prospectus and CSE listing costs	\$10,000 <sup>(1)</sup>
Transfer agent fees, exchange fees, SEDAR fees, audit fees	\$10,000
Operating expenses for 12 months	\$72,000 <sup>(2)</sup>
Unallocated working capital	\$1,500 <sup>(3)</sup>
<b>Estimated Total Funds Used:</b>	<b>\$273,500</b>

Notes:

- (1) Costs include exchange fees, legal fees and other costs relating to listing of the Common Shares on the CSE. The Company hopes that these costs will be incurred by May 2021.
- (2) Estimated operating expenses for the next 12 months include: rent (\$18,000), utilities (\$6,000), insurance (\$2,000), transfer agent fees (\$6,000), audit fees (\$10,000), office and admin (\$6,000) legal fees (\$12,000), SEDAR fees (\$2,500) and travel and promotion (\$9,500). Of these amounts, the Company anticipates paying \$1,500 plus GST per month for rent and administration payments to Pacific Paragon Capital Group Ltd., a company controlled by Harry Chew, the Company's Chief Executive Officer, President and a director. The Company anticipates compensating executive officers through the issuance of stock options and as a result, no fees have been allocated to payment to executive officers over the next 12 months and none are anticipated at this time.
- (3) This amount will be used in part for additional exploration expenditures as necessary, and general working capital.

The Company has no current plans to develop of the technology side of the business and ultimately intends to divest the technology-related asset over the next 12 months. Specifically, the Company intends to look for a buyer for the entire game (including the source code and all other related assets). If the Company is not able to do so, it will seek to sell the game in parts. If the Company is unable to divest the mobile gaming business within a reasonable time, it will continue to operate the mining business and the mobile gaming business will remain dormant until such time as the Company is able to divest of it. Management will not be focusing any efforts on the mobile gaming business but rather, will remain focused operationally on running the mining exploration business. Further, none of the available funds disclosed in the table above will be used in connection with the mobile gaming business.

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

Since inception, the Company has not generated any cash flow from its operations and has incurred certain operating losses. Such losses and negative operating cash flow are expected to

continue since funds will be expended to pay the Company's administrative expenses and to conduct the recommended exploration program on the Spius Property.

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

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

### **DIVIDENDS OR DISTRIBUTIONS**

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

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Please see the Company's MD&A for the year ended June 30, 2020 and the interim period ended March 31, 2021, which are included in this Prospectus.

### **DESCRIPTION OF SECURITIES**

#### **Common Shares**

The Company's authorized capital consists of 100,000,000 Common Shares, of which 25,991,421 Common Shares are issued and outstanding as at the date of this Prospectus. Holders of the Common Shares are entitled to one vote per share at all meetings of the holders of Common Shares of the Company and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Common Shares, to participate rateably in any distribution of the Company's property or assets upon liquidation or wind-up. The Common Shares are without par value and without restrictions attached. There are no pre-emptive, redemption, retraction, purchase or conversion rights attaching to the Common Shares.

#### **Warrants**

As at the date of this Prospectus, the Company does not have any Warrants outstanding.

## CONSOLIDATED CAPITALIZATION

The following table sets forth the number of outstanding securities of the Company as June 30, 2020 and as at the date of this Prospectus.

Description of Security	Amount Authorized	Outstanding as at June 30, 2020	Outstanding as at the Date of the Prospectus
Common Shares	100,000,000	30,335,869	25,991,421 <sup>(1)</sup>
Warrants	N/A	None	None

Notes:

- (1) The change in the number of Common Shares issued and outstanding is the result of an increase of 1,300,000 Common Shares issued in connection with a private placement on December 22, 2020 and a reduction due to the repurchase and cancellation of 5,644,448 Common Shares on May 12, 2021.

## OPTIONS TO PURCHASE SECURITIES

The Company created a stock option plan that was approved by the Board on July 3, 2019 (the “**Stock Option Plan**”). The purpose of the Stock Option Plan is to assist the Company in attracting, retaining and motivating directors, officers, employees and consultants (together “**service providers**”) of the Company and of its affiliates and to closely align the personal interests of such service providers with the interests of the Company and its shareholders.

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

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

Options may be granted under the Stock Option Plan to such directors, employees, consultants or management company employees of the Company and its subsidiaries, if any, as the Board may from time to time designate. The exercise prices shall be determined by the Board, but shall, in no event, be less than the closing market price of the listed security on the CSE on the trading day prior to the earlier of dissemination of a news release disclosing the issuance of the convertible security or the posting of notice of the proposed issuance of the convertible security with the CSE. The Stock Option Plan complies with National Instrument 45-106 *Prospectus Exemptions* and provides that the number of Common Shares which may be reserved for issuance on a yearly basis to any one related person upon exercise of all stock options held by

such individual may not exceed 10% of the issued Common Shares calculated at the time of grant. Moreover, the Company cannot issue grants to related persons if in the aggregate the grants would, on a fully diluted basis, exceed 10% of the issued and outstanding Common Shares of the Company.

The Stock Option Plan is the Company's only equity compensation plan. As of the date of this Prospectus, the Company does not have any options outstanding to purchase Common Shares.

### **PRIOR SALES**

The following table sets forth the details regarding all issuances of the Company's securities during the 12 month period before the date of this Prospectus.

<b>Date of Issue</b>	<b>Type of Security</b>	<b>Number of Securities</b>	<b>Issue or Exercise Price per Security</b>	<b>Reason for Issue</b>
July 25, 2019	Common Shares	3,500,000	\$0.05	Private placement
March 26, 2020	Common Shares	1,700,000	\$0.10	Private placement
December 22, 2020	Common Shares	1,300,000	\$0.10	Private placement

### **TRADING PRICE AND VOLUME**

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

### **ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER**

#### **Escrowed Securities**

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

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

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

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

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

The Company has entered into an agreement (the "**Escrow Agreement**") with the Escrow Agent and the Principals of the Company, pursuant to which the Principals will deposit in escrow their Common Shares (the "**Escrowed Securities**") with the Escrow Agent in accordance with the provisions contained in Form 46-201F1 *Escrow Agreement* applicable to an "emerging issuer". Specifically, the Escrow Agreement provides that 10% of the Escrowed Securities will be released from escrow upon the date of the Company listing its Common Shares on the CSE, and that an additional 15% will be released therefrom upon each six month interval thereafter, over a period of 36 months.

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

- a. transfers to continuing or, upon their appointment, incoming directors and senior officers of the Company or of a material operating subsidiary, with approval of the Board;
- b. transfers to an RRSP or similar trustee plan provided that the only beneficiaries are the transferor or the transferor's spouse or children or parents;
- c. transfers upon bankruptcy to the trustee in bankruptcy;
- d. pledges to a financial institution as collateral for a loan, provided that upon a realization the securities remain subject to escrow; and



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

The following table sets forth details of the Escrowed Securities.

<b>Name and municipality of residence of security holder</b>	<b>Designation of class</b>	<b>Number of securities held in escrow or that are subject to a contractual restriction on transfer</b>	<b>Percentage of class<sup>(1)</sup></b>
<b>Harry Chew</b> Vancouver, Canada	Common Shares	5,292,119	20.4%
<b>Sonny Chew</b> Vancouver, Canada	Common Shares	1,080,000	4.2%
<b>Eddy Siu</b> Richmond, Canada	Common Shares	200,000	0.8%
<b>Ellen Chew</b> Vancouver, Canada	Common Shares	2,545,000	9.8%
<b>Winnie Chew</b> Vancouver, Canada	Common Shares	700,000	2.7%
<b>Pacific Paragon Capital Group Ltd.</b> Vancouver, Canada	Common Shares	97,500	0.4%
<b>Total</b>		<b>9,914,619</b>	<b>38.1%</b>

Notes:

(1) Percentage is based on 25,991,421 outstanding Common Shares as of the date of this Prospectus.

(2) A company controlled by Harry Chew, the Chief Executive Officer, President and a director of the Company.

## **PRINCIPAL SECURITYHOLDERS AND SELLING SECURITYHOLDERS**

To the knowledge of the Company's directors and officers, there are no persons who beneficially own, control, direct or will own, control or direct as of the date of this Prospectus, directly or

indirectly, 10% or more of the issued and outstanding Common Shares other than Harry Chew, who currently owns or exercises control or direction over 5,389,619 Common Shares, representing 20.7% of the issued and outstanding Common Shares as at the date hereof. Of those Common Shares, 5,292,119 (20.4% of the issued and outstanding Common Shares) are held directly by Mr. Chew, and 97,500 (0.4% of the issued and outstanding Common Shares) are held by a company controlled by Mr. Chew.

## DIRECTORS AND EXECUTIVE OFFICERS

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

Name, Province or State & Country of Residence, and Position(s) with the Company	Principal Occupation, Business or Employment for Past 5 Years	Date Appointed as Director	Number and Percentage of Common Shares <sup>(1)</sup> Beneficially Owned or Controlled Directly or Indirectly as of the Date of this Prospectus
<b>Harry Chew</b> British Columbia, Canada  Chief Executive Officer, President and Director	CPA, CGA, President of Pacific Paragon Capital Group Ltd.	February 22, 2013	5,389,619 20.4% <sup>(2)</sup>
<b>Sonny Chew</b> British Columbia, Canada  Chief Financial Officer, Secretary and Director	Director of Finance and Administration of Pacific Paragon Capital Group Ltd.	February 22, 2013	1,080,000 4.2%
<b>Eddy Siu</b> British Columbia, Canada  Director	Mobile Game Developer and Independent Consultant.	July 4, 2019	200,000 0.8%
<b>Terrance Owen</b> British Columbia, Canada  Director	Chief Executive Officer (2013 to 2015) and Chief Financial Officer (2016 to 2017) and a director of Champion Pain Care Corporation.  President and director of Pain Clinics International Inc. from	July 4, 2019	Nil 0%

	<p>March 2017 to September 2018.</p> <p>Chief Executive Officer and a director of Cell MedX Corp. from December 2017 to April 2018.</p> <p>President of Daizee Diapers Corp. since October 2018 and Chief Financial Officer since March 2020.</p>		
<p><b>Gerald George Carlson</b> British Columbia, Canada</p> <p>Director</p>	<p>President of AMEBC (formerly the British Columbia and Yukon Chamber of Mines).</p> <p>President and Chief Executive Officer of Pacific Ridge Exploration Ltd., a TSXV listed mineral exploration company. He currently serves as a director of Gold Mountain Mining Corp.</p>	December 29, 2020	Nil 0%
<b>TOTAL</b>			<b>6,669,619</b> <b>25.7%</b>

Notes:

- (1) Based upon 25,991,421 issued and outstanding Common Shares as of the date of this Prospectus
- (2) Of these Common Shares, 5,292,119 (20.7% of the issued and outstanding Common Shares) are held directly by Mr. Chew, and 97,500 (0.4% of the issued and outstanding Common Shares) are held by a company controlled by Mr. Chew.

Except as disclosed above, none of the directors or officers of the Company has the right to acquire any additional securities pursuant to options, warrants, conversion privileges or other rights.

As of the date of this Prospectus, the directors and officers of the Company, as a group, directly or indirectly, beneficially own 6,669,619 Common Shares of the Company, representing approximately 25.7% of the issued and outstanding Common Shares of the Company on an undiluted basis. See “*Principal Shareholders*”.

## Management of the Company

The following are descriptions of the background of the directors and officers of the Company, including a description of each individual's principal occupation(s) within the past five years.

**Harry Chew** (age 60) is the Chief Executive Officer, President and a director of the Company and provides his services to the Company on a part-time basis as an independent contractor. He expects to devote approximately 20% of his time to the Company in these roles. Mr. Chew has over 35 years of experience providing management and consulting services in the public company sector and has extensive public company experience and experience raising capital. Mr. Chew is the President of Pacific Paragon Capital Group Ltd. and has served in that capacity since 1993. Pacific Paragon provides financing, consulting and management services for private and public companies. In addition, Mr. Chew is and has been a director and officer of a number of other reporting issuers. Mr. Chew holds a Bachelor of Business Administration degree from Simon Fraser University in Burnaby, British Columbia and is a Chartered Professional Accountant.

Mr. Chew has not entered into an employment agreement, a non-competition agreement or a non-disclosure agreement with the Company.

**Sonny Chew** (age 52) is the Chief Financial Officer, Secretary and a director of the Company and provides his services to the Company on a part-time basis as an independent contractor. He expects to devote approximately 20% of his time to the Company in these roles. Mr. Chew is the Director of Finance and Administration of Pacific Paragon Capital Group Ltd. and has served in that capacity since 1992. He has extensive public company experience and experience raising capital. Pacific Paragon provides financing, consulting and management services for private and public companies. In addition, Mr. Chew is and has been a director and officer of a number of other reporting issuers in Canada since May 1999. Mr. Chew holds a Bachelor of Arts (Economics) degree from Simon Fraser University in Burnaby, British Columbia.

Mr. Chew has not entered into an employment agreement, a non-competition agreement or a non-disclosure agreement with the Company.

**Terrance G. Owen** (age 75) is a director of the Company and expects to devote approximately 10% of his time to the Company in this role. Dr. Owen obtained a Bachelor of Science (with honours) in Biology from the University of Victoria in 1968, a Masters degree in Biology from the University of New Brunswick in 1970, a Ph.D. in Zoology from the University of British Columbia in 1974 and a Masters in Business Administration from Simon Fraser University, British Columbia in 1991. Dr. Owen has also served as a director and/or reporting officer of several other reporting issuers. Dr. Owen acted as the President, Chief Executive Officer and a director of Vanc Pharmaceuticals from May 2000 to June 2013, as well as the Chief Executive

Officer, Chief Financial Officer and a director of Champion Pain Care Corporation from October 2013 to February 2017. From March 2017 until September 2018 he served as the President and a director of Pain Clinics International Inc., and from December 2017 until April 2018 he served as the Chief Executive Officer and a director of Cell MedX Corp. Mr. Owen is currently the President (since October 2018) and Chief Financial Officer (since March 2020) of Daizee Diapers Corp.

Mr. Owen has not entered into an employment agreement, a non-competition agreement or a non-disclosure agreement with the Company.

**Eddy Siu** (age 43) is a director of the Company and expects to devote approximately 20% of his time to the Company in this role. Mr. Siu has over 19 years of experience in web design, graphic and UX design, programming, server management and software development. While Mr. Siu does not have formal education in this area, he has acquired self-taught technology and computer knowledge through this experience, and his background includes managing online games, online transactions, community management and content management. From 2008-2013, Mr. Siu was the User Interface Team Lead for Integrated Broadband Services LLC, a US-based company. In this role, he developed and maintained UI, backend of main CMS for customer portals and corporate website, and developed and maintained UI, code and features for the internal backend customer management system. Mr. Siu also led a team of 2-3 developers in order to complete new features and updates for all stakeholders. Prior to this, Mr. Siu was employed as a web developer with ParaSun Technologies Inc. from 2005 until 2008. This work involved developing and maintaining the UI, the backend of the main CMS for customer portals and all corporate websites. The portals and websites were accessed by over 140,000 customers throughout North America. Mr. Siu also developed and maintained UI, code and features for backend customer management systems. Between 2001 and 2008, Mr. Siu created, developed and launched a popular web-based game and was involved in marketing and growing an extensive world-wise user base. He was also responsible for maintaining and supporting the community of players for this game. Since 1999, Mr. Siu has been engaged as a consultant, which has involved developing and maintaining client websites and web projects from idea to production, and developing front end, back end, hosting and marketing.

Mr. Siu has not entered into an employment agreement, a non-competition agreement or a non-disclosure agreement with the Company.

**Gerald George Carlson** (age 75) is a director of the Company and expects to devote approximately 15% of his time to the Company in this role. Mr. Carlson's career has spanned four decades of precious and base metal exploration throughout the Americas, but focused on Yukon and northern British Columbia. His career has included independent consulting

assignments and management of exploration programs for both junior and major mining companies. He is a past President of AMEBC (formerly the British Columbia and Yukon Chamber of Mines). He is a recipient of the SEG's Ralph Marsden Award for distinguished service and CIM's J.C. Sproule Award for the advancement of geology and mineral exploration in the Yukon.

Mr. Carlson has not entered into an employment agreement, a non-competition agreement or a non-disclosure agreement with the Company.

### **Cease Trade Orders, Bankruptcies or Sanctions**

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

- a. was subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days while that person was acting in the capacity as director, CEO or CFO;
- b. was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation in each case for a period of 30 consecutive days, that was issued after the person ceased to be a director, CEO or CFO in the company and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO;
- c. is as at the date of this Prospectus or has been within 10 years before the date of this Prospectus, a director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- d. has within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise

with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

Terrance Owen, a director of the Company, acted as a director of Sonoma Resources Inc. (“**Sonoma**”) at the time Sonoma was subject to a cease trade order that was issued by the British Columbia Securities Commission and Alberta Securities Commission on August 6, 2014. The cease trade order was put in place due to a failure to file financial statements as required under securities laws. A partial revocation order was issued on June 12, 2015, followed by a revocation order on July 24, 2015. Thereafter, Sonoma completed a reverse takeover and the resulting issuer began trading under the symbol “ELM” on December 4, 2015.

### **Penalties or Sanctions**

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

### **Conflicts of Interest**

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

*Corporations Act* (British Columbia), the CSE and applicable securities laws, regulations and policies.

## EXECUTIVE COMPENSATION

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

The compensation provided to directors and NEOs has been disclosed based on the requirements of Form 51-102F6V in the tables below as follows:

- (1) Table of compensation excluding compensation securities;
- (2) Stock options and other compensation securities; and
- (3) Exercise of compensation securities by directors and NEOs.

### **Director and Named Executive Officer Compensation, Excluding Compensation Securities**

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

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of other compensation (\$)	Total compensation (\$)
Harry Chew Chief Executive Officer, President and Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil



<b>Sonny Chew</b> Chief Financial Officer, Secretary and Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
<b>Terrance Owen</b> Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
<b>Eddy Siu</b> Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	\$6,000	Nil	Nil	Nil	Nil	\$6,000
<b>Gerald George Carlson</b> Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	N/A	N/A	N/A	N/A	N/A	N/A

### **Stock Option Plans and Other Incentive Plans**

The Stock Option Plan is the Company's only equity compensation plan. As of the date of this Prospectus, the Company has not issued any options to purchase Common Shares.

### **Employment, Consulting and Management Agreements**

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

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

The Company has not entered into any consulting agreements other than a rent and management agreement with Pacific Paragon Capital Group Ltd., a company controlled by Harry Chew, the Company's Chief Executive Officer, President and a director.

### **Oversight and Description of Director and Named Executive Officer Compensation**

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

## **Pension Plan Benefits for NEOs**

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

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the Company's directors or officers or any of their respective associates is indebted to the Company or has been subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company.

## **AUDIT COMMITTEE AND CORPORATE GOVERNANCE**

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

The Audit Committee Charter of the Company is attached as Schedule "A" to this Prospectus.

### **Composition of the Audit Committee**

The Company's audit committee (the "**Audit Committee**") is currently comprised of three members, Terrance Owen (chair), Harry Chew, and Eddy Siu. The Audit Committee complies with the audit committee composition requirements applicable to venture issuers in section 6.1.1 of NI 52-110.

### **Relevant Education and Experience**

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

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements;
- (b) the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are

generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising individuals engaged in such activities; and

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

Specifically, the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

**Terrance G. Owen** - Dr. Owen obtained a Bachelor of Science (with honours) in Biology from the University of Victoria in 1968, a Masters degree in Biology from the University of New Brunswick in 1970, a Ph.D. in Zoology from the University of British Columbia in 1974 and a Masters in Business Administration from Simon Fraser University, British Columbia in 1991. Dr. Owen has been a director and/or senior officer of several other reporting issuers, including serving on the audit committee of Cyntar Ventures Inc.

**Harry Chew** - Mr. Chew is the President of Pacific Paragon and has served in that capacity since 1993. Pacific Paragon provides financing, consulting and management services for private and public companies. In addition, Mr. Chew is and has been a director and officer of a number of other reporting issuers, including serving on the audit committee of Cyntar Ventures Inc. Mr. Chew holds a Bachelor of Business Administration degree from Simon Fraser University in Burnaby, British Columbia and is a Chartered Professional Accountant.

**Eddy Siu** - Mr. Siu has extensive experience in the gaming industry. In addition, through running his own consulting practice for many years, Mr. Siu has experience with financial matters in this industry.

### **Audit Committee Oversight**

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

### **Pre-Approval Policies and Procedures**

The Audit Committee has not yet adopted specific policies and procedures for the engagement of non-audit services. Such matters are the subject of review and pre-approval by the Audit Committee.

## External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by Saturna Group Chartered Professional Accountants LLP for the financial years ended June 30, 2019 and 2020, to the Company to ensure auditor independence. Fees billed for audit and non-audit services in the last fiscal years for audit fees are outlined in the following table.

<b>Nature of Services</b>	<b>Fees Billed by Auditor for the Year Ended June 30, 2020</b>	<b>Fees Billed by Auditor for the Year Ended June 30, 2019<sup>(5)</sup></b>
Audit Fees <sup>(1)</sup>	\$9,900	\$9,500
Audit-Related Fees <sup>(2)</sup>	Nil	Nil
Tax Fees <sup>(3)</sup>	Nil	Nil
All Other Fees <sup>(4)</sup>	Nil	Nil
<b>TOTAL:</b>	<b>\$9,900</b>	<b>\$9,500</b>

Notes:

- (1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Company’s financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include all other non-audit services.
- (5) Amounts disclosed in the 2019 column represent fees expensed during the financial year ended June 30, 2019 and are related to the audited financial statements for the financial years ended June 30, 2018 and 2019.

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## CORPORATE GOVERNANCE

### General

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

practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

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

### **Board of Directors**

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

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

The following members of the Board are non-independent: Harry Chew and Sonny Chew.

The following members of the Board are independent: Eddy Siu, Terrance Owen, and Gerald George Carlson.

### **Other Reporting Issuer Experience**

The following directors of the Company are directors of other reporting issuers as of the date of the Prospectus:

<b>Director</b>	<b>Reporting Issuer</b>	<b>Exchange Listed On &amp; Symbol</b>
Harry Chew	Pacific Paradym Energy Inc.	TSXV – PPE.H
Sonny Chew	Pacific Paradym Energy Inc.	TSXV – PPE.H
Terrance Owen	Pacific Paradym Energy Inc.	TSXV – PPE.H

	Eastwood Bio-Medical Canada Inc.	TSXV – EBM
Gerald George Carlson	Pacific Ridge Exploration Ltd. Gold Mountain Mining Corp.	TSXV – PEX TSXV – GMTN

### **Orientation and Continuing Education**

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

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

### **Ethical Business Conduct**

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

### **Nomination of Directors**

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

### **Compensation**

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

### **Other Board Committees**

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

## Assessments

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

## LISTING APPLICATION AND CONDITIONAL LISTING APPROVAL

The Company has applied to list its Common Shares on the CSE. The CSE has conditionally approved the listing of the Common Shares. Listing is subject the Company fulfilling all of the requirements of the CSE.

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, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside of Canada and the United States of America.

## RISK FACTORS

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

The Company has identified the following risks relevant to its business and operations, which could materially affect the Company's operating results, financial performance and the value of the Common Shares. The information below does not purport to be an exhaustive summary of the risks affecting the Company and additional risks and uncertainties not currently known to the officers or directors of the Company or not currently perceived as being material may have an adverse effect on the business of the Company.

### ***The Company does not expect to pay any cash dividends***

The Company may not achieve a level of profitability to permit payments of cash dividends to shareholders. Any future determination to pay dividends on the Common Shares will be at the discretion of the Board, and will depend upon many factors, including the Company's results of

operations, financial position, credit terms, general economic factors and other factors as the Board may deem relevant from time to time.

### ***Management and directors***

The Company's future success depends on its ability to retain key employees and/or consultants and attract, train, retain and successfully integrate new talent into its management team. The Company's success is highly dependent on its continuing ability to identify, hire, train, motivate and retain appropriate personnel. Competition for such personnel can be intense, and the Company cannot provide assurance that it will be able to attract or retain them.

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

Current global financial conditions have been subject to increased volatility, which has negatively impacted access to public financing. These factors may impact the ability of the Company to obtain equity or debt financing in the future and, if obtained, on terms favourable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted, and the value of the Common Shares could be adversely affected.

### ***Impact of the COVID-19 pandemic***

The Company's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in Canada. The outbreak has caused companies and various governmental bodies to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Company cannot estimate whether or to what extent this outbreak and the potential financial impact may extend. Such public health crises can result in volatility and disruptions in the supply and demand for gold and other metals and minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect mineral prices, interest rates, credit ratings, credit risk, share prices and inflation. The risks to the Company of such public health crises also include slowdowns or temporary suspensions of operations in locations impacted by an outbreak, interruptions to supply chains and supplies on which the Company relies, restrictions that the Company and its contractors and subcontractors impose to ensure the safety of employees and others, increased labor costs, regulatory changes, political or economic instabilities or civil unrest.



As of the date of this Prospectus, the Ontario provincial government has designated businesses engaged in mineral exploration and development as an “essential service”. Provided the Company’s exploration activities continue to be so designated and the current availability of labour and supplies is not materially affected by new developments respecting COVID-19 or responses thereto, the Company expects that its personnel will be able to carry out its exploration activities significant delays or increases in cost.

The Company has and will continue to take measures recommended by Health Canada and applicable regulatory bodies, as appropriate. To date, the Company has reduced travel and transitioned to virtual meetings where feasible. At this point, the extent to which COVID-19 will or may impact the Company is uncertain and these factors are beyond the Company’s control; however, it is possible that COVID-19 may have a material adverse effect on the Company’s business, results of operations and financial condition.

### ***Dilution***

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

### ***Future sales by existing shareholders could cause the Company’s share price to fall***

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

### ***Profitability of the Company***

There can be no assurance that the Company’s business and strategy will enable it to become profitable or sustain profitability in future periods and that it will not incur net losses. The Company’s future operating results will depend on various factors, many of which are beyond the Company’s direct control, including the Company’s ability to control its costs and general economic conditions. The Company’s limited operating history makes it difficult to predict future operating results. If the Company is unable to generate profits in the future, the market price of the Common Shares could decline.

### ***Litigation***

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

### ***Risks related to possible fluctuations in revenues and results***

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

### ***Negative cash flow from operations***

During the fiscal year ended June 30, 2020, the Company had negative cash flow from operating activities. Although the Company anticipates it will have positive cash flow from operating activities in future periods, to the extent that the Company has negative cash flow in any future period, it will need to raise additional funds to cover this short fall.

### ***Going concern risk***

The Company's registered independent auditors have issued an opinion on the Company's audited financial statements for the year ended June 30, 2020 which includes a statement describing the Company's going concern status. The conditions set forth indicate that a material uncertainty exists that may cast significant doubt that the Company can continue as an ongoing business for the next twelve months unless the Company obtains additional capital to pay its bills and meet its other financial obligations.

In addition to cash flow from operations, ongoing operations may be dependent on the Company's ability to obtain equity financing by the issuance of securities and to generate profitable operations in the future. Significant amounts of capital expenditures are required in order for the Company to execute its business plan and there are no assurances that the Company will have sufficient funds for this purpose.

### ***Force majeure***

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

### ***Risks related to market demands***

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

### ***Fluctuation and volatility in stock exchange prices***

The market price of a publicly traded stock is affected by many variables, including the availability and attractiveness of alternative investments and the breadth of public market for the stock. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies.

For instance, the market price for the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond management's control, including the following:

- actual or anticipated fluctuations in the Company's quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which the Company operates;
- addition or departure of the Company's executive officers and other key personnel;
- release or expiration of lock-up or other transfer restrictions on outstanding Common Shares;
- sales or perceived sales of additional Common Shares;

- speculation, whether or not well-founded, about significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors;
- operating and share price performance of other companies that investors deem comparable to the Company;
- changes in global financial markets and global economies and general market conditions; and
- news reports relating to trends, concerns or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which might result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely affected and the trading price of the Common Shares might be materially adversely affected.

Further, there can be no assurance that such variations will not affect the price of the Company's securities in the future and that the price of the Common Shares will not decrease after listing on the CSE.

### ***Market for the Company's securities***

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

### ***Reporting issuer status and related requirements***

As a reporting issuer, the Company will be subject to reporting requirements under applicable securities laws and stock exchange policies. Compliance with these requirements will increase legal and financial compliance costs, make some activities more difficult, time consuming or costly, and increase demand on existing systems and resources. Among other things, the

Company will be required to file annual, quarterly and current reports with respect to its business and results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. In order to maintain and, if required, improve disclosure controls and procedures and internal controls over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm the Company's business and results of operations. The Company may need to hire additional employees and/or consultants to comply with these requirements in the future, which would increase its costs and expenses.

### ***Limited operating history***

The Company has a limited operating history on which to base an evaluation of its business, financial performance and prospects. As such, the Company's business and prospects must be considered in light of the risks, expenses, uncertainties and difficulties frequently encountered by companies in the early stage of development, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues.

As a junior mining exploration company, the Company is focused on conducting its proposed exploration program on the Spius Property and the Company's revenues may be materially affected by the risks, difficulties and expenses frequently encountered in the mineral exploration industry. There can be no assurance that the Company will be successful in addressing these risks, and the failure to do so in any one area could have a material adverse effect on the Company's business, prospects, financial condition and results of operations.

### ***Additional financing***

The Company expects that it will require equity and/or debt financing to support ongoing operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms which are acceptable. The Company's inability to raise financing to fund ongoing operations, capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon the Company's business, results of operations, financial condition or prospects.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Common Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the

Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

### ***Competition***

There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition, results of operations or prospects of the Company.

### ***Director and officer control of Common Shares***

The officers and directors of the Company currently hold (directly or indirectly) approximately 25.7% of the issued and outstanding Common Shares. The Company's shareholders nominate and elect the Board, which generally has the ability to control the acquisition or disposition of the Company's assets, and the future issuance of its Common Shares or other securities. Accordingly, for any matters with respect to which a majority vote of the Common Shares may be required by law, the Company's directors and officers may have the ability to control such matters. Because the directors and officers control a substantial portion of such Common Shares, investors may find it difficult or impossible to replace the Company's directors if they disagree with the way the Company's business is being operated.

### ***Management of growth***

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee and consultant base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

### ***Internal controls***

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's consolidated financial statements and materially adversely affect the trading price of the Common Shares.

### ***Conflicts of interest***

Certain of the directors and officers of the Company are, or may become directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of the Company and as officers and directors of such other companies.

### ***Fraudulent or illegal activity by employees, contractors and consultants***

The Company is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Company that violates, among other things, government regulators, industry standards or laws that require the true, complete and accurate reporting of financial information or data. It may not always be possible for the Company to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against Company, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the Company's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Company's operations, any of which could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

### ***Information technology systems and cyber-attacks***

The Company's operations depend, in part, on how well it and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

The Company has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully

mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

### ***Operating risks and insurance***

The Company's operations are subject to hazards inherent in its industry, such as equipment defects, malfunction and failures, natural disasters which result in fires, accidents and explosions that can cause personal injury, loss of life, suspension of operations, damage to facilities, business interruption and damage to or destruction of property, equipment and the environment, labour disputes, and changes in the regulatory environment. These risks could expose the Company to substantial liability for personal injury, wrongful death, property damage, pollution, and other environmental damages. The frequency and severity of such incidents will affect operating costs, insurability and relationships with customers, employees, consultants and regulators.

The Company continuously monitors its operations for quality control and safety. However, there are no assurances that the Company's safety procedures will always prevent such damages. Although the Company maintains insurance coverage that it believes to be adequate and customary in the industry, there can be no assurance that such insurance will be adequate to cover its liabilities. In addition, there can be no assurance that the Company will be able to maintain adequate insurance in the future at rates it considers reasonable and commercially justifiable. The occurrence of a significant uninsured claim, a claim in excess of the insurance coverage limits maintained by the Company, or a claim at a time when it is not able to obtain liability insurance, could have a material adverse effect on the Company, the Company's ability to conduct normal business operations and on the Company's business, financial condition, results of operations and cash flows in the future.

### ***Uninsured or uninsurable risk***

The Company may be subject to liability for risks against which it cannot insure or against which the Company may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for the Company's normal business activities. Payment of liabilities for which the Company does not carry insurance may have a material adverse effect on the Company's financial position and operations.

### ***Issuance of debt***



From time to time, the Company may enter into transactions to acquire assets or shares of other organizations. These transactions may be financed in whole or in part with debt, which may increase the Company's debt levels above industry standards for companies of similar size. Depending on future development plans, the Company may require additional equity and/or debt financing that may not be available or, if available, may not be available on favourable terms to the Company. Neither the Company's articles nor its by-laws limit the amount of indebtedness that the Company may incur. As a result, the level of the Company's indebtedness from time to time could impair its ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise.

***Financial projections may prove materially inaccurate or incorrect***

The Company's financial estimates, projections and other forward-looking information accompanying this Prospectus were prepared by the Company without the benefit of reliable historical industry information or other information customarily used in preparing such estimates, projections and other forward-looking information. Such forward-looking information is based on assumptions of future events that may or may not occur, which assumptions may not be disclosed in such documents. Investors should research the Company and become familiar with the assumptions underlying any estimates, projections or other forward-looking information. Projections are inherently subject to varying degrees of uncertainty and their achievability depends on the timing and probability of a complex series of future events. There is no assurance that the assumptions upon which these projections are based will be realized. Actual results may differ materially from projected results for a number of reasons including increases in operation expenses, changes or shifts in regulatory rules, undiscovered and unanticipated adverse industry and economic conditions, and unanticipated competition. Accordingly, investors should not rely on any projections to indicate the actual results the Company might achieve.

***Risks associated with acquisitions***

As part of the Company's overall business strategy, the Company may pursue select strategic acquisitions that would provide additional product or service offerings, additional industry expertise, and a stronger industry presence in both existing and new jurisdictions. Future acquisitions may expose the Company to potential risks, including risks associated with: (i) the integration of new operations, services and personnel; (ii) unforeseen or hidden liabilities; (iii) the diversion of resources from the Company's existing business; (iv) potential inability to generate sufficient revenue to offset new costs; (v) the expenses of acquisitions; or (vi) the potential loss of or harm to relationships with employees, consultants and existing users resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

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

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

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

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

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

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

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

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

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

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

***New mineral exploration companies have a high failure rate***

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

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

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

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

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

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

Short-term factors, such as the need for orderly development of deposits or the processing of new or different grades, may have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in reserves or resources, grades, dilution estimates or recovery rates may affect the economic viability of a project. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish mineral resources through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial

benefits may be derived from the discovery of a major deposit, no assurance can be given that resources will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

### ***Aboriginal title and land claims***

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

### ***Environmental and other regulatory risks may adversely affect the Company***

All phases of the Company's operations are subject to environmental regulation in the jurisdiction in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will likely require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties. Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent that such approvals are required and not obtained, the Company may be curtailed or prohibited from continuing its operations or from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in

mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

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

#### ***Climate change may adversely affect the Company***

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

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

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

### ***Obtaining and renewing licenses and permits***

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

### ***Insurance and uninsured risks***

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

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

### ***Dependence on outside parties***

The Company will rely upon consultants, engineers, contractors and other parties for exploration, development, construction and operating expertise. Substantial expenditures are required to construct mines, to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract metal from ore and, in the case of new properties, to develop the exploration and mineral processing infrastructure at

any particular site. Deficient or negligent work or work not completed in a timely manner could have a material adverse effect on the Company.

### ***Competition***

The mining industry is extremely competitive. The Company competes with other companies, some which have greater financial, operational expertise, technical capabilities and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company will be able to compete effectively with these companies.

### ***Land reclamation requirements may be burdensome***

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

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

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

### ***Risks relating to health and safety***

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

There is no assurance that the Company has been or will at all times be in full compliance with all laws and regulations or hold, and be in full compliance with, all required health and safety permits. The potential costs and delays associated with compliance with such laws, regulations and permits could prevent the Company from proceeding with the development of a project or the operation or further development of a project, and any noncompliance therewith may adversely affect the Company's business, financial condition and results of operations. Amendments to current laws, regulations and permits governing operations and activities of



mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties.

### ***Risks related to infrastructure***

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

## **PROMOTERS**

Harry Chew, the Chief Executive Officer, President and director of the Company, has been a promoter of the Company since he was appointed as President and director on February 22, 2013. Harry Chew beneficially owns, directly or indirectly, an aggregate of 5,389,619 Common Shares, representing approximately 20.7% of the issued and outstanding Common Shares on a non-diluted basis. Of these Common Shares, 5,292,119 (20.4% of the issued and outstanding Common Shares) are held directly by Harry Chew and 97,500 (0.4% of the issued and outstanding Common Shares) are held by a company controlled by Harry Chew. The Company also pays an amount of \$1,500 plus GST per month for rent and administration payments to a company controlled by Harry Chew.

Sonny Chew, the Chief Financial Officer, Secretary and director of the Company, has been a promoter of the Company since he was appointed as Secretary and director on February 22, 2013. Sonny Chew beneficially owns, directly or indirectly, an aggregate of 1,080,000 Common Shares, representing approximately 4.2% of the issued and outstanding Common Shares on a non-diluted basis.

## **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

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

## **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

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

## **AUDITOR, TRANSFER AGENT AND REGISTRAR**

The auditor of the Company is Saturna Group Chartered Professional Accountants LLP, located at 1066 West Hastings Street, Suite 1250, Vancouver, British Columbia, V6E 3X1.

The transfer agent and registrar for the Common Shares of the Company is Odyssey Trust Company, located at United Kingdom Building, 323-409 Granville Street, Vancouver, British Columbia, V6C 1T2.

## **EXPERTS**

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

1. Gordon Gibson, Registered Professional Geologist in the Province of British Columbia is a “qualified person” as defined in NI 43-101. Gordon Gibson is the author responsible for the preparation of the Technical Report.
2. The financial statements of the Company included with this Prospectus have been subject to audit by Saturna Group Chartered Professional Accountants LLP and their audit report is included herein. Saturna Group Chartered Professional Accountants LLP is independent of the Company in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

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

## **MATERIAL CONTRACTS**

Except for contracts made in the ordinary course of business, the Escrow Agreement and the Option Agreement (each as described elsewhere in this Prospectus) are the only material contracts entered into by the Company which are currently in effect.

## **OTHER MATERIAL FACTS**

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

## **FINANCIAL STATEMENTS AND MD&A**

The following financial statements are attached to this Prospectus:

1. Audited financial statements of the Company for the years ended June 30, 2020 and 2019.
2. MD&A of the Company for the year ended June 30, 2020.
3. Unaudited interim financial statements of the Company for the nine month period ended March 31, 2021.
4. MD&A of the Company for the nine month period ended March 31, 2021.

**Audited financial statements of the Company  
for the years ended June 30, 2019 and 2020**

**ARCTIC FOX VENTURES INC.**

(formerly Arctic Fox Interactive Ltd.)

Financial Statements

Years Ended June 30, 2020 and 2019

(Expressed in Canadian Dollars)

## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of Arctic Fox Ventures Inc. (formerly Arctic Fox Interactive Ltd.)

#### Opinion

We have audited the financial statements of Arctic Fox Ventures Inc. (formerly Arctic Fox Interactive Ltd.) (the "Company"), which comprise the statements of financial position as at June 30, 2020 and 2019, and the statements of operations and comprehensive loss, changes in equity, and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

#### Basis for Opinion

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

#### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has not generated any revenues and has negative cash flow from operations during the year ended June 30, 2020 and, as of that date, the Company has an accumulated deficit of \$1,335,288. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the Prospectus.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

The Prospectus is expected to be made available to us after the date of the auditor's report. If, based on the work we have performed on this information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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

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

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

November 24, 2020

**ARCTIC FOX VENTURES INC.**

(formerly Arctic Fox Interactive Ltd.)

Statements of Financial Position

(Expressed in Canadian Dollars)

	June 30, 2020 \$	June 30, 2019 \$
<b>Assets</b>		
Current assets		
Cash	227,956	99,627
Prepaid expenses	4,200	–
<b>Total assets</b>	<b>232,156</b>	<b>99,627</b>
<b>Liabilities</b>		
Current liabilities		
Loans payable (Note 3)	2,200	2,200
Due to related parties (Note 4)	–	12,600
<b>Total liabilities</b>	<b>2,200</b>	<b>14,800</b>
<b>Shareholders' equity</b>		
Share capital	1,565,244	1,225,193
Share subscriptions received (Note 5)	–	99,800
Share subscriptions receivable	–	(2,899)
Deficit	(1,335,288)	(1,237,267)
<b>Total shareholders' equity</b>	<b>229,956</b>	<b>84,827</b>
<b>Total liabilities and shareholders' equity</b>	<b>232,156</b>	<b>99,627</b>

Nature of operations and continuance of business (Note 1)

Subsequent events (Note 10)

Approved and authorized for issuance on behalf of the Board on November 24, 2020:

/s/ "Harry Chew"

Harry Chew, Director

/s/ "Sonny Chew"

Sonny Chew, Director

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



**ARCTIC FOX VENTURES INC.**

(formerly Arctic Fox Interactive Ltd.)

Statements of Operations and Comprehensive Loss

(Expressed in Canadian Dollars)

	Year ended June 30, 2020 \$	Year ended June 30, 2019 \$
Expenses		
Filing fees	12,878	–
Office and miscellaneous	6,698	126
Professional fees	49,909	839
Rent and administrative fees (Note 4)	25,200	25,200
Software development costs (Note 6)	3,336	12,955
<b>Total expenses</b>	<b>98,021</b>	<b>39,120</b>
Loss before other expense	(98,021)	(39,120)
Other expense		
Loss on settlements of debt (Note 5)	–	(730,376)
<b>Net loss and comprehensive loss</b>	<b>(98,021)</b>	<b>(769,496)</b>
Loss per share, basic and diluted	–	(0.06)
Weighted average shares outstanding	28,842,700	12,662,780

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

**ARCTIC FOX VENTURES INC.**

(formerly Arctic Fox Interactive Ltd.)

Statements of Changes in Equity

(Expressed in Canadian Dollars)

	Share capital		Share subscriptions received \$	Share subscriptions receivable \$	Deficit \$	Total shareholders' equity (deficit) \$
	Number of shares	Amount \$				
Balance, June 30, 2018	790,000	7,900	–	(2,899)	(467,771)	(462,770)
Shares issued to settle debt	24,345,869	1,217,293	–	–	–	1,217,293
Share subscriptions received	–	–	99,800	–	–	99,800
Net loss for the year	–	–	–	–	(769,496)	(769,496)
Balance, June 30, 2019	25,135,869	1,225,193	99,800	(2,899)	(1,237,267)	84,827
Shares issued in private placements	5,200,000	345,000	(99,800)	–	–	245,200
Share issuance costs	–	(4,949)	–	–	–	(4,949)
Share subscriptions received	–	–	–	2,899	–	2,899
Net loss for the year	–	–	–	–	(98,021)	(98,021)
Balance, June 30, 2020	30,335,869	1,565,244	–	–	(1,335,288)	229,956

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

**ARCTIC FOX VENTURES INC.**

(formerly Arctic Fox Interactive Ltd.)

Statements of Cash Flows

(Expressed in Canadian Dollars)

	Year ended June 30, 2020 \$	Year ended June 30, 2019 \$
Operating activities		
Net loss	(98,021)	(769,496)
Items not involving cash:		
Loss on settlements of debt	–	730,376
Changes in non-cash operating working capital:		
Prepaid expenses	(4,200)	–
Accounts payable	–	7,000
Due to related parties	(12,600)	25,200
Net cash used in operating activities	(114,821)	(6,920)
Financing activities		
Proceeds from loans payable	–	6,650
Proceeds from shares issued / share subscriptions received	248,099	99,800
Share issuance costs	(4,949)	–
Net cash provided by financing activities	243,150	106,450
Change in cash	128,329	99,530
Cash, beginning of year	99,627	97
Cash, end of year	227,956	99,627
Non-cash investing and financing activities:		
Shares issued to settle accounts payable	–	87,500
Shares issued to settle loans payable	–	782,187
Shares issued to settled related party debt	–	347,606

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

# ARCTIC FOX VENTURES INC.

(formerly Arctic Fox Interactive Ltd.)

Notes to the Financial Statements

Years Ended June 30, 2020 and 2019

(Expressed in Canadian Dollars)

## 1. Nature of Operations and Continuance of Operations

Arctic Fox Ventures Inc. (formerly Arctic Fox Interactive Ltd. (the “Company”) was incorporated in the province of British Columbia on February 19, 2013. The Company was focused on mobile game application development. Subsequent to June 30, 2020, the Company became a mineral exploration company (refer to Note 10(a)), but will still continue with its mobile game application development operations. The Company’s head office is located at Suite 905, 1030 West Georgia Street, Vancouver, BC, V6E 2Y3.

On March 11, 2020, the World Health Organization declared coronavirus COVID 19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the year ended June 30, 2020, the Company has not generated any revenues and has negative cash flow from operations. As at June 30, 2020, the Company has an accumulated deficit of \$1,335,288. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing through debt or equity. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors may cast significant doubt on the Company’s ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

## 2. Significant Accounting Policies

### (a) Basis of Presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board on a going concern basis.

These financial statements have been prepared on a historical cost basis and are presented in Canadian dollars.

### (b) Application of New IFRS

#### *IFRS 16, Leases*

On July 1, 2019, the Company adopted IFRS 16 – Leases (“IFRS 16”) which replaced IAS 17 – Leases and IFRIC 4 – Determining Whether an Arrangement Contains a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applied in IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less), leases with certain variable lease payments, and leases of low-value assets.

The Company adopted IFRS 16 effective July 1, 2019, using the modified retrospective method, with no significant impact on the Company’s financial statements as the Company does not have any lease commitments.

## **ARCTIC FOX VENTURES INC.**

(formerly Arctic Fox Interactive Ltd.)

Notes to the Financial Statements

Years Ended June 30, 2020 and 2019

(Expressed in Canadian Dollars)

### **2. Significant Accounting Policies** (continued)

#### (c) Significant Accounting Judgments and Estimates

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas requiring the use of estimates include the fair value of share-based payments and unrecognized deferred income tax assets.

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

#### (d) 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.

#### (e) Software Development Costs

Software development costs relating to software to be sold, licenced, or marketed are capitalized upon the establishment of technological feasibility. Capitalized software development costs will be amortized over the remaining useful life of the product.

#### (f) Foreign Currency Translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the consolidated statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the statement of operations.

#### (g) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the respective instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are included in the initial carrying value of the related instrument and are amortized using the effective interest method. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of operations.

Fair value estimates are made at the statement of financial position date based on relevant market information and information about the financial instrument. All financial instruments are classified into either: fair value through profit or loss ("FVTPL") or amortized cost.

## ARCTIC FOX VENTURES INC.

(formerly Arctic Fox Interactive Ltd.)

Notes to the Financial Statements

Years Ended June 30, 2020 and 2019

(Expressed in Canadian Dollars)

### 2. Significant Accounting Policies (continued)

#### (g) Financial Instruments (continued)

The Company has made the following classifications:

Cash	Amortized cost
Loans payable	Amortized cost
Due to related parties	Amortized cost

#### Financial assets

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

#### *Financial assets at FVTPL*

Financial assets are classified as FVTPL when the financial asset is either held for trading or it is designated as FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

#### *Financial assets at amortized cost*

Financial assets at amortized cost are non-derivative financial assets which are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Subsequent to initial recognition, financial assets are measured at amortized cost using the effective interest method, less any impairment.

#### *Impairment of financial assets*

Financial assets, other than those classified as FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been decreased.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are offset against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of operations. Loss allowances are based on the lifetime ECL's that result from all possible default events over the expected life of the trade receivable, using the simplified approach.

For financial assets measured at amortized cost, 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.

## ARCTIC FOX VENTURES INC.

(formerly Arctic Fox Interactive Ltd.)

Notes to the Financial Statements

Years Ended June 30, 2020 and 2019

(Expressed in Canadian Dollars)

### 2. Significant Accounting Policies (continued)

#### (g) Financial Instruments (continued)

##### Financial liabilities and equity instruments

##### *Classification as debt or equity*

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized as the proceeds received, net of direct issue costs.

##### *Other financial liabilities*

Other financial liabilities (including loans and borrowings and trade payables and other liabilities) are initially measured at fair value, net of transaction costs. Subsequently, other financial liabilities are measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### (h) Income Taxes

##### *Current income tax*

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### *Deferred income tax*

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

## **ARCTIC FOX VENTURES INC.**

(formerly Arctic Fox Interactive Ltd.)

Notes to the Financial Statements

Years Ended June 30, 2020 and 2019

(Expressed in Canadian Dollars)

### **2. Significant Accounting Policies** (continued)

#### (i) Share-based Payments

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.

#### (j) Loss Per Share

Basic 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.

#### (k) Comprehensive Loss

Comprehensive loss is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in the statement of operations.

#### (l) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended June 30, 2020, and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

### **3. Loans Payable**

- (a) As at June 30, 2020, the amount of \$1,800 (2019 - \$1,800) is owed to a company controlled by the Chief Executive Officer and a director of the Company, which is unsecured, non-interest bearing, and due on demand.
- (b) As at June 30, 2020, the amount of \$400 (2019 - \$400) is owed to a company controlled by the Chief Executive Officer of the Company, which is unsecured, non-interest bearing, and due on demand.



## **ARCTIC FOX VENTURES INC.**

(formerly Arctic Fox Interactive Ltd.)

Notes to the Financial Statements

Years Ended June 30, 2020 and 2019

(Expressed in Canadian Dollars)

### **4. Related Party Transactions**

- (a) As at June 30, 2020, the amount of \$nil (2019 - \$12,600) is owed to a company controlled by the Chief Executive Officer and the Chief Financial Officer of the Company, which is unsecured, non-interest bearing, and due on demand. On January 3, 2019, the Company issued 6,300,000 common shares with a fair value of \$315,000 to settle debt of \$126,000 owing, resulting in a loss of \$189,000 on settlement. Refer to Note 5(c). During the year ended June 30, 2020, the Company incurred rent and administrative fees of \$24,000 (2019 - \$24,000) to a company controlled by the Chief Executive Officer and Chief Financial Officer of the Company.
- (b) On January 3, 2019, the Company issued 652,119 common shares with a fair value of \$32,606 to settle debt of \$13,042 owing to the Chief Executive Officer of the Company, resulting in a loss of \$19,564 on settlement. Refer to Note 5(c).

### **5. Share Capital**

Authorized: 100,000,000 Class A voting common shares without par value

- (a) On March 26, 2020, the Company issued 1,700,000 common shares at \$0.10 per share for proceeds of \$170,000.
- (b) On July 25, 2019, the Company issued 3,500,000 common shares at \$0.05 per share for proceeds of \$175,000, of which \$99,800 was received as at June 30, 2019. In connection with this private placement, the Company incurred share issuance costs of \$4,949.
- (c) On January 3, 2019, the Company issued 24,345,869 common shares with a fair value of \$1,217,293 to settle \$35,000 of accounts payable, \$312,875 of loans payable, and \$139,042 of related party debt, resulting in a loss on debt settlements of \$730,376. Refer to Note 3.

### **6. Software Development Costs**

From incorporation to June 30, 2020, the Company has incurred costs of \$355,561 (2019 - \$352,225) for the mobile game "After: The Lawless".

### **7. Capital Management**

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and share subscriptions received/receivable.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements.

## ARCTIC FOX VENTURES INC.

(formerly Arctic Fox Interactive Ltd.)

Notes to the Financial Statements

Years Ended June 30, 2020 and 2019

(Expressed in Canadian Dollars)

### 8. Financial Instruments and Risk Management

#### (a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which includes cash, loans payable, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

#### (b) Credit Risk

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.

#### (c) Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

#### (d) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term and other specific obligations.

### 9. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2020	2019
	\$	\$
Canadian statutory income tax rate	27%	27%
Income tax recovery at statutory rate	(26,466)	(207,764)
Tax effect of:		
Permanent difference and other	(688)	—
Change in unrecognized deferred income tax asset	27,154	207,764
Income tax provision	—	—

## ARCTIC FOX VENTURES INC.

(formerly Arctic Fox Interactive Ltd.)

Notes to the Financial Statements

Years Ended June 30, 2020 and 2019

(Expressed in Canadian Dollars)

### 9. Income Taxes (continued)

The significant components of deferred income tax assets and liabilities are as follows:

	2020	2019
	\$	\$
Deferred income tax assets		
Non-capital losses carried forward	356,724	330,639
Share issuance costs	1,069	–
Unrecognized deferred income tax asset	(357,793)	(330,639)
Net deferred income tax asset	–	–

As at June 30, 2020, the Company has non-capital losses carried forward of \$1,321,201, which is available to offset future years' taxable income. These losses expire as follows:

	\$
2033	56,444
2034	183,853
2035	79,566
2036	50,734
2037	44,692
2038	39,803
2039	769,496
2040	96,613
	1,321,201

### 10. Subsequent Events

- (a) On October 20, 2020, the Company entered into a mineral property option agreement whereby the Company has the right to earn a 60% interest in certain mineral claims located in the Nicola and New Westminster Mining Districts in British Columbia, Canada.

To earn this interest, the Company is to make cash payments totalling \$60,000, issue a total of 1,000,000 common shares, and incur exploration expenditures on the property aggregating \$550,000 as follows:

Cash consideration to be paid:

- \$15,000 to be paid within 5 business days of the Company being listed on the TSX Venture Exchange or the Canadian Securities Exchange ("Listing Date");
- a further \$15,000 on or before December 31, 2021; and
- a further \$30,000 on or before December 31, 2022.

Common shares to be issued:

- 200,000 shares within 10 days of the Listing Date;
- a further 200,000 shares on or before December 31, 2021; and
- a further 600,000 shares on or before December 31, 2022.

Exploration expenditures to be incurred:

- \$150,000 on or before December 31, 2021; and
- \$550,000 in aggregate on or before December 31, 2022.

- (b) On November 23, 2020, the Company changed its name to Arctic Fox Ventures Inc.

**MD&A of the Company  
for the year ended June 30, 2020**

# **ARCTIC FOX VENTURES INC.**

(formerly Arctic Fox Interactive Ltd.)

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the year ended June 30, 2020

**ARCTIC FOX VENTURES INC.**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020

This Management's Discussion and Analysis ("MD&A") of Arctic Fox Ventures Inc. ("Arctic" or the "Company"), prepared as of November 24, 2020, should be read in conjunction with the financial statements and the notes thereto for the year ended June 30, 2020 which were prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise indicated.

This MD&A contains certain forward-looking statements and information relating to the Company that is based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "may", "will", "anticipate", "plan", "intend", "estimate", "project", "continue", "believe", "estimate", "expect" and similar forward-looking terminology, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital and the estimated cost and availability of funding for the continued operation of the Company. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

Although management believes that the expectations reflected in such forward-looking statements are reasonable, all forward-looking statements address matters that involve known and unknown risks, uncertainties and other factors and should not be read as guarantees of future performance or results. Accordingly, there are or will be a number of significant factors which could cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors that could cause actual future results, performance or achievements to differ materially include, but are not limited to, our limited operating history, our reliance on key personnel, future capital needs, dependence on proprietary technology and limited protection thereof and general economic trends and international risk. The Company is subject to significant risks and any past performance is no guarantee of future performance. The Company cannot predict all of the risk factors, nor can it assess the impact, if any, of such risk factors 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 projected in any forward-looking statements. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. This MD&A offers a brief overview of some of the risk factors to be considered in relation to the Company's business. This list may not be exhaustive and new risk factors may emerge from time to time. We disclaim any intention or obligation to publicly update or revise any forward-looking statements after distribution of this MD&A, whether as a result of new information, future events or other circumstances, except as may be required pursuant to applicable securities laws.

## **DESCRIPTION OF BUSINESS**

Arctic Fox Interactive Ltd. (the "Company") was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on February 19, 2013. On November 23, 2020, the Company changed its name to Arctic Fox Ventures Inc.

The Company is focused on mobile game application development. The Company's head office is located at Suite 905, 1030 West Georgia Street, Vancouver, BC, V6E 2Y3.

The Company is a technology company that is engaged in the development and potential subsequent commercialization of apps in the mobile gaming industry, and has one game currently in operation. The Company intends to develop and acquire intellectual property, and with that intellectual property, to develop and/or co-develop games. Specifically, the Company hopes to license intellectual property that could be used within its existing game, and ultimately to launch new games.

**ARCTIC FOX VENTURES INC.**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020

Since inception on game development the Company has produced its initial gaming app, "After: The Lawless", a multiplayer online role-playing game that has been designed to be easily scaled to be played on Apple devices. After currently allows players to engage with each other and with the game itself. Players are able to interact and join other players in certain activities in the game.

The Company's main focus is on acquiring and aggregating intellectual property related to entertainment co-development products with experienced individuals in digital asset creation, and marketing these digital assets to the global market to hopefully generate a continual revenue stream. Once the Company acquires intellectual property, it will develop assets and content to launch with the core game engine it is developing.

The Company's main business areas are as follows:

- develop intellectual property into games for the global customer;
- intellectual property licensing, source acquire popular intellectual property related to movies, games and comics;
- intellectual property development, partnering with leading digital media companies to produce games and assets; and
- intellectual property commercialization (self-publish or co-publish).

#### SOFTWARE DEVELOPMENT COSTS

From incorporation to June 30, 2020, the Company has incurred costs of \$355,561 (2019 - \$352,225) for the mobile game "After: The Lawless".

#### CHANGE IN BUSINESS

Due to the Company's management team's experience and resources, certain attractive mining opportunities have been made available to the Company. The opportunities will potentially allow the Company to deliver shareholder value over the next 3 to 5 years by using the Company's cash position and management experience to find suitable exploration projects in politically safe jurisdictions. As a result, the Company changed its business to be that of a mining issuer.

Although there has been a change in business, the Company will continue to further the development of its patent applications and seek to commercialize the intellectual property it has accumulated as a technology company.

On October 20, 2020, the Company entered into a mineral property option agreement whereby the Company has the right to earn a 60% interest in certain mineral claims located in the Nicola and New Westminster Mining Districts in British Columbia, Canada.

To earn this interest, the Company is to make cash payments totalling \$60,000, issue a total of 1,000,000 common shares, and incur exploration expenditures on the property aggregating \$550,000 as follows:

Cash consideration to be paid:

- \$15,000 to be paid within 5 business days of the Company being listed on the TSX Venture Exchange or the Canadian Securities Exchange ("Listing Date");
- a further \$15,000 on or before December 31, 2021; and
- a further \$30,000 on or before December 31, 2022.

Common shares to be issued:

- 200,000 shares within 10 days of the Listing Date;
- a further 200,000 shares on or before December 31, 2021; and
- a further 600,000 shares on or before December 31, 2022.

Exploration expenditures to be incurred:

- \$150,000 on or before December 31, 2021; and
- \$550,000 in aggregate on or before December 31, 2022.

**ARCTIC FOX VENTURES INC.**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020

**SELECTED ANNUAL INFORMATION**

The following table sets forth selected audited financial information of the Company from the last three completed financial years ended June 30:

	2020 \$	2019 \$	2018 \$
Total assets	232,156	99,627	97
Net loss	(98,021)	(769,496)	(39,803)
Net loss per share, basic and diluted	-	(0.06)	(0.05)

**RESULTS OF OPERATIONS**

For the year ended June 30, 2020, the Company had a net loss of \$98,021 compared to \$769,496 for the year ended June 30, 2019. The net loss for the year ended June 30, 2019 includes a loss on settlements of debt of \$730,376.

**SUMMARY OF QUARTERLY RESULTS**

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

	June 30, 2020 \$	March 31, 2020 \$	December 31, 2019 \$	September 30, 2019 \$
Total revenues	-	-	-	-
Net loss	(53,930)	(12,265)	(20,867)	(15,738)
Loss per share, basic and diluted	-	-	-	-
	June 30, 2019 \$	March 31, 2019 \$	December 31, 2018 \$	September 30, 2018 \$
Total revenues	-	-	-	-
Net loss	(9,088)	(737,376)	(13,128)	(9,904)
Net loss per share, basic and diluted	-	(0.03)	-	-

The net loss for the quarter ended March 31, 2019 includes a loss on settlements of debt of \$730,376.

**LIQUIDITY AND CAPITAL RESOURCES**

As at June 30, 2020, the Company had cash of \$227,956 (2019 - \$99,627). As at June 30, 2020, the Company had working capital of \$229,956 (2019 - \$88,427).

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 June 30, 2020:**

**Operating activities**

For the year ended June 30, 2020, the Company's operating activities used cash of \$114,821 compared to \$6,920 for the year ended June 30, 2019.



**ARCTIC FOX VENTURES INC.**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020

**Financing activities**

For the year ended June 30, 2020, the Company was provided cash of \$243,151 by financing activities from the issuance of common shares net of share issuance costs of \$4,948 compared to \$106,450 provided by loans payable and share subscriptions received for the year ended June 30, 2019.

**Capital Management**

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued capital.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is not subject to externally imposed capital requirements.

**OFF BALANCE SHEET ARRANGEMENTS**

The Company does not utilize off-balance sheet arrangements.

**TRANSACTIONS WITH RELATED PARTIES**

- (a) As at June 30, 2020, the amount of \$1,800 in loan advances (2019 - \$1,800) is owed to Pacific Paragon Capital Group Ltd. ("Pacific Paragon"), a company controlled by Harry Chew, the Chief Executive Officer of the Company, and Sonny Chew, the Chief Financial Officer of the Company. The amount owed is unsecured, non-interest bearing, and due on demand.
- (b) As at June 30, 2020, the amount of \$400 in loan advances (2019 - \$400) is owed to Myntek Management Services Inc., a company controlled by Harry Chew, the Chief Executive Officer of the Company. The amount owed is unsecured, non-interest bearing, and due on demand.
- (c) As at June 30, 2020, the amount of \$nil (2019 - \$12,600) is owed to Pacific Paragon. The amount owed is unsecured, non-interest bearing, and due on demand. During the year ended June 30, 2020, the Company incurred rent and administrative fees of \$24,000 (2019 - \$24,000) to Pacific Paragon.

**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

**ARCTIC FOX VENTURES INC.**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020

(b) Credit Risk

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.

(c) Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

(d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs

**RECENT ACCOUNTING STANDARDS**

The Company adopted IFRS 16, "Leases" effective July 1, 2019 and it did not have a material impact on the Company's financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

**ADDITIONAL DISCLOSURE FOR COMPANIES WITHOUT SIGNIFICANT REVENUE**

An analysis of material components of the Company's general and administrative expenses is disclosed in the audited financial statements for the year ended June 30, 2020 to which this MD&A relates.

**DISCLOSURE OF OUTSTANDING SHARE DATA**

**Share Capital**

As at November 24, 2020, the Company had 30,335,869 shares issued and outstanding.

**Share Purchase Warrants**

As at November 24, 2020, the Company had no share purchase warrants outstanding.

**Stock Options**

As at November 24, 2020, the Company had no stock options outstanding.

**RISK FACTORS**

*Coronavirus Pandemic*

The current outbreak of COVID-19 and any future emergence and spread of similar pathogens could have an adverse impact on global economic conditions, which may adversely impact the Company's operations, and the operations of its suppliers, contractors, and service providers, the ability to obtain financing and maintain necessary liquidity. The outbreak of COVID-19 and political upheavals in various countries have caused significant volatility in commodity prices. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time.

**Unaudited interim financial statements of the Company  
for the nine month period ended March 31, 2021**

**ARCTIC FOX VENTURES INC.**

(formerly Arctic Fox Interactive Ltd.)

Condensed Financial Statements

Nine Months Ended March 31, 2021

(Expressed in Canadian Dollars)

(unaudited)

**ARCTIC FOX VENTURES INC.**  
(formerly Arctic Fox Interactive Ltd.)  
Condensed Statements of Financial Position  
(Expressed in Canadian Dollars)

	March 31, 2021 \$	June 30, 2020 \$
	(unaudited)	
Assets		
Current assets		
Cash	277,012	227,956
Prepaid expenses	2,100	4,200
<b>Total current assets</b>	<b>279,112</b>	<b>232,156</b>
Non-current assets		
Exploration and evaluation assets	2,590	–
<b>Total assets</b>	<b>281,702</b>	<b>232,156</b>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	1,568	–
Loans payable (Note 4)	–	2,200
<b>Total liabilities</b>	<b>1,568</b>	<b>2,200</b>
Shareholders' equity		
Share capital	1,695,244	1,565,244
Deficit	(1,415,110)	(1,335,288)
<b>Total shareholders' equity</b>	<b>280,134</b>	<b>229,956</b>
<b>Total liabilities and shareholders' equity</b>	<b>281,702</b>	<b>232,156</b>

Nature of operations and continuance of business (Note 1)  
Subsequent event (Note 7)

Approved and authorized for issuance on behalf of the Board on May 19, 2021:

/s/ "Harry Chew"  
Harry Chew, Director

/s/ "Sonny Chew"  
Sonny Chew, Director

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

**ARCTIC FOX VENTURES INC.**

(formerly Arctic Fox Interactive Ltd.)

## Condensed Statements of Operations and Comprehensive Loss

(Expressed in Canadian Dollars)

(unaudited)

	Three months ended March 31, 2021 \$	Three months ended March 31, 2020 \$	Nine months ended March 31, 2021 \$	Nine months ended March 31, 2020 \$
Expenses				
Office and miscellaneous	1,484	5,362	4,469	6,504
Professional fees	12,946	–	43,448	16,046
Rent and administrative fees (Note 5)	6,300	6,300	18,900	18,900
Software development costs	455	603	1,987	2,641
Transfer agent and regulatory fees	11,018	–	11,018	–
Total expenses	32,203	12,265	79,822	44,091
Net loss and comprehensive loss	(32,203)	(12,265)	(79,822)	(44,091)
Loss per share, basic and diluted	–	–	–	–
Weighted average shares outstanding	31,635,869	28,729,276	30,805,577	28,348,596

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

## ARCTIC FOX VENTURES INC.

(formerly Arctic Fox Interactive Ltd.)  
Condensed Statements of Changes in Equity  
(Expressed in Canadian Dollars)  
(unaudited)

	Share capital		Share subscriptions received	Share subscriptions receivable	Deficit	Total shareholders' equity
	Number of shares	Amount \$				
Balance, June 30, 2020	30,335,869	1,565,244	-	-	(1,335,288)	229,956
Shares issued for private placement	1,300,000	130,000	-	-	-	130,000
Net loss for the period	-	-	-	-	(79,822)	(79,822)
<b>Balance, March 31, 2021</b>	<b>31,635,869</b>	<b>1,695,244</b>	<b>-</b>	<b>-</b>	<b>(1,415,110)</b>	<b>280,134</b>
Balance, June 30, 2019	25,135,869	1,225,193	99,800	(2,899)	(1,237,267)	84,827
Shares issued for private placement	5,200,000	345,000	(99,800)	-	-	245,200
Share issuance costs	-	(4,948)	-	-	-	(4,948)
Net loss for the period	-	-	-	-	(44,091)	(44,091)
<b>Balance, March 31, 2020</b>	<b>30,335,869</b>	<b>1,565,245</b>	<b>-</b>	<b>(2,899)</b>	<b>(1,281,358)</b>	<b>280,988</b>

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

**ARCTIC FOX VENTURES INC.**

(formerly Arctic Fox Interactive Ltd.)

Condensed Statements of Cash Flows

(Expressed in Canadian Dollars)

(unaudited)

	Nine months ended March 31, 2021 \$	Nine months ended March 31, 2020 \$
Operating activities		
Net loss	(79,822)	(44,091)
Changes in non-cash operating working capital:		
Prepaid expenses	2,100	(10,500)
Accounts payable and accrued liabilities	1,568	8,575
Due to related parties	–	(12,600)
Net cash used in operating activities	(76,154)	(58,616)
Investing activities		
Exploration and evaluation expenditures	(2,590)	–
Net cash used in investing activities	(2,590)	–
Financing activities		
Repayments of loans payable	(2,200)	–
Proceeds from shares issued	130,000	245,200
Share issuance costs	–	(4,948)
Net cash provided by financing activities	127,800	240,252
Change in cash	49,056	181,636
Cash, beginning of period	227,956	99,627
Cash, end of period	277,012	281,263

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



## **ARCTIC FOX VENTURES INC.**

(formerly Arctic Fox Interactive Ltd.)

Notes to the Condensed Financial Statements

Nine Months Ended March 31, 2021

(Expressed in Canadian Dollars)

(unaudited)

### **1. Nature of Operations and Continuance of Operations**

Arctic Fox Ventures Inc. (formerly Arctic Fox Interactive Ltd.) (the “Company”) was incorporated in the province of British Columbia on February 19, 2013. The Company was focused on mobile application development. On October 20, 2020, the Company became a mineral exploration company (refer to Note 3). The Company plans to divest itself of its mobile game application development operations. The Company’s head office is located at Suite 905, 1030 West Georgia Street, Vancouver, BC, V6E 2Y3.

On March 11, 2020, the World Health Organization declared coronavirus COVID 19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

These condensed financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at March 31, 2021, the Company has not generated any revenues from operations, has negative cash flow from operations, and has an accumulated deficit of \$1,415,110. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing through debt or equity. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors may cast significant doubt on the Company’s ability to continue as a going concern. These condensed financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

### **2. Significant Accounting Policies**

#### **(a) Basis of Presentation**

These condensed financial statements have been prepared in accordance with International Financial Reporting Standards applicable to interim financial information, as outlined in International Accounting Standard (“IAS”) 34, “Interim Financial Reporting” and using the accounting policies consistent with those in the audited financial statements as at and for the year ended June 30, 2020.

These condensed financial statements do not include all disclosures normally provided in annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended June 30, 2020. Interim results are not necessarily indicative of the results expected for the fiscal year.

#### **(b) Accounting Standards Issued But Not Yet Effective**

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended March 31, 2021, and have not been early adopted in preparing these condensed financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

## **ARCTIC FOX VENTURES INC.**

(formerly Arctic Fox Interactive Ltd.)

Notes to the Condensed Financial Statements

Nine Months Ended March 31, 2021

(Expressed in Canadian Dollars)

(unaudited)

### **3. Exploration and Evaluation Assets**

On October 20, 2020, the Company entered into a mineral property option agreement whereby the Company has the right to earn a 60% interest in certain mineral claims located in the Nicola and New Westminster Mining Districts in British Columbia, Canada.

To earn this interest, the Company is to make cash payments totalling \$60,000, issue a total of 1,000,000 common shares, and incur exploration expenditures on the property aggregating \$550,000 as follows:

Cash consideration to be paid:

- \$15,000 to be paid within 5 business days of the Company being listed on the TSX Venture Exchange or the Canadian Securities Exchange ("Listing Date");
- a further \$15,000 on or before December 31, 2021; and
- a further \$30,000 on or before December 31, 2022.

Common shares to be issued:

- 200,000 shares within 10 days of the Listing Date;
- a further 200,000 shares on or before December 31, 2021; and
- a further 600,000 shares on or before December 31, 2022.

Exploration expenditures to be incurred:

- \$150,000 on or before December 31, 2021; and
- \$550,000 in aggregate on or before December 31, 2022.

### **4. Loans Payable**

(a) As at March 31, 2021, the amount of \$nil (June 30, 2020 - \$1,800) is owed to a company controlled by the Chief Executive Officer and a director of the Company, which is unsecured, non-interest bearing, and due on demand.

(b) As at March 31, 2021, the amount of \$nil (June 30, 2020 - \$400) is owed to a company controlled by the Chief Executive Officer of the Company, which is unsecured, non-interest bearing, and due on demand.

### **5. Related Party Transactions**

During the nine months ended March 31, 2021, the Company incurred rent and administrative fees of \$18,000 (2020 - \$18,000) to a company controlled by the Chief Executive Officer and a director of the Company.

### **6. Share Capital**

On December 22, 2020, the Company issued 1,300,000 flow-through common shares at \$0.10 per share for proceeds of \$130,000.

### **7. Subsequent Event**

On May 12, 2021, 5,644,448 common shares were returned to the Company and cancelled for no consideration.

**MD&A of the Company  
for the nine month period ended March 31, 2021**

# **ARCTIC FOX VENTURES INC.**

(formerly Arctic Fox Interactive Ltd.)

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the nine months ended March 31, 2021

This Management's Discussion and Analysis ("MD&A") of Arctic Fox Ventures Inc. ("Arctic" or the "Company"), prepared as of May 19, 2021, should be read in conjunction with the unaudited condensed financial statements and the notes thereto for the nine months ended March 31, 2021 which were prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise indicated.

This MD&A contains certain forward-looking statements and information relating to the Company that is based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "may", "will", "anticipate", "plan", "intend", "estimate", "project", "continue", "believe", "estimate", "expect" and similar forward-looking terminology, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital and the estimated cost and availability of funding for the continued operation of the Company. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

Although management believes that the expectations reflected in such forward-looking statements are reasonable, all forward-looking statements address matters that involve known and unknown risks, uncertainties and other factors and should not be read as guarantees of future performance or results. Accordingly, there are or will be a number of significant factors which could cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors that could cause actual future results, performance or achievements to differ materially include, but are not limited to, our limited operating history, our reliance on key personnel, future capital needs, dependence on proprietary technology and limited protection thereof and general economic trends and international risk. The Company is subject to significant risks and any past performance is no guarantee of future performance. The Company cannot predict all of the risk factors, nor can it assess the impact, if any, of such risk factors 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 projected in any forward-looking statements. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. This MD&A offers a brief overview of some of the risk factors to be considered in relation to the Company's business. This list may not be exhaustive and new risk factors may emerge from time to time. We disclaim any intention or obligation to publicly update or revise any forward-looking statements after distribution of this MD&A, whether as a result of new information, future events or other circumstances, except as may be required pursuant to applicable securities laws.

## **DESCRIPTION OF BUSINESS**

Arctic Fox Interactive Ltd. (the "Company") was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on February 19, 2013. On November 23, 2020, the Company changed its name to Arctic Fox Ventures Inc.

The Company is focused on mineral exploration of its Spius Property as described below under "Change of Business". The Company's head office is located at Suite 905, 1030 West Georgia Street, Vancouver, BC, V6E 2Y3.

The Company was a technology company that was engaged in the development and potential subsequent commercialization of apps in the mobile gaming industry, and has one game currently in operation. The Company intends to divest itself of this asset and concentrate its efforts on the mineral exploration of its Spius Property.

## ARCTIC FOX VENTURES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE NINE MONTHS ENDED MARCH 31, 2021

Since inception on game development the Company has produced its initial gaming app, "After: The Lawless", a multiplayer online role-playing game that has been designed to be easily scaled to be played on Apple devices. After currently allows players to engage with each other and with the game itself. Players are able to interact and join other players in certain activities in the game. The Company will look at divesting itself of this app and put its resources to develop the mineral exploration of its Spius Property.

### SOFTWARE DEVELOPMENT COSTS

From incorporation to March 31, 2021, the Company has incurred costs of \$357,546 (June 30, 2020 - \$355,561) for the mobile game "After: The Lawless".

### CHANGE IN BUSINESS

Due to the Company's management team's experience and resources, certain attractive mining opportunities have been made available to the Company. The opportunities will potentially allow the Company to deliver shareholder value over the next 3 to 5 years by using the Company's cash position and management experience to find suitable exploration projects in politically safe jurisdictions. As a result, the Company changed its business to be that of a mining issuer.

On October 20, 2020, the Company entered into a mineral property option agreement whereby the Company has the right to earn a 60% interest in certain mineral claims located in the Nicola and New Westminster Mining Districts in British Columbia, Canada (Spius Property).

To earn this interest, the Company is to make cash payments totalling \$60,000, issue a total of 1,000,000 common shares, and incur exploration expenditures on the property aggregating \$550,000 as follows:

Cash consideration to be paid:

- \$15,000 to be paid within 5 business days of the Company being listed on the TSX Venture Exchange or the Canadian Securities Exchange ("Listing Date");
- a further \$15,000 on or before December 31, 2021; and
- a further \$30,000 on or before December 31, 2022.

Common shares to be issued:

- 200,000 shares within 10 days of the Listing Date;
- a further 200,000 shares on or before December 31, 2021; and
- a further 600,000 shares on or before December 31, 2022.

Exploration expenditures to be incurred:

- \$150,000 on or before December 31, 2021; and
- \$550,000 in aggregate on or before December 31, 2022.

### RESULTS OF OPERATIONS

For the nine months ended March 31, 2021, the Company had a net loss of \$79,822 compared to \$44,091 for the nine months ended March 31, 2020.

### SUMMARY OF QUARTERLY RESULTS

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

	March 31, 2021 \$	December 31, 2020 \$	September 30, 2020 \$	June 30, 2020 \$
Total revenues	—	—	—	—
Net loss	(32,203)	(39,099)	(8,520)	(53,930)
Loss per share, basic and diluted	—	—	—	—

## ARCTIC FOX VENTURES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE NINE MONTHS ENDED MARCH 31, 2021

	March 31, 2020 \$	December 31, 2019 \$	September 30, 2019 \$	June 30, 2019 \$
Total revenues	–	–	–	–
Net loss	(12,265)	(16,088)	(15,738)	(9,088)
Net loss per share, basic and diluted	–	–	–	–

### LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2021, the Company had cash of \$227,012 (June 30, 2020 - \$227,956). As at March 31, 2021, the Company had working capital of \$277,544 (June 30, 2019 - \$229,956).

On December 22, 2020, the Company issued 1,300,000 flow-through common shares at \$0.10 per share for proceeds of \$130,000.

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.

#### Nine months ended March 31, 2021:

##### Operating activities

For the nine months ended March 31, 2021, the Company's operating activities used cash of \$76,154 compared to \$58,616 for the nine months ended March 31, 2020.

##### Investing activities

For the nine months ended March 31, 2021, the Company used cash of \$2,590 for exploration and evaluation of asset expenditures compared to \$nil for the nine months ended March 31, 2020.

##### Financing activities

For the nine months ended March 31, 2021, the Company received cash of \$130,000 from the issuance of shares and repaid loans payable of \$2,200. For the nine months ended March 31, 2020, the Company received \$240,252 from the issuance of shares, net of share issuance costs incurred.

##### Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued capital.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is not subject to externally imposed capital requirements.

## **ARCTIC FOX VENTURES INC.**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE NINE MONTHS ENDED MARCH 31, 2021

### **OFF BALANCE SHEET ARRANGEMENTS**

The Company does not utilize off-balance sheet arrangements.

### **TRANSACTIONS WITH RELATED PARTIES**

During the nine months ended March 31, 2021, the Company incurred rent and administrative fees of \$18,000 (2020 - \$18,000) to a Pacific Paragon Capital Group Ltd., a company controlled by Harry Chew, the Chief Executive Officer of the Company, and Sonny Chew, the Chief Financial Officer of the Company.

### **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

#### **(a) Fair Values**

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which includes cash, accounts payable and accrued liabilities, and loans payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

#### **(b) Credit Risk**

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 a high credit quality financial institution. The carrying amount of financial assets represents the maximum credit exposure.

#### **(c) Foreign Exchange Rate and Interest Rate Risk**

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

#### **(d) Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs

### **RECENT ACCOUNTING STANDARDS**

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended March 31, 2021, and have not been early adopted in preparing these condensed financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.



**ARCTIC FOX VENTURES INC.**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE NINE MONTHS ENDED MARCH 31, 2021

**ADDITIONAL DISCLOSURE FOR COMPANIES WITHOUT SIGNIFICANT REVENUE**

An analysis of material components of the Company's general and administrative expenses is disclosed in the unaudited condensed financial statements for the nine months ended March 31, 2021 to which this MD&A relates.

**DISCLOSURE OF OUTSTANDING SHARE DATA**

**Share Capital**

As at May 19, 2021, the Company had 25,991,421 shares issued and outstanding.

**Share Purchase Warrants**

As at May 19, 2021, the Company had no share purchase warrants outstanding.

**Stock Options**

As at May 19, 2021, the Company had no stock options outstanding.

**RISK FACTORS**

*Coronavirus Pandemic*

The current outbreak of COVID-19 and any future emergence and spread of similar pathogens could have an adverse impact on global economic conditions, which may adversely impact the Company's operations, and the operations of its suppliers, contractors, and service providers, the ability to obtain financing and maintain necessary liquidity. The outbreak of COVID-19 and political upheavals in various countries have caused significant volatility in commodity prices. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time.

**SCHEDULE “A”**  
**ARCTIC FOX VENTURES INC.**  
**(THE “COMPANY”)**  
**AUDIT COMMITTEE CHARTER**

**I. MANDATE**

The Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Arctic Fox Ventures Inc. (the “**Company**”) shall assist the Board in fulfilling its financial oversight responsibilities. The Committee’s primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

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

**II. STRUCTURE AND OPERATIONS**

A. **Composition**

The Committee shall be comprised of three or more members.

B. **Qualifications**

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

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

C. **Appointment and Removal**

In accordance with the Articles of the Company, the members of the Committee shall be appointed by the Board and shall serve until such member’s successor is duly elected and

qualified or until such member's earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

D. **Chair**

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

E. **Meetings**

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

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

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

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

**III. DUTIES**

A. **Introduction**

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

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

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

**B. Powers and Responsibilities**

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

*Independence of Auditor*

1. Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and the Company.
2. Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.
3. Require the Auditor to report directly to the Committee.
4. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Company.

*Performance and Completion by Auditor of its Work*

1. Be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, including resolution of disagreements between management and the Auditor regarding financial reporting.
2. Review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-election by the Company's shareholders of the existing, Auditor for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company.

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

*Internal Financial Controls and Operations of the Company*

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

*Preparation of Financial Statements*

1. Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
2. Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.
3. Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
4. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
5. Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:
  - (a) The adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggested by the Auditor, internal auditor or management.
  - (b) The management inquiry letter provided by the Auditor and the Company's response to that letter.

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

*Public Disclosure by the Company*

1. Review the Company's annual and interim financial statements, management's discussion and analysis (MD&A) and earnings press releases before the Board approves and the Company publicly discloses this information.
2. Review the Company's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.
3. Review disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process of the Company's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

*Manner of Carrying Out its Mandate*

1. Consult, to the extent it deems necessary or appropriate, with the Auditor, but without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
2. Request any officer or employee of the Company or the Company's outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.
3. Meet, to the extent it deems necessary or appropriate, with management, any internal auditor and the Auditor in separate executive sessions.
4. Have the authority, to the extent it deems necessary or appropriate, to retain special independent legal, accounting or other consultants to advise the Committee advisors.
5. Make regular reports to the Board.
6. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

7. Annually review the Committee's own performance.
8. Provide an open avenue of communication among the Auditor, the Company's financial and senior management and the Board.
9. Not delegate these responsibilities.

B. **Limitation of Audit Committee's Role**

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

These are the responsibilities of management and not the auditor.

## CERTIFICATE OF THE COMPANY

Dated: May 27, 2021

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

*/s/ "Harry Chew"*

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Harry Chew  
Chief Executive Officer,  
President and Director

*/s/ "Sonny Chew"*

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Sonny Chew  
Chief Financial Officer,  
Secretary and Director

## ON BEHALF OF THE BOARD OF DIRECTORS

*/s/ "Terrance Owen"*

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Terrance Owen  
Director

*/s/ "Gerald Carlson"*

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Gerald Carlson  
Director



**CERTIFICATE OF THE PROMOTERS**

Dated: May 27, 2021

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

*/s/ "Harry Chew"*

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Harry Chew

*/s/ "Sonny Chew"*

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Sonny Chew

**Schedule B**  
**Form 2A Listing Statement Disclosure – Additional Information**

All terms used but not defined in this Schedule B have the meanings given to them in the Prospectus, attached to this Listing Statement as Schedule A.

**14. CAPITALIZATION**

**14.1 Issued Capital**

	<b>Number of Securities (non-diluted)</b>	<b>Number of Securities (fully- diluted)</b>	<b>% of Issued (non- diluted)</b>	<b>% of Issued (fully diluted)</b>
<u>Public Float</u>				
<b>Total outstanding (A)<sup>(1)</sup></b>	<b>25,991,421</b>	<b>25,991,421</b>	<b>100%</b>	<b>100%</b>
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	12,515,869	12,515,869	48.2%	48.2%
<b>Total Public Float (A-B)</b>	<b>13,475,552</b>	<b>13,475,552</b>	<b>51.8%</b>	<b>51.8%</b>
<u>Freely-Tradeable Float</u>				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	9,914,619	9,914,619	38.1%	38.1%
<b>Total Tradeable Float (A-C)</b>	<b>16,076,802</b>	<b>16,076,802</b>	<b>61.9%</b>	<b>61.9%</b>

Notes:

- (1) Additional shares are to be issued under the Option Agreement: 200,000 shares within 10 days of the Listing Date; a further 200,000 shares on or before December 31, 2021; and a further 600,000 shares on or before December 31, 2022 (Capitalized terms are as defined in the accompanying prospectus).

**(a) Public Securityholders (Registered)**

**Class of Security**

<b><u>Size of Holding</u></b>	<b><u>Number of holders</u></b>	<b><u>Total number of securities</u></b>
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	29	29,000
2,000 – 2,999 securities	8	19,000
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	121	13,427,552
<b>Total</b>	<b>158</b>	<b>13,475,552</b>

**(b) Public Securityholders (Beneficial)**

**Class of Security**

<b><u>Size of Holding</u></b>	<b><u>Number of holders</u></b>	<b><u>Total number of securities</u></b>
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	29	29,000
2,000 – 2,999 securities	8	19,000
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	121	13,427,552
Unable to confirm	0	0
<b>Total</b>	<b>158</b>	<b>13,475,552</b>

**(c) Non-Public Securityholders (Registered)**

**Class of Security**

<b><u>Size of Holding</u></b>	<b><u>Number of holders</u></b>	<b><u>Total number of securities</u></b>
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0

4,000 – 4,999 securities	0	0
5,000 or more securities	7	12,515,869
<b>Total</b>	<b>7</b>	<b>12,515,869</b>

#### 14.2 Convertible/ Exchangeable Securities

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
None	0 (nil)	0 (nil)

#### 14.3 Other Listed Securities

The Issuer has no listed securities reserved for issuance 14.2.

#### 24. OTHER MATERIAL FACTS

There are no material facts about the Issuer and its securities that are not disclosed under the preceding items or in the Prospectus and that are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Issuer and its securities.

**CERTIFICATE OF THE ISSUER**

Date: June 2, 2021

Pursuant to a resolution duly passed by its Board of Directors, Arctic Fox Ventures Inc. hereby applies for the listing of the above-mentioned securities on the CSE. The foregoing contains full, true and plain disclosure of all material information relating to Arctic Fox Ventures Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

*/s/ "Harry Chew"*

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Harry Chew  
Chief Executive Officer,  
President and Director

*/s/ "Sonny Chew"*

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Sonny Chew  
Chief Financial Officer,  
Secretary and Director

**ON BEHALF OF THE BOARD OF DIRECTORS**

*/s/ "Terrance Owen"*

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Terrance Owen  
Director

*/s/ "Gerald Carlson"*

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Gerald Carlson  
Director

**CERTIFICATE OF THE PROMOTER**

Date: June 2, 2021

The foregoing contains full, true and plain disclosure of all material information relating to Arctic Fox Ventures Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

*/s/ "Harry Chew"*

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Harry Chew

*/s/ "Sonny Chew"*

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Sonny Chew