

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

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



AMENDED AND RESTATED PRELIMINARY PROSPECTUS

(further amending and restating the amended and restated preliminary prospectus dated June 5, 2020, which Amended and Restated the Preliminary Prospectus dated March 10, 2020)

INITIAL PUBLIC OFFERING

September 1, 2020

PRISMO METALS INC.

OFFERING

<u>Type of Securities</u>	<u>Number of Securities</u>	<u>Price per Security</u>
Common Shares	4,000,000	\$0.125

This amended and restated prospectus (the “**Prospectus**”) qualifies for distribution (the “**Offering**”) by Prismo Metals Inc. (the “**Company**”) in the provinces of British Columbia, Alberta, Saskatchewan and Ontario of a minimum of 4,000,000 common shares (each, a “**Common Share**”, and collectively, the “**Common Shares**”) of the Company at a price of \$0.125 (the “**Offering Price**”) per Common Share to raise minimum gross proceeds of \$500,000.

The Common Shares are being offered pursuant to an agency agreement (the “**Agency Agreement**”) dated September <@>, 2020 between the Company and Haywood Securities Inc. (the “**Agent**”). The Offering is anticipated to close no later than 90 days following final receipt of this Prospectus.

This Offering is subject to the completion of a minimum subscription of 4,000,000 Common Shares for gross proceeds to the Company of \$500,000. If the minimum subscription is not completed within

90 days of the issuance of a receipt for the final Prospectus, all subscription will be returned to Subscribers without interest or deduction.

	Price to the Public	Agent’s Commission⁽¹⁾	Net Proceeds⁽²⁾⁽³⁾
Per Common Share	\$0.125	\$37,500	\$462,500

Notes:

- (1) Pursuant to the terms and conditions of the Agency Agreement, the Company has agreed to pay the Agent upon closing of the Offering (the “**Closing**”) a cash commission equal to 7.5% of the gross proceeds of the Offering (the “**Agent’s Fee**”). In addition, the Agent will also receive options (the “**Agent’s Options**”) to purchase that number of common shares equal to 7.5% of the number of Common Shares sold hereunder at a price of \$0.125 per Common Share for a period of 24 months from the Closing of this Offering. The Company has further agreed to pay the Agent a corporate finance fee (the “**Corporate Finance Fee**”) of \$25,000, of which \$20,000 shall be payable in cash and \$5,000 in Common Shares of the Company (the “**Corporate Finance Fee Shares**”). Each Corporate Finance Fee Share will have a deemed price equal to the Offering Price. This Prospectus also qualifies for distribution the grant of the Agent’s Options and all securities issuable upon the exercise thereof and the Corporate Finance Fee Shares. The Company has also agreed to pay the Agent’s expenses in connection with the Offering, including legal fees and disbursements and the Agent’s reasonable out-of-pocket expenses for which the Company has paid a \$10,000 retainer (the “**Agent’s Expenses**”). See “Plan of Distribution”.
- (2) Before deducting the balance of the expenses of the Company and the Agent’s Expenses relating to the Offering estimated at \$90,000, which will be paid from the proceeds of the Offering. See “Use of Proceeds”.
- (3) The Company has granted to the Agent an over-allotment option (the “**Over-Allotment Option**”) exercisable, in whole or in part in the sole discretion of the Agent, up to 48 hours prior to Closing, to sell additional Common Shares equal to 15% of the Common Shares issued pursuant to this Offering. If the Over-Allotment Option is exercised by the Agent, the Company will issue up to 600,000 additional Common Shares for a purchase price equal to the Offering Price, representing additional gross proceeds of \$75,000 and net proceeds of \$69,375 . This table excludes any Common Shares issuable upon exercise of the Over-Allotment Option. See "Plan of Distribution" below. A purchaser who acquires Common Shares forming part of the Agent's over-allocation position acquires those securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS

Jorge Rafael Gallardo-Romero, Craig Gibson, and Maria Guadalupe Yeomans Otero, directors of the Company, each of whom is signing the certificate of the Company attached to this Prospectus under Part 5 of National Instrument 41-101 - General Prospectus Requirements, reside outside of Canada and each has appointed the Company as his/her agent for service of process in Canada. The individuals, named below, have appointed the following agent for service of process:

Name of Person	Name and Address of Agent
Jorge Rafael Gallardo-Romero	Prismo Metals Inc., 1100-1111 Melville Street, Vancouver, British Columbia, V6E 3V6
Craig Gibson	Prismo Metals Inc., 1100-1111 Melville Street, Vancouver, British Columbia, V6E 3V6
Maria Guadalupe Yeomans Otero	Prismo Metals Inc., 1100-1111 Melville Street, Vancouver, British Columbia, V6E 3V6

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

There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. Also, the Palos Verdes Property, which is the Company’s only material property, comprises the Palos Verdes concession that covers an area of only 22.7707 hectares, which is significantly smaller than a typical exploration stage project. As the Palos Verdes Property is relatively small in size, it has limited possibility of containing the required infrastructure for a standalone mining operation, including required mine installations, a mineral processing plant and a modern tailings management facility, which may affect the ability of the Company to economically develop this property. Furthermore, in the event of the discovery of a commercially viable deposit, the Company may be required to enter into a toll milling agreement with one or more of the operating toll mills in the region and there is no guarantee that the Company will successfully conclude any such agreement on commercially viable terms. As such, the Company faces additional risk factors that are unique and substantial to it that go beyond the risks associated with a pre-mineral resource stage property. Consequently, the securities offered hereunder must be considered highly speculative due to the nature of the Company’s business. Furthermore, the securities offered hereunder must be considered as being even more speculative than an investment in any other junior mining company in light of the relatively small size of the Company’s only material property. An investment in these securities should only be made by persons who can afford the total loss of their investment. See “Narrative Description of the Business”, “General Development of the Business” and “Risk Factors” below.

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 list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside of Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

An investment in the Common Shares is speculative and is subject to a number of risks that should be considered by a prospective purchaser. An investment in a natural resource issuer involves a significant degree of risk. The degree of risk increases substantially where the issuer’s properties are in the mineral exploration stage as opposed to the development stage, as in the present instance. Prospective purchasers should carefully consider the risk factors described under “Risk Factors” before purchasing the Common Shares.

The Company has applied to list its Common Shares on the Canadian Securities Exchange (the “CSE”). Listing will be subject to the Company fulfilling all of the requirements of the CSE.

The following table sets out the maximum number of securities issuable to the Agent:

	Number of Securities	Exercise Period	Exercise Price
Over-Allotment Option ⁽¹⁾	600,000	Up to 48 hours prior to closing	\$0.125
Agent’s Options ⁽²⁾	300,000	Up to 24 months from Closing Date	\$0.125
Corporate Finance Fee Shares ^{(2) (3)}	40,000	Upon Closing	\$0.125
Total Securities Issuable to Agent	940,000		

Notes:

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

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

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

Subscriptions will be received subject to rejection or allotment in whole or in part by the Company and the right is reserved to close the subscription books at any time without notice. It is expected that the evidence of the Common Shares will be delivered in electronic book entry form through Computershare Investor Services Inc. ("**Computershare**") or its nominee. Purchasers of the Common Shares will receive only a customer confirmation from the registered dealer that is a CDS participant from or through which the Common Shares were purchased.

AGENT

HAYWOOD SECURITIES INC.

Waterfront Centre
200 Burrard Street, Suite 700
Vancouver, British Columbia
V6C 3L6
Telephone: (604) 697-7100
Facsimile: (604) 697-7499

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus contains “forward-looking information” within the meaning of applicable securities legislation. Forward-looking information may include, but is not limited to, statements with respect to the future price of metals, historical estimates of mineralization, capital expenditures, success of exploration activities, permitting time lines, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage, the completion of regulatory approvals. In certain cases, forward-looking information can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking information in this Prospectus includes, among other things, proposed expenditures for exploration work on the Palos Verdes Property (as described herein), general and administrative expenses, expectations generally regarding completion of this Offering, the ability of the Company to raise further capital for corporate purposes, the utilization of the net proceeds of the Offering, the treatment under applicable governmental regimes for permitting and approvals, and the ability of the Company to successfully develop the Palos Verde Property given its small size, the limited possibility for the property of containing the required infrastructure for a standalone mining operation and, in the event of the discovery of a commercially viable deposit, the possibility for the Company to enter into a toll milling agreement with one or more of the operating toll mills in the region on commercially viable terms in order to economically develop the property. See “General Development of the Business”, “Narrative Description of the Business”, “Use of Proceeds” and “Risk Factors” below.

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

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

GLOSSARY OF TERMS

“**Agency Agreement**” means the Agency Agreement dated September <@>, 2020 between the Agent and the Company.

“**Agent**” means Haywood Securities Inc.

“**Agent’s Fee**” means the cash commission paid to the Agent equal to 7.5% of the gross proceeds in relation to this Offering.

“**Agent’s Options**” means the options granted to the Agent as compensation for its services in relation to this Offering entitling the Agent to purchase the number of Common Shares as is equal to 7.5% of the Common Shares issued under the Offering for a period of 24 months after the Closing Date at a price of \$0.125 per common share.

“**Author**” means Francisco Manuel Carranza Heredia, CPG, the author of the Technical Report.

“**Board of Directors**” or “**Board**” means the Company’s board of directors.

“**Cascabel**” means Minera Cascabel S.A. De C.V.

“**Cascabel Option Agreement**” means the option agreement effective October 11, 2019, made among the Company and Cascabel with respect to the Los Pavitos Property.

“**CBCA**” means the *Canada Business Corporations Act*.

“**Closing**” means the closing of the Offering and the issuance by the Company of the Common Shares.

“**Closing Date**” means such day for Closing as determined by the Agent and as agreed to by the Company, and in all cases no later than 90 days following final receipt of this Prospectus.

“**Common Shares**” means the common shares in the capital of the Company.

“**Company**” means Prismo Metals Inc., which was incorporated under the CBCA on October 17, 2018, as 11047612 Canada Inc., which name was changed to Prismo Metals Inc. on November 1, 2018, pursuant to Articles of Amendment.

“**Corporate Finance Fee**” means the fee to be paid by the Company to the Agent on the Closing Date in consideration of corporate finance and structuring services provided by the Agent.

“**Corporate Finance Fee Shares**” means the \$5,000 portion of the Corporate Finance Fee to be paid by the Company to the Agent as 40,000 Common Shares on the Closing Date in consideration of corporate finance and structuring services provided by the Agent.

“**Escrow Agent**” means Computershare Trust Company of Canada.

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

“**InterAmerica**” means InterAmerica Consulting & Development Inc., a private corporation controlled by the Chief Financial Officer of the Company.

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

“**Los Pavitos Property**” means the 100% interest in the Los Pavitos concession located in the State of Sonora, Mexico.

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

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

“Offering Price” means \$0.125 per Common Share.

“Over-Allotment Option” means the Agent's option to solicit up to 360,000 additional Common Shares to raise additional gross proceeds of up to \$45,000 exercisable up to 48 hours prior to the Closing Date.

“Palos Verdes Property” means the 75% interest in one mineral concession located in the State of Sinaloa, Mexico.

“ProDeMin” means Prospeccion Y Desarrollo Minero Del Norte, S.A. de C.V.

“ProDeMin Option Agreement” means the option agreement effective May 7th, 2019, made among the Company and ProDeMin with respect to the Palos Verdes Property.

“Stock Option Plan” means a stock option plan of the Company providing for the granting of incentive stock options to the Company’s directors, officers, employees and consultants.

“Subscriber” means a subscriber for the Common Shares offered under this Offering.

“Recommended Exploration Program” means the recommended exploration program on the Palos Verdes Property described in the Technical Report.

“Technical Report” means the technical report dated October 4, 2019, and amended and restated as at June 16, 2020, entitled “Geology and Exploration of the Palos Verdes Property” authored by Francisco Manuel Carranza Heredia, CPG.

“Transfer Agent” means Computershare Investor Services Inc.

“Warrants” means warrants of the Company entitling the holder thereof to acquire one Common Share of the Company.

MINING GLOSSARY OF TERMS

TERM	DESCRIPTION
%	Percent
<	Less than
>	More than
±	More or less
#N	UTM grid measurement in metres north of the equator
#E	UTM grid measurement in metres east of the central Meridian
Ag, As, Au, Bi, Co, Cu, Fe, Hg, K, Mo, Pb, Sb, Te, U, and Zn	Chemical symbols from the periodic group of elements. silver (Ag), arsenic (As), gold (Au), bismuth (Bi), cobalt (Co), copper (Cu), iron (Fe), mercury (Hg), potassium (K), molybdenum (Mo), lead (Pb), antimony (Sb), tellurium (Te), uranium (U) and zinc (Zn).
ALS Chemex	ALS Chemex, a division of ALS Global Ltd through Chemex De Mexico, S.A. De C.V., located in Mexico and Vancouver.
Alteration	Physical and chemical changes to the original composition of rocks due to the introduction of hydrothermal fluids, of ore forming solutions, to changes in the confining temperature and pressures or to any combination of these. The original rock composition is considered “altered” by these changes, and the product of change is considered an “alteration”. (From Hacettepe University online dictionary, after AGI)
Anomalous (anomaly)	a. A departure from the expected or normal. b. The difference between an observed value and the corresponding computed value (background value). c. A geological feature, esp. in the subsurface, distinguished by geological, geophysical, or geochemical means, which is different from the general surroundings and is often of potential economic value; e.g., a magnetic anomaly. (From Hacettepe University online dictionary, after AGI)
Background	A measured or calculated geochemical, geophysical, petrological or other threshold considered representative of an area. The “Normal” or “not anomalous”.
Body	Generally irregularly shaped mass of mineralized rock in the form of mantos or chimney consisting of massive sulfides or the oxidized equivalent
Breccia	Means fragmental rocks whose components are angular and, therefore, as distinguished from conglomerates as not water worn. May be sedimentary or formed by crushing or grinding along faults or by hydrothermal explosions.
CAD\$ and US\$	Canadian dollars, United States of America dollars, as applicable.
CRM, SGM	Consejo de Recursos Minerales (also Coremi). The former Mexican Geological Survey now renamed the Servicio Geológico Mexicana or “SGM”
CuOX	Oxide copper minerals
Diario Oficial	Official gazette of the Mexican Government

Epithermal	Said of a hydrothermal mineral deposit formed within about 1 km of the Earth's surface and in the temperature range of 50 to 200 degrees C, occurring mainly as veins. Also, said of that depositional environment.
FeOX	Iron oxide minerals
Fg, fg	Fine grained, referring to rock or mineral texture
g/t or Gm/Tonne	Grams per Tonne. Where a gramme (also gram) is a unit of measure equal to 1/1000 th of a kilogram. A Tonne is a metric Tonne having a unit weight of 1,000 kilograms.
GPS	An electronic device that records the data transmitted by the geographic positioning satellite system.
F13-A37	Mapping index system for Mexico, 1:50,000 scale maps; this designation is the Copala sheet.
Km, Kms	Kilometre, Kilometres
Ltd, Inc.	Limited, Incorporated
M, Ma & My, MT, Moz	million, million years, million tonnes, million ounces
Mineralization (mineralizing)	The presence of minerals of possible economic value – and also the process by which concentration of economic minerals occurs.
MnOX	Manganese oxide minerals
N, S, E, W, NW, etc.	North, south, east, west, northwest, northeast etc.
NAD27, NAD83	Ellipsoid projection models of the earth, North America Datum, from 1927 and 1983; NAD27 is commonly used in Mexico and was formerly required by the Federal Mines Department, and NAD83 is an update very similar to WGS84.
NI 43-101	National Instrument 43-101 <i>Standards of Disclosure for Mineral Properties</i>
No.	Number
oz., ppm, ppb, °C, mm, cm, m, Km, Km ²	Units of measure: ounce, parts per million, parts per billion, degrees Celsius, millimetre, centimetre, metre, kilometre and square kilometres.
QAQC	A quality assurance and quality control program
S.A de C.V	Sociedad Anónima de Capital Variable, a corporation in Mexico
SEDAR	Canadian System for Electronic Document Analysis and Retrieval (SEDAR)
SEMARNAT	<i>Secretaria de Medio Ambiente y Recursos Naturales</i> , the Mexican Governmental organization responsible for issuing environmental permits
SGM	<i>Servicio Geológico Mexicano</i> , the Mexican Geological Survey, also formerly known as the <i>Consejo de Recursos Minerales</i> , CRM.
Target	A focus or loci for exploration.
UTM	Universal Transverse Mercator.
WGS84	An ellipsoid model of the earth, used for UTM coordinates.

CONVERSIONS

The following table sets forth certain standard conversions from the Standard Imperial units to the International System of Units (or metric units).

To Convert From	To	Multiply By
Feet	Metres	0.305
Metres	Feet	3.281
Miles	Kilometres	1.609
Kilometres	Miles	0.621
Acres	Hectares	0.405
Hectares	Acres	2.471
Grams	Ounce (troy)	0.032
Ounce (troy)	Grams	31.103
Tonnes (T)	Short tons (t)	1.102
Short tons (t)	Tonnes (T)	0.907
Grams per ton	Ounces (troy) per Tonne	0.290
Ounces (troy) per Tonne	Grams per ton	34.438

PROSPECTUS SUMMARY

The following is a summary of the principal features of this Offering 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 CBCA on October 17, 2018, as 11047612 Canada Inc. The Company filed Articles of Amendment on November 1, 2018, pursuant to which it changed its name to Prismo Metals Inc., and on December 3, 2019, pursuant to which it removed the restriction on the transfer of securities from its Articles.

The Company's corporate and registered office is located at 1100-1111 Melville Street, Vancouver, British Columbia, V6E 3V6.

The Company's Business: The Company is engaged in the business of mineral exploration and the acquisition of mineral property assets in Mexico. Its objective is to locate and develop economic precious and base metal properties of merit.

Further to this objective, the Company entered into the ProDeMin Option Agreement, effective May 7, 2019, pursuant to which it was granted the option to acquire a 75% interest in the Palos Verdes Property, which constitutes the only material property of the Company.

Over the next 12 to 18 months, the Company intends to complete its Recommended Exploration Program on the Palos Verdes Property and its initial commitments thereon using the proceeds of its prior private placement financing and this Offering (see "Use of Proceeds" below). For greater certainty, it should be noted that the Company previously raised an aggregate of \$319,793 through several private placements as is more fully described in the section on "Prior Sales" below, and can be summarized as follows:

Date	Price per Share	Aggregate Proceeds
2019-02-17	\$0.005	\$18,000
2019-08-12	\$0.05	\$149,293
2019-11-07	\$0.10	\$152,500

See "Narrative Description of the Business" below.

The Palos Verdes Property: The Palos Verdes Property is located in the State of Sinaloa, Mexico, and consists of one mineral concession.

Management, Directors and Officers: Craig Gibson, President, Chief Executive Officer and Director
Jorge Rafael Gallardo-Romero, Director
Jean-François Meilleur, Director
Salvador Miranda, Chief Financial Officer and Secretary

Maria Guadalupe Yeomans Otero, Director

See “Directors and Officers” below.

The Offering: The Company is offering 4,000,000 Common Shares for sale at a price of \$0.125 (per Common Share in the provinces of British Columbia, Alberta, Saskatchewan and Ontario).

This Prospectus also qualifies the distribution of up to 7.5% Agent’s Options.

See “Plan of Distribution” below.

Use of Proceeds: The net proceeds to the Company (excluding proceeds which may be received from the exercise of the Over-Allotment Option) from the sale of the Common Shares offered hereby will be \$462,500.

The total funds available to the Company at the Closing of the Offering, after deducting the balance of the estimated expenses of the Offering of \$90,000 (of which \$72,752 has already been paid), the Agent’s Fee of \$37,500, the portion of the Corporate Finance Fee payable in cash, being \$20,000, and including estimated working capital as at August 31, 2020 of \$54,796, are estimated to be \$480,048⁽¹⁾, excluding any proceeds received from the exercise of the Over-Allotment Option.

Notes:

(1) See “Use of Proceeds” below. The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary.

Expenses	Funds to be Used
Payment of estimated cost of the Recommended Exploration Program on the Palos Verdes Property	\$120,000
Payments to be made in connection with the ProDeMin Option Agreement	\$68,040
Payments to be made in connection with the Cascabel Option Agreement	\$148,441
Administrative costs for 12 months	\$101,069
Unallocated working capital	\$42,498
Total:	\$480,048

Summary of Financial Information:

The following selected financial information is subject to the detailed information contained in the audited financial statements of the Company and notes thereto appearing elsewhere in this Prospectus. The selected financial information is derived from the audited financial statements for the year ended December 31, 2019, and for the six month period ended June 30, 2020.

	Year ended December 31, 2019 (audited)	Six months ended June 30, 2020 (unaudited)
Total Revenues	\$nil	\$nil
Professional and Consultant Fees	\$66,843	\$6,661
Other Expenses	\$18,251	\$28,274
Net Loss and Comprehensive Loss	\$85,094	\$34,935
Common Shares and Warrants	\$656,681	\$656,681
Total Assets	\$630,519	\$544,436
Total Liabilities	\$63,298	\$12,150

Risk Factors:

An investment in the Common Shares should be considered highly speculative and investors may incur a loss on their investment. The Company has no history of earnings and to date has not defined any commercial quantities of mineral reserves on the Palos Verdes Property. The Company has an option only to acquire an interest in the Palos Verdes Property and there is no guarantee that the Company's 75% interest, if earned, will be certain or that it cannot be challenged by claims of aboriginal or indigenous title, or unknown third parties claiming an interest in the Palos Verdes Property. Also, the Palos Verdes Property, which is the Company's only material property, comprises the Palos Verdes concession that covers an area only 22.7707 hectares, which is significantly smaller than a typical exploration stage project. As the Palos Verdes Property is relatively small in size, it has limited possibility of containing the required infrastructure for a standalone mining operation, including required mine installations, a mineral processing plant and a modern tailings management facility, which may affect the ability of the Company to economically develop this property. Furthermore, in the event of the discovery of a commercially viable deposit, the Company may be required to enter into a toll milling agreement with one or more of the operating toll mills in the region and there is no guarantee that the Company will successfully conclude any such agreement on commercially viable terms. As such, the Company faces additional risk factors that are unique and substantial to it that go beyond the risks associated with a pre-mineral resource stage property. The Company and its assets may also become subject to uninsurable risks. The Company's activities may require permits or licenses which may not be granted to the Company. The Company competes with other companies with greater financial resources and technical facilities. As the Company's operations are currently conducted principally in Mexico, its operations are exposed to various levels of political, economic and other risks and uncertainties which could result in work

stoppages, blockades of the Company's mining operations and appropriation of assets. The Company may be affected by political, economic, environmental and regulatory risks beyond its control. The Company is currently largely dependent on the performance of its directors and officers and there is no assurance the Company can retain their services. In recent years both metal prices and publicly traded securities prices have fluctuated widely. See "General Development of the Business", "Narrative Description of the Business" and "Risk Factors" below. **An investment in the Common Shares is suitable for only those investors who are willing to risk a loss of their entire investment and who can afford to lose their entire investment. Investors should consult their own professional advisors to assess the income tax, legal and other aspects of an investment in the Common Shares.**

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

THE COMPANY

Name and Incorporation

The Company was incorporated under the CBCA on October 17, 2018, as 11047612 Canada Inc. The Company filed Articles of Amendment on November 1, 2018, pursuant to which it changed its name to Prismo Metals Inc. and on December 3, 2019, pursuant to which it removed the restriction on the transfer of securities from its Articles.

The Company's corporate and registered office is located at 1100-1111 Melville Street, Vancouver, British Columbia, V6E 3V6.

Intercorporate Relationships

The Company intends to incorporate a subsidiary in Mexico promptly upon satisfaction of the conditions set forth in the ProDeMin Option Agreement.

GENERAL DEVELOPMENT OF THE BUSINESS

Business of the Company

The Company is engaged in the business of mineral exploration and the acquisition of mineral property assets in Mexico. Its objective is to locate and develop economic precious and base metal properties of merit. Further to this objective, the Company entered into the ProDeMin Option Agreement, effective May 7, 2019, pursuant to which it was granted the option to acquire a 75% interest in the Palos Verdes Property, which constitutes the material property of the Company.

The Palos Verdes Property, which is the Company's only material property, comprises the Palos Verdes concession that covers an area of only 22.7707 hectares, which is significantly smaller than a typical exploration stage project. As the Palos Verdes Property is relatively small in size, it has limited possibility of containing the required infrastructure for a standalone mining operation, including required mine installations, a mineral processing plant and a modern tailings management facility. In the event of the discovery of a commercially viable deposit, in order to economically develop this property, the Company may be required to enter into a toll milling agreement with one or more of the offsite toll milling operators in the region. As such, the Company faces additional risk factors unique and substantial to it that go beyond the risks associated with a pre-mineral resource stage property. An investment in the Common Shares therefore carries a high degree of risk and should be considered speculative by purchasers. See "General Development of the Business" and "Risk Factors" below.

Over the next 12 to 18 months, the Company intends to complete its Recommended Exploration Program on the Palos Verdes Property and its initial commitments thereon using the proceeds of its prior private placement financing and this Offering (see "Use of Proceeds" below).

See "Narrative Description of the Business" below.

History

Subsequent to its incorporation, the Company has completed private placement financing, raising aggregate gross proceeds of approximately \$319,793, as set out in "Prior Sales" below, and can be summarized as follows:

Date	Price per Share	Aggregate Proceeds
2019-02-17	\$0.005	\$18,000

2019-08-12	\$0.05	\$149,293
2019-11-07	\$0.10	\$152,500

These funds have been and are being used for the acquisition of the Palos Verdes Property and for general working capital and costs of this Offering. The Company intends to raise funds through the Offering to carry out the Recommended Exploration Program on the Palos Verdes Property, as set out in “Use of Proceeds” below.

Acquisition of Mineral Projects

As of the date of this Prospectus, the Company has entered into the following property option agreements: (1) the ProDeMin Option Agreement whereby the Company was granted the option to acquire a 75% interest in the Palos Verdes Property; (2) and the Cascabel Option Agreement whereby the Company was granted the option to acquire a 100% interest in the Los Pavitos Property.

The ProDeMin Option Agreement and the Palos Verdes Property

On May 7, 2019, the Company entered into the ProDeMin Option Agreement with ProDeMin, pursuant to which it was granted the option to acquire a 75% interest in the Palos Verdes Property. ProDeMin obtained ownership of its interest in the Property under two separate agreements, which are further described below. Craig Gibson, the President and CEO of the Company, controls and holds a 60% ownership interest in ProDeMin and is a director and officer of ProDeMin.

The first agreement, entered into by ProDeMin on August 28, 2009, provides for the acquisition of a 50% direct interest in the Palos Verdes Property by completing a minimum 400 meter drill program which was completed on or about May 21, 2019. ProDeMin has applied for registration of the aforesaid 50% direct interest in the Palos Verdes Property with the Public Mining Registry (Registro Publico de Minería), free and clear of all liens, charges and claims and no other payments, taxes or rentals are due in respect thereof.

The second agreement, entered into on November 21, 2018, provides for the acquisition of an additional 25% interest in the Palos Verdes Property by making staged payments of US \$240,000 over a period of 42 months as of the date of signing of the second agreement (the “**Second Agreement**”) on May 7, 2019, with one of the two original owners, Ernesto Guzman. The obligations of ProDeMin pursuant thereto have been assigned to the Company under the ProDeMin Option Agreement and are included in the conditions of the ProDeMin Option Agreement, as described below.

With respect to the ProDeMin Option Agreement, the Company, was granted the option to acquire a 75% interest in the Palos Verdes Property in consideration for the fulfilment of certain conditions over a period of five (5) years, namely:

- The payment to ProDeMin of an amount of US \$25,000 (completed);
- The issuance to ProDeMin of 2,000,000 units with a fair market value of \$0.05 per unit, with each unit being comprised of one Common Share and one common share purchase warrant of the Company. The common share purchase warrants may be exercised at a price of \$0.10 per share, expiring of the fifth anniversary of the date of issuance of such warrants (completed);
- The issuance of 500,000 Common Shares with a fair value of \$0.05 per share for a total of \$25,000 to ProDeMin as payment for work completed on the Palos Verdes Property (completed);
- By making all outstanding payments under the Second Agreement (US \$240,000 over a period of 42 months from the date of the Second Agreement);

- Over a five-year period from the date of the ProDeMin Option Agreement, the Company must incur a total US \$1,500,000 in exploration expenditures on the Palos Verdes Property, subject to (i) a minimum of US \$100,000 in exploration expenditures during the first two years following the date of the ProDeMin Option Agreement; (ii) a minimum of US \$100,000 in exploration expenditures for each of the third and fourth year following the date of the ProDeMin Option Agreement; and (iii) a minimum of US \$500,000 in exploration expenditures in the fifth year following the date of the ProDeMin Option Agreement. As such, under the ProDeMin Option Agreement, the Company is required to make minimum yearly exploration expenditures which total in the aggregate US \$800,000. The balance of US \$700,000 in exploration expenditures to be incurred by the Company to meet the total US \$1,500,000 exploration expenditures requirement may be incurred at the Company's discretion in any given year over a period of five years following the date of the ProDeMin Option Agreement. During the term of the ProDeMin Option Agreement, in addition to the exploration expenditures commitments, the Company must also pay all fees and duties required to maintain the mineral concessions forming part of the Palos Verdes Property in good standing.
- The payment to ProDeMin of an amount of US \$21,823 on the date of the Company's closing of its first financing following the listing of its Common Shares on a recognized Canadian stock exchange;
- The payment of US \$25,000 to ProDeMin for each of the third and fourth year following the date of the ProDeMin Option Agreement; and
- The issuance to ProDeMin, or as directed by ProDeMin, of 2,000,000 Common Shares in the fifth year following the date of the ProDeMin Option Agreement, and also paying during such period all fees and duties required to maintain the mineral concession in good standing.

The Company has not yet made a determination on the timeline and allocation of the excess exploration expenditures (subject to the yearly minimum exploration commitments) the Company is required to incur pursuant to the ProDeMin Option Agreement to meet the total exploration expenditures commitments of US \$1,500,000. As stated above, the said Agreement provides scheduled minimum exploration expenditures, which the Company must incur within the prescribed deadlines. The Company intends to incur the minimum required exploration expenses listed above and will re-evaluate its future expenditures based on the results of the Recommended Exploration Program. As stated above, the Company is required to complete minimum yearly exploration expenditures under the ProDeMin Option Agreement, but the excess exploration expenditures required to meet the total exploration expenditures commitment of US \$1,500,000 may be incurred at the Company's discretion in any given year over a period of five years following the date of the ProDeMin Option Agreement.

Upon fulfilment of the above conditions by the Company, it shall hold, via a wholly owned subsidiary of the Company to be constituted under the laws of Mexico upon fulfillment of the above conditions, a 75% interest in the Palos Verdes Property. At the time of this Prospectus, the Company has not entered into an agreement to acquire the remaining 25% interest in the Palos Verdes Property and there can be no assurance that it will ever hold 100% of the Palos Verdes Property.

The ProDeMin Option Agreement may be terminated by the Company upon delivery of a 30-day notice to ProDeMin of its election not to fulfil any of the aforementioned conditions. Furthermore, in the event that the Company is in default of its obligations under the ProDeMin Option Agreement, ProDeMin may terminate it by giving notice to the Company of such default, and, if the Company has not cured or begun to cure such default within 30 days after delivery of such notice, the ProDeMin Option Agreement may thenceforth be terminated by ProDeMin.

The Company may not sell, transfer or otherwise dispose of its rights under the ProDeMin Option Agreement at any time during the term of the ProDeMin Option Agreement without the prior consent of ProDeMin which may not be unreasonably withheld.

The Cascabel Option Agreement

With respect to the Cascabel Option Agreement, the Company was granted the option to acquire a 100% interest in the Los Pavitos Property in consideration for the fulfilment of certain conditions, described below:

- The issuance to Cascabel of 2,000,000 units with a fair market value of \$0.05 per unit, with each unit being comprised of one Common Share and one common share purchase warrant of the Company. The common share purchase warrants may be exercised at a price of \$0.10 per share, expiring of the fifth anniversary of the date of issuance of such warrants (completed);
- The payment to the Mexican authorities of an amount of US \$27,489, as instructed by Cascabel, in relation to taxes owed for the 2019 fiscal year (to be completed);
- Over a five-year period from the date of the Cascabel Option Agreement, the Company must incur a total US \$1,500,000 in exploration expenditures on the Los Pavitos Property, subject to (i) a minimum of US \$75,000 in exploration expenditures during the first two years following the date of the Cascabel Option Agreement; (ii) a minimum of US \$100,000 in exploration expenditures for each of the third and fourth year following the date of the Cascabel Option Agreement; and (iii) a minimum of US \$500,000 in exploration expenditures in the fifth year following the date of the Cascabel Option Agreement. As such, under the Cascabel Option Agreement, the Company is required to make minimum yearly exploration expenditures which total in the aggregate US \$775,000. The balance of US \$725,000 in exploration expenditures to be incurred by the Company to meet the total US \$1,500,000 exploration expenditures requirement may be incurred at the Company's discretion in any given year over a period of five years following the date of the Cascabel Option Agreement. During the term of the Cascabel Option Agreement, in addition to the exploration expenditures commitments, the Company must also pay all fees and duties required to maintain the mineral concessions forming part of the Los Pavitos Property in good standing.
- Within the first two years of the date of the Cascabel Option Agreement, the Company shall deliver a technical report to NI 43-101 standards;
- The Payment of US \$100,000 to Cascabel or each of the third and fourth year following the date of the Cascabel Option Agreement;
- The issuance to Cascabel, or as directed by Cascabel, of 2,000,000 Common Shares and the payment of US \$300,000 to Cascabel in the fifth year following the date of the Cascabel Option Agreement;
- Performing sufficient assessment work to satisfy the applicable government work commitment costs on the Los Pavitos Property through the end of each tax period; and

The Company has not yet made a determination on the timeline and allocation of the excess exploration expenditures (subject to the yearly minimum exploration commitments) the Company is required to incur pursuant to the Cascabel Option Agreement to meet the total exploration expenditures commitments of US \$1,500,000. As stated above, the said Agreement provides scheduled minimum exploration expenditures, which the Company must incur within the prescribed deadlines. The Company intends to incur the minimum required exploration expenses listed above and will re-evaluate its future expenditures

based on the results of the exploration on the Los Pavitos Property. As stated above, the Company is required to complete minimum yearly exploration expenditures under the Cascabel Option Agreement, but the excess exploration expenditures required to meet the total exploration expenditures commitment of US \$1,500,000 may be incurred at the Company's discretion in any given year over a period of five years following the date of the Cascabel Option Agreement.

Jorge Rafael Gallardo-Romero and Maria Guadalupe Yeomans Otero, both being directors of the Company, are entitled to receive an amount of 20% and 5% of the consideration received by Cascabel under the Cascabel Option Agreement, respectively.

Trends

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

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

Intention Regarding Future Business of the Company

The Company is currently engaged in the business of mineral exploration of the Palos Verdes Property which is located in Mexico. The Company has the option to acquire a 75% interest in and to the Palos Verdes Property. It is the current intention of the Company to explore and, if warranted, develop the aforementioned Palos Verdes Property. It is also the current intention of the Company to remain in the mineral exploration business. Should the Palos Verdes Property not be deemed viable, the Company currently expects that it will explore other opportunities to acquire interests in other mineral properties.

NARRATIVE DESCRIPTION OF THE BUSINESS

Overview

The Company is engaged in the business of mineral exploration and the acquisition of mineral property assets in Mexico. Its objective is to locate and develop economic precious and base metal properties of merit. Further to this objective, the Company entered into the ProDeMin Option Agreement, effective May 7, 2019, pursuant to which it was granted the option to acquire a 75% interest in the Palos Verdes Property, which constitutes the material property of the Company.

The Palos Verdes Property, which is the Company's only material property, comprises the Palos Verdes concession that covers only 22.7707 hectares, which is significantly smaller than a typical exploration stage project. As the Palos Verdes Property is relatively small in size, it has limited possibility of containing the required infrastructure for a standalone mining operation, including required mine installations, a mineral processing plant and a modern tailings management facility. In the event of the discovery of a commercially viable deposit, in order to economically develop this property, the Company may be required to enter into a toll milling agreement with one or more of the offsite toll milling operators in the region. As such, the Company faces additional risk factors unique and substantial to it that go beyond the risks associated with a pre-mineral resource stage property. An investment in the Common Shares therefore carries a high degree of risk and should be considered speculative by purchasers. See "Narrative Description of the Business" above and "Risk Factors" below.

Over the next 12 to 18 months, the Company intends to complete its Recommended Exploration Program on the Palos Verdes Property and its initial commitments thereon using the proceeds of its prior private placement financing and this Offering (see “Use of Proceeds” below).

Description and Location of the Palos Verdes Property

Current Technical Report

An independent technical report dated October 4, 2019, and amended as at June 16, 2020 entitled, “Geology and Exploration of the Palos Verdes Property” was prepared for the Company by the Author, a Qualified Person under NI 43-101. The Author was physically on the Palos Verdes Property for one day in 2019. The Technical Report has been filed and is available for review on the SEDAR database www.sedar.com.

Project Description, Location

Location

The Palos Verdes Property is located in the southern part of the State of Sinaloa in northwestern Mexico, approximately 65 kilometers NE of Mazatlán, Sinaloa, in the Municipality of Concordia (Fig. 1). The Palos Verdes Property or Property comprises the Palos Verdes concession that covers 22.7707 hectares (Fig. 2). The Palos Verdes Property centroid is located at approximately UTM Zone 13 WGS84, 413,736m E and 2,593,175m N or by 105° 50.673’ west longitude and 23° 26.775’ north latitude.

The Palos Verdes Property, which is the Company’s only material property, comprises the Palos Verdes concession that covers an area of only 22.7707 hectares. As the Palos Verdes Property is relatively small in size, it has limited possibility of containing the required infrastructure for a standalone mining operation, including required mine installations, a mineral processing plant and a modern tailings management facility. In the event of the discovery of a commercially viable deposit, in order to economically develop this property, the Company may be required to enter into a toll milling agreement with one or more of the offsite toll milling operators in the region, which means the Company may face additional hurdles beyond the risks associated with a pre-mineral resource stage property. See “Risk Factors” below.

Figure 1 shows the location of the Palos Verdes Property in relation to geographic points in the state of Sinaloa, and Figure 2 shows the location of Company’s mineral rights within the concessions in the area.

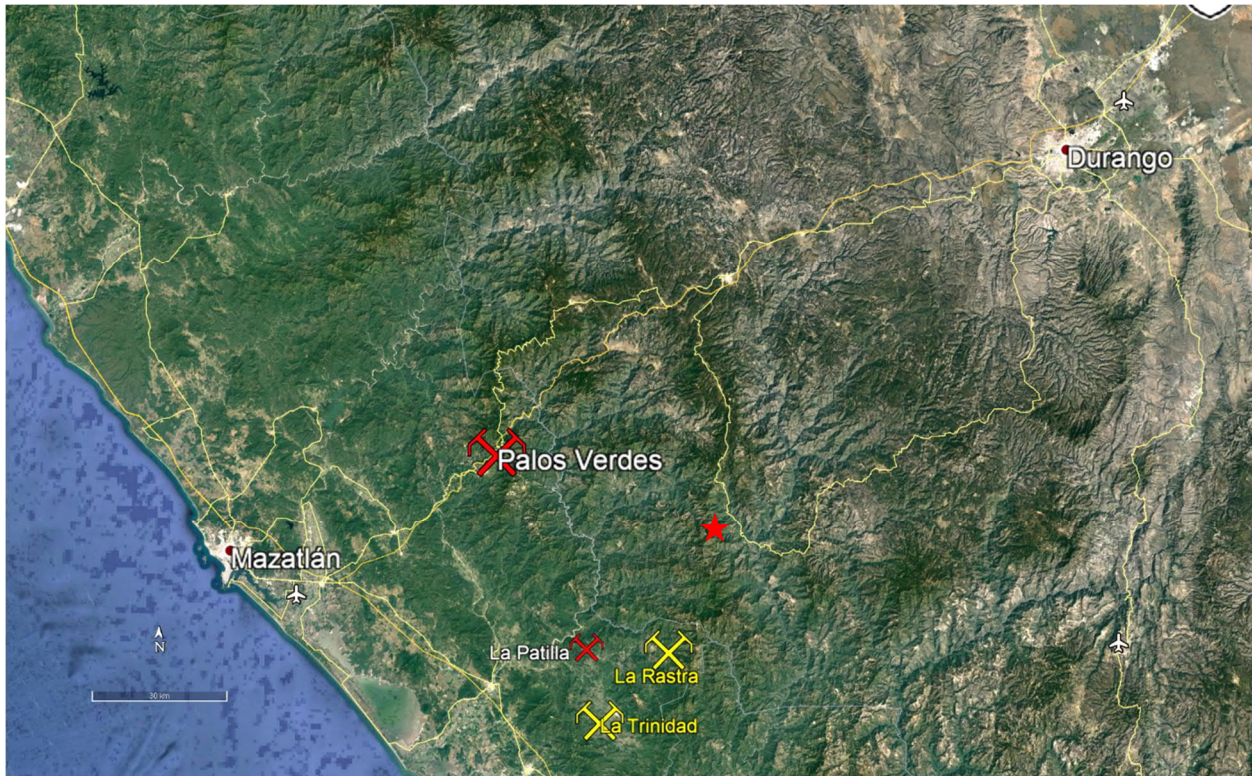


Figure 1. The Palos Verdes Property location in Sinaloa State, northwestern Mexico. The Palos Verdes Property is located in west central Sinaloa, about 50 km northeast of Mazatlán.

Mineral Concessions and Agreements

A new Mining Law was passed by the Mexican Legislature in 1993 and opened the industry to increased exploration by foreign interest. Mineral concessions in Mexico can only be held by Mexican Nationals or Mexican incorporated companies, but there are virtually no restrictions on foreign ownership of such companies. To acquire a concession, a principal monument must be erected and located and an application submitted to the Federal Mining Directorate. The concession must subsequently be located by an official surveyor and the concessions are registered with the Public Registry of Mining when titled.

In the past, two types of concessions were in effect: Exploration and Exploitation. An Exploration concession can be valid for up to six years if work is performed on the ground, assessment reports are filed in May of each year, and taxes are paid in advance in January and July of each year. The tax amount and assessment is based on the area and age of the concession. An Exploration concession may be converted to an Exploitation concession prior to expiry. An Exploitation concession is valid for fifty years and can be renewed, and the taxes are higher. The types of concessions were changed with the Mining Law Reform in 1999, and now only one type of concession, Mining, is recognized, with a renewable 50-year term from the original title date as long as taxes are paid and assessments are filed; this 50-year period was retroactive for concessions in good standing including the concession that comprises the Palos Verdes Property. Concessions titled prior to 1999 are still commonly referred to as Exploration or Exploitation.

The Mexican Constitution maintains a direct non-transferable ownership of the nation's mineral wealth (considered a national resource) that is governed under established Mining Law. The use and exploitation of such national resources is provided for through clear title to a mineral rights concession (“**lot**” or “**concession**”) that is granted by the Federal Executive Branch for a fee and under prescribed conditions. Mining concessions are only granted to Mexican companies and nationals or Ejidos (agrarian

communities, communes, and indigenous communities). Foreign companies can hold mining concessions through their 100% owned Mexican companies.

The main obligations to maintain title to a concession in good standing are performance of work expenditures, payment of mining fees and compliance with environmental laws. Mineral rights fees are paid bi-annually in January and July, and annual proof of exploration work expenditures is done via a work report filed by the end of May of the following year (“**assessment**” report or “**comprobación de obras**”). The amount of the mineral rights fees and the amount of expenditures required varies each year. It is calculated based on a per hectare rate that typically increases annually in line with annual inflation rates. The new rates are published each year in advance in the Official Gazette of the Mexican Federation (“**Diario Oficial**”). The Author has no reason to believe that ownership and status are other than has been represented.

The Mexican Senate approved Tax Reform changes in Mexico that became effective January 1, 2014 affect operating mining companies in Mexico. The changes include: the corporate income tax remaining at 30%; a new mining royalty fee of 7.5% on income before tax, depreciation and interest; an extraordinary governmental fee on precious metals, including gold and silver, of 0.5% of gross revenues; and, changes affecting the timing of various expense deduction for tax purposes. This implies an effective combined tax and royalty rate of 35.25% depending on how deductions will be applied. The new rates put Mexico in line with the primary mineral producing nations of the world. Should the tax reform changes remain in place as is, the Palos Verdes Property will be subjected to the new tax regime.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties.

Mineral Rights

On May 7, 2019, the Company entered into an Option Agreement with ProDeMin. Pursuant to the terms of the ProDeMin Option Agreement, ProDeMin grants the Company an option to earn up to 75% of the rights to the Palos Verdes concession that makes up the Palos Verdes Property covering 22.7707 hectares and constitutes ProDeMin’s interest acquired from private individuals (Table 1, Fig. 2). ProDeMin acquired 75% of the rights to the concession under two agreements. The First Agreement consisted of the right to acquire 50% of the rights to the Palos Verdes Property by completing a minimum 400 metre diamond drill program. The drill program was completed in May 2018, and each of the two the property owners assigned 25% of the concession to ProDeMin. This agreement has been registered with the Public Mining Registry and the 50% interest is shown in the online database of the Mining Directorate. Under the Second Agreement, ProDeMin has acquired an additional 25% interest in the Palos Verdes Property from one of the two original owners, Ernesto Guzman, by agreeing to make staged payments totalling 240,000 US dollars over a 42-month period. Application for the registration of the second agreement with the Public Mining Registry has been made, but final registry is pending.

Table 1. Mining Concessions of the Palos Verdes Property

CLAIM	HECTARES	GRANTED	TITLE	EXPIRATION
Palos Verdes	22.7707	October 17, 1979	165453	October 17, 2029
TOTAL	22.7707			

Title to the concession is registered to ProDeMin (50%), Jose Manuel Gayon Aragon (25%) and Ernesto Guzman Ramirez (25%). Registration of the title to Mr. Guzman’s 25% to ProDeMin is pending.

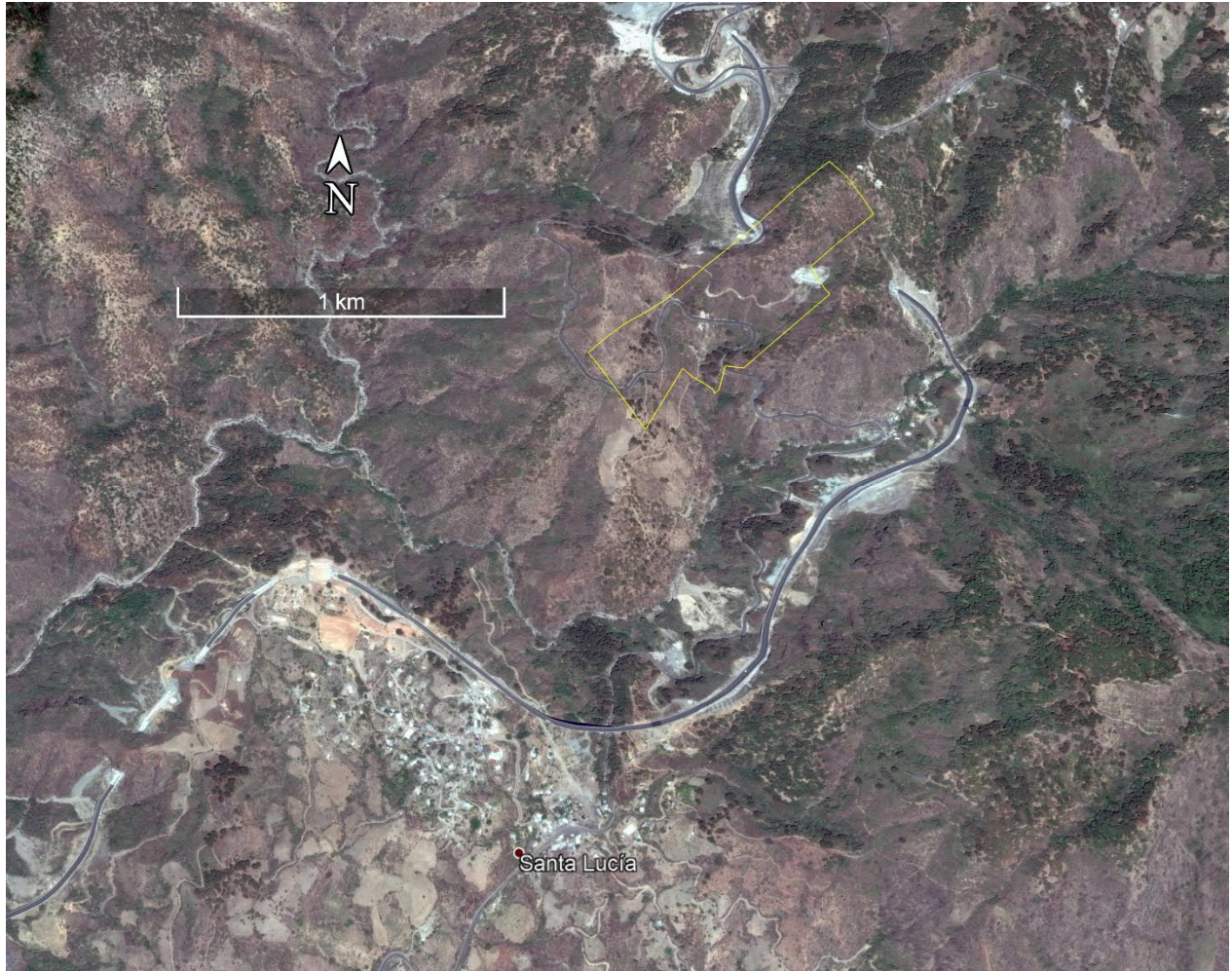


Figure 2. Palos Verdes Property.

The Palos Verdes Property consists of the Palos Verdes concession, shown in yellow, near the village of Santa Lucia. The concession is surrounded by other concessions controlled by third parties. The new and old highways between Mazatlán and Durango cross the Palos Verdes Property.

The terms of the ProDeMin Option Agreement are described above under the heading General Development of the Business.

Table 1 shows the relevant data including the expiry date of the mining concession forming the Palos Verdes Property.

Surface Exploration Rights

Mining concession licenses in Mexico are separate from surface rights. Permission for surface access must be negotiated with the owners of the surface rights to the areas covered by the mining concessions, and commonly involve leasing of the surface rights. In Mexico surface rights are owned by private persons or ejidos (local communal organizations), and agreements for access must be made with the surface owners to do significant work. The surface rights that cover the Palos Verdes Property are controlled by the San Miguel Carrizal Ejido as shown in Figure 3. ProDeMin has a formal surface rights agreement covering the Palos Verdes Property that allows exploration work to be carried out for a period of three years, terminating on September 30, 2020. A new agreement will need to be made for further

exploration work after that date. The Company intends to begin negotiations with the relevant parties after it has begun the Recommended Exploration Program.

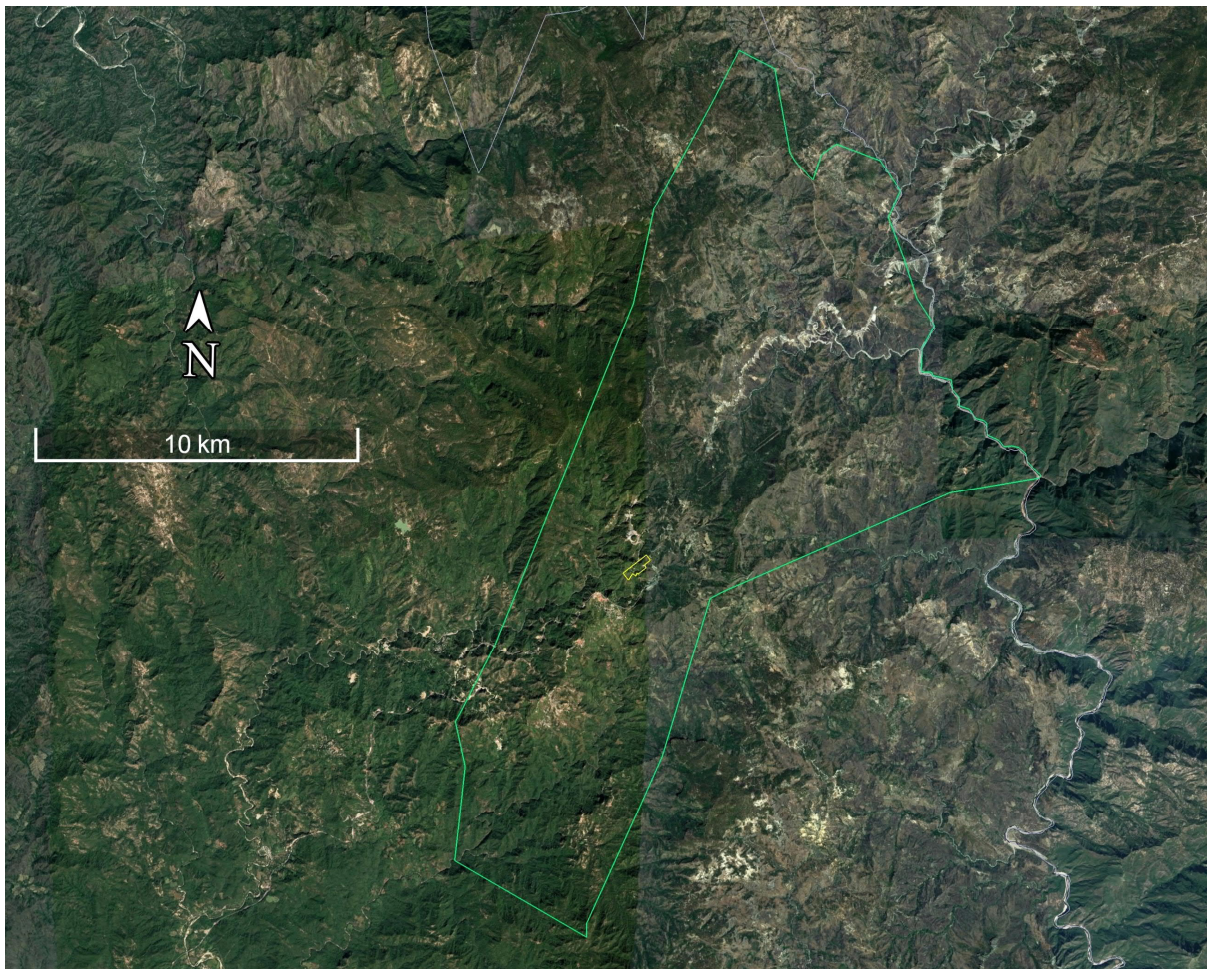


Figure 3. Surface rights for the Palos Verdes Property.

The Palos Verdes concession, yellow lies completely within the San Miguel del Carrizal Ejido, green.

Permits and other Considerations

All permissions and applications required for the exploitation and exploration process must be performed in accordance with the applicable Mexican Official Laws and Standards (*Normas Oficiales Mexicanas*). The Palos Verdes Property does not fall within any Natural Protected Area (*Area Natural Protegida*). Exploration work including drilling on existing roads but with no new road construction or other surface disturbance requires the filing of a Preventative Notice (*Informe Preventivo*) filed with the SEMARNAT the agency responsible for issuing environmental permits. Once filed, the agency has 20 calendar days to respond, issuing approval or a requirement for more information; the response is called a resolution (*resolutivo*) and details requirements and or limitations for the permit. If there is no response in the given time, the permit is taken as approved. With the approval of the Preventative Notice preventive and generally a letter of initiation of activities (*Aviso de Inicio de Actividades*) received and stamped by the government Authority work can begin. In the case of new surface disturbance such as road construction, studies that must be filed and approved include a Technical Study Justifying a Change of Soil Use (*Estudio Técnico Justificativo para Cambio de Uso de Suelos*) and an Environmental Impact Statement (*Manifiesto de Impacto Ambiental*) over the areas to be affected. The required permits and the stage when they are required are shown in Table 2.

ProDeMin applied for a permit to allow drilling by filing a Preventative Notice (Informe Preventivo) in January 2018, and received limited approval for two years on Feb 20, 2018, with a request for further information. Further information was provided in April 2018. The Company has filed for an extension to the environmental permit, the filing of which was delayed due to the ongoing Covid-19 pandemic. At the present time, and up until exploration activities have progressed further to require construction of new roads and/or drill pads, no other permits are required for exploration activities at the project. For road construction and drilling in the future, the permits that are generally required for exploration activities are those mentioned previously and shown in Table 2. To the Author’s knowledge there are no environmental liabilities related to the Palos Verdes Property.

Table 2. Permitting Requirements for the Palos Verdes Property

Permit	Relevant to	Status
Letter of Initiation of exploration activities and Preventative Notice (Informe Preventivo);	Early exploration/drilling	Valid permit in hand
The Permit for Change of Soil Use in Forested Area and Environmental Impact Statement issued by the State Delegations of Secretary of the Environment, Natural Resources and Fisheries (SEMARNAT)	Transitional, advanced exploration to development	Not necessary until surface area is to be disturbed

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Topography, Climate, Physiography

The Palos Verdes Property is located in the Physiographic Province of the Sierra Madre Occidental as part of the Southern Canyons and Mesas sub province. The Palos Verdes Property is located on the western slope of the Sierra Madre Occidental near the transition to the Coastal Plain of Sinaloa State (Fig. 4). Topography is moderately abrupt with elevations of as much as 1500 meters above sea level rising from low elevations of about 1,250 meters in the southwestern part of the concession. Mountain peaks to the east rise to over 2,000 meters in elevation. The Company’s activities are conducted primarily between about 1,250 and 1,300 metres elevation. The Palos Verdes Property is located in the Concordia Municipality and lies in a tributary of the Los Chirimollos valley that drains to the coastal plains and Pacific Ocean and is part of the Rio San Pablo and Rio Baluarte catchment basins.

The climate in the region is classified as arid to semi-tropical, and according to the National Meteorological Service, with an average annual temperature of 23.4 degrees Celsius with average highs in summer of 34 degrees Celsius and average lows in winter of 11 degrees Celsius, but temperatures can range from about 8 degrees Celsius to over 35 degrees Celsius. Precipitation averages 896 millimetres per year, and rainfall occurs mainly from late June to early October during a monsoonal tropical wet season that includes the influence of hurricanes mainly from the Pacific coast. Winters are relatively dry.

Vegetation

Vegetation on the Palos Verdes Property is classified as dry to semi-humid deciduous tropical forest with both desert and jungle type plants (Fig. 5). Thorny plants and cacti dominating the vegetation during the dry season with abundant thorny bushes and small trees such as acacia in arroyos, with oak and pine forests at higher elevations in the surrounding region. The foliage becomes green and dense near water dams and streams and jungle-like during the rainy season. Surface land use is dominantly grazing for goats and cattle. Some timber is harvested from the surrounding region.

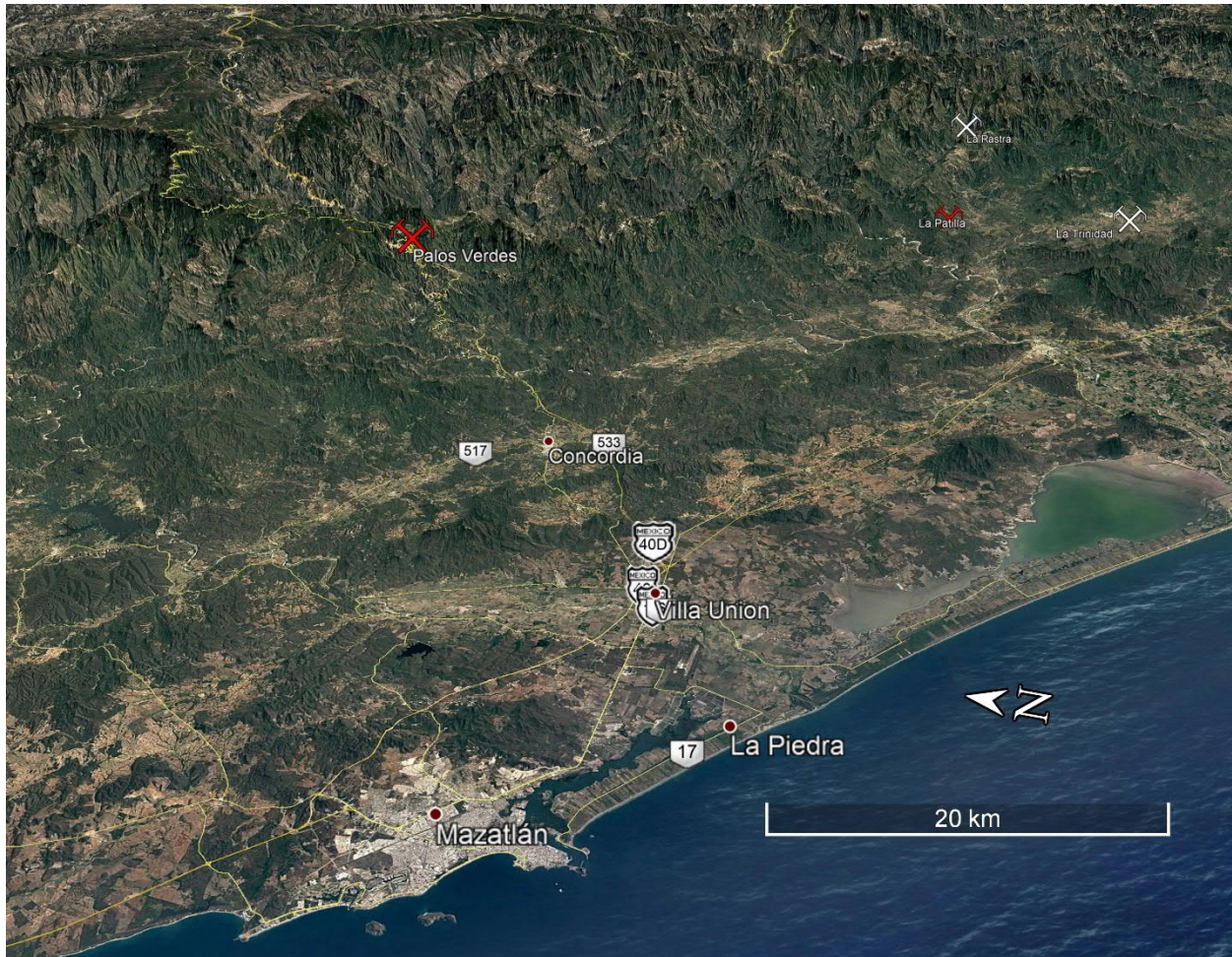


Figure 4. Aerial view of the Palos Verdes Property region. Oblique aerial view from Google Earth showing the region surrounding the Palos Verdes Property, shown in red. The Palos Verdes Property is located at the slopes of the Sierra Madre Occidental near the transition to the coastal plain. Some other mineral deposits in the Rosario district are shown in the upper right corner of the image. Mazatlán is located on the coast in the left foreground of the image.

Accessibility

The village of Santa Lucia lies about 1 km southwest of the limits of the Palos Verdes Property with an estimated population of a few hundred (Fig. 2). Santa Lucia is on both the old highway (40) and new toll highway (40D) between Mazatlán to Durango, but the formal exit on the new highway is about 2 km to the northeast. The nearest major city is Mazatlán, an approximately 60 to 90-minute drive from the Palos Verdes Property, Figure 1. The nearest fuel station is located at Concordia on the old highway or at the new and old highway junction. The Palos Verdes Property is accessible by the old interstate highway 40 from Mazatlán to Durango, with a poor quality dirt road crossing the central part of the Palos Verdes concession and providing access to the small tunnel on the Palos Verdes Property. The Company has rented a small house as a field office and core storage area in Santa Lucia. Exploration activities can be carried out year round.

Local Resources and Infrastructure

The Palos Verdes Property is about 65 kilometers northeast of the city Mazatlán, with the most significant infrastructure in the area, although Villa Union and Concordia have markets, service stations and lodging available. The population of the municipality is about 27,000, with large population centers mainly outside the municipality at Mazatlán, Villa Union and Rosario. A semi-skilled work force for a variety of technical personnel and mining staff and an unskilled work force are available in communities close to the Palos Verdes Property, and are probably sufficient to provide laborers throughout exploration stages. The nearest international airport is General Rafael Buelna International Airport (MZT) at Mazatlán, a tourist destination with multiple daily national and international flights located approximately 1.5 hours from the Palos Verdes Property.

The local economy consists of small-scale timber, livestock and tourism services, and the area is known as an important mining center with historic small-scale mining evident and several small mills in operation. All major supplies and services are available from Mazatlán, Villa Union or Concordia.

Power from the national grid is available at Santa Lucia, 1 km from the Palos Verdes Property. There is no local water system but water is available in streams near the Palos Verdes Property. This water is sufficient for the needs of a small drill program.



Figure 5. Panorama of the Palos Verdes Property.
View of the Palos Verdes Property, looking southwest from the old highway
in the northwestern portion of the concession.

History

The early history of the Palos Verdes Property is not known. The Sinaloa region was inhabited by several Mesoamerican cultures during the pre-Hispanic period. The Mining Districts of Panuco, Copala and Santa Lucia were well-known natives before 1560 due to the high-grade Au-Ag veins and they exploited the richest portions of the veins. In 1565 Capt. Francisco de Ibarra, who founded Durango and Nombre de Dios as Nueva Vizcaya governor, founded the municipality named San Sebastian, now known as Concordia with the purpose to support the mining works of the Panuco-Copala Mining District. Mining activities have continued intermittently for 5 centuries to the present. Even during the Mexican Revolution mining activities remained with 7 mills operating in the region. After Mexican independence the State of Sinaloa was formed and Villa de San Sebastian was changed to Concordia in 1831.

Concerning the Santa Lucia mining area, where the Palos Verdes Property is located, the old workings are small compared with Panuco and Copala, with historic workings mainly as small digs and adits that were developed to extract Au and Ag ore.

Sinaloa State is perhaps better known by the general population for agriculture than for metal mining. The western part of the state at the edge of the Sierra Madre Occidental is the coastal plain where large-scale irrigation occurs with water provided from dams on the large rivers draining the mountains. Mining is important, however, and numerous important mineralized areas are known. The Panuco-Copala mining district is historically the most important silver producer in Sinaloa with abundant mines and prospects. Currently several small mines produce mineral for a few mills in operation in the region.

Exploration History

Various companies as well as the previous owners of the Palos Verdes Property and in the surrounding area, have performed limited exploration at the Palos Verdes Property, mainly sampling (Fig. 6, Table 3). ProDeMin has compiled a sample database with 61 samples taken by Panamerican Silver, Oremex Silver, and the Palos Verdes Property owners and others with values of as much as 4.15 g/t Au and 732.7 g/t Ag. Some of the samples were taken outside the Palos Verdes Property. Little or no data on sampling methodology and laboratory preparation and analytical procedures are available, nor are lab certificates for all of the samples. Although sample widths are indicated for some samples, true widths of the mineralization are not known. Therefore these data were not relied upon, and this sampling was used only as a general guide for further work. At some time in the past, reportedly near the end of the 1900s, a 70-meter-long tunnel was driven along the vein from near the bottom of the Palos Verdes arroyo. The owners of the concession leased the Palos Verdes Property to a small miner prior to the initial agreement with ProDeMin, but limited work was completed. Exploration carried out by ProDeMin is discussed below under the heading “**Exploration**”, as this was done recently under the supervision of a Qualified Person and supporting documents are available.

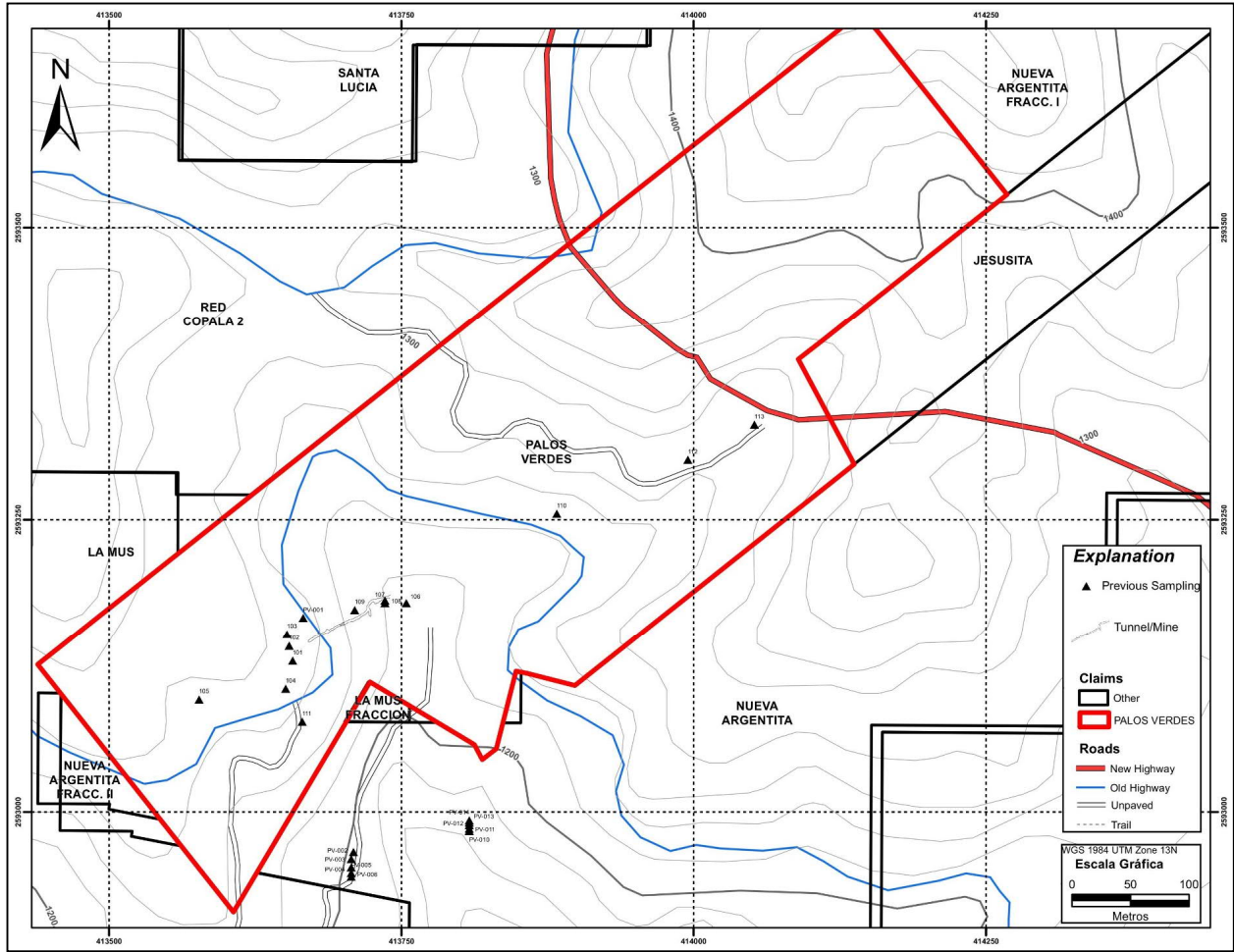


Figure 6. Historic sampling at the Palos Verdes Property.

Topographic map of the Palos Verdes Property showing the Palos Verdes Property boundary and locations of rock samples taken by previous workers.

Table 3. Assay values for historic sampling at the Palos Verdes Property

Sample	Area	Width m	Au g/t	Ag g/t	Pb ppm	Zn ppm	Cu ppm
PV-001	Palos Verdes	1.2	0.022	14.3	743	610	399
PV-002	Palos Verdes	1	0.05	18.6	573	232	360
PV-003	Palos Verdes	0.6	0.172	0	39	690	80
PV-004	Palos Verdes	0.7	0.3	0	32	1130	42
PV-005	Palos Verdes	1	-0.001	0	22	245	24
PV-006	Palos Verdes	0.5	0.125	20.7	996	1110	415
PV-007	Palos Verdes	0.7	0.405	87.5	68	66	27
PV-008	Palos Verdes	1	0.132	28.5	113	99	197
PV-009	Palos Verdes	0.7	0.018	0	1050	1070	280
PV-010	Palos Verdes	2.5	0.012	0	199	1110	150
PV-010A	Palos Verdes		1.201	87.8	739	115	77
PV-011	Palos Verdes	2.5	0.029	11.5	1940	4590	1530
PV-012	Palos Verdes	2.5	0.016	0	2590	9890	284
PV-013	Palos Verdes	2.5	1.032	222	3350	12000	3450
PV-014	Palos Verdes	2.5	0.019	0	841	1870	793
101	Palos Verdes		0.42	92	2200	2100	
102	Palos Verdes		0.01	22	1300	2200	
103	Palos Verdes		0.01	19	800	100	
104	Palos Verdes		0	0	600	1000	
105	Palos Verdes		0.19	33	1500	2000	
106	Palos Verdes		0.01	7	5400	13000	
107	Palos Verdes		2.13	474	20300	64000	
108	Palos Verdes		1.21	259	2300	5400	
109	Palos Verdes		0.01	21	4000	19200	
110	Palos Verdes		0.43	76	1200	1700	
111	Palos Verdes		0.15	48	900	1700	
112	Palos Verdes		0	0	600	100	
113	Palos Verdes		0	0	500	700	
114	Palos Verdes		0.01	44	600	300	
115	Palos Verdes		0.38	70	1500	1200	
649	Palos Verdes	0.7 m	4.15	732.7	2906	324	1502
859	Palos Verdes	1.8 m	0.8	72.8	16791	28127	1983
860	Palos Verdes		0.608	50.1	1542	4030	737
1050	Palos Verdes	1.6 m	0.079	18.9	3847	8808	898
1051	Palos Verdes	1.5 m	0.013	20.1	1322	1544	3148
1052	Palos Verdes	2.1 m	0.196	23.6	1342	1708	441
1053	Palos Verdes	1.3 m	0.243	32.5	2858	5460	423
1054	Palos Verdes	1.3 m	0.297	39.8	849	4285	252
1055	Palos Verdes	1.8 m	0.11	16.7	1628	1982	561
1056	Palos Verdes	2.2 m	0.798	30.7	8849	4551	516
1057	Palos Verdes	2.5 m	0.362	38.9	2573	4329	551
1058	Palos Verdes	1.9 m	0.201	25	3080	8856	671
1059	Palos Verdes	1.9 m	0.362	55.9	1962	3489	786
1060	Palos Verdes	1.8 m	0.29	35.7	3257	7403	841
1061	Palos Verdes	1.6 m	0.212	34.3	590	2147	207
1062	Palos Verdes	1.3 m	0.351	59.2	4189	2223	1871
1063	Palos Verdes	1.5 m	0.129	11.9	1748	1760	602
1064	Palos Verdes	0.7 m	0.298	17.4	398	1258	340
1065	Palos Verdes	1.8 m	0.212	7.3	331	2018	253
1066	Palos Verdes	1.1 m	0.022	14.1	1270	1615	1336
1067	Palos Verdes	1.1 m	0.059	4.7	251	1891	521
1068	Palos Verdes	1.5 m	0.288	4.5	229	3510	240
1069	Palos Verdes	1.3 m	0.139	9.6	419	1302	177
1070	Palos Verdes	1.6 m	0.146	8.7	484	1461	280
1071	Palos Verdes	1.2 m	0.067	9	484	751	286
1072	Palos Verdes	1.4 m	0.09	16.7	1269	2356	738
1073	Palos Verdes	1.3 m	0.078	13.1	329	870	478
1074	Palos Verdes	3.2 m	0.03	18.5	1250	510	733
1075	Palos Verdes	3.6 m	0.378	37	1772	4032	2401
1076	Palos Verdes	2.8 m	4.05	77.5	22350	46482	3703
1077	Palos Verdes	2.5 m	0.081	37.7	2170	2379	677

Sample data provided by M. Gayon, one of the original vendors of the Palos Verdes Property. Blanks indicate data not available. Samples PV-002 to PV-014 were taken from outside the boundaries of the Property. Samples 1005 to 1077 were taken from inside the Palos Verdes underground workings.

Geological Setting, Mineralization and Deposit Type

Regional Geology

The tectonostratigraphic framework of western Mexico is characterized by the Sierra Madre Occidental geologic province. The region is underlain by several tectonostratigraphic terranes as defined by Campa and Coney (1983) and Sedlock et al. (1993). The Guerrero terrain is probably the basement of the region and was covered during volcanism of the Sierra Madre Occidental during the Tertiary (Fig. 7). The area was affected by later extension and opening of the Gulf of California.

The regional geology consists mostly of Tertiary volcanic rocks (Fig. 8). Metamorphosed basement rocks of the Sonobari Complex of Precambrian age constituted of gneiss, amphibolite, pegmatite and migmatite outcrop in the northern portion of Sinaloa State (Fig. 9). These rocks are overlain by metamorphosed rocks such as schists, amphibolite and quartzite of Lower Paleozoic age and metamorphosed sedimentary rocks such as shale, quartzite, limestone and chert of Upper Paleozoic age. These probably comprise the basement rocks in the region, but are not exposed on the Palos Verdes Property or the immediately surrounding area (Fig. 8). The closest outcrops of these basement rocks close to the Palos Verdes Property are located south of Copala village and northeast of Magistral Ranch, and are constituted of quartzite and black shales of Upper Paleozoic age.

A thick sequence of volcanic rocks overlies the basement rocks. The lowermost unit, termed the Lower Volcanic Group of Late Mesozoic to Early Cenozoic age (McDowell and Clabaugh, 1979), is composed mainly of flows and tuffs of andesitic composition. This sequence shows textural changes such as aphanitic, porphyritic, holocrystalline and diabase with locally important flow breccia. Generally this sequence exhibits propylitic alteration, and locally is associated with intrusive rocks of microdioritic, monzonitic and pyroxenite composition. These rocks are exposed in the Rio Florido valley.

The Lower Volcanic Group is very important, economically, due this sequence hosts numerous mineral deposits in the zone and along Sierra Madre Occidental mining districts. Some outcrops of this sequence host some mineralized orebodies in the Copala- Panuco- Santa Lucia Mining District. In this zone the sequence is intruded by granodioritic bodies with 56.5 ± 0.7 My in age (Lopez, 1999).

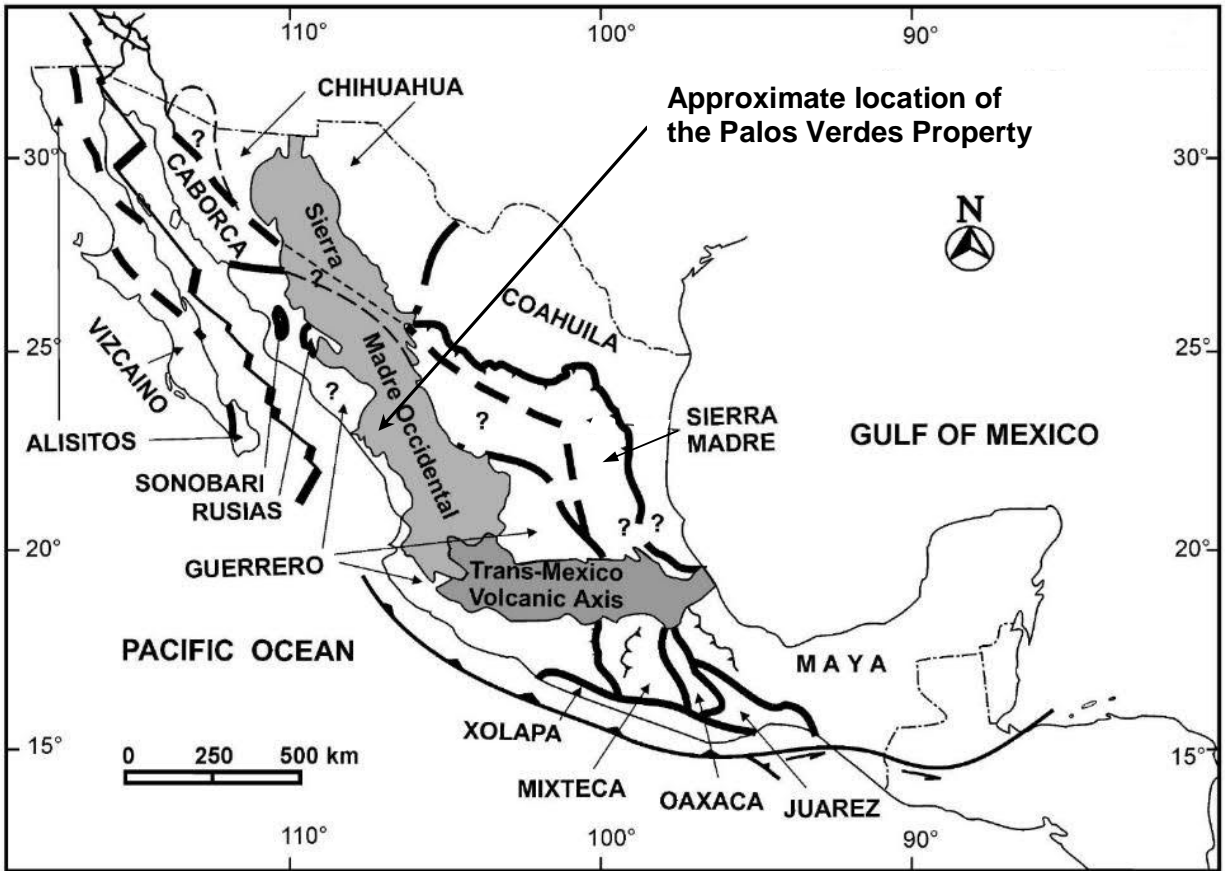


Figure 7. Tectonostratigraphic terranes of Mexico.

Map showing the terranes and plate tectonic framework for Mexico as well as the Sierra Madre Occidental and Trans-Mexico volcanic belts. After Campa and Coney (1983).

Rocks of the Upper Volcanic Group unconformably overlie the Lower Volcanic Group. The rocks are of Early to Middle Tertiary age and have been divided into three main units: Older, Intermediate and Upper Ignimbrite Units. Interbedded with these units are purple to reddish andesitic flows. The younger ignimbritic sequence consists of a thick package of breccia and rhyolitic to andesitic tuffs. Alteration observed in these units is mainly argillic due to weathering. In some places the Upper Volcanic Group is intruded by rhyolitic porphyry domes.

In the Upper Tertiary (Pliocene), sandstone and polymictic conglomerate filled basins that originated during extension in the region.

Regionally two main intrusive events are recognized. The older, of granodioritic to granitic composition (56.6 +/- 0.7 My) is associated with the La Costa Batholith of Laramide age. Intrusive rocks of similar composition, but Oligocene in age, locally intruded the Upper Volcanic Group. The second intrusive event consists of younger andesitic to rhyolitic porphyry and domes formed in the Upper Volcanic Group.

The older rocks in the region were affected by the Jaliscoan Orogeny of Jurassic age. The main tectonic event in the region is the Laramide orogeny of late Cretaceous to early Tertiary age related to volcanism and intrusive activity in the region.

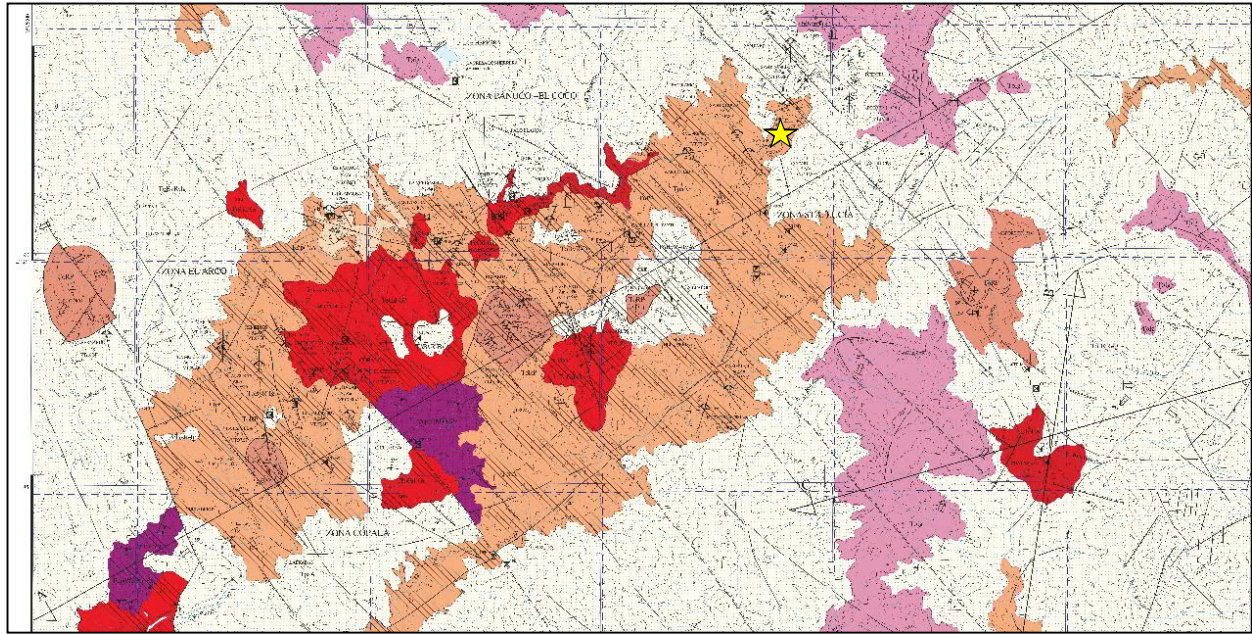


Figure 8. Government geologic map of the area around the Palos Verdes Property. Dark purple colours are Precambrian and Paleozoic basement rocks. Volcanic rocks are in shades of brown, with older andesitic rocks in orange-brown and younger rhyolitic tuffs light colored with a pattern and rhyolite ignimbrites in pink. Granodioritic intrusive rocks are in red. The location of the Palos Verdes Property is indicated by the yellow star. Geology from Mexican Geological Survey, 1:50,000 Copala sheet (SGM, 1999).

Regional structures are characterized by fault systems with northwest and northeast strikes. The northwest fault system is probably related to extensional tectonism related to the opening of the Gulf of California.

Mineralization in the region consists of low sulfidation epithermal and polymetallic veins that are part of the Sierra Madre Occidental precious-metal province (Fig. 10). The Santa Lucia mining region is part of the Copala-Panuco district that has been an important silver producer for several hundred years from many mines and prospects (Fig. 11, Table 4).

Formation	Lithology	Age (Ma)	Mineralization
Surficial deposits	Alluvium and colluvium	Recent	
Felsic volcanic rocks and intrusive	Rhyolite tuffs and ignimbrite, local plugs	Mid to Late Tertiary	Unknown
Intermediate intrusions	Diorite to granodiorite	Mid to Late Tertiary	Veins, contact related
Undifferentiated andesitic volcanic rocks	Flow, flow breccia	Early to mid-Tertiary	Low sulfidation epithermal quartz veins with precious- and base-metal values
Metamorphic basement	Metamorphosed sandstone and shale (phyllite)	Paleozoic (?)	Low sulfidation veins
Sonobari Complex	Gneiss, amphibolite, pegmatite, migmatite	Precambrian	

Figure 9. Summary of stratigraphy and associated mineralization in the region.

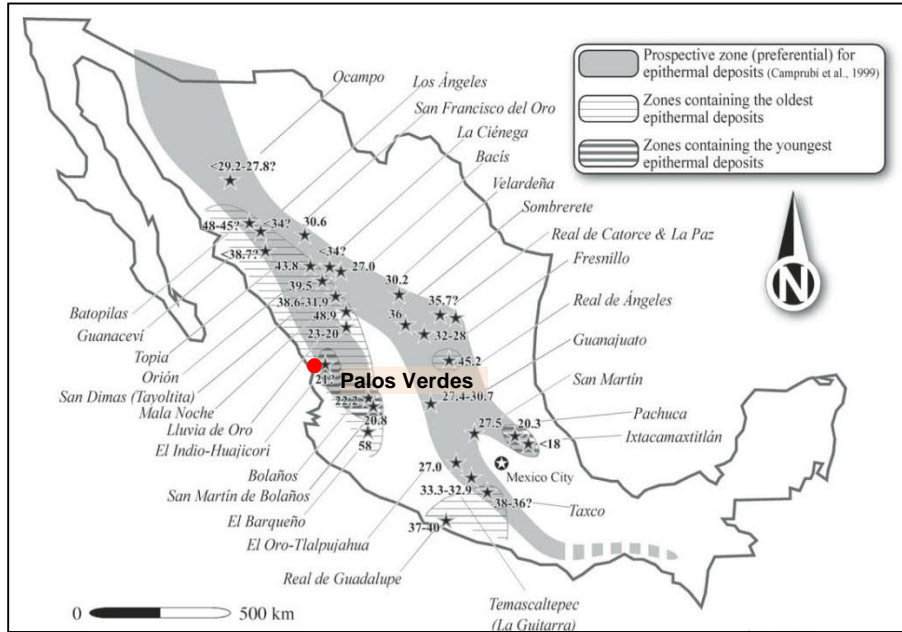


Figure 10. Epithermal Precious Metal belt, Northern Mexico. Distribution and ages of epithermal precious metal deposits in Mexico with the location of the Palos Verdes Property. After Camprubi and Albinson (2005).

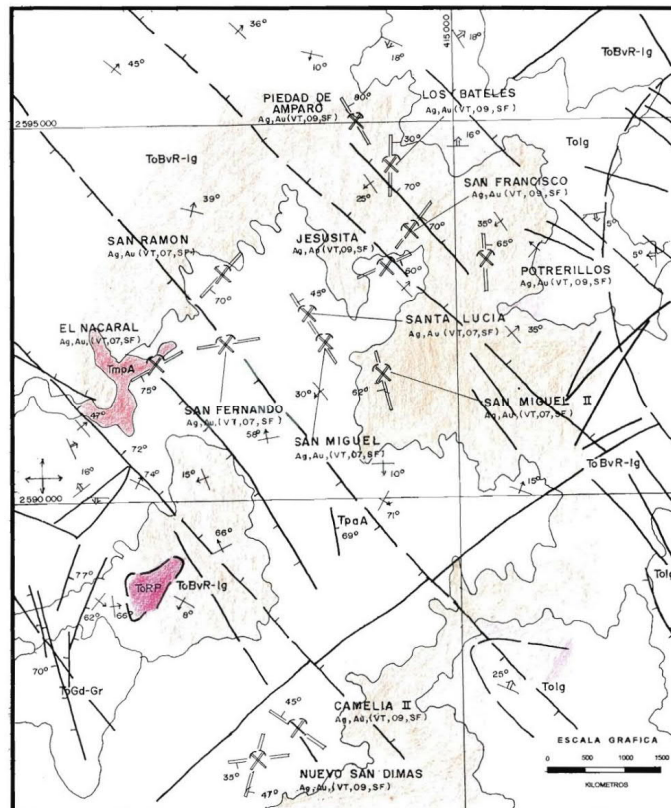


Figure 11. Small mines and prospects near Palos Verdes Property. Mineral occurrences catalogued by the SGM in the area of the Palos Verdes Property. The Palos Verdes vein lies in the general area of the Jesuita mine shown on the map. From Servicio Geológico Mexicano, 1999.

Table 4. Small mines and prospects, Palos Verdes Property area

Mine/Prospect	Orientation	Width	Length	Host rock	Metals	Assays	Size
La Esperanza	N 30°W al 80°	0.6	1000	Granodiorita	Ag, Pb, Au en Q	Ag: 250.0 gr/ton	Niveles grandes
El Bule	N 45°W al 70°NE	0.6	1000	Granodiorita	Ag, Pb, Au en Q	Sin muestreo	Niveles grandes
El Alcatrán	N 30°W al 80°NE	0.6	1000	Granodiorita	Ag, Pb, Au en Q	Au: 0.85 gr/ton	Nivel aterrado y
San Nicolás	N 45°W al 70°NE	0.6	800	Granodiorita	Ag, Pb, Au en Q	Ag: 180.6 gr/ton Au: 30.0 gr/ton	catas Nivel corto
Los Remedios	N 15°W al 56°SW	2	800	Andesita	Ag, Au, Pb y Zn en Q	Ag: 1000 gr/ton Au: 2.4 gr/ton	Un nivel grande
Napoleón	N 15°W al 56°SW	2	800	Andesita	Ag, Pb, Zn y Au en Q	Ag: 369.9 gr/ton Au: 1.23 gr/ton	Nivel y tajo
El Gallinero	N 15°W al 56°SW	2	800	Andesita	Ag, Pb, Zn y Au en Q	Ag: 205.0 gr/ton Au: 1.8 gr/ton	Niveles cortos
Manzanilla	N 20°W al 68°NE	0.3	85	Diorita	Ag, Pb, Cu en Q	Ag: 280.0 gr/ton Au: 0.69 gr/ton	Dos niveles 80 y
Santa Ana	N 30°E al 75°SE	1	550	Diorita	Ag, Pb, Cu en Q	Ag: 117.2 gr/ton Ag: 250 gr/ton	40 m Nivel con 550 m
Agua Zarca	N 40°E al 45°	20	80	Diorita	Ag, Pb, Cu en Q	Au: 2.0 gr/ton Au: 1.1% Ag: 180 gr/ton Pb: 2.9% Zn: 4.5%	Dos niveles 30 y 60 m
Santa Rosa	N 47°W al NE	4	500	Granodiorita	Ag, Pb, Zn y Au en Q	Ag 300 a	Ocho niveles
El Marquez	N 45°E al NW	2	900	Granodiorita	Ag, Pb, Zn en Q	600 gr/ton Sin Muestreo	grandes Aterrada
El Porvenir	S 45°E al 45°SW	4		Granodiorita	Ag, Pb, Zn en Q	Sin Muestreo	Manto Ánimas
La Bomba	S 45°E al 45°SW	4	100	Granodiorita	Au y Ag en Q	Sin muestreo	muy importante Aterrado
La Francisca	N 45°E al NW	2	300	Granodiorita	Au y Ag en Q	Sin muestreo	continuidad manteo Aterrado
El Muerto	S 45°E al 45°SW	4	230	Toba andesítica	Au y Ag en Q	Au: 1.5 gr/ton	Dos niveles 300 m
El Refugio	N-S al 80°W	2.5	100	Granodiorita	Au y Ag en Q	Ag: 240.4 gr/ton Au: 0.43 gr/ton Ag: 105.7 gr/ton	y tajo Seis niveles bien desarrollados
Oro Fino	N 75°W al 62°NE	2	70	Riolita	Au y Ag en Q	Au: 0.5 gr/ton	Nivel 70 m
Ampl.	N 75°E al 60°NW	8	150	Andesita	Au y Ag en Q	Ag: 26.0 gr/ton Au: 0.66 gr/ton	Varios niveles
Mojojuan	N 15°E al 83°NW	1.5	300	Toba riolítica	Au y Ag en Q	Ag: 200 gr/ton Au: 1.6 gr/ton	cortos Dos niveles cortos
Las Amapas	N 10°E al 64°	1	70	Toba cristalina	Au y Ag en Q	Ag: 124.8 gr/ton Au: 0.8 gr/ton Ag: 860 gr/ton	Nivel 7 m
Colomos	N 15° vertical	2	20	Toba cristalina	Au y Ag en Q	Au: 1.93 gr/ton	Nivel 20 m
El Nacaral	N 40°E al 75° SE	2	180	Toba cristalina	Au y Ag en Q	Ag: 186 gr/ton Au: 2.34 gr/ton	Dos niveles 70 y
La Higuera	S 40° W vertical	8	80	Toba riolítica	Au y Ag en Q	Ag: 234.1 gr/ton Au: 1.5 gr/ton	103 m Cruceros y pozos
San Fernando	S 40°W vertical	4	600	Toba cristalina	Au y Ag en Q	Ag: 100 gr/ton Au: 1.3 gr/ton	80 m Obras aterradas
Veta Chica	N 40°W al 75° NE	0.6	60	Toba riolítica	Au, Ag, Pb y Zn en Q	Ag: 253.6 gr/ton Au: 17 gr/ ton	Dos Niveles con 60 m
Tres Amigos	N 60°W al 50°SW	3	30	Toba riolítica	Au, Ag, Pb y Zn en Q	Ag: 1848 gr/ton Pb: 6.8, Zn: 9.2 Ag: 18 gr/ton	Catas chicas
Ojo de Agua	N 15°W al 69°NE	1.3	15	Andesita	Ag y Pb en Q	Ag: 246 gr/ton 2 kg/ton. Clavo	Catas superficiales
Los Negritos	N-S al 55°W	1	25	Andesita	Au y Ag en Q	Au: 2.6 gr/ton	Nivel 25 m
Angelita	N 40°W al 80°	1	50	Andesita	Au, Ag, Pb y Zn en Q	Ag: 171 gr/ton Au: 2 gr/ton Ag: 500 gr/ton Pb: 10 %, Zn 14%	Nivel 50 m

From SGM, 2008.

Geology of the Palos Verdes Property

The volcanic rocks in the area of the Palos Verdes Property are not well studied. In general, andesitic volcanic rocks consisting of flows and flow breccia underlie most of the Palos Verdes Property and are overlain by felsic tuffs in the northeastern portion (Fig. 12). Outcrop is generally relatively good over the Palos Verdes Property, but geologic mapping of the area has not been completed in detail.

Andesitic rocks

Andesite is the main rock type that crops out at the Palos Verdes Property. It corresponds to the Lower Volcanic Group and is the main host for mineralized structures in the Mining District and the Palos Verdes Property. The andesite is gray to greenish in color (Fig. 13), and aphanitic to porphyritic in texture with plagioclase phenocrysts. Flow breccia and local agglomeratic textures are commonly observed. Wide variations in lithology are observed in the core, but the rocks have not been mapped in sufficient detail to identify specific units within the andesitic package on the surface.

Structure

Structurally there are two main trends, northeasterly and north to northwesterly, the northeasterly system being the most common, although numerous mineralized structures are emplaced in the northerly to northwesterly trending system. The main structural feature at the Palos Verdes Property is a northeast trending vein system, the Palos Verdes Vein, hosting much of the known mineralization at the Palos Verdes Property. The vein crops out along about 700 meter strike length and is discontinuous at the surface (Fig. 12). This northeast trending structural zone is cut by a north-northwesterly trending fault interpreted due to clay alteration and an apparent offset of the Palos Verdes vein. North-northwesterly striking veins are locally observed, and this structural orientation is important in several mines in the region (Fig. 11).

Alteration and mineralization

Propylitic alteration with chlorite, epidote and pyrite, is the most widespread alteration on the Palos Verdes Property, affecting the andesite in a regional sense. Argillic alteration is observed in fault zones with the presence of kaolinite and gouge. Strong silicification and bleaching of the rock is restricted to zones near quartz veins, hydrothermal breccia and quartz stockworks (Fig. 13). Mineralized structures occur as veins, stockworks, and hydrothermal breccias filling fractures or faults with preferred orientations striking northeasterly and northwesterly (Fig. 12, 14). The northeast system is the main mineralized trend and is the orientation of the Palos Verdes vein. The width of the vein is generally 0.20 to 5.0 meters, but sometimes up to 10.0 meters. The mineralized structure outcrops along 650 to 750 meters on the Palos Verdes Property (Fig. 12).

The Palos Verdes Vein consists of banded quartz vein material and hydrothermal breccia and is multistage with milky quartz, light gray quartz and sulfide rich material (Figs. 13-17). Breccia fragments consist mostly of angular fragments of strongly silicified andesite. The structure has N60°E strike and dips to the southeast at 78 to 82°, although vein flexures and a possible sigmoid structure are observed (Fig. 12). Economic minerals consist of argentiferous galena, possible electrum, gold, sphalerite, chalcopyrite and pyrite. The vein is well exposed in the Palos Verdes adit, an approximately 75 meter long working with a shallow winze about halfway along the tunnel (Fig. 15, 16). Sampling carried out at the surface and old workings yield as much as 2 g/ton Au and 116 g/ton Ag in surface exposures and 6.7 g/ton Au and 544 g/ton Ag in old workings (Fig. 15, 16). The wall rocks to the main structure commonly host veinlets and stockworks (Fig. 14, 16). Sulfide rich bands or discrete veins locally cut the main quartz vein and are locally included as fragments in more massive quartz (Fig. 17). Local bladed textures presumably of quartz after tabular calcite are observed (Fig. 17).

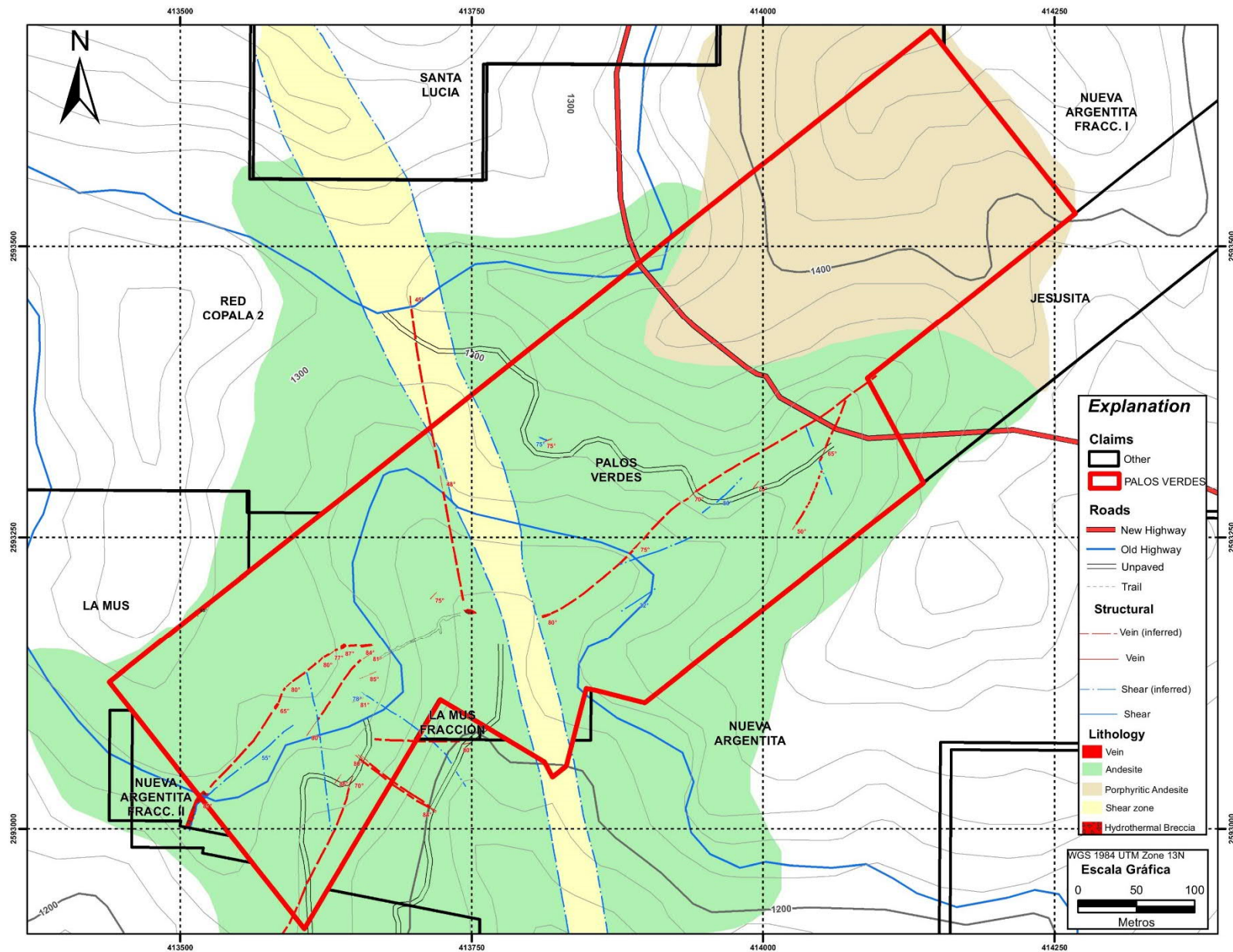


Figure 12. Geologic map of the Palos Verdes Property.
 Geologic map of the area of the Palos Verdes Property from Velo and Torres (2018).
 The concession that makes up the Palos Verdes Property is indicated by the red outline.



Figure 13 Photo of andesitic rocks.

View of andesitic rocks hosting sulfide-rich vein near the portal of the Palos Verdes adit.
The andesite is dark farther from the structure but becomes bleached adjacent to it.



Figure 14. Photo of the Palos Verdes Vein.
Photo of sample the Palos Verdes vein exposed
in the road cut of the old highway.

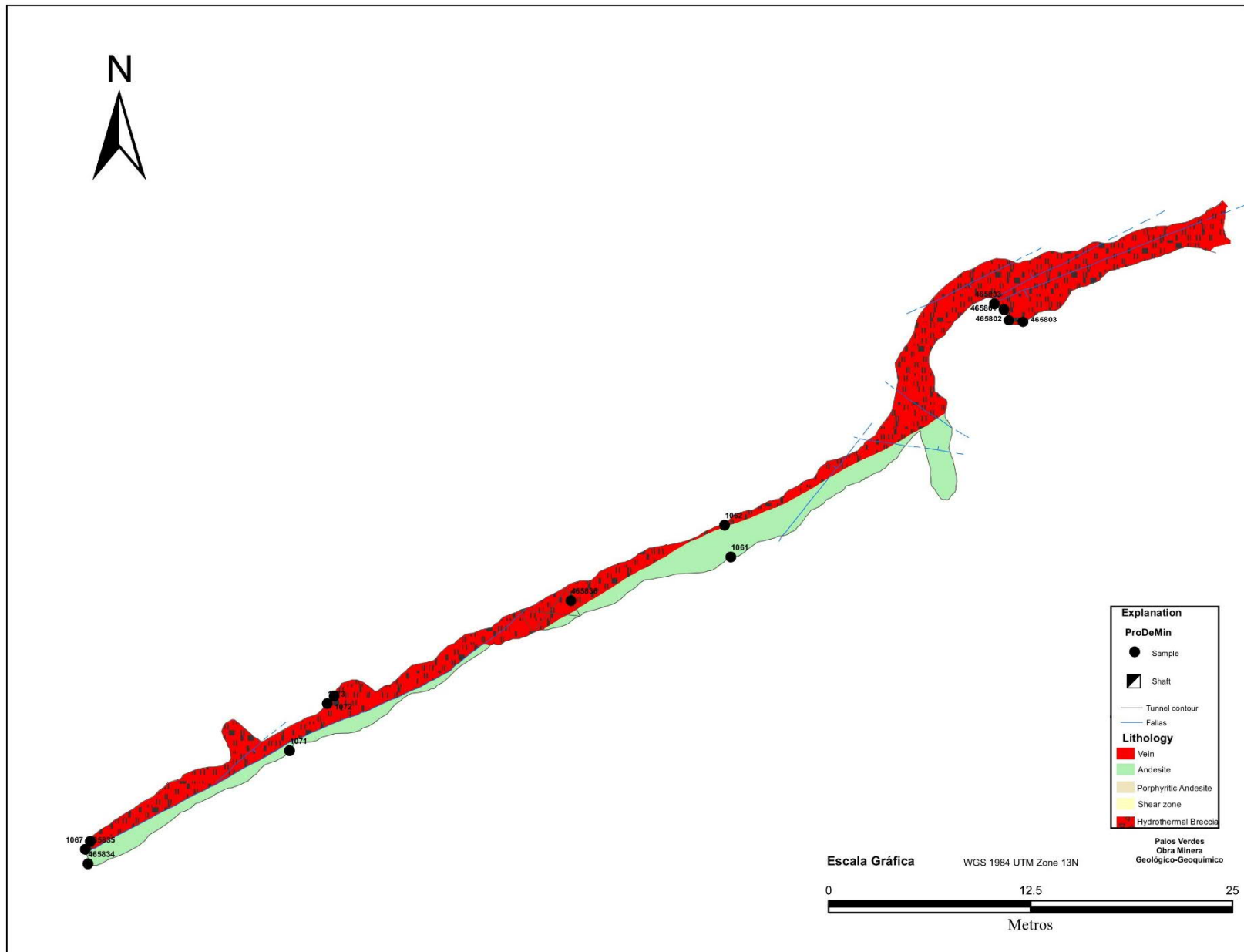


Figure 15. Geologic map of the Palos Verdes adit.
 Geologic map of the Palos Verdes adit, from Velo and Torres (2018).

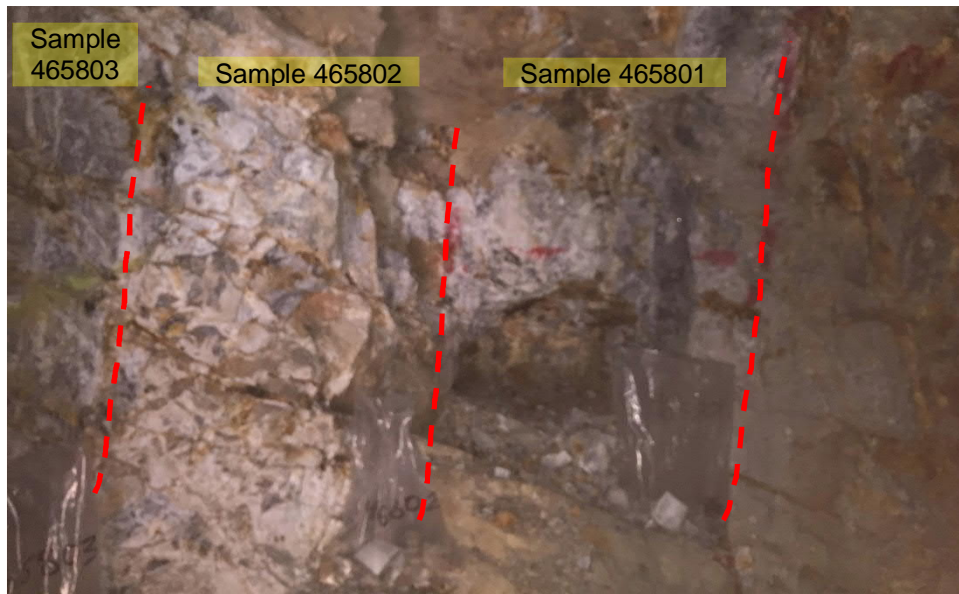


Figure 16. Photo of the Palos Verdes vein.

Multistage veining with breccias and sulfide rich veins near the portal of the Palos Verdes adit showing ProDeMin samples 465801 to 465803. Sample 465801 is mainly quartz vein cut by a sulfide rich vein. Sample 465802 is a quartz vein breccia with abundant wall rock fragments. Sample 465803 is hanging wall andesite cut by stockwork quartz. Looking northwest along the trend of the vein.

Photo by C. Gibson



Figure 17. Samples of the Palos Verdes vein.

Hand samples of vein types and textures from the exposures in Fig. 16.

Left sample is 465801 and right sample is 465802.

Photos by C. Gibson.

Deposit Types

The mineralization at the Palos Verdes Property consists of low sulfidation or polymetallic epithermal veins. These types of deposits have been described by Buchanan, 1981 (Fig 18). In this model, veins with base metal values formed lower in the epithermal system. These deposits have been termed intermediate

sulfidation (Einaudi, et al., 2003), but others prefer the term polymetallic because the mineralization can be a continuum from shallower mineralization of the low sulfidation type (Corbett, 2005, 2013). The Palos Verdes vein has some features of low sulfidation and polymetallic types, and may have telescoped mineralization as quartz veins with textures indicative of relatively shallow depth of formation are exposed in a road cut on the Mazatlán-Durango highway (Fig. 14) about 20 to 30 meters above polymetallic veining in the Palos Verdes adit (Fig. 16).

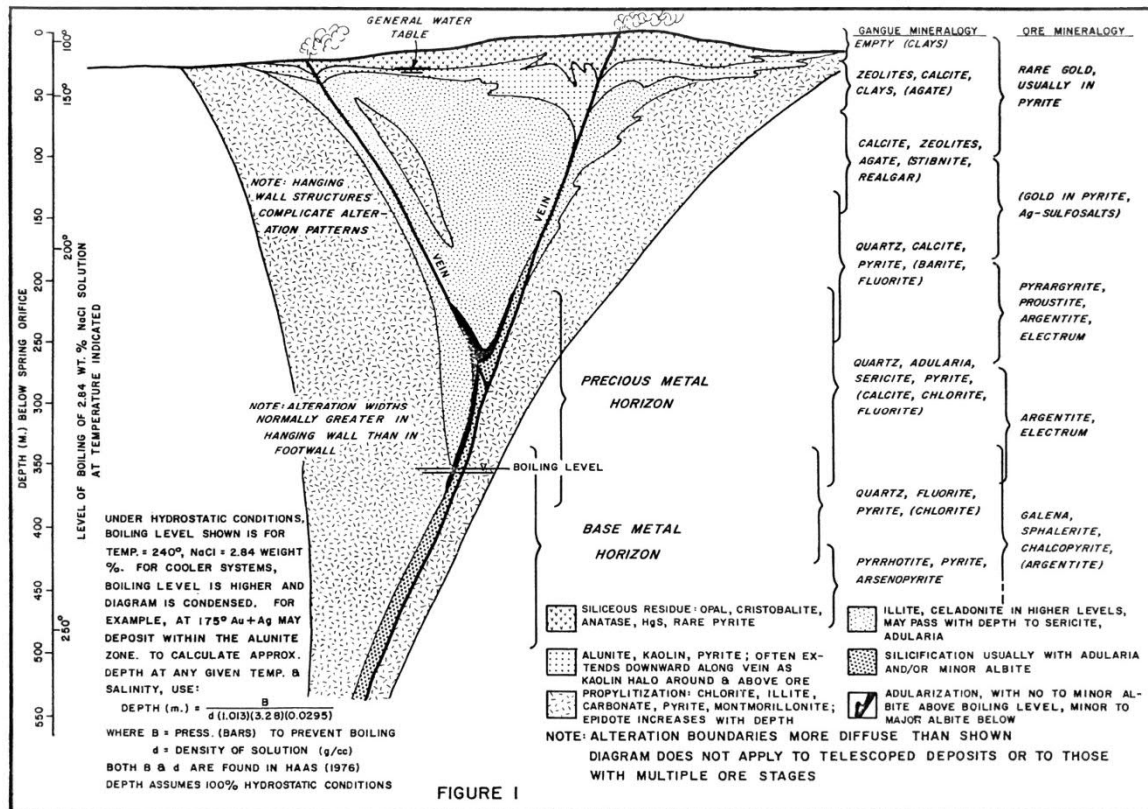


Figure 18. Mineralization model for low sulfidation epithermal veins

Schematic model for mineralization related to low sulfidation epithermal veins. From Buchanan, 1981.

Exploration

The Company has not undertaken exploration at the Property to date. The Palos Verdes Property was previously explored by the original owners of the concessions as well as mining companies as described above under the heading "History". ProDeMin completed the most exploration to date as part of its due diligence and earn-in agreement for a 50% interest in the Palos Verdes Property. This section describes the exploration performed by ProDeMin under the supervision of Dr. Craig Gibson, CPG, a Qualified Person under NI 43-101. Dr. Gibson is a director, president, and CEO of the Company.

Geochemical Sampling

ProDeMin collected 41 samples at the project. Three samples were taken as part of a due diligence review of the Palos Verdes Property, and an additional 38 samples were taken as part of the geologic mapping program to define drill targets (Velo and Torres, 2017). Table 5 lists the samples with locations and descriptions, and Fig. 19 shows the locations of the samples taken by ProDeMin. The rock samples are all chip-channel samples across mineralized structures, as well as selected samples of mineralized coarse rejects and pulps from previously analyzed core. Sampling was completed with a rock hammer by breaking off chips of rock, with the continuity of sampling moderately continuous in the direction of

sampling perpendicular to the principal structure. The sample widths shown in the table are the lengths of the sample and approximate the true width of the mineralization. The rock sampling completed was for the purpose of confirming the presence of mineralization as previously reported and thus was not systematic. About 400 meters of strike length on the vein system was sampled, and a few samples were taken on other structures. Channel samples are taken to be a nearly continuous strip of rock sampled between two points with the length based on geology, while chip channels are similar but not as continuous. Chip samples are taken by taking fragments over an area of interest and not all material is sampled. Three samples, 465821, 465828 and 465829, were taken on concessions adjacent to the property to test the main Palos Verdes structure along strike (first two samples listed) and to test a separate vein for reference.

Geophysics

There has been no geophysics conducted at the Palos Verdes Property other than that completed as part of a regional program conducted by the SGM that is not useful at the scale of the Palos Verdes Property.

Drilling

ProDeMin completed a diamond drilling program in May, 2018. Five holes for a total of 457.1 meters of HQ core were drilled as part of the agreement to earn 50% of the rights to the Palos Verdes Property. Drill hole information is shown in Table 6 and drill hole locations are shown in Fig. 20. Drill holes were logged and sampled by ProDeMin geologists according to procedures outlined in an internal company manual (Gibson, 2018). Drill core was handled using industry standard practices. The core was picked up at the drill rig once or twice a day during the 24 hour per day drill operation. The core was subsequently measured for recoveries and RQD determinations, and then logged and samples were marked on the core and core boxes. Recoveries were generally greater than 95%. The intervals sampled were selected based on the presence of veining and focused on the Palos Verdes vein intercepts, and not all of the core was sampled. Core was cut into two equal halves using a diamond saw blade, with half of the core being double bagged for transport to the laboratory, and half of the core remaining in the core boxes. Samples remained in the custody of ProDeMin until delivered to the lab in Durango, and the core has been stored in facilities controlled by ProDeMin.

Results of ProDeMin Exploration Program

The exploration program undertaken by ProDeMin was successful in delineating the Palos Verdes vein system. Rock samples along the vein outcrops and in underground workings yielded interesting precious and base metal values in several areas (Table 7, Figs. 21 to 25). Based on the results of the mapping and sampling program, ProDeMin decided to continue the exploration with a drill campaign that would allow it to earn 50% of the rights to the Palos Verdes Property.

Table 5. Sample data for ProDeMin exploration program, Palos Verdes Property

Sample	Location	Easting	Northing	Elevation	Type	Sampler	Date	Width(m)	Description
465801	Palos Verdes adit				Chip-channel	CG	5/30/2017	0.5	Hydrothermal vein breccia, multistage, mainly quartz vein with quartz + sulfide fragments, pyrite, galena, sphalerite, chalcopyrite, at footwall side 10cm sulfide-rich vein, galena + sphalerite, taken near entrance to main tunnel, 0.5 m chip on footwall side of vein.
465802	Palos Verdes adit				Chip-channel	CG	5/30/2017	0.5	Hydrothermal vein breccia, multistage, quartz, local bladed texture, some sulfide-rich fragments, galena, sphalerite, taken near entrance to main tunnel, 0.5 m chip on hangingwall side of vein, adjacent to 465801.
465803	Palos Verdes adit				Chip-channel	CG	5/30/2017	0.5	Stockwork milky quartz veins in gray andesite, taken near entrance to main tunnel, 0.5 m chip, in hangingwall of vein, adjacent to 465802.
465804		413,651	2,593,164	1,287	Chip	H.V./K.H.	20/05/2017	3.0	Andesite, gray-green, fine-grained, pervasive chlorite, disseminated pyrite, milky quartz veins (N40E/88NW, -N45E/75SE) with drusy cavities.
465805		413,650	2,593,163	1,284	Channel	H.V./K.H.	20/05/2017	3.0	Andesite, pale green, fg argillized and chloritized, jarosite and hematite on fractures, fine quartz veinlets <1 mm
465806		413,652	2,593,158	1,283	Channel	H.V./K.H.	20/05/2017	3.0	Andesite, pale green, fg, strongly argillized, jarosite and hematite on fractures, fine quartz veinlets <1 mm
465807		413,655	2,593,157	1,276	Channel	H.V./K.H.	20/05/2017	3.0	White quartz vein with FeOX, drusy cavities, pyrolusite on fractures, chrysocolla, chalcopyrite, possible Pb-Ag sulfides
465808		413,657	2,593,154	1,277	Channel	H.V./K.H.	20/05/2017	3.0	Andesite, dark gray, fg, pervasive oxidation, hematite-jarosite, quartz veining, locally stockwork, tr chalcopyrite.
465809		413,655	2,593,147	1,276	Chip	H.V./K.H.	20/05/2017	4.0	Andesite, gray-green, fg, pervasive chloritization, moderate oxidation, hematite-jarosite, white crustiform quartz veins/veinlets, N68E/80SE.
465810		413,659	2,593,147	1,276	Channel	H.V./K.H.	20/05/2017	0.7	White quartz vein, patches of FeOX, jarosite.
465811		413,656	2,593,144	1,276	Chip	H.V./K.H.	20/05/2017	3.5	Andesite. Black to green, pervasive oxidation, hematite-jarosite, moderate chloritization, weakly magnetic, apparently less altered.
465812		413,661	2,593,140	1,276	Chip	H.V./K.H.	20/05/2017	3.5	Andesite, green when fresh, fg, orange colour due to weathering, weakly magnetic, FeOX + jarosite on fractures, weak milky quartz veining (2 cm), moderately fractured.
465813		413,659	2,593,136	1,275	Channel	H.V./K.H.	20/05/2017	3.5	Andesite, green when fresh, orange due to weathering, med grained, porphyritic with plagioclase phenocrysts, weakly magnetic, FeOX on fractures, local milky quartz veining (3 mm).
465814		413,659	2,593,134	1,275	Channel	H.V./K.H.	20/05/2017	0.65	Milky quartz vein, tr FeOX, banded, crustiform and drusy quartz.
465815		413,618	2,593,150	1,296	Channel	H.V./K.H.	21/05/2017	1.1	Milky quartz vein, tr FeOX + jarosite, local crustiform and drusy quartz, massive texture.
465816		413,632	2,593,152	1,295	Channel	H.V./K.H.	21/05/2017	0.7	Milky quartz vein, weak FeOX, weak brecciation with drusy cavities.
465817		413,725	2,593,297	1,265	Channel	H.V./K.H.	21/05/2017	0.6	Milky quartz vein, tr FeOX, hematite + jarosite, banding and crustiform translucent quartz, tr pyrite.
465818		413,650	2,593,110	1,273	Channel	H.V./K.H.	21/05/2017	0.6	Milky quartz vein, massive texture, locally drusy and crustiform, chalcopyrite and possible covellite, MnOX.
465819		413,614	2,593,085	1,274	Chip	H.V./K.H.	21/05/2017	0.2	Milky quartz vein, patches of FeOX, jarosite, tr disseminated chalcopyrite + galena.
465820		413,571	2,593,067	1,280	Channel	H.V./K.H.	21/05/2017	2.2	Fault with fragments of milky quartz vein with patches of MnOX, FeOX and jarosite.

Table 5 (cont.)

465821		413,518	2,593,022	1,281	Channel	H.V./K.H.	21/05/2017	1.7	Milky quartz vein with FeOX, pyrolusite on fractures.
465822		413,520	2,593,030	1,283	Chip	H.V./K.H.	21/05/2017	4.4	Hydrothermal breccia with andesite fragments cemented with milky quartz with disseminated galena, patches of FeOX and MnOX.
465823		413,659	2,593,060	1,263	Channel	H.V./K.H.	22/05/2017	0.3	Milky quartz vein, massive texture, locally drusy, patches of FeOX and jarosite.
465824		413,646	2,593,041	1,262	Channel	H.V./K.H.	22/05/2017	0.6	Milky quartz vein with FeOX, hematite-jarosite, banded translucent crustiform quartz, patches of MnOX.
465825		413,635	2,593,042	1,257	Channel	H.V./K.H.	22/05/2017	0.4	Milky quartz vein with FeOX, hematite-jarosite, patches of MnOX.
465826		413,564	2,592,875	1,247	Channel	H.V./K.H.	22/05/2017	0.5	Milky quartz vein with FeOX, hematite-jarosite, drusy cavities, tr chrysocolla and chalcopryite, veinlets of possible Pb-Ag sulfides.
465827		413,564	2,592,877	1,247	Channel	H.V./K.H.	22/05/2017	0.8	Andesite, strongly chloritized, with quartz veinlets and patches of FeOX and jarosite on fractures, in footwall of milky quartz vein.
465828	Underground SW working	413,505	2,593,002	-	Channel	H.V./K.H.	5/23/2017	1.2	Milky quartz vein with FeOX and abundant malachite and chrysocolla, possible Ag-Pb sulfides, in mine.
465829		413,703	2,593,448	1,307	Channel	H.V./K.H.	5/25/2017	1.0	Brecciated white quartz vein, FeOX, (hematite-jarosite), drusy cavities, possible Cu sulfides.
465830		413,774	2,593,259	1,288	Chip	H.V./K.H.	5/25/2017	5.0	Fault zone, strongly argillized, with milky quartz vein fragments and bleached argillized andesite, reddish orange, trending NW.
465831		413,779	2,593,263	1,287	Chip	H.V./K.H.	5/25/2017	5.0	Fault zone, strongly argillized, with milky quartz vein fragments and bleached argillized andesite, reddish orange, trending NW.
465832		413,737	2,592,583	1,193	Chip	H.V./K.H.	5/25/2017	1.4	Hydrothermal breccia with milky quartz cement, with disseminated chalcopryite and pyrite, with patches of de FeOX, MnOX and jarosite.
465833	Mine working			-	Channel	H.V./K.H.	5/26/2017	1.1	Hydrothermal breccia with fragments of possible andesite, cemented by milky quartz and strongly mineralized with galena, sphalerite and scarce chalcopryite.
465834	Mine working			-	Channel	H.V./K.H.	5/27/2017	0.6	Fault breccia, clay matrix from argillized andesite with limonite, jarosite and patches of black MnOX, with angular clasts of milky quartz, trace Pb sulfides(?).
465835	Mine working			-	Channel	H.V./K.H.	5/27/2017	1.8	Hydrothermal breccia with angular clasts of milky quartz cemented by translucent quartz and sulfides of Pb-Cu (galena-chalcopryite), tr possible Ag sulfide, weak oxidation with jarosite.
465836	Mine working, in winze			-	Channel	H.V./K.H.	5/27/2017	1.3	Hydrothermal breccia cemented by milky quartz with disseminated galena, sphalerite and sparse chalcopryite.
465837		413,814	2,593,182	1,221	Channel	H.V./K.H.	5/27/2017	2.3	Milky quartz vein, local disseminated galena and chalcopryite, with patches of FeOX.
465838	Mine working	413,754	2,593,183	1,214	Chip	H.V./K.H.	5/28/2017	3.0	Stockwork of milky quartz in light brown andesite with disseminated pyrite (1 mm), locally with weakly disseminated galena and chalcopryite.
465839	Mine working	413,749	2,593,184	1,215	Chip	H.V./K.H.	5/28/2017	2.6	Hydrothermal breccia, cemented by quartz and galena, with white quartz veinlets, disseminated chalcopryite 5%.
465840	Mine working	413,746	2,593,187	1,215	Channel	H.V./K.H.	5/28/2017	1.6	Hydrothermal breccia, cemented by quartz and galena, local chalcopryite with malachite.
465841	Mine working	413,744	2,593,188	1,216	Channel	H.V./K.H.	5/28/2017	0.9	Hydrothermal breccia, cemented by milky quartz, with disseminated fine galena y sphalerite, with quartz veining.

Samplers: C.G. – Craig Gibson, H.V. – Ing. Hector Velo, K.H. – Ing. Kevin Hiram Torres. Sample widths approximate true widths.

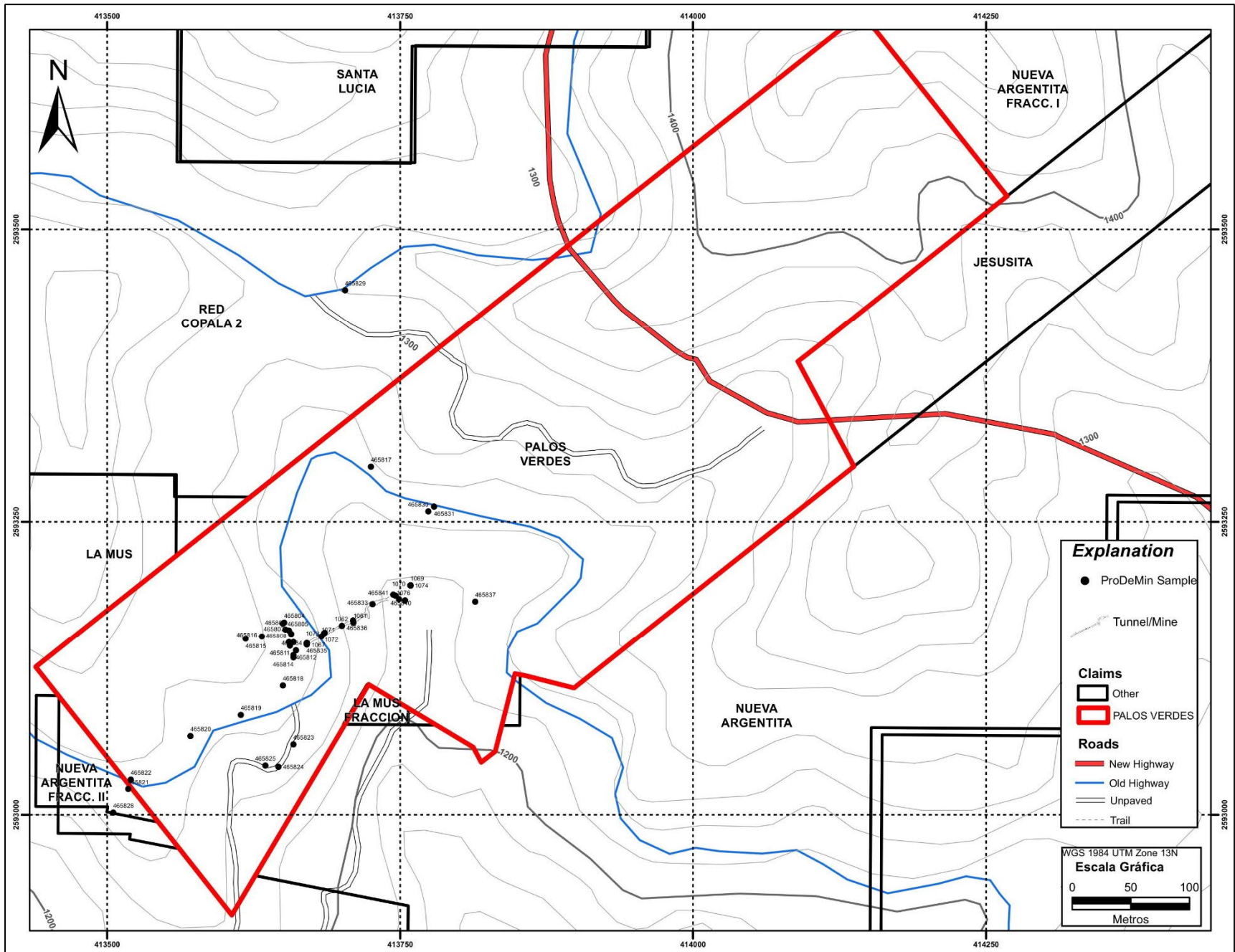


Figure 19. Rock sample locations for the Palos Verdes Property.
 Geologic map of the Palos Verdes Property showing the locations of rock samples taken by ProDeMin.

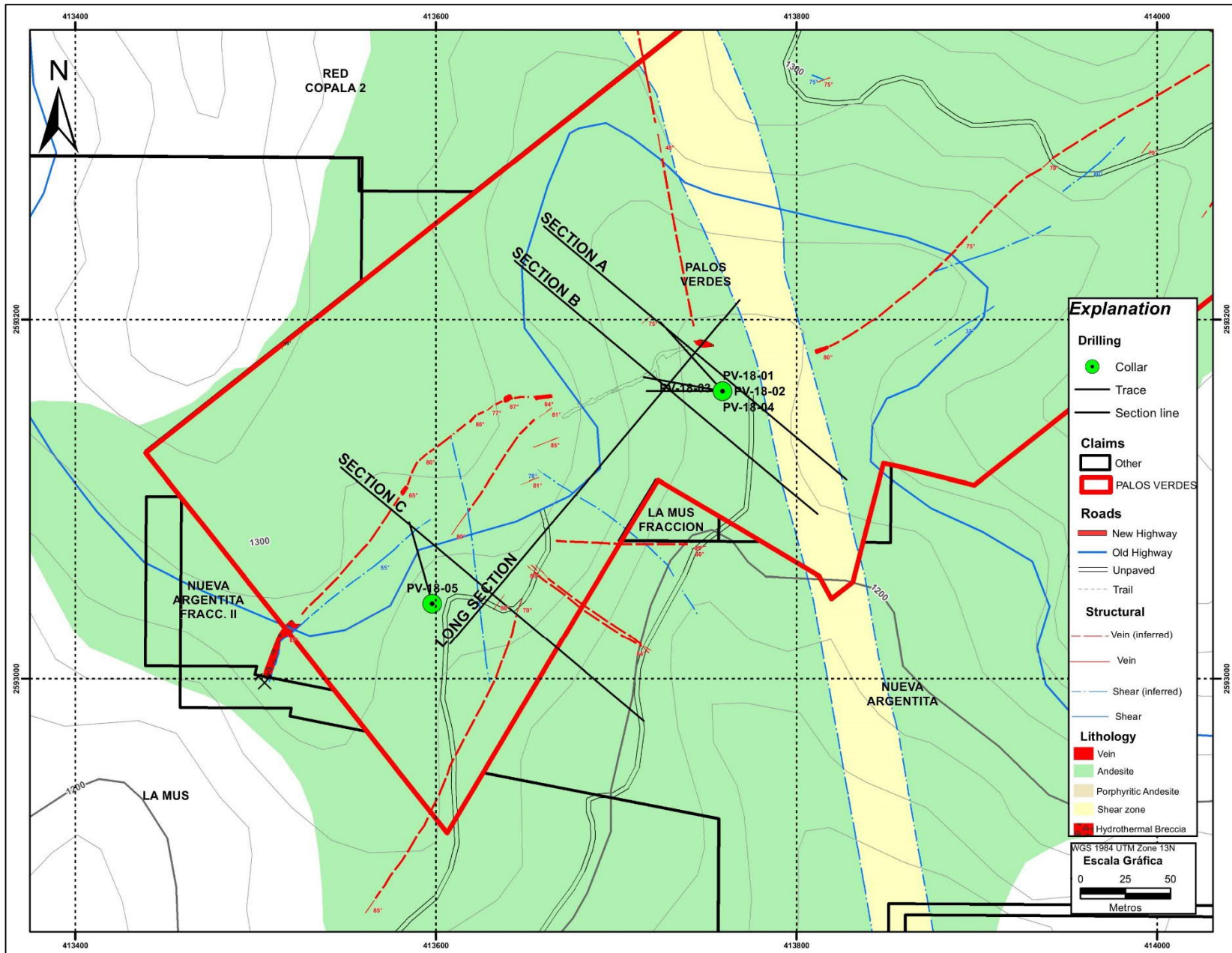


Figure 20. Drill hole locations for the Palos Verdes Property.
 Geologic map of the Palos Verdes Property showing the locations of drill holes completed by ProDeMin.

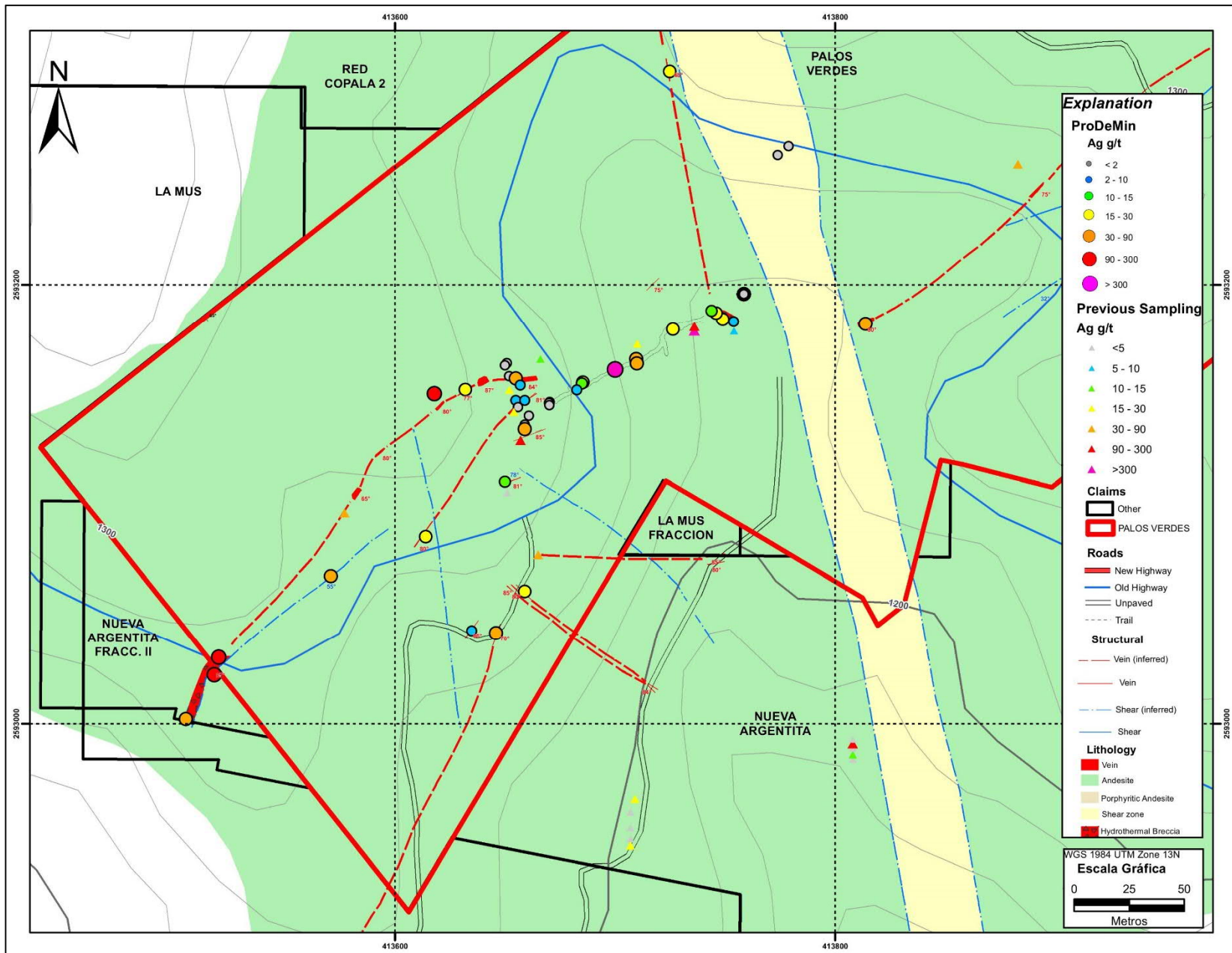


Figure 21. Silver rock geochemistry for the Palos Verdes Property.
 Silver geochemistry for rock samples from ProDeMin and previous workers.
 Samples from underground workings are shown projected vertically to the surface.

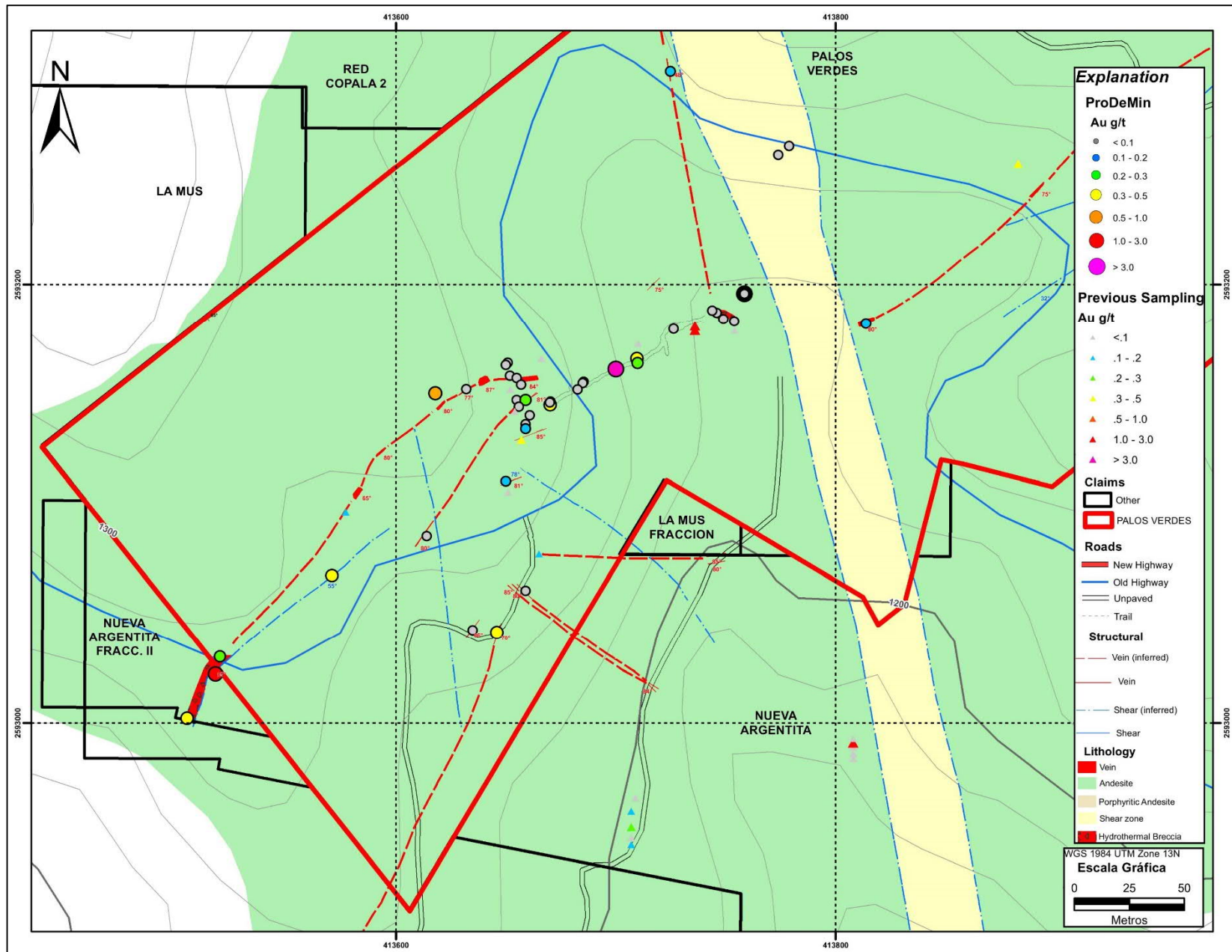


Figure 22. Gold rock geochemistry for the Palos Verdes Property. Gold geochemistry for rock samples from ProDeMin and previous workers. Samples from underground workings are shown projected vertically to the surface.

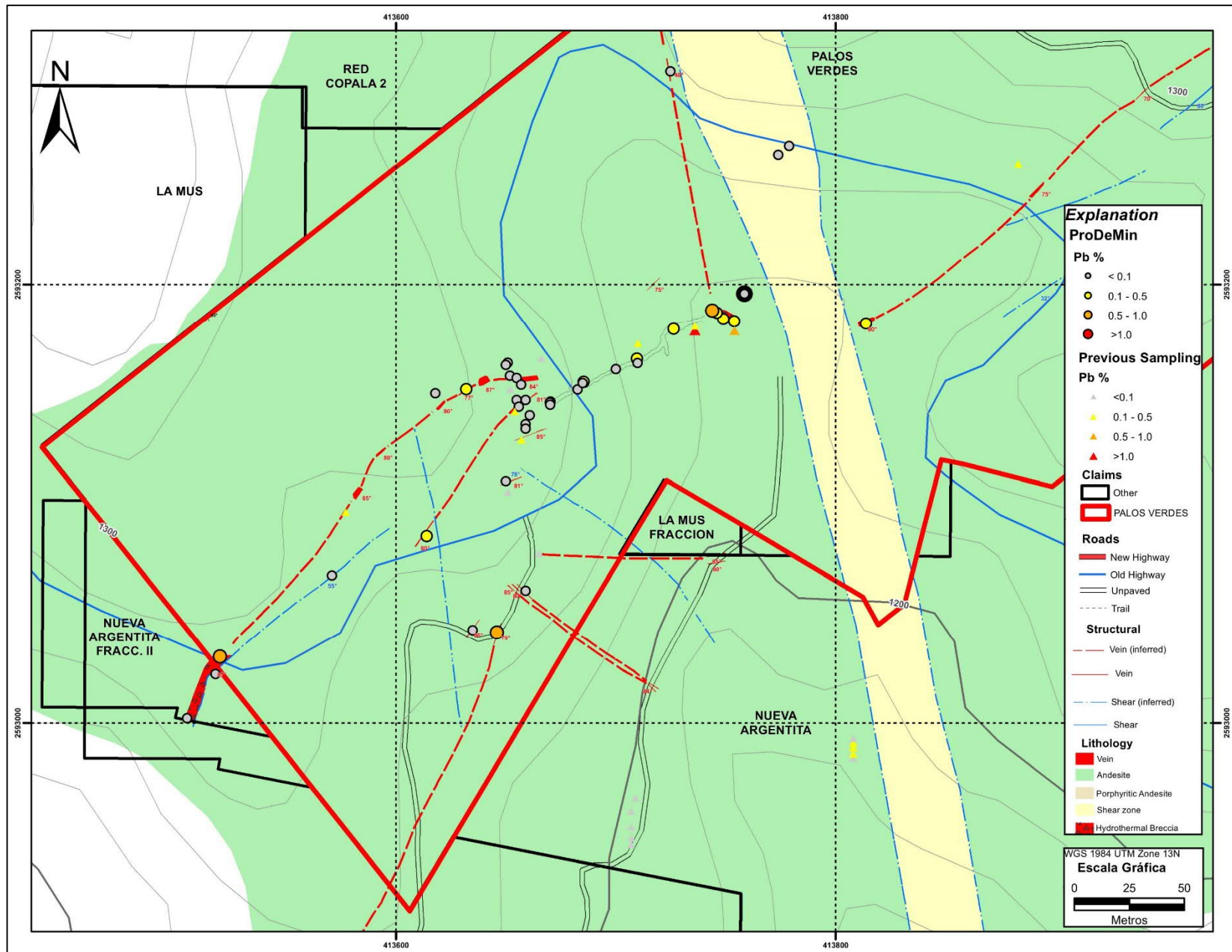


Figure 23. Lead rock geochemistry for the Palos Verdes Property.
Lead geochemistry for rock samples from ProDeMin and previous workers.
Samples from underground workings are shown projected vertically to the surface.

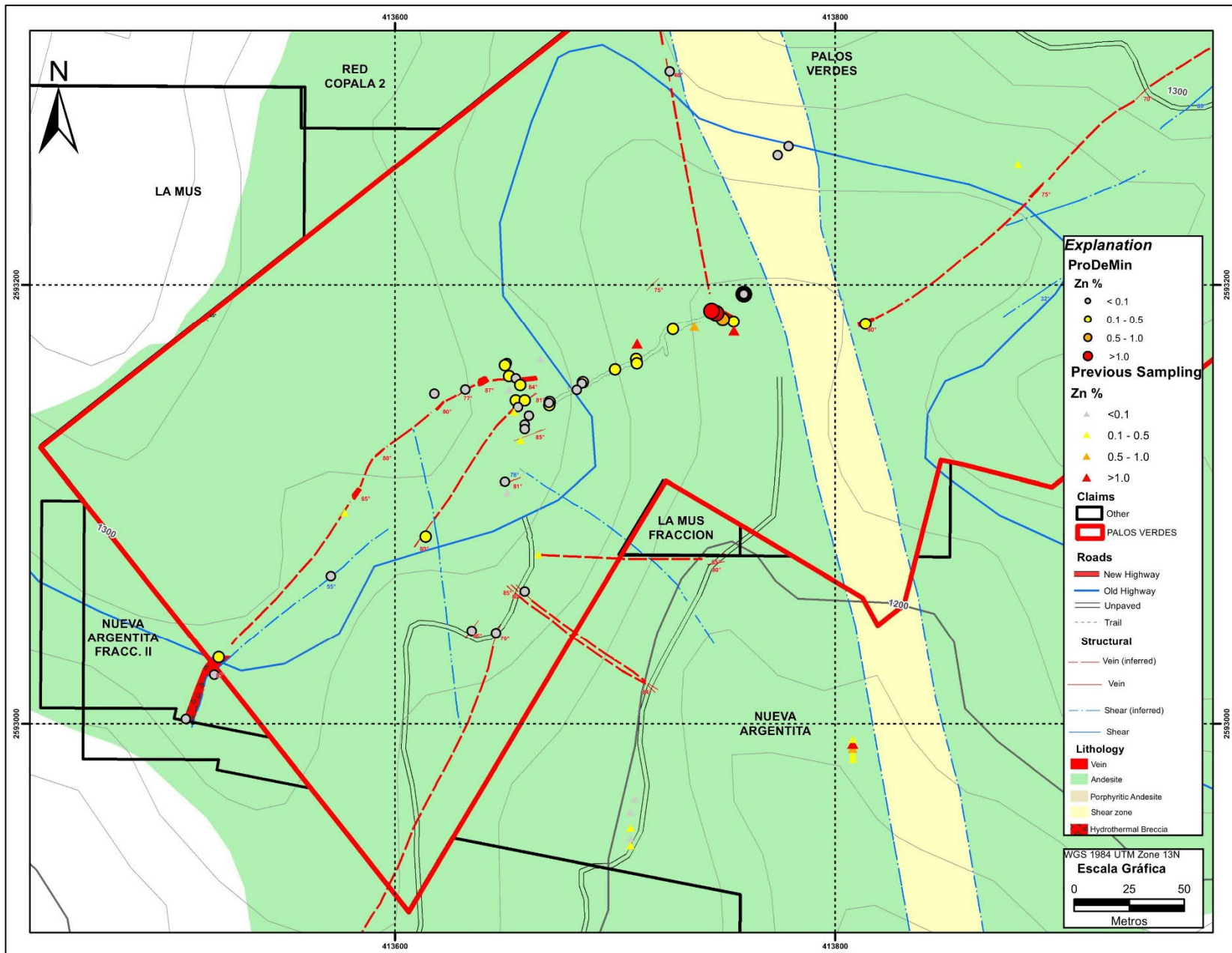


Figure 24. Zinc rock geochemistry for the Palos Verdes Property. Zinc geochemistry for rock samples from ProDeMin and previous workers. Samples from underground workings are shown projected vertically to the surface.

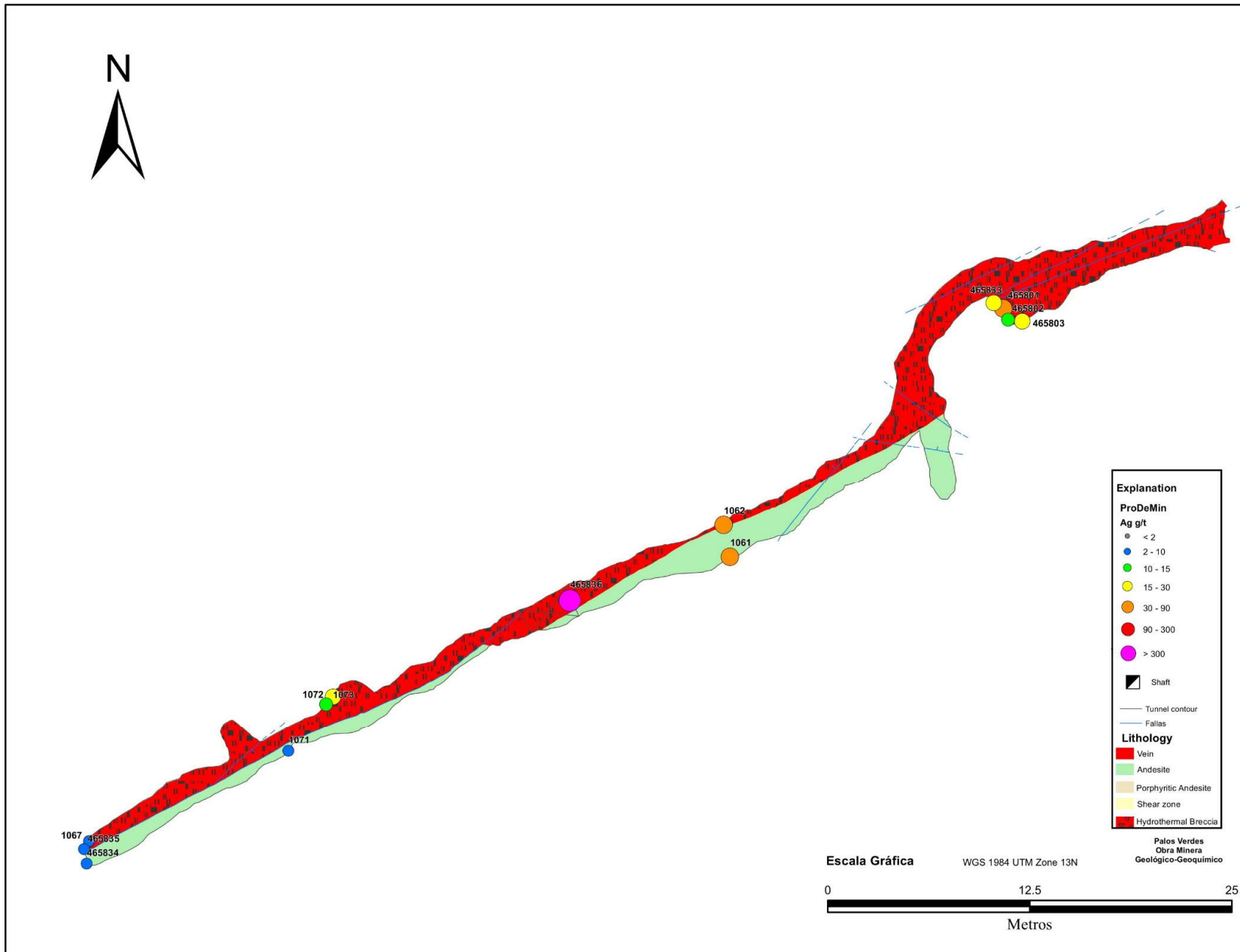


Figure 25. Silver rock geochemistry for samples in the Palos Verdes adit.
Silver geochemistry for rock samples from ProDeMin and previous workers taken in the Palos Verdes adit.

Table 6. Drill hole data for ProDeMin drill program, Palos Verdes Property

Drill Hole	Date		Coordinates UTM WGS84			Orientation		TD (m)
	Start	Finish	E	N	Elev	Azimuth	Inclination	
PV-18-01	5/8/2018	5/11/2018	413,759	2,593,160	1,222	318	-50°	80.00
PV-18-02	5/11/2018	5/13/2018	413,759	2,593,160	1,222	318	-75°	120.10
PV-18-03	5/13/2018	5/15/2018	413,759	2,593,160	1,222	280	-45°	63.00
PV-18-04	5/16/2018	5/18/2018	413,759	2,593,160	1,222	270	-65°	100.00
PV-18-05	5/19/2018	5/21/2018	413,598	2,593,042	1,257	335	-60°	94.00

Table 7. Assay values for ProDeMin samples from Palos Verdes Property

Sample	Area	Width m	Au g/t	Ag g/t	Pb ppm	Zn ppm	Cu ppm
465801	Tunnel entrance	0.5	6.17	45.1	11150	16200	1470
465802	Tunnel entrance	0.5	0.06	10.8	1740	4970	481
465803	Tunnel entrance	0.5	0.124	17.9	4260	14100	1220
465804	Surface	3.0	0.008	5	30	419	144
465805	Surface	3.0	0.008	<2	38	1021	132
465806	Surface	3.0	0.005	4	74	1230	338
465807	Surface	3.0	0.038	34	883	562	486
465808	Surface	3.0	0.02	8	283	1016	149
465809	Surface	4.0	0.014	6	88	1057	163
465810	Surface	0.7	0.218	10	78	1102	82.2
465811	Surface	3.5	<0.005	<2	13	215	23.6
465812	Surface	3.5	0.011	2	19	241	29.8
465813	Surface	3.5	<0.005	2	302	576	74.8
465814	Surface	0.65	0.197	37	574	222	140
465815	Surface	1.1	0.836	102	889	122	63.4
465816	Surface	0.7	0.052	19	1377	547	230
465817	Surface	0.6	0.112	19	326	20	25.8
465818	Surface	0.6	0.168	11	307	191	367
465819	Surface	0.2	0.09	26	1001	1074	634
465820	Surface	2.2	0.493	49	844	326	162
465821	Surface	1.7	2.035	118	325	111	38
465822	Surface	4.4	0.299	116	6032	4241	579
465823	Surface	0.3	0.05	20	617	111	61.3
465824	Surface	0.6	0.319	82	6621	191	135
465825	Surface	0.4	0.08	10	65	84	30.8
465826	Surface	0.5	0.193	30	658	393	604
465827	Surface	0.8	0.031	5	4056	690	587
465828	Mine	1.2	0.339	75	485	538	226
465829	Surface	1.0	0.045	6	67	50	19.4
465830	Surface	5.0	0.019	2	67	21	14.8
465831	Surface	5.0	0.018	<2	15	19	20.8
465832	Surface	1.4	0.018	14	743	53	171
465833	Mine	1.1	0.09	24	2595	2814	1304
465834	Mine	0.6	0.341	3	66	1596	98.7
465835	Mine	1.8	0.016	4	172	538	272
465836	Mine Winze	1.3	6.705	544	771	1303	629
465837	Surface	2.3	0.108	31	1090	1929	117
465838	Mine	3.0	0.026	8	1777	4222	843
465839	Mine	2.6	0.06	22	4097	8417	3404
465840	Mine	1.6	0.029	21	1559	10300	2711
465841	Mine	0.9	0.045	15	5950	18100	2465

First three samples taken by C. Gibson, the rest by H. Velo and K. Torres (Velo and Torres, 2017). Sample widths shown are the lengths of the samples and approximate true widths.

ProDeMin completed a diamond drilling program in May, 2018. Five holes for a total of 457.1 meters of HQ core were drilled as part of the agreement to earn 50% of the rights to the Property. Drill hole information is shown in Figs. 26-28. Table 7 shows the summary assay data for the mineralized intervals in each hole, and Figs. 29 to 34 show these intervals on the cross sections. True widths are less than the intercept and are estimated in Table 7; however, more data on possible fluctuations in the strike and dip of the veins are needed to obtain a more accurate true width. Figure 35 shows a longitudinal projection of the drill hole intercepts; all holes were mineralized in the interval at the intersection with the Palos Verdes vein. Photos of the highest grade portions of the intervals in drill holes PV-02 and PV-03 are shown in Figs. 36, 37. The mineralization is associated with sulfide rich zones within quartz vein breccia with multiple stages of mineralization visible. The sections with drill holes PV-1 and PV-2, section A, and PV-3 and PV-4, section B, are closer together than originally planned due to problems with moving the drill rig during the drill program. Nevertheless, the intercepts indicate that there is potential for developing a mineralized shoot along the vein system with more drilling.

The multistage nature of the Palos Verdes vein is evident in the drill results. Sulfide-rich vein intervals are generally higher in grade than intervals with less sulfide content and more quartz (Figs. 36, 37). Wider intercepts of lower grade mineralization generally surround the higher grade intervals.

Table 8. Assay values for ProDeMin drill hole intercepts from Palos Verdes Property

Hole	From (m)	To (m)	Width (m)	Est. True Width (m)*	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)
PV-01	23.90	28.8	4.90	4.2	0.89	31	0.21	0.30	2.63
PV-02	40.35	48.7	8.35	5.5	1.69	474	0.54	1.09	3.84
incl.	45.25	48.7	3.45	2.3	3.75	1098	0.67	1.99	3.00
incl.	46.55	47.7	1.15	0.8	8.42	2336	0.265	1.72	2.46
PV-03	31.30	40.65	9.35	7.0	1.45	15	0.05	0.11	1.04
incl.	39.55	40.65	1.10	0.8	12.15	50	0.26	0.53	5.01
PV-04	55.45	59.00	3.55	3.0	0.12	37	0.31	0.12	0.74
PV-05	54.25	57.40	3.15	2.0	0.25	23	0.06	0.32	0.62

*True width estimated based on the drill hole azimuth and inclination and vein dip.

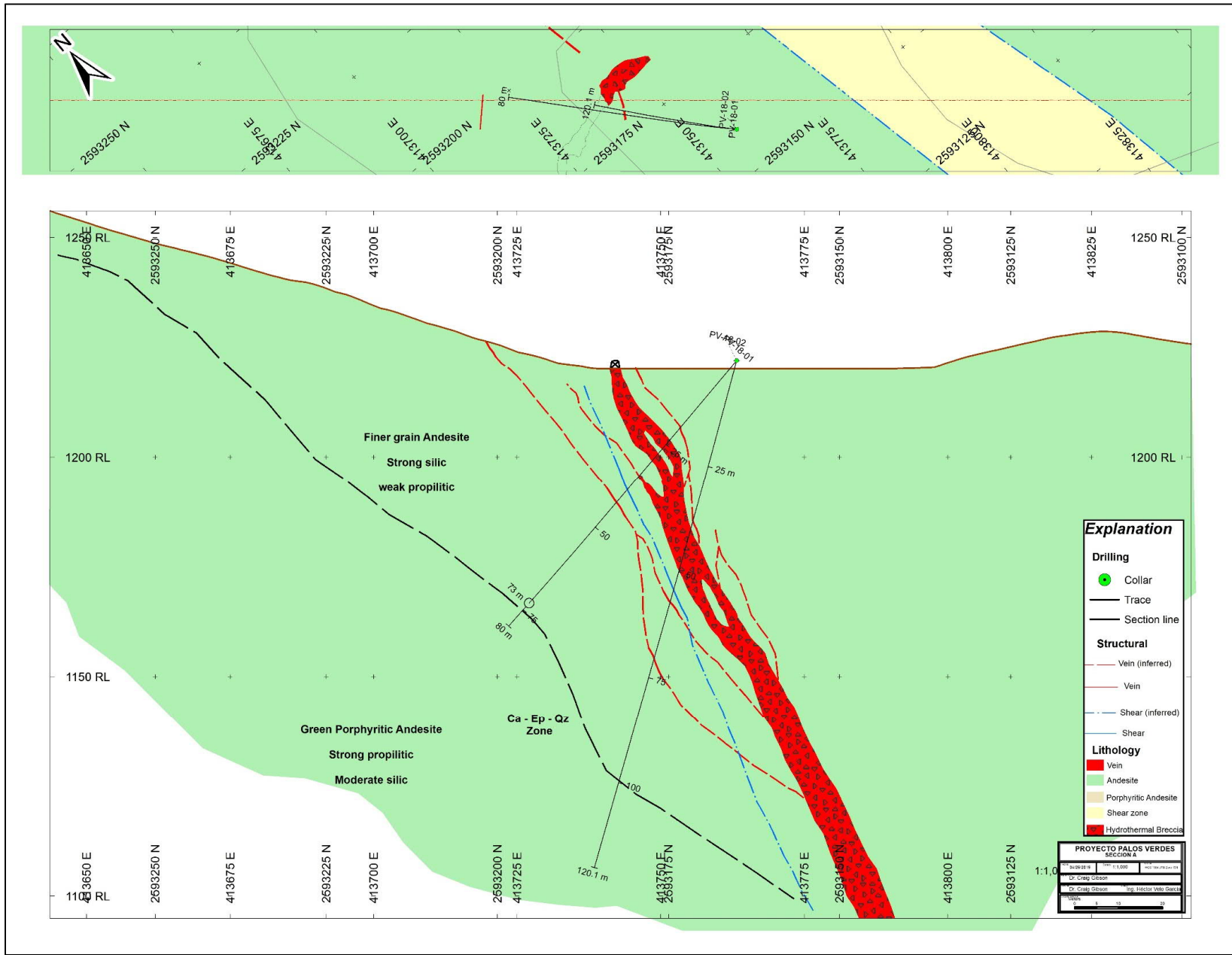


Figure 26. Cross section A, Palos Verdes Property.
 Geologic interpretation on Section A showing ProDeMin drill holes PV-01 and PV-02.

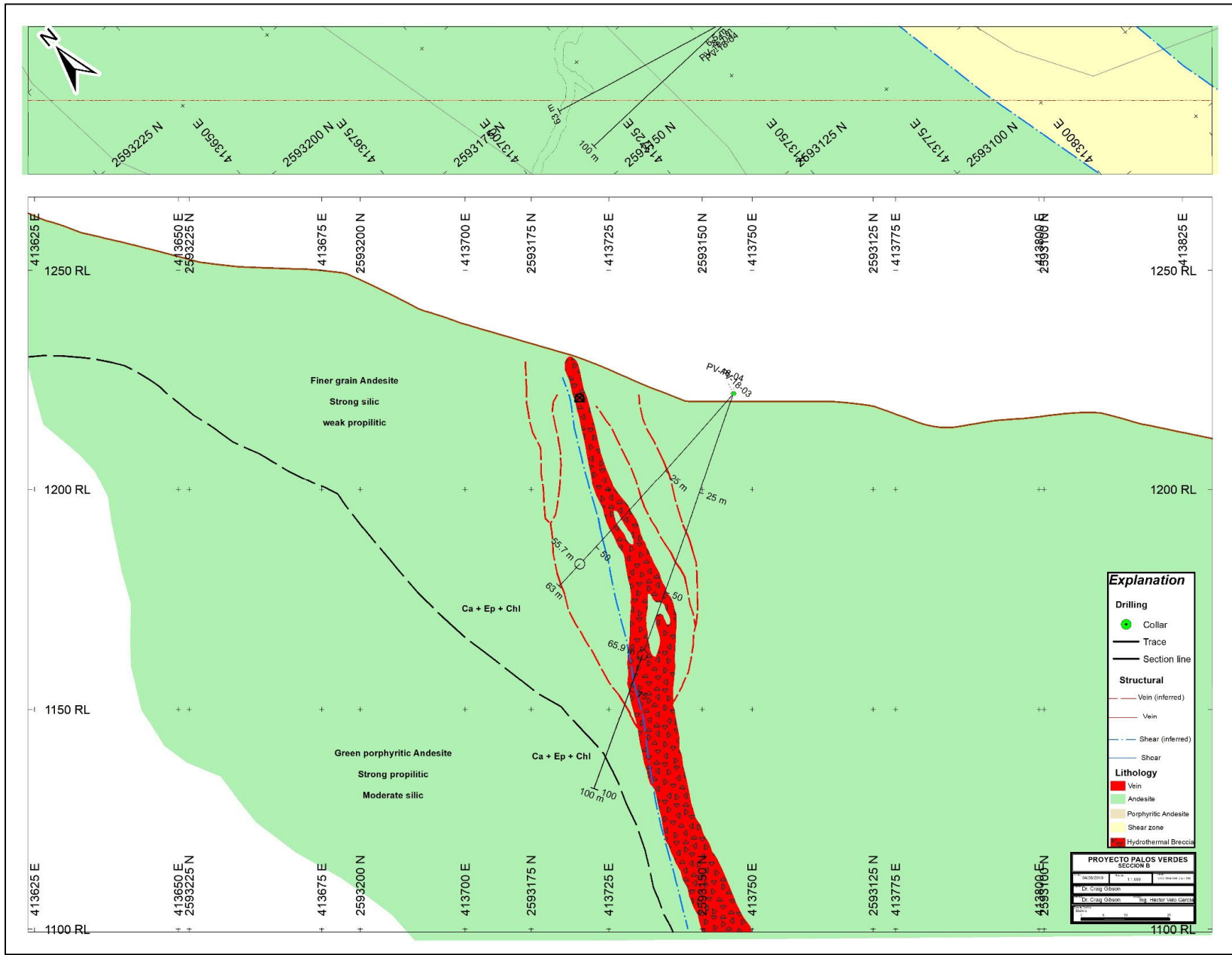


Figure 27. Cross section B, Palos Verdes Property.
 Geologic interpretation on Section B showing ProDeMin drill holes PV-03 and PV-04.

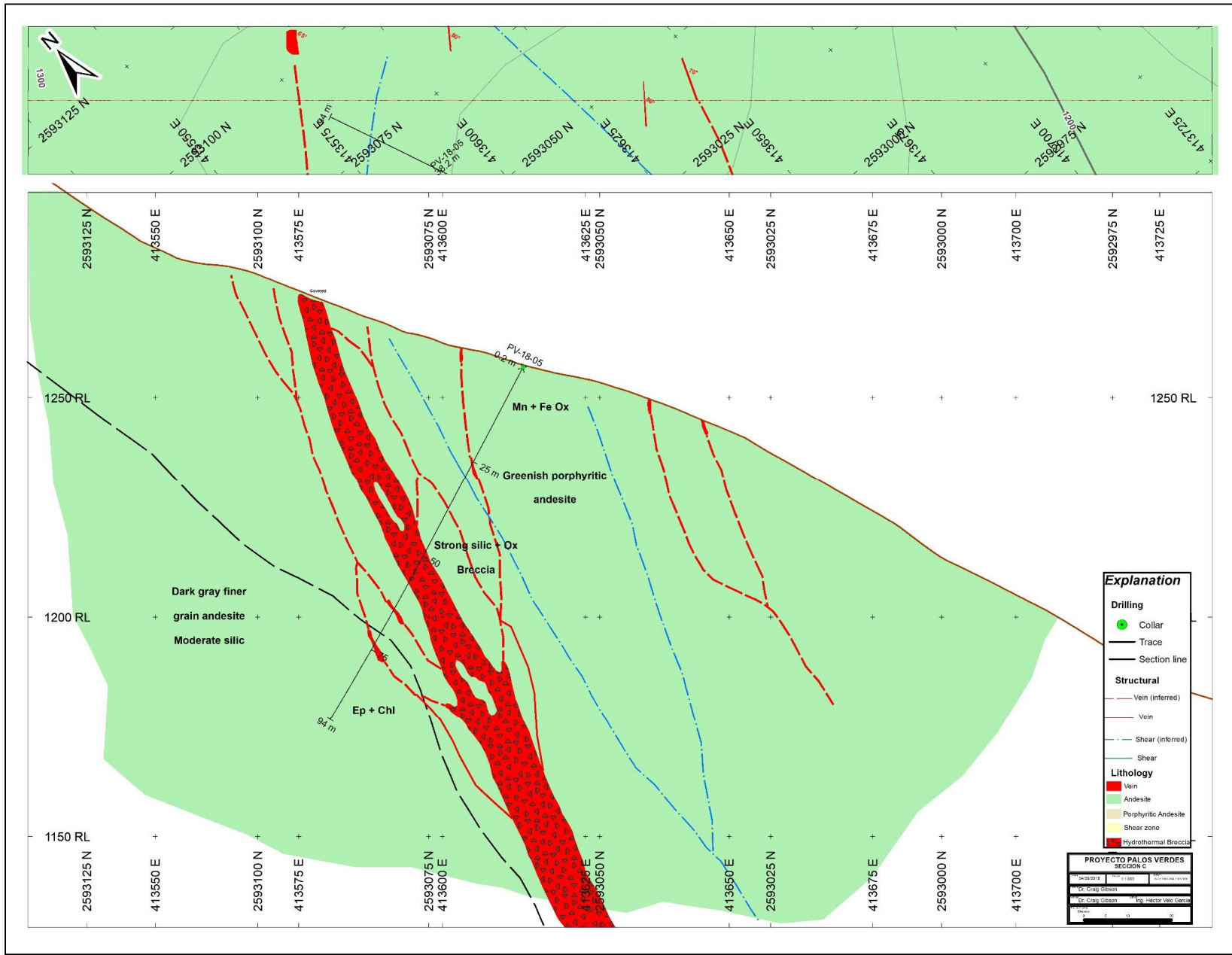


Figure 28. Cross section C, Palos Verdes Property. Geologic interpretation on Section C showing ProDeMin drill hole PV-05.

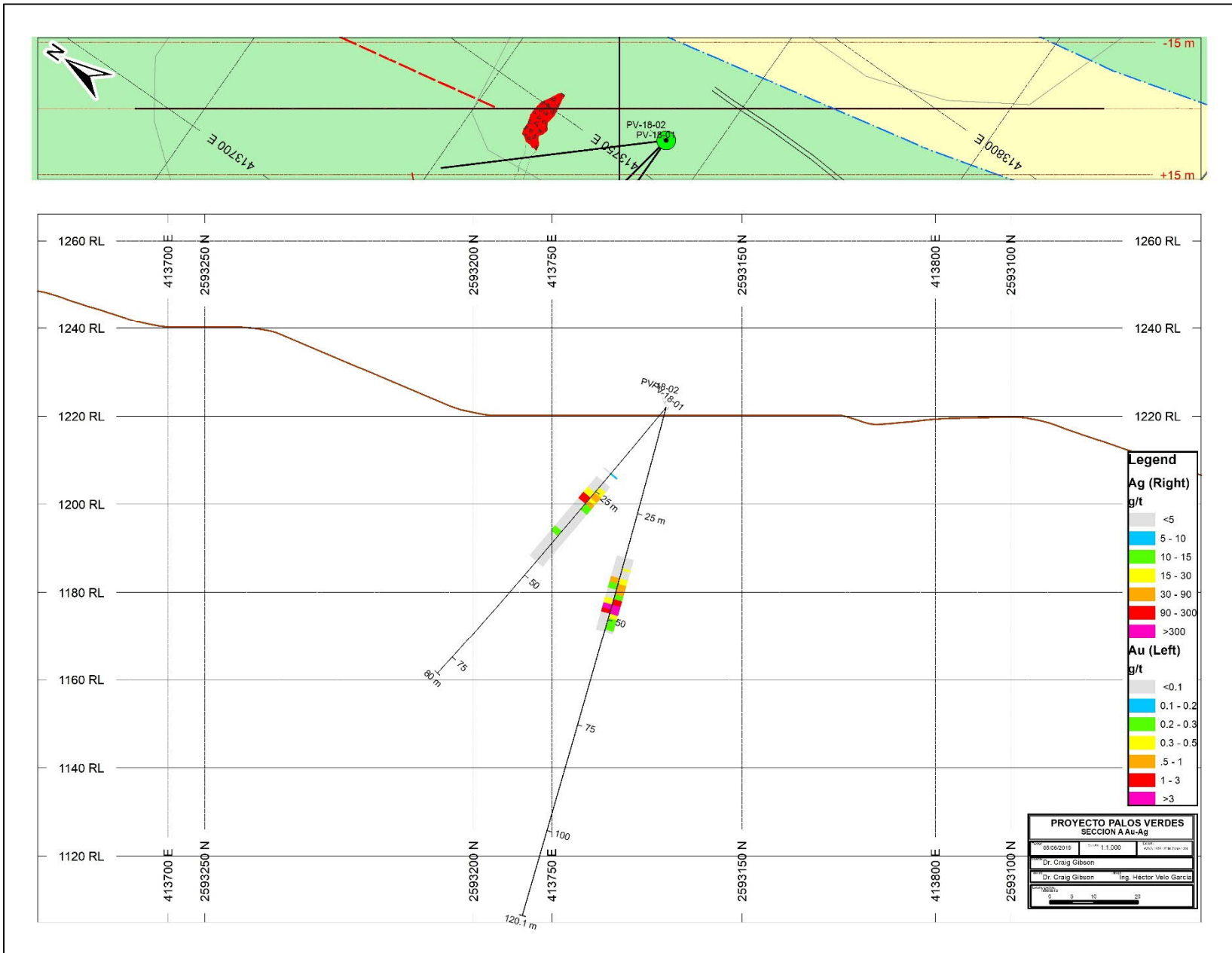


Figure 29. Cross section A with Precious Metal assays, Palos Verdes Property.
 Gold and silver assays in ProDeMin drill holes PV-01 and PV-02.
 Only intervals that were sampled are shown with a color on Figs. 29 to 34.

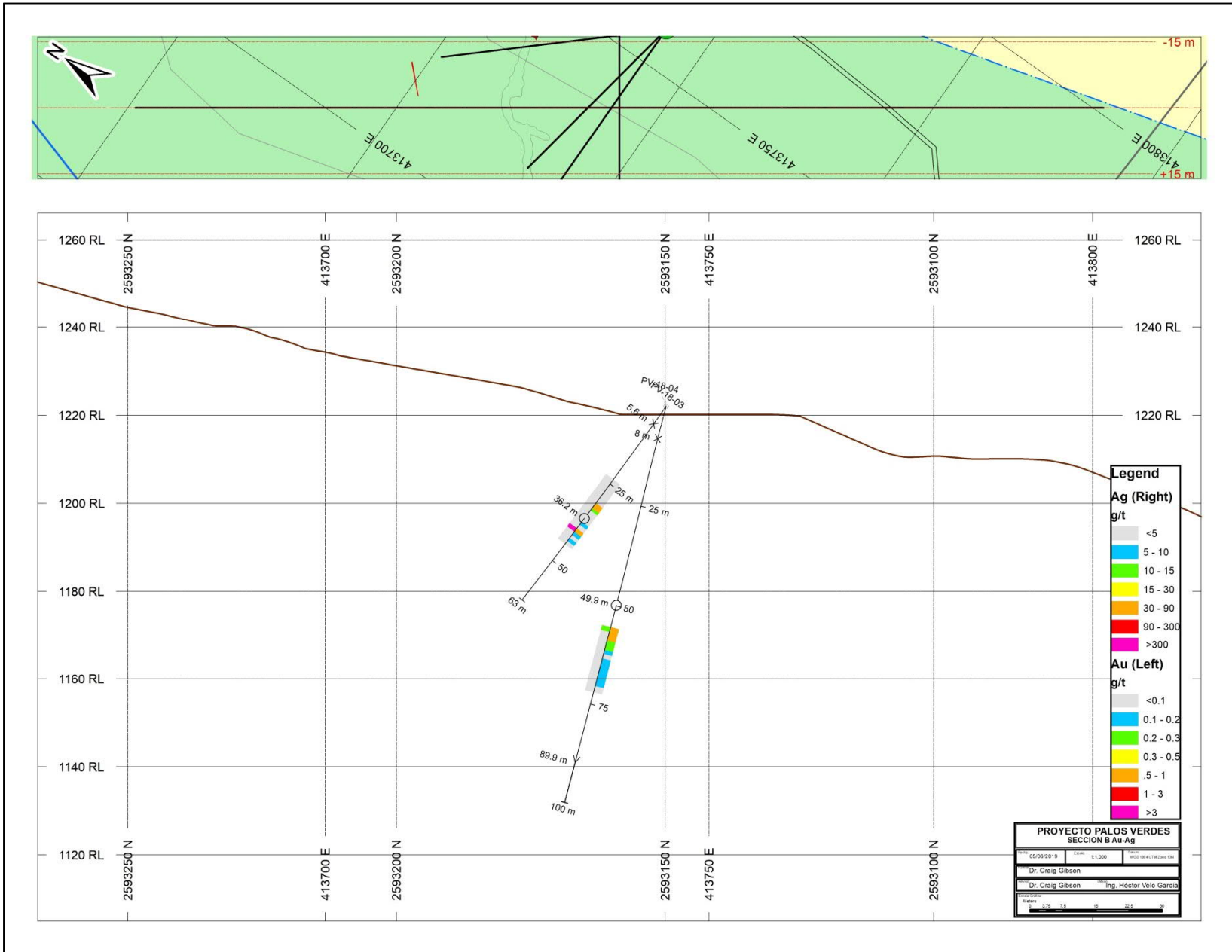


Figure 31. Cross section B with precious metal assays, Palos Verdes Property. Gold and silver assays in ProDeMin drill holes PV-03 and PV-04.

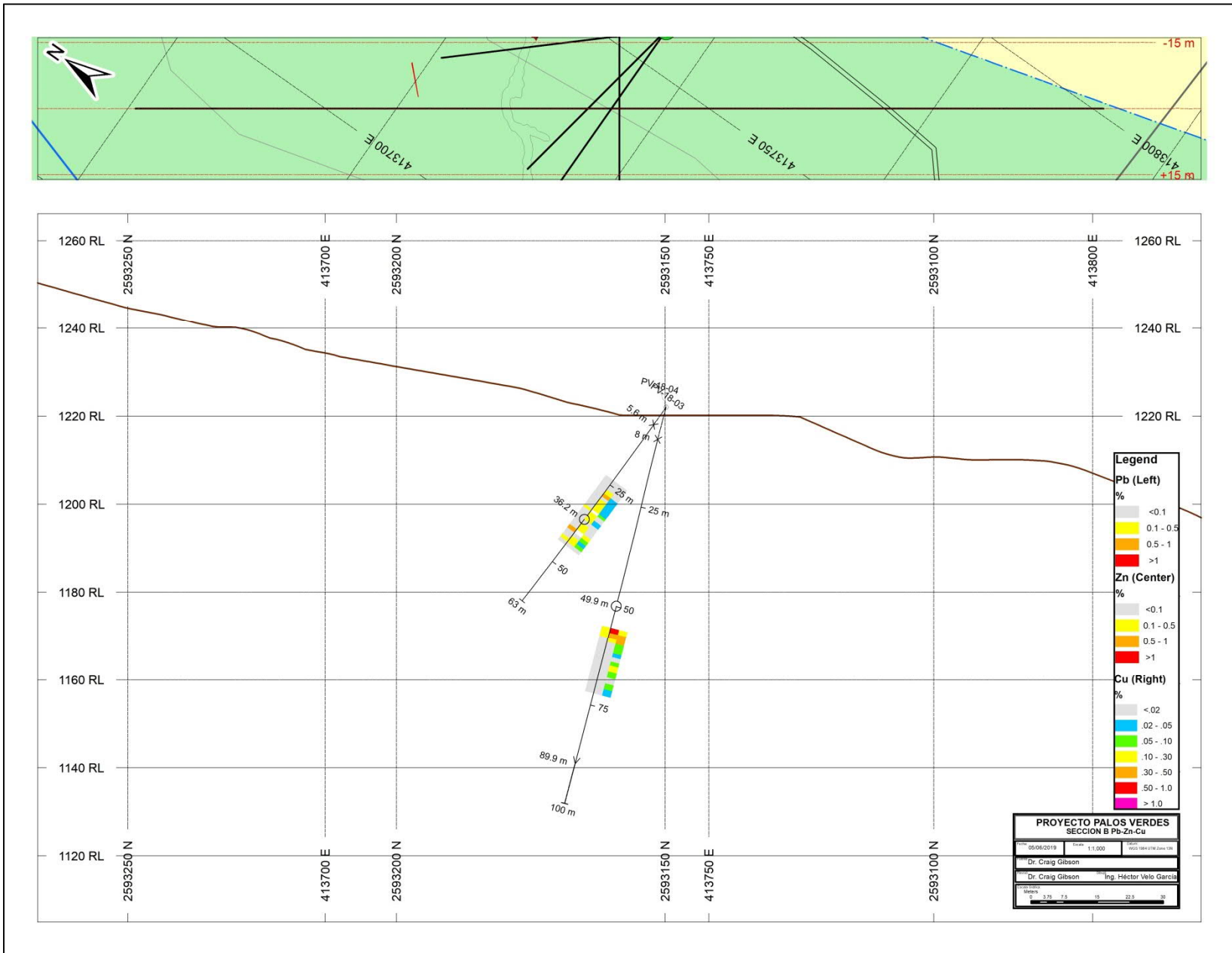


Figure 32. Cross section B with base metal assays, Palos Verdes Property.
Base metal assays in ProDeMin drill holes PV-03 and PV-04.

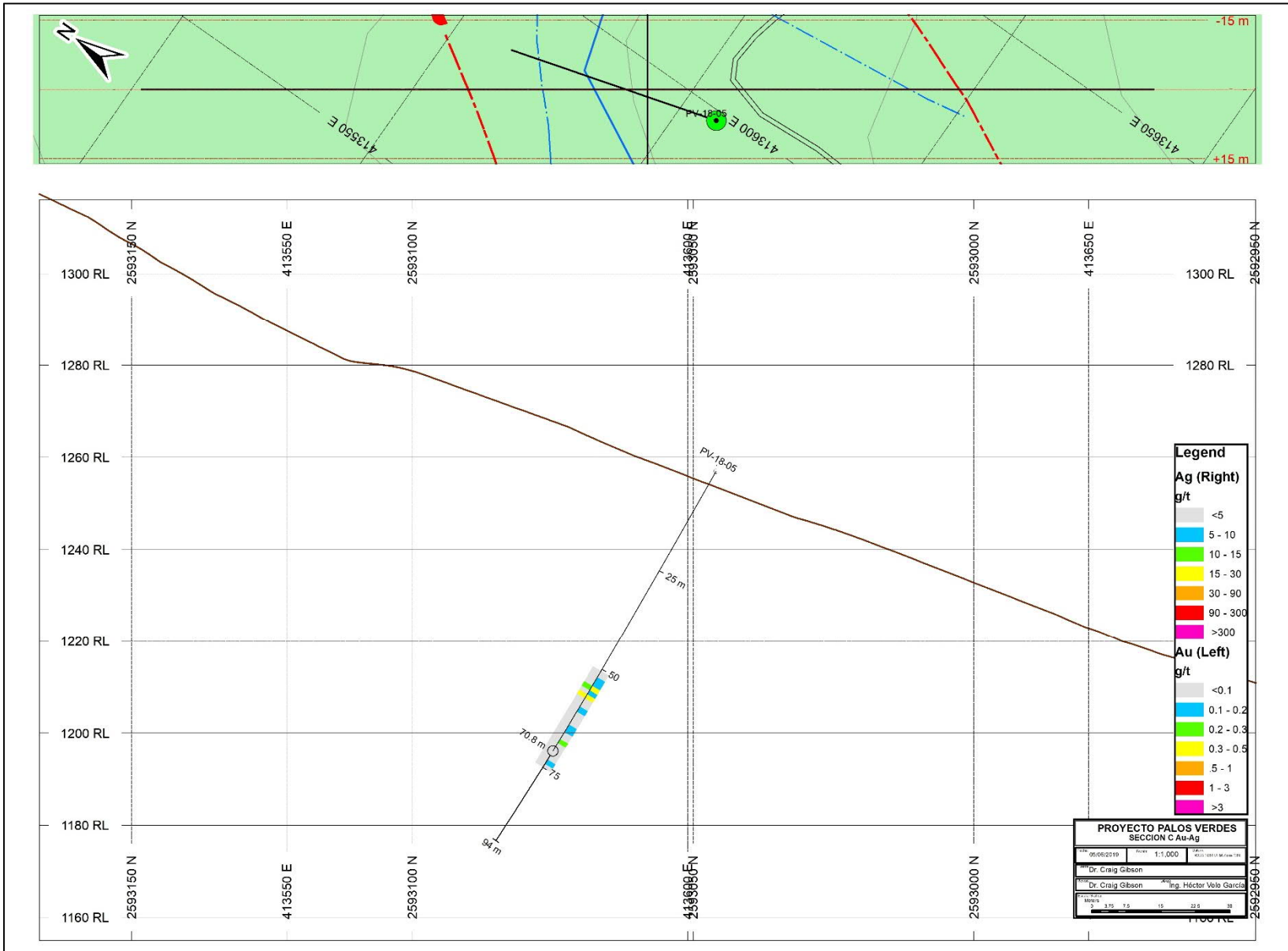


Figure 33. Cross section C with precious metal assays, Palos Verdes Property.
Gold and silver assays in ProDeMin drill hole PV-05.

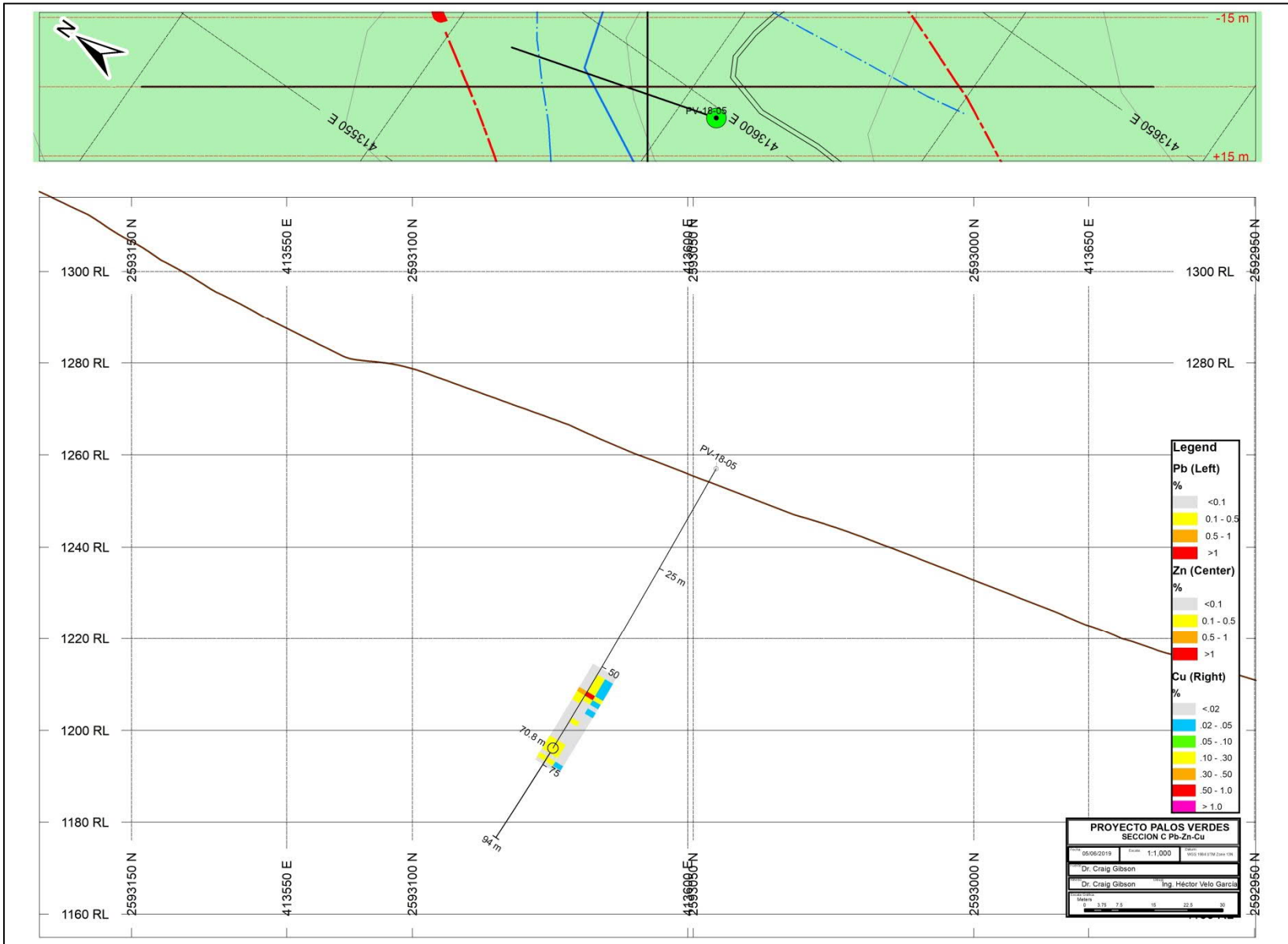


Figure 34. Cross section A with base metal assays, Palos Verdes Property.
 Base metal assays in ProDeMin drill hole PV-05.

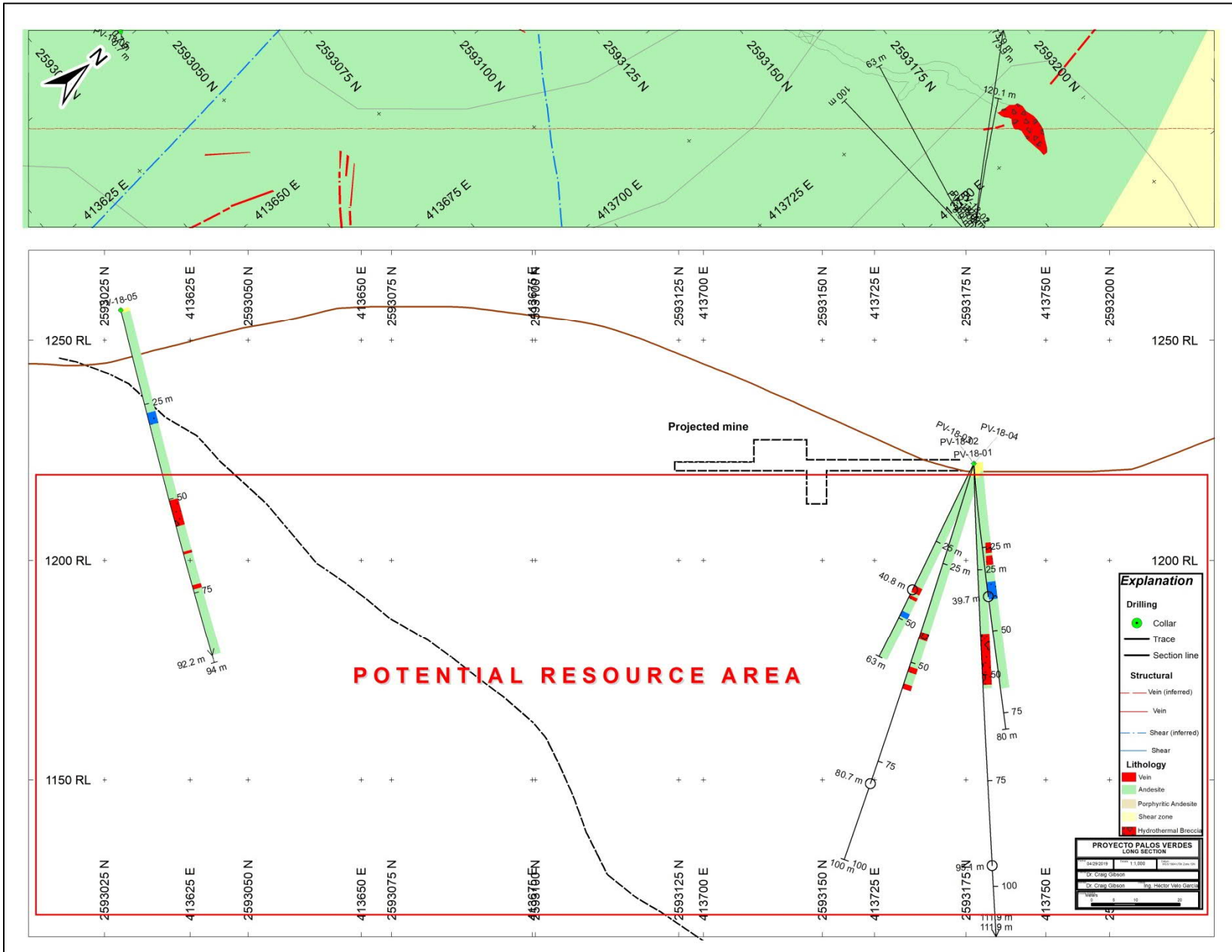


Figure 35. Longitudinal projection of the Palos Verdes vein.
 ProDeMin drill holes projected to a vertical section, showing intercepts described in text and area of possible ore shoot.

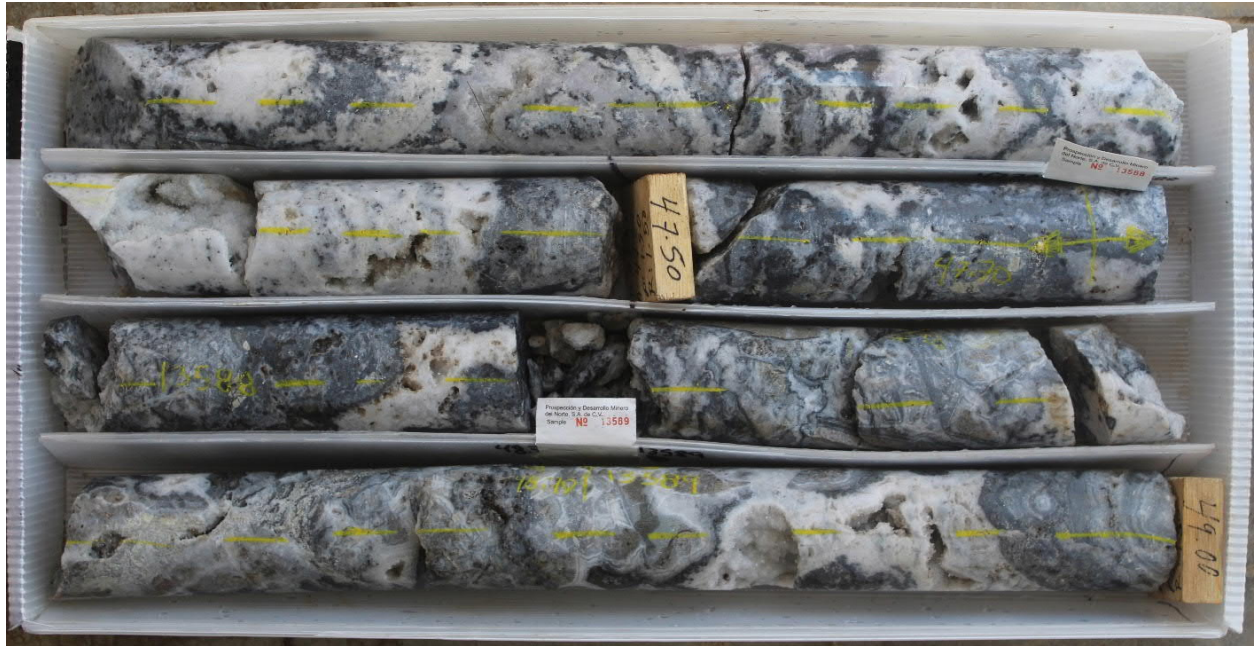


Figure 36. Core from Palos Verdes drill hole PV-02.

Core box 23 from hole PV-02, showing interval from Box 23 46.65 -49.00 meters, containing most of sample 13587, assaying 8.42 g/t Au, 2335.98 g/t Ag, 0.27% Cu, 1.72% Pb and 2.46% Zn over 1.15 m.

Photo by ProDeMin staff.



Figure 37. Core from Palos Verdes drill hole PV-03.

Core box 19 from hole PV-03, showing interval from 39.25-41.35 meters, containing sample 13410, assaying 12.15 g/t Au, 50 g/t Ag, 0.26% Cu, 0.53% Pb, and 5.01% Zn over 1.1 meters.

Photo by ProDeMin staff.

Drilling

There has been no drilling carried out by the Company on the Palos Verdes Property to date. Drilling carried out by ProDeMin is described above under the heading “Exploration”.

Sampling, Analysis and Data Verification

Sampling

The Company has not taken samples at the Palos Verdes Property . The Author took 9 samples of outcrops and underground exposures as well as pulps and coarse rejects of drill core samples during a visit to the Palos Verdes Property. The rock samples are all chip-channel samples across mineralized structures, as well as selected samples of mineralized coarse rejects and pulps from previously analyzed core. Sampling was completed with a rock hammer by breaking off chips of rock, with the continuity of sampling moderately continuous in the direction of sampling perpendicular to the principal structure. The rock sampling completed was for the purpose of confirming the presence of mineralization as previously reported and thus was not systematic. Channel samples are taken to be a nearly continuous strip of rock sampled between two points with the length based on geology, while chip channels are similar but not as continuous. Selected samples are taken of a particular feature and thus are variable in size, and may include samples of areas separated by unsampled material.

The rock sampling completed by the Author was for the purpose of confirming the presence of mineralization as previously reported and thus was not systematic, and control samples were not included with the lab submittal. Samples taken by the Author remained in the possession of the Author until delivered to the sample preparation facility in Hermosillo. Sample preparation and analyses were carried out by ALS Global (ALS), at their facilities in Hermosillo and Vancouver, respectively. ALS is a worldwide analytical laboratory with completed registration for Quality Management Systems to ISO 9001:2008 for the Mexico preparation facilities and the North American analytical laboratories.

Rock sampling of surface and underground exposures completed by ProDeMin was mainly along the Palos Verdes structure and consisted of chip, chip-channel and channel samples. Sample sites were marked in the field with spray paint and an aluminum tag and flagging with the sample number. Sample were located with a handheld GPS and sample data was recorded in a notebook. Sample data was later transcribed into a digital database in a spreadsheet and GPS locations and assay data were copied from digital files into the database. Samples were delivered to the laboratory by ProDeMin personnel using company vehicles and remained in the possession of ProDeMin personal until dropped off at the lab.

Drill holes were logged and sampled by ProDeMin geologists according to procedures outlined in an internal company manual (Gibson, 2018). Drill core was handled using industry standard practices. The core was picked up at the drill rig once or twice a day during the 24 hour per day drill operation. The core was subsequently measured for recoveries and RQD determinations, and then logged and samples were marked on the core and core boxes. Recoveries were generally greater than 95%. The intervals sampled were selected based on the presence of veining and focused on the Palos Verdes vein intercepts, and not all of the core was sampled. The core was photographed in individual boxes for later uploading to the Imago system. For sampling, core was cut into two equal halves using a diamond saw blade, with half of the core being double bagged for transport to the laboratory, and half of the core remaining in the core boxes and stored in secure facilities. Standard and blank samples were inserted at a rate of about 1 control sample per 20 samples. Core samples were shipped in rice bags labelled with the company name, project sample range and number of samples in each bag, and were accompanied to the lab by a list of the samples and assay instructions. Samples remained in the custody of ProDeMin until delivered to the lab in Durango or to a commercial shipping agency, and the core has been stored in facilities controlled by ProDeMin.

The samples were analyzed for 43 elements as a multi-element ICP-ES/MS package, method AuMe-TL43. The sample digestion used was 25 g as gold was analyzed as part of the multi-element package. Samples with values over the detection limit for Au (1 g/t), Ag (100 g/t), Pb (10,000 ppm) and Zn (10,000 ppm) were rerun, for Au by the AROR43 method and for Ag and base metals by the OG46 method with an aqua regia digestion using ICP-AES. One silver value greater than 1500 g/t was analyzed by the GRA21 method, a 30 gm fire assay with a gravimetric finish.

Assays completed previously by ProDeMin on rock and core samples were completed by SGS at their lab in Durango, Mexico. SGS is a worldwide analytical laboratory with completed registration for Quality Management Systems to ISO 9001:2008 for the Mexico preparation and analytical facilities. The samples were run by method ICP-14b, including 34 elements run as a package by ICP-OES using an aqua regia digestion. The detection limits for some of the indicator elements are higher than for labs outside of Mexico but these are not of economic interest. Overlimits for Ag (>100 g/t) were analyzed by the FAG313 method, consisting of a 30 gm fire assay with a gravimetric finish, and Pb and Zn overlimits (>10,000 ppm) were analyzed by the ICP90Q method using a sodium peroxide fusion and ICP-OES. Gold was analyzed by the FAA313 method, consisting of a fire assay of a 30-gram sample aliquot with an atomic absorption finish. Overlimits for Au (>10 g/t) were analyzed by the FAG303 method, using a 30 gm fire assay and a gravimetric finish. For core samples, control samples consisting of coarse blanks and standard pulps were inserted in the sample stream for core samples at an approximate rate of one control sample for every 20 samples. Analytical results on the control samples submitted by ProDeMin as well as those used by the laboratory for internal QA/QC show acceptable results when compared to the accepted values. Sample rejects, consisting of coarse rejects and pulps, were returned to the project and are stored at a secure facility in Santa Lucia.

Both labs use similar standard sample preparation procedures:

Sample preparation - The sample is logged in the system, weighed, dried and the entire sample is finely crushed to better than 70 % passing a 2 mm (Tyler 9 mesh, US Std. No. 10) screen. A split of 250 g is taken and pulverized to better than 85 % passing a 75 micron (Tyler 200 mesh, US Std. No. 200) screen.

It is the Author's opinion that the sample security, preparation and analytical procedures are adequate for the continued evaluation of the Palos Verdes Property. Future analyses should include a lower detection limit for the indicator elements such as As, Sb and Bi to aid in exploration.

Data Verification

The Author visited the Palos Verdes Property on April 3, 2019, and reviewed the geology of the Palos Verdes Property. A cursory examination of the geology of the Palos Verdes Property was made by the Author, and exposures of the vein at the surface and in underground workings were visited. Drill core was also reviewed at a field office located in the Santa Lucia village. Recommendations for further work are included in the appropriate sections herein. Nine samples from mineralized areas and coarse reject and pulps from previous sampling were collected during this visit (Table 12.1). The samples were taken in several mineralized areas in the Palos Verdes adit and at the surface that had been sampled previously by others in the past (Fig. 12.1) and from coarse rejects or pulps from previously analyzed core samples in order to verify the presence of metals at the concentrations indicated in those studies. The samples taken by the Author remained in the Author's custody until they were delivered to ALS in Hermosillo, Mexico. Control samples were not used as the samples taken by the Author were taken in areas previously sampled or were duplicates of pulps or coarse rejects.

Samples collected by the Author were prepared and analyzed ALS (also known as Chemex and ALS-Chemex) at their facilities in Hermosillo and Vancouver, respectively. ALS is a worldwide analytical laboratory with completed registration to ISO 9001:2008. The samples were analyzed for 43 elements as a multi-element ICP-ES/MS package, AuMe-TL43 previously described in section 11.0 Sample Analysis

and Security. The sample digestion used was 25 g as gold was analyzed as part of the multi-element package.

The analytical results from the samples taken by the Author are shown in table 12.2 below and the rock sample sites are shown in Fig. 12.1. Sample descriptions are presented below and photos of some samples are shown in Figs. 12.2 to 12.5 as well as Fig. 36. The results confirm the presence of metal values in the samples and are very similar to the original assays for the pulps and coarse rejects of core.

Based on the field review and review of the mapping and sampling results, it is the Author's opinion that the current database is adequate and appropriate for continued evaluation of the Palos Verdes Property. As described further in the Interpretation and Conclusions and Recommendations sections, more systematic sampling and mapping is required to begin to develop sufficient data to complete the exploration program. Also, a geochemical method to allow lower detection limits for the indicator elements As, Sb and Bi should be used. Additional sampling of core with quartz veining is also recommended.

Mineral Processing and Metallurgical Testing

The Company has performed no metallurgical testing at the Palos Verdes Property, and there is no information that would allow for a determination of mineral processing.

Mineral Resource Estimates

The Palos Verdes Property is early stage and there is no information available that would allow for estimation of mineral resources.

Adjacent Properties

There are several adjacent concessions with small historic mines, but little or no information is available other than that compiled in SGM (2008) and Avila et al., (1999).

Interpretations and Conclusions

Based on the information obtained during the Author's visit and on historic exploration work completed mainly by ProDeMin, the Palos Verdes Property warrants further exploration. Assays from surface and underground samples and from drill core show precious and base metal values of interest. Some high grade intercepts in drill holes show potential for encountering economic mineralization with continued exploration.

More detailed mapping and sampling is needed to determine the local stratigraphy of the volcanic rocks to aid in structural interpretation. Further sampling of core is also necessary as current sampling has been limited to the main Palos Verdes vein and immediately adjacent rock, but some intervals with significant alteration and quartz veining were not sampled.

The greatest potential risks to the completion of a successful exploration program at the Property include the possibility of not being able to extend the surface access agreement over part of the area of interest, or problems with obtaining an environmental permit for road construction and drilling. Based on the data available and the visit to the project, it is the Author's opinion that there is no reason to believe that surface access agreements cannot be completed or that an environmental permit will not be issued.

Recommended Exploration Program

Work completed at the Palos Verdes Property has been successful in demonstrating potential for encountering precious and base-metal mineralization by exploration at the Palos Verdes Property. Recommendations for further work are included below.

- Detailed re-logging of core combined with surface mapping of specific areas to help further define the controls on mineralization and structures and lay out new drill holes.
- Further sampling of zones with quartz veins and/or strong alteration in core.
- Use analytical package that has lower detection limits for indicator elements.
- Lay out regularly spaced sections for drill hole planning.

Table 10 below presents a proposed 2-month budget for the Palos Verdes Property. The program includes 500 meters of diamond drilling along existing roads and disturbed areas included in the current environmental permit, although the permit may need to be refiled if an extension to the current permit is not possible. The costs for the line items in the budget are presented for the proposed exploration program.

Table 10. Proposed budget for the Palos Verdes Property.

<u>Proposed exploration budget, geology and drilling, 2 months (amounts in CAD).....</u>	
<u>Geology and drill program</u> (approx. 2 months)	
Personnel and vehicles.....	32,500
Road rehabilitation (20 hrs at 75/hr).....	1,500
Drilling (500 meters at 130/meter).....	65,000
Samples (200 at 40 per sample)	8,000
Expenses: travel, fuel, office supplies	6,500
Contingencies.....	6,500
Total geology and drilling	120,000

Intention Regarding Future Business of the Company

The Company is currently engaged in the business of the Palos Verdes and Los Pavitos mineral exploration projects in Mexico. It is the current intention of the Company to explore and, if warranted, develop these projects. Should these projects not be deemed viable, the Company expects that it will explore other opportunities to acquire interests in other mineral properties.

USE OF PROCEEDS

The Agent has agreed to use its commercially reasonable efforts to secure subscriptions for the Common Shares offered pursuant to the Offering in the provinces of British Columbia, Alberta, Saskatchewan and Ontario.

The net proceeds to the Company (excluding proceeds which may be received from the exercise of the Over-Allotment Option) from the sale of the Common Shares offered hereby will be \$462,500.

This Offering is subject to the completion of a minimum subscription of 4,000,000 Common Shares for gross proceeds to the Company of \$500,000. If the minimum subscription is not completed within 90 days of the issuance of a receipt for the Prospectus, all subscription will be returned to Subscribers without interest or deduction.

Funds Available

The total funds available to the Company at the Closing of the Offering, after deducting the balance of the estimated expenses of the Offering of \$90,000 (of which \$72,752 has already been paid), the Agent's Fee of \$37,500, the portion of the Corporate Finance Fee payable in cash, being \$20,000, and including estimated working capital as at August 31, 2020 of \$54,796, are estimated to be \$480,048, excluding any proceeds received from the exercise of the Over-Allotment Option.

The Company intends to expend its available funds for the following principal purposes:

Expenses	Funds to be Used
Payment of estimated cost of the Recommended Exploration Program on the Palos Verdes Property	\$120,000
Payments to be made in connection with the ProDeMin Option Agreement	\$68,040
Payments to be made in connection with the Cascabel Option Agreement	\$148,441
Administrative costs for 12 months	\$101,069
Unallocated working capital	\$42,498
Total:	\$480,048

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

Administrative Expenses	Funds Raised
Management and Administration	\$25,469
Transfer Agent	\$11,950
Insurance, bank charges and other office costs	\$17,150
Audit and taxes	\$24,000
Legal fees	\$12,000
Listing fees and annual filing fees	\$10,500
Total:	\$101,069

Since its incorporation on October 17, 2018, the Company has not generated cash flow from its operations and has incurred certain operating losses. Such losses and negative operating cash flow are expected to continue since funds will be expended to pay its administrative expenses and to conduct the Recommended Exploration Program on the Palos Verdes Property. Although the Company has allocated \$480,048 (as above), to fund its ongoing operations for a period of 12 to 18 months, thereafter, the Company will be reliant on future equity financings for its funding requirements.

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

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

Stated Business Objectives and Milestones

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

- (a) obtain a listing of its Common Shares on the Exchange; and
- (b) conduct the Recommended Exploration Program on the Palos Verdes Property.

The listing of the Company's Common Shares on the Exchange is subject to the Company fulfilling all of the requirements of the CSE and is expected to occur shortly after completion of this Offering. The Recommended Exploration Program is expected to be conducted within a period of 4 months following the completion of the Offering.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION AND ANALYSIS

Management's Discussion and Analysis for the period December 31, 2019

This Management's Discussion and Analysis ("**MD&A**") of the **Company**, dated June 5, 2020, is the Company's initial MD&A, and provides information on the Company's business activities, financial condition, financial performance, cash flows and outlook for the year ended December 31, 2019, and to the date of this Prospectus. The Company reports its financial position, financial performance and cash flows in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS**") in Canadian dollars, unless otherwise indicated. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3", and "Q4" respectively.

The following information should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2019 and the period from incorporation on October 17, 2018 to December 31, 2018 (the "**Financial Statements**").

The Company was incorporated under the CBCA on October 17, 2018, as 11047612 Canada Inc. The Company filed Articles of Amendment on November 1, 2018, pursuant to which it changed its name to Prismo Metals Inc., and registered as an extra-provincial corporation under the laws of British Columbia on November 6, 2018. On December 3, 2019, the Company filed Articles of Amendment pursuant to which it removed the restriction on the transfer of securities from its Articles. The Company is in the business of acquisition, exploration and development of mineral properties, and is in one operating segment, namely mineral exploration in Mexico

Financing activities

From incorporation and to the date of this MD&A, the Company has conducted the following financing activities:

- On February 15, 2019, the Company issued 3,600,000 units at a price of \$0.005 per unit to the founders of the Company through a non-brokered private placement for gross cash proceeds of \$18,000, of which \$2,250 were received from a director of the Company. Each unit is comprised of one common share and one share purchase warrant, with each warrant entitling its holder to purchase one common share at a price of \$0.10 for a period of five years from the date of incorporation, and therefore expiring on October 17, 2023. There was no residual value assigned to these warrants. These units will be held in escrow as per provisions of this Prospectus

- On August 12, 2019, the Company issued 2,985,866 common shares to investors through a non-brokered private placement. Each share was issued at a price of \$0.05 for gross cash proceeds of \$149,293, of which 11,200 were received from directors of the Company.
- On November 7, 2019, the Company issued 1,525,000 common shares at a price of \$0.10 for cash proceeds of \$152,500 pursuant to the partial closing of a non-brokered private placement.
- The cost for issuance of the above shares and warrants amounted to \$10,844.

Business and mineral properties

Please refer to the *Narrative Description of the Business* section which includes the technical report on the mineral property presented in this Prospectus.

As at December 31, 2019, the following amounts have been invested in exploration and evaluation assets:

	CAD	(USD)
	\$	\$
ProDeMin option - cash	33,545	25,000
ProDeMin option - shares	125,000	
ProDeMin option - warrants	61,249	
Concession payments under the ProDeMin Option	51,675	40,000
Cascabel option - shares	100,000	
Cascabel option - warrants	61,483	
Work towards preparation of NI 43-101 report	16,206	
Assays and laboratory	310	
Other	3,573	
	453,041	

Results of Operations

Year-to-date:

During the year ended December 31, 2019, the Company's expenses were as follows:

	Year ended December 31				
	2019	% of	2018 *	% of	% change
	\$	expenses	\$	expenses	
<u>Cash expenses</u>					
Audit and legal	66,843	80.25%	4,366	100.00%	1430.99%
Administration and accounting	10,832	13.01%	-	0.00%	n/a
Investor relations, including travelling	4,228	5.08%	-	0.00%	n/a
Office and sundry	1,380	1.66%	-	0.00%	n/a
	83,283	100.00%	4,366	100.00%	1807.54%
<u>Non-cash (income) expenses</u>					
Foreign exchange loss	1,811		-		
Loss for the year	(85,094)		(4,366)		

*Note that this period is from the date of incorporation on October 17, 2018 to December 31, 2018.

Please note that there were no equivalent expenditures for the year ended December 31, 2018, as the company had been recently incorporated.

The highest expenses were legal costs related to the incorporation of the Company and to the initial financing efforts, an accrual for the completion of the September 30, 2019 audit, and for the December 31, 2019 audit.

Investor relations activities include attendance to certain mining-related conferences to introduce the Company's projects.

Administration and accounting relates to the fees charged by the Company's Chief Financial Officer for the day-to-day accounting, administration, and the preparation of financial statements and related reports.

Office and sundry includes bank service charges, postage, office supplies, etc.

Most recent quarter:

The expenses for the most recent quarter were as follows:

	Three months ended December 31				
	2019	% of	2018 *	% of	% change
	\$	expenses	\$	expenses	
Cash expenses					
Audit and legal	45,828	86.32%	4,366	100.00%	949.66%
Administration and accounting	6,915	13.02%	-	0.00%	n/a
Office and sundry	349	0.66%	-	0.00%	n/a
Total cash expenses	53,092	100.00%	4,366	100.00%	1116.03%
Non-cash expenses					
Foreign exchange loss	326		-		
Loss for the period	(53,418)		(4,366)		

The 2018 comparative period runs from incorporation on October 17, 2018 to December 31, 2018.

The majority of the audit fees were incurred or accrued for during the last quarter of 2019. The remaining expenses are consistent with those of the year.

Liquidity Working Capital and Capital Resources

The Company's liquidity and working capital figures are as follows:

	December 31, 2019	December 31, 2018
	\$	\$
Cash and cash equivalents	175,581	-
Accounts receivable (Canadian GST)	1,897	-
Total liquidity	177,478	-
Prepaid expenses and deposits	-	-
Accounts payable and accrued liabilities	(56,037)	(4,366)
Amounts due to related parties	(7,261)	-
Working capital (deficiency):	114,180	(4,366)

The increase in working capital from December 31, 2018 to December 31, 2019 was due to the financing activities that took place during the year, as described above under *Financing activities*.

The Company believes it has sufficient cash to sustain its operations for the next year. The longer-term ability of the Company to continue its business is dependent on the continuing success of its exploration programs coupled with available funding through sale of its share capital. However, the Company believes it will be able to secure sufficient funding to continue as a going concern.

Transactions with related parties:

The following transactions with related parties took place:

Year ended December 31:	2019 \$	2018 \$
Management fees paid to InterAmerica Consulting & Development Inc. ("InterAmerica"), a company controlled by Mr. Salvador Miranda, the Chief Financial Officer of the Company:	10,832	-
Fees paid to a ProDeMin, a company controlled by Dr. Peter Craig Gibson, a director of the Company, under the ProDeMin Option:	33,545	-
Shares subscribed by directors through non-brokered private placements:	13,450	-
Units issued to ProDeMin for acquisition of mineral property under the ProDeMin Option:	100,000	-
Warrants component of units issued to ProdeMin for acquisition of property under the ProDeMin Option:	61,249	-
Shares issued to ProDeMin as payment for work completed on mineral property under the ProDeMin Option:	25,000	-
Units issued to Cascabel for acquisition of mineral property under the Cascabel Option:	100,000	-
Warrants component of units issued to Cascabel for acquisition of property under the Cascabel Option:	61,483	-

As at December 31, 2019, the Company owed \$7,261 to InterAmerica for administration and accounting fees, which were paid subsequently to the end of the year.

The ProDeMin Option for the acquisition of the Palos Verdes project is a related party transaction, as ProDeMin is controlled by Dr. Peter Craig Gibson, a director of the Company. The Cascabel Option is a related party transaction, as Mr. Jorge Rafael Gallardo Romero, a director of the Company, has an interest in the project related to the Cascabel Option.

Outstanding Share Data

As at the date of this Prospectus the Company has:

- a) 12,610,867 common shares issued and outstanding; and
- b) 7,600,000 share purchase warrants outstanding with an exercise price of \$0.10 and an average life of approximately five years.

Off-Balance Sheet Arrangements

None

Proposed Transactions

None

Accounting Policies

Please refer to notes 2 and 3 to the Financial Statements for a complete description of the basis of presentation and the accounting policies followed, respectively.

Financial Instruments

The Company classifies cash, accounts receivables, accounts payable and accrued liabilities, and due to related parties at amortized cost. At present, the Company does not have any FVTPL or FVTOCI financial assets.

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

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

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

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

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

Currency Risk

As at December 31, 2019, all of the Company's cash and cash equivalents were held either in Canadian dollars or US dollars. The Company incurs expenditures in Canada and Mexico, and as such is exposed to currency risk associated with these costs. However, at this stage, the Company believes that the currency risks are immaterial.

Interest rate and credit risk

The Company has no loans and is therefore not subject to interest rate or credit risk

Liquidity risk

The Company will depend on the advances provided by public and/or private investors. The liquidity risk relates to the low cash position and the dependence on these investments.

Critical Accounting Estimates

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported

amounts of assets, liabilities, revenue and expenses. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses, and the valuation of stock options and share purchase warrants. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual results may differ from these estimates.

Resource properties: The carrying value of the Company's mineral properties are reviewed by management quarterly, or whenever events or circumstances indicate that their carrying amounts may not be recovered. Management considers potential impairment indicators including, but not limited to, changes in commodity prices, plans for the properties and the results of exploration to date.

Legal Proceedings

As at the date of this document, there were no legal proceedings against or by the Company.

Subsequent events

Please refer to the MD&A for the six months ended June 30, 2020, for all events that have taken place after December 31, 2019.

Management's Discussion and Analysis for the six months ended June 30, 2020

This MD&A of the Company, dated September 1, 2020, provides information on the Company's business activities, financial condition, financial performance, cash flows and outlook for the six months ended June 30, 2020, and to the date of this Prospectus. The Company reports its financial position, financial performance and cash flows in accordance with IFRS in Canadian dollars, unless otherwise indicated. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3", and "Q4" respectively.

The following information should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2019 and the period from incorporation on October 17, 2018 to December 31, 2018, with the condensed interim financial statements for the six months ended June 30, 2020 and 2019 (jointly "Financial Statements") and with the annual MD&A for the year ended December 31, 2019.

The Company was incorporated under the provisions of the CBCA on October 17, 2018, as 11047612 Canada Inc., renamed as Prismo Metals Inc. on November 1, 2018, and registered as an extra-provincial corporation under the laws of British Columbia on November 6, 2018. The Company is in the business of acquisition, exploration and development of mineral properties, and is in one operating segment, namely mineral exploration in Mexico.

Financing activities

Please refer to the MD&A for the year ended December 31, 2019, for financing activities from inception to that date.

On January 17, 2020, the Company entered into an engagement with the Agent in connection with the Company's proposed initial public offering of common shares of the Company by way of a long-form prospectus (the "IPO") and stock exchange listing, pursuant to which the Company filed this Prospectus.

In consideration for their services, the Company has agreed to pay the Agent:

- i. A cash fee equal to 7.5% of the gross proceeds raised through the IPO.

- ii. Issue the Agent a number of compensation options equal to 7.5% of the aggregate number of common shares issued by the Company through the Offering, with an exercise price equal to the issue price for a term of 24 months from the closing of the Offering.
- iii. Pay the Agent a corporate finance fee of \$25,000, of which \$20,000 will be payable in cash and \$5,000 in common shares of the Company. In addition, the Company will pay expenses and fees of the Agent in connection with the Offering, of which \$10,000 was advanced.

The proceeds of the Offering will be used as described in the “Use of Proceeds” section contained herein. The Offering will be subject to all regulatory approvals

Business and Mineral properties

Please refer to the *Narrative Description of the Business* section which includes the technical report on the mineral property presented in this prospectus.

As at June 30, 2020, the following amounts have been invested in exploration and evaluation assets:

	CAD	(USD)
	\$	\$
Balance, December 31, 2018		
ProDeMin option - cash	33,545	
Concession payments under the ProDeMin Option	20,070	15,000
Balance, June 30, 2019	53,615	
ProDeMin option - cash	-	25,000
ProDeMin option - shares	125,000	
ProDeMin option - warrants	61,249	
Concession payments under the ProDeMin Option	31,605	25,000
Cascabel option - shares	100,000	
Cascabel option - warrants	61,483	
Work towards preparation of NI 43-101 report	16,206	
Assays and laboratory	310	
Other	3,573	
Balance, December 31, 2019	453,041	
Concession payments under the ProDeMin Option *	6,974	5,000
Other	3,676	
Balance, June 30, 2020	463,691	

* Of the USD \$25,000 amount due on May 20, 2020, USD \$5,000 was paid on June 1, 2020, a further USD \$5,000 on July 23, 2020, with agreement to pay the balance by August 31, 2020.

Results of Operations

Year-to-date:

During the six months ended June 30, 2020, the Company's expenses were as follows:

	Six months ended June 30				
	2020	% of	2019	% of	% change
	\$	expenses	\$	expenses	
Cash expenses					
Filing and transfer agent fees	19,798	55.47%	-	0.00%	n/a
Administration and accounting	8,400	23.53%	2,567	22.67%	227.23%
Audit and legal	6,661	18.66%	8,193	72.34%	-18.70%
Office and sundry	835	2.34%	565	4.99%	47.79%
	35,694	100.00%	11,325	100.00%	215.18%
Non-cash (income) expenses					
Foreign exchange loss	(759)		1,813		
Loss for the period	(34,935)		(13,138)		

The highest expenses incurred were related to application for listing fees to the CSE as well as SEDAR filing fees for Prospectus.

Administration and accounting fees were paid to a company controlled by the Chief Financial Officer of the Company for the day-to-day accounting, administration, and the preparation of financial statements and related reports.

Audit and legal costs related to the preparation of the further amended and restated preliminary prospectus in connection with the initial public offering, as well as the audit and review of financial statements. No such costs were incurred during the comparative period in 2019.

Office and sundry includes bank service charges, postage, office supplies, etc.

Most recent quarter:

	Three months ended June 30				
	2020	% of	2019	% of	% change
	\$	expenses	\$	expenses	
Cash expenses					
Filing and transfer agent fees	19,798	86.70%	-	0.00%	n/a
Administration and accounting	2,640	11.56%	992	10.26%	166.13%
Office and sundry	397	1.74%	481	4.98%	-17.46%
Audit and legal	-	0.00%	8,193	84.76%	-100.00%
Total cash expenses	22,835	100.00%	9,666	100.00%	136.24%
Non-cash expenses					
Foreign exchange loss	295		1,811		
Total non-cash expenses	295		1,811		
Loss for the period	(23,130)		(11,477)		

All of the filing fees were paid during the most recent quarter.

Liquidity Working Capital and Capital Resources

The Company's liquidity and working capital figures are as follows:

	June 30, 2020	December 31, 2019
	\$	\$
Cash and cash equivalents	67,308	175,581
Accounts receivable (Canadian GST)	784	1,897
Total liquidity	68,092	177,478
Prepaid expenses and deposits	12,653	-
Accounts payable and accrued liabilities	(10,000)	(56,037)
Amounts due to related parties	(2,150)	(7,261)
Working capital:	68,595	114,180

The decrease in working capital was mostly due to expenses incurred in connection with the preparation of this Prospectus.

The Company believes it has sufficient cash to sustain its operations for the next year. The longer-term ability of the Company to continue its business is dependent on the continuing success of its exploration programs coupled with available funding through sale of its share capital. However, the Company believes it will be able to secure sufficient funding to continue as a going concern.

Covid-19 Pandemic

The COVID-19 pandemic has negatively impacted global financial markets and may continue to do so. The economic viability of the Company's business plan is impacted by its ability to obtain financing, and global economic conditions impact the general availability of financing through public and private debt and equity markets, as well as through other avenues.

In addition, as the health and safety of the Company's employees, contractors, visitors, and stakeholders are the Company's top priority, the Company will monitor developments with respect to COVID-19, both globally and within its operating jurisdictions, and will implement any such changes to its business as may be deemed appropriate to mitigate any potential impacts to its business and the stakeholders. Such changes may include, but are not limited to, temporary closures of the Company's site exploration activities or offices and deviations from the timing and nature of exploration plans.

The Company would take the necessary measures to renegotiate, if required, any contractual obligations with respect to potential exploration and other expenses. The Company will also examine the internal controls required for a secure operation of its computer and other electronic resources for operation from a remote location.

Transactions with related parties:

The following transactions with related parties took place:

Six months ended June 30:	2020	2019
	\$	\$
Management fees paid to InterAmerica Consulting & Development Inc. ("InterAmerica"), a company controlled by Mr. Salvador Miranda, Chief Financial Officer of the Company:	8,400	2,567

As at June 30, 2020, the Company owed \$2,150 (December 31, 2019 - \$7,261) to InterAmerica for administration and accounting fees, which were paid subsequently to the end of the period.

The ProDeMin Option Agreement for the acquisition of the Palos Verdes project is a related party transaction, as ProDeMin is controlled by Dr. Peter Craig Gibson, a director of the Company.

The Cascabel Option Agreement for the acquisition of the Los Pavitos project is a related party transaction, as Mr. Jorge Rafael Gallardo Romero, a director of the Company, is also a director of Cascabel.

Outstanding Share Data

As at the date of publication of this MD&A the Company has:

- 12,610,867 common shares issued and outstanding; and
- 7,600,000 share purchase warrants outstanding with an exercise price of \$0.10 and an average life of approximately five years.

Off-Balance Sheet Arrangements

None

Proposed Transactions

None

Accounting Policies

Please refer to notes 2 and 3 to the Financial Statements for a complete description of the basis of presentation and the accounting policies followed, respectively.

Financial Instruments

The Company classifies cash, accounts receivables, accounts payable and accrued liabilities, and due to related parties at amortized cost. At present, the Company does not have any FVTPL or FVTOCI financial assets.

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

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

The Company's financial instruments are exposed to certain financial risks.

Currency Risk

As at June 30, 2020, all of the Company's cash and cash equivalents were held either in Canadian dollars or US dollars. The Company incurs expenditures in Canada and Mexico, and as such is exposed to currency risk associated with these costs. However, at this stage, the Company believes that the currency risks are immaterial.

Interest rate and credit risk

The Company has no loans and is therefore not subject to interest rate or credit risk

Liquidity risk

The Company will depend on the advances provided by public and/or private investors. The liquidity risk relates to the low cash position and the dependence on these investments. See Note 1 to the Financial Statements for further discussion regarding liquidity risks.

Critical Accounting Estimates

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

Resource properties: The carrying value of the Company's mineral properties are reviewed by management quarterly, or whenever events or circumstances indicate that their carrying amounts may not be recovered. Management considers potential impairment indicators including, but not limited to, changes in commodity prices, plans for the properties and the results of exploration to date.

Legal Proceedings

As at the date of this document, there were no legal proceedings against or by the Company.

DESCRIPTION OF SECURITIES DISTRIBUTED

Authorized and Issued Share Capital

The authorized share capital of the Company consists of an unlimited number of common shares. As of the date of this Prospectus, 12,610,867 Common Shares were issued and outstanding as fully paid and non-assessable shares.

Common Shares

The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company and each Common Share confers the right to one vote in person or by proxy at all meetings of the shareholders of the Company. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of the Company, are entitled to receive such dividends

in any financial year as the Board of Directors may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company.

Agent's Options

The Company has also agreed to grant to the Agent, Agent's Options entitling the Agent to purchase that amount of Common Shares as is equal to 7.5% of Common Shares to be issued pursuant to this Offering, with an exercise price that is equal to the Offering Price. See "Plan of Distribution" below.

The Agent's Options will not be listed for trading.

Holders of Agent's Options will not have any voting rights or any other rights which a holder of Common Shares would have (including, without limitation, the right to receive notice of or to attend meetings of shareholders or any right to receive dividends or distributions). Holders of Agent's Options will have no pre-emptive rights to acquire securities of the Company.

The Agent's Options will be adjusted in the number of Common Shares issuable on the exercise thereof and/or the exercise price thereof, on the occurrence of certain events, including:

- the subdivision or change of the outstanding Common Shares into a greater number of Common Shares;
- the reduction, combination, or consolidation of the Common Shares into a lesser number of Common Shares; and
- the reorganization, reclassification or other change of the Common Shares into other securities.

Additional Common Shares

The Company has also agreed to issue 40,000 Corporate Finance Fee Shares to the Agent in satisfaction of the Corporate Finance Fee. See "Plan of Distribution" below.

CONSOLIDATED CAPITALIZATION

The following table summarizes the changes in the Company's capitalization since October 17, 2018, and after giving effect to the Offering:

Description	Authorized	Outstanding at September 30, 2019 (audited)	Outstanding as at June 30, 2020 (unaudited)	Outstanding as at date of the Prospectus	Outstanding after giving effect to the Offering ⁽¹⁾⁽²⁾
Common Shares	unlimited	9,085,867	12,610,867	12,610,867	17,597,867

Notes:

- (1) As partial consideration for the sale of Common Shares pursuant to this Prospectus, the Company has agreed to grant the Agent's Options entitling the Agent to purchase up to that amount of Common Shares as is equal to 7.5% of the number of Common Shares issued pursuant to this Offering, including any Common Shares sold under the Over-Allotment Option. The Agent's Options may be exercised at a price of \$0.125 per Common Share for a period of 24 months from the Closing Date.

This Prospectus qualifies the distribution of the Agent's Options and Corporate Finance Fee Shares to the Agent, the Common Shares issuable on exercise of the Agent's Options and the Over-Allotment Option.

- (2) Assuming completion of the Offering, the issuance of the Corporate Finance Fee Shares, the exercise of all 345,000 potential Agent's Options (assuming the exercise of the Over-Allotment Option) and the Over-Allotment Option.

OPTIONS TO PURCHASE SECURITIES

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 Exchange, the aggregate number of securities reserved for issuance will be 10% of the number of Common Shares of the Company issued and outstanding from time to time.

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

Options may be granted under the Stock Option Plan to such service providers of the Company and its affiliates, if any, as the Board may from time to time designate. The exercise prices shall be determined by the Board, but shall, in no event, be less than the closing market price of the Company's shares on the Exchange on the date of grant of such options, less the maximum discount permitted under the Exchange policies. The Stock Option Plan provides that the number of Common Shares issuable on the exercise of options granted to all persons together with all of the Company's other previously granted options may not exceed 10% of the Company's issued and outstanding Common Shares on a non-diluted basis, from time to time. Subject to earlier termination in the event of dismissal for cause, early retirement, voluntary resignation or termination other than for cause, or in the event of death or disability, all options granted under the Stock Option Plan will expire on the date set by the Board as the expiry date of the option, which expiry date shall not be more than 10 years from the date that such options are granted. Options granted under the Stock Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

As of the date of filing of this Prospectus, no options of the Company have been granted.

Agent's Options

The Company will issue to the Agent, Agent's Options for the purchase of up to that number of Agent's Options as is equal to 7.5% of the Common Shares of the Company issued pursuant to the Offering, exercisable at a price of \$0.125 per Common Share for a period of 24 months from the Closing Date.

PRIOR SALES

The following table summarizes the sales of securities of the Company in the 12 months prior to the date of this Prospectus:

Issue Date	Description	Price Per Common Share	Number of Common Shares	Number of Warrants Issued (1)	Proceeds
2019-02-17	Shares issued to founders	\$0.005	3,600,000	3,600,000	\$18,000
2019-08-12	ProDeMin Option Agreement ⁽²⁾	Fair value of \$0.05	2,500,000	2,000,000	-
2019-08-12	First Private Placement	\$0.05	2,985,866	-	\$149,293
2019-10-11	Cascabel Option Agreement ⁽³⁾	Fair value of \$0.05	2,000,000	2,000,000	
2019-11-07	Second Private Placement	\$0.10	1,525,000	-	\$152,500

Notes:

- (1) Each common share purchase warrant issued to the founders entitles the holder to purchase one Common Share at a price of \$0.10 for a period of five years from the date of incorporation. Each common share purchase warrant issued thereafter entitles the holder purchase one Common Share at a price of \$0.10 for a period of five years from the date of issuance of said warrants.
- (2) Reference is made to the ProDeMin Option Agreement. Craig Gibson, the President and CEO of the Company, controls and holds a 60% ownership interest in ProDeMin and is a director and officer of ProDeMin.
- (3) Reference is made to the Cascabel Option Agreement. Jorge Rafael Gallardo-Romero and Maria Guadalupe Yeomans Otero, both being directors of the Company, are entitled to receive an amount of 20% and 5% of the consideration received by Cascabel under the Cascabel Option Agreement, respectively.

ESCROWED SECURITIES

Escrowed Securities

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

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

- (a) a person or company who acted as a promoter of the Company within two years before the date of this Prospectus;
- (b) a director or senior officer of the Company or any of its material operating subsidiaries at the time of this Prospectus;

(c) a 20% holder – a person or company that holds securities carrying more than 20% of the voting rights attached to the Company’s outstanding securities immediately before and immediately after the closing of this Offering;

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

(i) holds securities carrying more than 10% of the voting rights attached to the Company’s outstanding securities immediately before and immediately after the closing of the Offering; and

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

The Principals of the Company are Jean-François Meilleur, Craig Gibson, Jorge Rafael Gallardo-Romero, and Maria Guadalupe Yeomans Otero, who are directors of the Company, Salvador Miranda, who is Chief Financial Officer and Corporate Secretary of the Company, and ProDeMin, which is controlled by Craig Gibson, who is a director and officer of the Company.

The Company is an “emerging issuer” as defined in the applicable policies and notices of the Canadian Securities Administrators and if the Company achieves “established issuer” status during the term of the Escrow Agreement (as defined below), it will “graduate” resulting in a catch-up release and an accelerated release of any securities remaining in escrow under the 18-month schedule applicable to established issuers as if the Company had originally been classified as an established issuer.

Moreover, certain seed shareholders of the Company that are not Principals will, on a voluntary basis, subject some or all of their Common Shares to be held in escrow and released under the same automatic timed releases as provided by NI 46-201.

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 of Directors;
- (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 takeover bid are permitted provided that, if the tenderer is a Principal of the successor Company upon completion of the takeover bid, securities received in exchange for tendered Escrowed Securities are substituted in escrow on the basis of the successor Company’s escrow classification.

In accordance with NI 46-201, it is anticipated that the following automatic timed releases will apply to the securities held by its principals:

Date	% of Escrowed Securities Released
The date the Company's securities are listed (the " Listing Date ")	1/10 of the escrow securities
6 months after the Listing Date	1/6 of the remaining escrow securities
12 months after the Listing Date	1/5 of the remaining escrow securities
18 months after the Listing Date	1/4 of the remaining escrow securities
24 months after the Listing Date	1/3 of the remaining escrow securities
30 months after the Listing Date	1/2 of the remaining escrow securities
36 months after the Listing Date	The remaining escrow securities

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

Securityholder Subject to Escrow	No. of Escrowed Securities⁽¹⁾⁽²⁾	Percentage of Common Shares (Before Giving Effect to the Offering)	Percentage of Common Shares (After Giving Effect to the Offering⁽³⁾)
Jorge Rafael Gallardo-Romero	94,000 Common Shares	0.75%	0.53%
Craig Gibson and ProDeMin	2,630,000 Common Shares	20.86%	14.95%
	2,000,000 Warrants		
Cascabel	2,000,000 Common Shares	15.86%	11.37%
	2,000,000 Warrants		
Jean-François Meilleur	450,001 Common Shares	3.57%	2.56%
	450,000 Warrants		

Notes:

- (1) These shares have been deposited in escrow with the Escrow Agent.
- (2) Pursuant to an escrow agreement (the "**Escrow Agreement**") made as of September 2, 2020, among the Company, the Escrow Agent and certain Principals of the Company, the Principals agreed to deposit in escrow their Common Shares (the "**Escrowed Securities**") with the Escrow Agent. The Escrow Agreement provides that 10% of the Escrowed Securities will be released from escrow upon the Listing Date and that, where there are no changes to the Common Shares initially deposited and no additional Escrow Securities, the remaining Escrowed Securities will be released in equal tranches of 15% every 6-month interval thereafter, over a period of 36 months.
- (3) Assuming completion of the Offering, the issuance of the Corporate Finance Fee Shares, the exercise of all 345,000 potential Agent's Options (assuming the exercise of the Over-Allotment Option) and the Over-Allotment Option. Does not include warrants of the Company.

PRINCIPAL SHAREHOLDERS

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

Notes:

Prior to the Offering			After Giving Effect to the Offering		
Name	Number of Common Shares	Percentage of Common Shares	Number of Common Shares	Percentage of Common Shares ⁽¹⁾	Percentage of Common Shares ⁽²⁾⁽³⁾
Craig Gibson and ProDeMin	2,630,000	20.86%	2,630,000	14.95%	19.13%
Cascabel ⁽⁴⁾	2,000,000	15.86%	2,000,000	11.37%	16.52%

(1) Includes the 40,000 Corporate Finance Fee Shares, the exercise of all 345,000 potential Agent's Options (assuming the exercise of the Over-Allotment Option) and the Over-Allotment Option.

(2) On a fully diluted basis, assuming completion of the Offering, the issuance of the Corporate Finance Fee Shares, the exercise of all 345,000 potential Agent's Options (assuming the exercise of the Over-Allotment Option) and the Over-Allotment Option, and all outstanding warrants. Craig Gibson holds 130,000 shares directly, and ProDeMin, a private corporation controlled by Craig Gibson, President and CEO of the Company, holds 2,500,000 shares and 2,000,000 warrants.

(3) On a fully diluted basis, assuming completion of the Offering, the issuance of the Corporate Finance Fee Shares, the exercise of all 345,000 potential Agent's Options (assuming the exercise of the Over-Allotment Option) and the Over-Allotment Option, and all outstanding warrants. Cascabel holds 2,000,000 warrants.

(4) Each of Carl Kuehn, resident of Maine, Peter Megaw, resident of Arizona, and Mercedes Padilla, resident of Mexico, are Principals of Cascabel.

DIRECTORS AND OFFICERS

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

Name and Province of Residence and Position with the Company	Director / Officer Since	Principal Occupation for the Past Five Years	Number and % of Common Shares Beneficially Owned Directly or Indirectly (as at the date of this Prospectus)
Craig Gibson California Director, President and CEO	October 17, 2018	Technical Director of Prospeccion y Desarrollo Minero del Norte SA de CV, a exploration consulting services Company based in Guadalajara, Mexico	2,630,000 ⁽¹⁾

Name and Province of Residence and Position with the Company	Director / Officer Since	Principal Occupation for the Past Five Years	Number and % of Common Shares Beneficially Owned Directly or Indirectly (as at the date of this Prospectus)
		<p>Certified Professional Geologist</p> <p>Director of Garibaldi Resources Inc. since February 2012</p>	
<p>Salvador Miranda, British Columbia, Chief Financial Officer and Secretary</p>	<p>October 17, 2018</p>	<p>President, InterAmerica Consulting & Development Inc., a private corporation in the business of providing administration and accounting services, since January 1995</p> <p>Chief financial officer of GFM Resources Limited (TSXV-NEX: GFM.H) since October 2006</p> <p>Chief Financial Officer of Pacific Ridge Exploration Ltd., (TSX-V - PEX) since January 1, 2018</p> <p>Chief Financial Officer of Newstrike Capital Inc. from July 2008 to May 2015</p> <p>Chief Financial Officer and corporate secretary of EnWave Corporation from November 2003 to September 2015</p>	<p>Nil</p>
<p>Jorge Rafael Gallardo-Romero</p> <p>Hermosillo, Sonora, Mexico</p> <p>Director,</p>	<p>October 17, 2018</p>	<p>Geologist consultant of Minera Cascabel S.A. De C.V.</p>	<p>94,000</p>

Name and Province of Residence and Position with the Company	Director / Officer Since	Principal Occupation for the Past Five Years	Number and % of Common Shares Beneficially Owned Directly or Indirectly (as at the date of this Prospectus)
Jean-François Meilleur Québec Director	October 17, 2018	VP at Critical Elements Corp President of Quebec Precious Metals since Managing Partner at Paradox Public Relations & P.E. Partners	450,001
Maria Guadalupe Yeomans Otero Hermosillo, Sonora, Mexico Director	December 5, 2019	Office manager at Minera Cascabel S.A. De C.V.	Nil

Notes:

- (1) Craig Gibson holds 130,000 shares directly, and ProDeMin, a private corporation controlled by Craig Gibson, President and CEO of the Company, holds 2,500,000 shares.

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

The Company has one committee, the audit committee, comprised of all Jean-François Meilleur, Jorge Rafael Gallardo-Romero, and Maria Guadalupe Yeomans Otero members of the board of directors.

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

Craig Gibson, (age 58) [President, CEO, and Director]

Craig has experience in the minerals industry. He received his B.S. (1984) in Earth Sciences from the University of Arizona and M.S. (1987) and Ph.D. (1992) in Economic Geology and Geochemistry from the Mackay School of Mines, University of Nevada, Reno. He co-founded Prospeccion y Desarrollo Minero del Norte, S.A. de C.V. (ProDeMin) based in Guadalajara, Mexico, in 2009, a consulting firm providing a broad spectrum of exploration related services to the mining industry. Dr. Gibson is also a Director of Garibaldi Resources Inc., a Vancouver-based junior exploration company, is a Certified Professional Geologist of the American Association of Professional Geologists and is a Qualified Person under NI 43-101. Dr. Gibson will be dedicating 25% of his professional time to the business of the Company. His responsibilities with the Company in his capacity as Chief Executive Officer and President include managing day-to-day operations of the Company, executing policies implemented by the Board of Directors and reporting back to the latter.

Salvador Miranda, (age 65) [Chief Financial Officer and Secretary]

Through his private corporation, Salvador has been providing administration and accounting services to several TSX-V listed companies since 1997, serving as director and officer in some of them. He,

therefore, has ample experience in the preparation of annual and interim financial statements at public company standards, understanding the full accounting cycle, the preparation of budgets, the liaising with auditors and legal counsels, the filing requirements, and the use of specialized accounting software.

In addition to English, Salvador is natively fluent in Spanish and fully understands cultural and situational issues associated with Mexico, and is also fluent in French

Salvador holds a Master's in Civil Engineering from the Massachusetts Institute of Technology (1982) and has taken numerous courses and seminars related to his activities as CFO of junior public companies in Canada. Mr. Miranda will be dedicating 25% of his professional time to the business of the Company.

Jorge Rafael Gallardo-Romero, (age 60) [Director]

Mr., Gallardo-Romero has been a consultant geologist of Cascabel since March 1992. He also acts as Mexico Exploration Manager of Gainey Capital Inc. (since January 2015) and of Minera Goldzone S.A. de C.V. (since March 2011). Mr. Gallardo-Romero graduated from the University of Sonora with a degree in Geology in 1984. He will devote approximately 10% of his time to the affairs of the Company. As a director, he is responsible for directing and overseeing management of the Company.

Jean-François Meilleur, (age 41) [Director]

Mr. Meilleur has been active in the capital market since 2006 as a Managing Partner of Paradox Public Relations and P.E. Partners providing strategic advisory, investor relations services and being a supportive shareholder providing development capital to different ventures. In May 2017, Mr. Meilleur was appointed President & CEO of Canada Strategic Metals. From 2012 to 2018, Mr. Meilleur was VP at Critical Elements Corp. Mr. Meilleur holds a Bachelor's Degree from the HEC business school (Hautes Études Commerciales) in Montreal, with a specialization in marketing and finance. He is also a Managing Partner and co-owner of Paradox Public Relations. He will devote approximately 10% of his time to the affairs of the Company. As a director, he is responsible for directing and overseeing management of the Company.

Maria Guadalupe Yeomans Otero, (age 57) [Director]

Ms. Yeomans is a geologist graduated from Universidad de Sonora, Mexico, in 1986, with master studies in Business Administration at the same university. She has been a part of the team at Cascabel since 1992 and is now Office Manager. She speaks English fluently and has extensive experience in the administration, legal and commercial relations related to the mining activity. She will devote approximately 10% of her time to the affairs of the Company. As a director, she is responsible for directing and overseeing management of the Company.

Corporate Cease Trade Order or Bankruptcies

To the Company's knowledge:

- (a) no existing or proposed director, executive officer or promoter of the Company is, or within the 10 years prior to the date hereof has been, a director or executive officer of any other Company that, while that person was acting in the capacity of director or executive officer of that Company, was the subject of a cease trade order or similar order or an order that denied the Company access to any statutory exemptions for a period of more than 10 consecutive days;
- (b) no existing or proposed director, executive officer or promoter of the Company is, or within the 10 years prior to the date hereof ceased to be a director or executive officer of any other Company that, was the subject of a cease trade order or similar order or an order that denied the Company access to any statutory exemptions for a period of more than 10 consecutive days that was issued after the director, executive officer or promoter ceased to be a director or executive officer and

which resulted from an event that occurred while that person was acting in the capacity as director or executive officer; and

- (c) no existing or proposed director, executive officer or promoter of the Company is, or within the 10 years prior to the date hereof has been, a director or executive officer of any other Company that, while that person was acting in the capacity of director, executive officer or promoter of that Company, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

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

Personal Bankruptcies

To the Company's knowledge no existing or proposed director, officer, promoter or other member of management of the Company has, during the 10 years prior to the date hereof, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

Conflicts of Interest

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

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

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The executive compensation discussion below discloses compensation paid to the following individuals:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to that of a chief executive officer;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to that of a chief financial officer;

- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with Section 1.3(5) of Form 51-102F6V under National Instrument 51-102 - *Continuous Disclosure Obligations*, for that financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, as at the end of the most recently completed financial year,

(each, a “**Named Executive Officer**”).

Compensation Discussion and Analysis

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

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

It is expected that once the Company becomes a reporting issuer, the principal component of a Named Executive Officer’s compensation will consist of management fees and/or by the grant of stock options to its Named Executive Officer, in accordance with the provisions of the Stock Option Plan. The base salary for each Named Executive Officer will be based on the position held, the related responsibilities and functions performed by the executive and salary ranges for similar positions in comparable companies. Individual and corporate performance will also be taken into account in determining base salary levels.

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

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

Summary Compensation Table

The following table sets forth the value of the compensation, excluding compensation securities, of the Company's directors and Named Executive Officers, for the year ended December 31, 2019.

Table of compensation excluding compensation securities							
Name and Position	Year-Ended	Salary, Consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of Perquisites (\$)	Value of all other compensation (\$)	Total Compensation
Salvador Miranda, CFO	December 31, 2019	\$10,832	Nil	Nil	Nil	Nil	\$10,832
Craig Gibson, CEO	December 31, 2019	Nil	Nil	Nil	Nil	Nil	Nil

External Management Companies

None of the Named Executive Officers were or are employees of the Company.

As of the date of this Prospectus, the Company has not executed any employment, consulting or management agreements with any of its directors, Named Executive Officers or an external management company.

Stock Options and Other Compensation Securities

Stock options are granted to provide an incentive to the directors, officers, employees and consultants of the Company to achieve the longer-term objectives of the Company; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Company; and to attract and retain persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Company. See "Options to Purchase Securities" above for a description of the material terms of the Company's Stock Option Plan. While the Company has not granted any options as of the date of this Prospectus, it is expected that once the Company becomes a reporting issuer, it may grant options under the Stock Option Plan to Named Executive Officers.

Proposed Compensation

For the next 12 months, the Company has no plans to pay compensation to the Named Executive Officers other than the payment of management fees and/or by the grant of stock options to its Named Executive Officer, in accordance with the provisions of the Stock Option Plan which may be allocated at some point.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

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

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Audit Committee

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

Audit Committee Charter

The text of the Audit Committee’s charter is attached hereto as Schedule “A”.

Composition of Audit Committee

The members of the Company’s Audit Committee are set out below:

Name	Independent	Financial Literacy
Jean-François Meilleur	Independent	Financially Literate ⁽¹⁾
Jorge Rafael Gallardo-Romero	Independent	Financially Literate ⁽¹⁾
Maria Guadalupe Yeomans Otero	Independent	Financially Literate ⁽¹⁾

Note:

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

Relevant Education and Experience

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

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the 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. See “Directors and Officers” above for further details.

Jean-François Meilleur: Mr. Meilleur has several years of experience with mineral exploration and mining development companies and is familiar with the financial reporting requirements applicable to public companies in Canada. Mr. Meilleur holds a Bachelor’s Degree from the HEC business school (Hautes Études Commerciales) in Montreal, with a specialization in marketing and finance.

Maria Guadalupe Yeomans Otero: Ms. Yeomans Otero has several years of experience with mineral exploration and mining development companies and is familiar with the financial reporting requirements applicable to mineral exploration companies.

Jorge Rafael Gallardo-Romero: Mr. Gallardo-Romero has several years of experience with mineral exploration and mining development companies and is familiar with the financial reporting requirements applicable to mineral exploration companies.

Audit Committee Oversight

The Audit Committee was established on <@>, 2020 and will, among other things, make recommendations to the Board of Directors to nominate or compensate an external auditor. As of the date of this Prospectus, the Audit Committee has not made any such recommendations for the Board to consider.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemptions in Sections 2.4, 3.2, 3.4, 3.5, 3.6 or Part 8 of NI 52-110, or an exemption from subsections 3.3(2) of NI 52-110.

Pre-Approval Policies and Procedures

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

Exemption

The Company is relying upon the exemption in section 6.1 of National Instrument 52-110.

External Auditor Service Fees

The aggregate fees billed by the external auditors to the Company from incorporation to the date of this Prospectus are:

Year / Period	Audit Fees	Audit- Related Fees	Tax Fees	All Other Fees
December 31, 2019	\$20,000	Nil	\$1,500	Nil

Corporate Governance

General

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

Board of Directors

The Board of Directors facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board.

The Board is comprised of four (4) directors, of whom Maria Guadalupe Yeomans Otero, Jean-François Meilleur, and Jorge Rafael Gallardo-Romero are independent for the purposes of NI 52-110. Craig Gibson is a member of the Company's management and is not independent as he serves as President and Chief Executive Officer of the Company. At this time, the Board of Directors does not have a Chairman. In the absence of a Chairman, and in accordance with the articles of the Company, the President of the Company is responsible for presiding over all meetings of the directors and shareholders. He is not an independent director; however, the independent directors either have significant experience as directors and officers of publicly traded companies or as members of the financial investment community and, therefore, do not require the guidance of an independent Chairman of the Board in exercising their duties.

The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. In order to facilitate open and candid discussion among independent directors, directors are encouraged to regularly and independently confer amongst themselves. Additionally, when a matter being considered involves a director, that director does not vote on the matter.

Directorships

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

Name	Reporting Issuer	Market
Craig Gibson	Garibaldi Resources Corp.	TSX-V
Jean-François Meilleur	Quebec Precious Metals Corp.	TSX-V

Board Mandate

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

Orientation and Continuing Education

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

Ethical Business Conduct

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

Nomination of Directors

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

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

Compensation

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

Other Board Committees

The Board has no committee other than the Audit Committee.

Assessments

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

PLAN OF DISTRIBUTION

This offering consists of a minimum Offering of 4,000,000 Common Shares at a price of \$0.125 per Common Share, to raise gross proceeds of \$500,000. The offering will be conducted through the Agent in the provinces of British Columbia, Alberta, Saskatchewan and Ontario.

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

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

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

The Company has agreed to (i) pay the Agent (A) an Agent's Fee equal to 7.5% of the aggregate gross proceeds of the Offering; and, if applicable, the proceeds from the exercise of the Over-Allotment Option and (B) the portion of the Corporate Finance Fee payable in cash, being \$20,000; and (ii) to issue 40,000 Corporate Finance Fee Shares, being the portion of the Corporate Finance Fee payable by way of a share issuance. In addition, upon successful completion of the Offering, the Agent is entitled to receive, as part of its remuneration, the Agent's Options entitling the holder thereof to purchase that number of Common

Shares equal to 7.5% of the number of Common Shares issued pursuant to this Offering and if applicable, the additional securities issued pursuant to the exercise of the Over-Allotment Option. The Agent's Options will be exercisable at a price of \$0.125 per Common Share for a period of 24 months from the date of the Closing.

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

Pursuant to NI 41-101 the aggregate number of securities which may be distributed under a prospectus to an agent as compensation must not exceed 10% of the Common Shares offered pursuant to this Prospectus, which in the case of this Offering is 400,000 securities. For the purposes of this Offering, these Agent's Options and the Corporate Finance Fee Shares are Qualified Compensation Securities and are qualified for distribution by this Prospectus.

This Offering is subject to the completion of a minimum subscription of 4,000,000 Common Shares for gross proceeds to the Company of \$500,000. If the minimum subscription is not completed within 90 days of the issuance of a receipt for the final prospectus, all subscription monies will be returned to Subscribers without interest or deduction.

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

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

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

RISK FACTORS

AN INVESTMENT IN THE COMMON SHARES IS SPECULATIVE IN NATURE AND INVOLVES A HIGH DEGREE OF RISK. IN ADDITION TO THE OTHER INFORMATION PRESENTED IN THIS PROSPECTUS, PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS IN EVALUATING AN INVESTMENT IN THE COMMON SHARES.

A purchase of any of the securities of the Company involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Company should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective purchasers should evaluate carefully the following risk factors associated with an investment in the Company's securities prior to purchasing any of the Common Shares.

Prospective investors should consult with their professional advisors to assess an investment in the Company.

The risks discussed below also include forward-looking statements and actual results may differ substantially from those discussed in these forward-looking statements. See “Cautionary Statement Regarding Forward-Looking Statements” in this Prospectus.

The securities offered by this Prospectus must be considered speculative, generally because of the nature of the Company’s business. Furthermore, the securities offered by this prospectus must be considered as being even more speculative than an investment in any other junior mining company in light of the relatively small size of the Company’s only material property. As such, the Company faces additional risk factors that are unique and substantial to it that go beyond the risks associated with a pre-mineral resource stage property. In particular, the following factors should be considered:

Size of Palos Verde Property

The Company’s only material property is the Palos Verdes Property which comprises the Palos Verdes concession that covers an area of only 22.7707 hectares, which is significantly smaller than a typical exploration stage project. Given the relatively small size of this property, it has limited possibility of containing the required infrastructure for a standalone mining operation, including required mine installations, a mineral processing plant and a modern tailings management facility, which may affect the ability of the Company to economically develop this property.

Should the construction of a stand-alone mining operation be determined to be warranted, it may be necessary for the Company to negotiate surface rights access from one of its neighbours to construct such operations on an adjacent property. Such operation could be located on the surface rights controlled by the surrounding Ejido, the same community with which there is an existing agreement for surface access for exploration on the Palos Verdes Property. There can be no assurance that the Company will be able to negotiate such access or that such access will be granted on commercially viable terms.

Toll Milling Arrangements with Third Parties

In the event of the discovery of a commercially viable deposit, the Company may be required to enter into toll milling agreements with one or more of the operating toll mills situated within the region of the Palos Verdes Property. There can be no assurance that the Company will be successful in establishing such toll milling arrangements with third-party operators and, consequently, the Company may determine that it is not viable to commence any commercial production activities on the Palos Verdes Property.

Should the Company be able to establish such arrangements with offsite toll milling operators, there is no assurance that agreements with such operators can be made on commercially viable terms. Furthermore, even if the Company is able to enter into such agreements on commercially viable terms, there is no assurance that such facilities will continue operations or will not become saturated with ore from other operating mines situated in the area when and if the Company succeeds in establishing commercial production activities on the Palos Verdes Property. The Company may also face the possibility of incompatibility with the process flow-sheet of the local mills. The inability of the Company to successfully conclude toll milling arrangements with offsite third party operators or to have access to such local mills may affect the ability of the Company to economically develop this property

Limited Operating History

The Company is an early stage company and the Palos Verde Property is an exploration stage property. As such, in addition to the risks disclosed above which are specific to the Company’s material property, the Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel,

financial and other resources and lack of revenues. The current state of the Palos Verde Property requires significant additional expenditures before any cash flow may be generated. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. Most exploration projects do not result in the discovery of commercially mineralized deposits. An investment in the Common Shares therefore carries a high degree of risk and should be considered speculative by investors.

Trends

The Company's financial success is dependent upon the discovery of mineral resources which could be economically viable to develop. Such development could take years to complete and the resulting income, if any, is difficult to determine. The sales value of any mineralization discovered by the Company is largely dependent upon factors beyond the Company's control, such as market value of the products produced and availability of capital from the public market place. Other than as disclosed herein, the company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on the Company's results or financial position.

Negative Cash-Flow

Since its incorporation on October 17, 2018, the Company has not generated cash flow from its operations and has incurred certain operating losses. Such losses and negative operating cash flow are expected to continue since funds will be expended to pay its administrative expenses and to conduct the Recommended Exploration Program on the Palos Verdes Property. Although the Company has allocated \$480,048, to fund its ongoing operations for a period of 12 to 18 months, thereafter, the Company will be reliant on future equity financings for its funding requirements.

COVID-19 Outbreak

As of the date of this Prospectus, markets, governments and health organizations around the world are working to contain the outbreak of the coronavirus (“**COVID-19**”). COVID-19 presents a wide range of potential issues and complications for the Company, most of which the Company is not able to know the full extent of. The following is a summary of what the Company believes may impact its business as a result of COVID-19:

- Disruptions to business operations resulting from quarantines of employees, consultants and third party service providers in areas affected by COVID-19;
- Disruptions to business operations resulting from travel restrictions and access to properties;
- Uncertainty around the duration of the COVID-19' pandemic.

Operating Hazards and Risks

Mineral exploration involves many risks. The operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages and damage to persons or property or the environment and possible legal liability for any and all damages. Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are some of the risks involved in the operation of mines and the conduct of exploration programs. Although the Company will, when appropriate, secure liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liability and hazards might not be insurable, or the Company might elect not to insure itself against such liabilities due to high premium costs or other reasons, in any of which events the Company could incur significant costs that could have a material adverse effect upon its financial condition.

Economics of Developing Mineral Properties

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract metal from ore and to develop the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Depending on the price of minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

Ownership of Property Interests and Assets

Although the Company has exercised the usual due diligence with respect to title to properties in which it has a material interest, there is no guarantee that title to the properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or land claims and title may be affected by undetected defects. In addition, certain of the mining claims in which the Company has an interest are not recorded in the name of the Company and cannot be recorded until certain steps are taken by other parties. Before a number of claims under option can be recorded in the Company's name, the underlying title holder has to assign title to the Company once the Company satisfies its option agreement obligations. There are no assurances that the underlying title holder will assign title. Land may be transferred by the State to businesses and citizens for possession and use based on leases.

Moreover, the Company entered into the ProDeMin Option Agreement, pursuant to which it was granted the option to acquire a 75% interest in the Palos Verdes Property. At this time, the Company has not entered into any agreements to acquire the remaining 25% interest in the Palos Verdes Property and there is no guarantee that it will acquire said remaining interest.

In order to satisfy itself of its ownership of its property interests in Mexico, the Company has, among other things: (i) obtained and reviewed title opinions from certain local law firms in Mexico; (ii) obtained and reviewed certificates of compliance issued by the appropriate governmental officials in Mexico; (iii) conducted searches in Mexico; and (iv) reviewed, negotiated and executed various agreements with the Government of Mexico relating to the acquisition and/or transfer of certain mining titles and concessions.

Environmental Factors

The Company conducts exploration activities in various parts of Mexico. Such activities are subject to various laws, rules and regulations governing the protection of the environment, including, in some cases, posting of reclamation bonds. Extensive environmental legislation has been enacted in Mexico by federal, state and municipal governments. All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed properties and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or to preclude entirely the economic development of a property. Environmental hazards may exist on the Company's properties, which hazards are unknown to the Company at present, which have been caused by previous or existing owners or operators of the properties. The Company is not aware of any environmental hazards on any of the properties held or formerly worked by the

Company. The approval of new mines in Mexico is subject to detailed review by Mexican mining authorities and there is no assurance that such approval can be obtained. Further, under such review process, there is no assurance that regulatory and environmental approvals will be obtained on a timely basis or at all. Failure to comply with the legislation may have serious consequences. Orders may be issued requiring operations to cease or be curtailed or requiring installation of additional facilities or equipment. Violators may be required to compensate those suffering loss or damage by reason of its mining activities and may be fined if convicted of an offense under such legislation.

Mexican mining law establishes requirements for the decommissioning, reclamation and rehabilitation of mining properties in a state of temporary or permanent closure. Such closure requirements relate to the protection and restoration of the environment and the protection of the public safety. Some former mining properties must be managed for long periods of time following closure in order to fulfill closure requirements. The costs of closure of mining properties, and, in particular, the cost of long-term management of mining properties can be substantial. The Company intends to progressively rehabilitate its mining properties during their period of operation, should any properties become operational, so as to reduce the cost of fulfilling closure requirements after the termination or suspension of production.

The Company has adopted environmental practices designed to ensure that it continues to comply with or exceeds all environmental regulations currently applicable to it. All of the Company's activities are in compliance in all material respects with applicable environmental legislation. The Company is currently engaged in exploration with minimal environmental impact.

Community Relations

Community relations may affect the Company's business, including its interest in the Palos Verdes Property. Maintaining a positive relationship with the communities in which the Company operates, including with respect to the Palos Verdes Project, is critical to continuing successful exploration and development. Community support for operations is a key component of a successful exploration or development project. As a business in the mining industry, the Company may come under pressure in the jurisdictions in which the Company explores or develops, to demonstrate that other stakeholders benefit and will continue to benefit from our commercial activities. The Company may face opposition with respect to our current and future development and exploration projects which could materially adversely affect our business, results of operations, financial condition and share price.

Environmental Permits

The ability of the Company to explore its properties is dependent on environmental regulations and the permitting process. A permit for drilling from existing roads and disturbed areas is in place for the Palos Verdes Property. Future work to allow road construction and additional surface disturbance at the Company's projects will require filing for necessary environmental permits. The Company's interest in a property or project could be adversely affected by an inability to obtain environmental permits.

Competition and Agreements With Other Parties

The Company competes with other mining companies for the acquisition of mineral claims and other mining interests as well as for the recruitment and retention of qualified employees and contractors. There is significant and increasing competition for a limited number of resource acquisition opportunities and as a result, the Company may be unable to acquire attractive mining properties on terms it considers acceptable. The Company competes with other companies that may have substantially greater financial resources than the Company. The Company may, in the future, be unable to meet its obligations under agreements to which it is a party and the Company may have its interest in the properties subject to such agreements reduced as a result. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete recommended programs.

Metals Prices

The Company's revenues, if any, and ability to attract equity financing is expected to be in large part derived from the discovery of mineral properties and the sale of minerals contained or interests related thereto. The price of those commodities has fluctuated widely, particularly in the last three years, and is affected by numerous factors beyond the Company's control including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, global or regional consumptive patterns, speculative activities, levels of supply and demand, increased production due to new mine developments and improved mining and production methods, availability and costs of metal substitutes, metal stock levels maintained by producers and others and inventory carrying costs. The effect of these factors on the price of base and precious metals, and therefore the economic viability of the Company's operations, cannot accurately be predicted.

Management and Directors

The Company is dependent on its key management personnel. Loss of the key person could have an adverse effect on the Company. The Company does not maintain "key-man" insurance in respect of any of its management.

Conflicts of Interest

Certain of the Directors and Officers of the Company are also in their personal capacities, or as Directors or Officers of other companies, engaged in mineral exploration and development. Accordingly, exploration opportunities or prospects of which they become aware may not necessarily be made available to the Company. The Directors and Officers intend to allocate opportunities or prospects from time to time on the basis of prudent business judgment. The Directors are required by law to act honestly and in good faith with a view to the best interest of the Company and its shareholders and to disclose any personal interest which they may have in any material transaction which is proposed to be entered into with the Company and to abstain from voting as a Director for the approval of such transaction.

Price Fluctuations: Share Price Volatility

In recent years, the international securities markets have experienced high levels of price and volume volatility, and the market prices of securities of many mineral exploration companies have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that the continual fluctuations in market price will not occur which may impact the Company's market capitalization as well as its ability to facilitate equity financing.

Foreign Operations

The Company's operations are currently conducted principally in Mexico. As such, its operations are exposed to various levels of political, economic and other risks and uncertainties which could result in work stoppages, blockades of the Company's mining operations and appropriation of assets. Some of the Company's operations are located in areas where Mexican drug cartels operate. These risks and uncertainties vary from region to region and include, but are not limited to, terrorism; hostage taking; extortion; local drug gang activities; military repression; expropriation; fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of civil unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Although the Company strives to maintain good relations with the local community in Mexico by providing employment opportunities and social services, local opposition to mine development projects could arise in Mexico, and such opposition could be violent. There can be no assurance that such local

opposition will not arise with respect to the Company's foreign operations. If the Company were to experience resistance or unrest in connection with its operations, it could have a material adverse effect on its operations.

Government Regulation

The Company's mineral exploration activities will be subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. No assurance can be given that the new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit, suspend, terminate or curtail production or development. Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed on them for violations of applicable laws or regulations. Amendments to current laws and regulations governing operations or more stringent implementation thereof could have a substantial adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties, or require abandonment or delays in the development of new mining properties.

The Company is at the exploration stage on all of its properties. Exploration on the Company's properties requires responsible best exploration practices to comply with Company policy, government regulations, and maintenance of claims and tenure. The Company is required to be registered to do business and have a valid prospecting license in any territory in which it is carrying out work. In Mexico, mineral exploration primarily falls under federal jurisdiction, but there are state, municipal, local and community issues to be addressed.

If any of the Company's projects are advanced to the development stage, those operations will also be subject to various laws and regulations concerning development, production, taxes, labour standards, environmental protection, mine safety and other matters. In addition, new laws or regulations governing operations and activities of mining companies could have a material adverse impact on any project in the mine development stage that the Company may possess.

Surface Exploration Rights

Mining concession licenses in Mexico are separate from surface rights. Permission for surface access must be negotiated with the owners of the surface rights to the areas covered by the mining concessions, and commonly involve leasing of the surface rights. In Mexico surface rights are owned by private persons or ejidos (local communal organizations), and agreements for access must be made with the surface owners to do significant work. The surface rights that cover the Palos Verdes Property are controlled by the San Miguel Carrizal Ejido. ProDeMin has a formal surface rights agreement covering the Palos Verdes Property that allows exploration work to be carried out for a period of three years, terminating on September 30, 2020. The Company has commenced the process of negotiating the renewal of the surface access rights agreement with the San Miguel Carrizal Ejido. There are potential risks with regard to the completion of a successful exploration program in that there is a possibility of not being able to extend the surface access agreement over part of the area of interest, or problems with obtaining an environmental permit for road construction and drilling.

Dividends

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

PROMOTER

Craig Gibson is considered to be a promoter of the Company in that he took the initiative in organizing the business of the Company. Dr. Gibson beneficially holds, directly or indirectly, a total of 2,630,000 (being 20.86% of the Common Shares prior to giving effect to the Offering) of the Company's currently issued and outstanding Common shares. See "Principal Shareholders" above for further details. See also "Interest of Management and Others in Material Transaction".

LEGAL PROCEEDINGS

The Company is not a party to any legal proceedings or regulatory actions and is not aware of any such proceedings known to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

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

- (a) On May 7, 2019, the Company entered into the ProDeMin Option with ProDeMin, pursuant to which it was granted the option to acquire a 75% interest in the Palos Verdes Property from ProDeMin. Craig Gibson, the President and CEO of the Company holds a 60% ownership interest in ProDeMin and is a director and officer of ProDeMin; and
- (b) On October 11, 2019, the Company entered into the Cascabel Option Agreement with Cascabel pursuant to which it was granted the option to acquire a 100% interest in the Los Pavitos Property from Cascabel. Jorge Rafael Gallardo-Romero and Maria Guadalupe Yeomans Otero, both being directors of the Company, are entitled to receive an amount of 20% and 5% of the consideration received by Cascabel under the Cascabel Option Agreement, respectively.

RELATIONSHIP BETWEEN THE ISSUER AND AGENT

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

AUDITORS

The auditors of the Company are Davidson & Company LLP, of 1200-609 Granville Street, P.O. Box 10372, Pacific Center, Vancouver, British Columbia, V7Y 1G6.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent of the Company is Computershare Investor Services Inc.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Company since its incorporation and that are still in effect as of the date hereof:

1. The property option agreement made between the Company and ProDeMin, effective May 7, 2019;

2. The Agency Agreement. See “Plan of Distribution”;
3. The Escrow Agreement. See “Escrowed Securities”;
4. The Transfer Agent, Registrar and Dividend Disbursing Agent Agreement dated September <@>, 2020 among the Company and Computershare Investor Services Inc.; and
5. The Listing Agreement dated September <@>, 2020 among the Company and the CSE.

A copy of any material contract and the Technical Report may be inspected during the Offering of the Common Shares being offered under this Prospectus and for a period of 30 days thereafter during normal business hours at the Company’s offices at 1100-1111 Melville Street, Vancouver, British Columbia, V6E 3V6.

EXPERTS

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

Certain legal matters related to this Offering will be passed upon on behalf of the Company by Fasken Martineau DuMoulin LLP and Getz Prince Wells LLP on behalf of the Agent.

Davidson & Company LLP, Chartered Accountants are the auditors of the Company and have informed the Company that they are independent of the Company in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of Quebec.

Francisco Manuel Carranza Heredia, CPG, the Author of the Technical Report, is independent from the Issuer within the meaning of NI 43-101.

Interest of Experts

No other person whose profession or business gives authority to a statement made by such person and who is named in this Prospectus has received or will receive a direct or indirect interest in the Company’s property or any associate or affiliate of the Company.

As at the date hereof, none of the other aforementioned persons beneficially owns, directly or indirectly, securities of the Company or its associates and affiliates. In addition, none of the aforementioned persons nor any director, officer or employee of any of the aforementioned persons, is or is expected to be elected, appointed or employed as, a director, senior officer or employee of the Company or of an associate or affiliate of the Company, or as a promoter of the Company or an associate or affiliate of the Company.

OTHER MATERIAL FACTS

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

PURCHASERS’ STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

Securities legislation in the Provinces of British Columbia, Alberta, Saskatchewan and Ontario provides Subscribers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or damages if the Prospectus and any amendment contain a misrepresentation or is not delivered to the Subscriber, provided that the remedies for rescission or damages are exercised by the Subscriber within the time limit prescribed by the securities legislation of the Subscriber’s province or

territory. The Subscriber should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

FINANCIAL STATEMENTS

Attached as Schedule "B" and forming part of this Prospectus are the audited financial statements of the Company for the year ended December 31, 2019, and the period from incorporation on October 17, 2018 to December 31, 2018, and the interim and unaudited condensed interim financial statements for the six months ended June 30, 2020 and 2019.

SCHEDULE A
AUDIT COMMITTEE CHARTER

1. Mandate and Purpose of the Committee

The Audit Committee (the “**Committee**”) of the board of directors (the “**Board**”) of Prismo Metals Inc. (the “**Company**”) is a standing committee of the Board whose primary function is to assist the Board in fulfilling its oversight responsibilities relating to:

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

2. Authority

The Committee has the authority to:

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

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

3. Composition and Expertise

The Committee shall be composed of a minimum of three (3) members, each of whom is a director of the Company. The majority of the Committee’s members must not be officers or employees of the Company or an affiliate of the Company.

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

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

4. Meetings

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

Notice of the time and place of every meeting shall be given in writing to each member of the Committee, at least 48 hours (excluding holidays) prior to the time fixed for such meeting. The Company's auditor shall be given notice of every meeting of the Committee and, at the expense of the Company, shall be entitled to attend and be heard thereat. If requested by a member of the Committee, the Company's auditor shall attend every meeting of the Committee held during the term of office of the Company's auditor.

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

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

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

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

5. Committee and Charter Review

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

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

6. Reporting to the Board

The Committee shall report to the Board in a timely manner with respect to each of its meetings held.

This report may take the form of circulating copies of the minutes of each meeting held.

7. Duties and Responsibilities

(a) Financial Reporting

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

The Committee is also responsible for:

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

(b) Auditor

The Committee is responsible for recommending to the Board:

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

The Company's auditor reports directly to the Committee. The Committee is directly responsible for overseeing the work of the Company's auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the Company's auditor regarding financial reporting.

(c) Relationship with the Auditor

- (i) establishing effective communication processes with management and the Company's auditor so that it can objectively monitor the quality and effectiveness of the auditor's relationship with management and the Committee;

- (ii) receiving and reviewing regular feedback from the auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditor's final report;
- (iii) reviewing, at least annually, a report from the auditor on all relationships and engagements for non-audit services that may be reasonably thought to bear on the independence of the auditor; and
- (iv) meeting in camera with the Auditor whenever the Committee deems it appropriate.

(d) **Accounting Policies**

The Committee is responsible for:

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

(e) **Risk and Uncertainty**

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

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

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

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

(f) Controls and Control Deviations

The Committee is responsible for reviewing:

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

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

(g) Compliance with Laws and Regulations

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

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

(h) Related Party Transactions

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

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

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

8. Non-Audit Services

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

9. Submission Systems and Treatment of Complaints

The Committee is responsible for establishing procedures for:

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

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

10. Procedure For Reporting Of Fraud Or Control Weaknesses

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

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

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

11. Hiring Policies

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

SCHEDULE B
FINANCIAL STATEMENTS OF THE COMPANY

CERTIFICATE OF PRISMO METALS INC.

Dated: September 1, 2020

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

Signed "Craig Gibson"

Craig Gibson
President and Chief Executive Officer

Signed "Salvador Miranda"

Salvador Miranda
Chief Financial Officer and Secretary

ON BEHALF OF THE BOARD OF DIRECTORS OF PRISMO METALS INC.

Signed "Jean-François Meilleur"

Jean-François Meilleur
Director

Signed "Jorge Rafael Gallardo-Romero"

Jorge Rafael Gallardo-Romero
Director

CERTIFICATE OF THE PROMOTER

Dated: September 1, 2020

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

Signed "Craig Gibson"

Craig Gibson

CERTIFICATE OF THE AGENT

Dated: September 1, 2020

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

HAYWOOD SECURITIES INC.

Per: Signed "Don Wong"
Don Wong, Vice-President, Investment
Banking