A copy of this preliminary prospectus has been filed with the securities regulatory authority in the provinces of British Columbia but has not yet become final. Information contained in this preliminary prospectus may not be complete and may have to be amended.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This Prospectus does not constitute a public offering of securities.

Non-Offering Prospectus **May 25, 2021**

PRELIMINARY PROSPECTUS

1111 ACQUISITION CORP.

This non-offering preliminary prospectus (the "**Prospectus**") of 1111 Acquisition Corp. (the "**Company**"), is being filed with the British Columbia Securities Commission (the "**BCSC**") for the purposes of the Company becoming a reporting issuer pursuant to applicable securities legislation in the Province of British Columbia pursuant to applicable securities legislation.

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

There is no market through which the securities of the Company may be sold. This may affect the pricing of the Company's securities in the secondary markets; the transparency and availability of trading prices; the liquidity of the Company's securities and the extent of issuer regulations. See "*Risk Factors*" and "*Forward-Looking Information*".

Concurrently with the filing of this Prospectus, the Company will make an application to have the Common Shares in the capital of the Company listed for trading on the Canadian Securities Exchange (the "**CSE**") under the symbol "CMN". Listing on the CSE (the "**Listing**") is subject to the Company fulfilling all of the listing requirements of the CSE and meeting all minimum requirements. The CSE has not conditionally approved the Company's listing application and there is no assurance that it will do so.

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, a U.S. marketplace, or a marketplace outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

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

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities.

An investment in Common Shares of the Company is highly speculative due to various factors, including the nature and stage of development of the business of the Company. An investment in these securities should only be made by persons who can afford the total loss of their investment. See "*Risk Factors*".

Investors are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding, or disposing of Common Shares, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires Common Shares.

Prospective investors should rely only on the information contained in this Prospectus. The Company has not authorized anyone to provide you with different information. Readers should assume that the information appearing in this Prospectus is accurate only as of its date, regardless of its time of delivery. The Company's business, financial condition, results of operations and prospects may have changed since that date.

In this Prospectus, "we", "us", "our" and the "Company" refers to 1111 Acquisition Corp., a corporation existing pursuant to the *Business Corporations Act* (British Columbia). The Company's head office and registered office is located at 1100 - 1111 Melville St., Vancouver, B.C. V6E 3V6.

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GLOSSARY

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

"**Author**" means Richard J. Haslinger, the author of the Technical Report;

"**BCBCA**" means the *Business Corporations Act* (British Columbia), as amended, together with all regulations promulgated thereto;

"**Board**" means the board of directors of the Company;

"**CEO**" means chief executive officer;

"**CFO**" means chief financial officer;

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

"**Company**" or "**1111 Acquisition**" means 1111 Acquisition Corp.;

"**Escrow Agreements**" means the NP 46-201 escrow agreement to be entered into on or before the Prospectus Receipt Date among the Company, the escrow agent and certain shareholders of the Company;

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

"**Flow-Through Offering**" means the non-brokered private placement by the Company of flow-through shares, which closed on December 30, 2020 and is more fully described under "History – Financings";

"**FT Shares**" means the 1,710,133 Common Shares issued on a "flow-through" basis, at a price of $0.06 per FT Share, as part of the Flow-Through Offering;

"**Listing**" means the proposed listing of the Common Shares on the CSE for trading;

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

"**MD&A**" means management's discussion and analysis of financial condition and operating results;

"**Named Executive Officers**" or "**NEOs**" has the meaning set forth under "Executive Compensation";

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

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

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

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

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

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

"**Option Agreement**" means the arm's length option agreement entered into on August 25, 2020, between the Company and Pacific Empire Minerals Corp.;

"**Option Plan**" means the Company's stock option plan adopted on March 17, 2021 by the Board, and providing for the granting of incentive options to the Company's directors, officers, employees and consultants in accordance with the rules and policies of the Exchange;

"**Optionor**" or "**PEMC**" means Pacific Empire Minerals Corp.;

"**Options**" means options to purchase Common Shares issued pursuant to the Option Plan;

"**Phase 1**" means the first phase of the exploration program for the Property proposed by the Author in the Technical Report. See "*Pinnacle Project Option – Recommendations*";

"**Phase 2**" means the second phase of the exploration program for the Property proposed by the Author in the Technical Report. See "*Pinnacle Project Option – Recommendations*";

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

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

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

(c) 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 Company's Listing Date; or

(d) 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 Company's Listing Date, 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;

"**Property**" means the Pinnacle Porphyry Property located in the Omineca Mining Division in the province of British Columbia consisting of 30 mineral claims covering 14,107 hectares, and all mining leases and other mining interests derived from any such claims, including any mineral leases or other interests into which such mineral claims may have been converted;

"**Prospectus**" means this preliminary prospectus dated May 25, 2021;

"**Prospectus Receipt Date**" means the date that a receipt for a final prospectus is issued to the Company from the securities regulatory authority in British Columbia;

"**Qualified Person**" has the meaning given to it in NI 43-101;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval (www.sedar.com);

"**Seed Shares**" means the Common Shares issued to initial investors in the Company;

"**Share Special Warrant Offering**" means the non-brokered private placement by the Company of special warrants, which closed on June 9, 2020 and is more fully described under "*History – Financings*";

"**Share Split**" means a 2:1 forward share split of the Common Shares effected on August 26, 2020, whereby each holder of Common Shares received two Common Shares for each one Common Share held;

"**Special Warrant Certificate**" means a certificate representing a Special Warrant;

"**Special Warrant Offerings**" means the Share Special Warrant Offering and the Unit Special Warrant Offering;

"**Special Warrants**" means, collectively, the Share Special Warrants and the Unit Special Warrants.

"**Technical Report**" means the report on the Property entitled "Technical Report on the Pinnacle Property" dated September 27, 2020, prepared for the Company by the Author, in accordance with NI 43-101;

"**Unit Special Warrant Offering**" means the non-brokered private placement by the Company of special warrants, which closed on January 31, 2021 and is more fully described under "*History – Financings*";

"**Vested**" means Vested Technology Corporation;

"**Warrants**" means the 6,930,000 warrants to purchase up to 6,930,000 Common Shares, at an exercise price of $0.10, for a period of 24 months from the Prospectus Receipt Date; and

"**Warrant Shares**" means the 6,930,000 Common Shares issuable upon the exercise of the Warrants.

GLOSSARY OF TECHNICAL TERMS

Au	gold
Ag	silver
Cu	copper
Mo	molybdenum
>	greater than
<	less than
BD	below detection
AR	Assessment Report
ARIS	Assessment Report Index System
a.s.l.	above sea level
c.c.	correlation coefficient
C	centigrade
g	gram
ha	hectare
km	kilometre
t	metric ton
m	metre
Ma	million years (pertaining to ages and/or elapsed time)
NSR	Net Smelter (return) Royalty
ppb	parts per billion
ppm	parts per million
QA/QC	quality assurance/quality control
4WD	four wheel drive
FSR	Forest Service Road

CURRENCY

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

FORWARD-LOOKING INFORMATION

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

1. the Company's intention to complete the listing of the Common Shares on the Exchange;
2. the Company's business plans focussed on the exploration and development of the Property;
3. the proposed work program on the Property;
4. costs and timing of future exploration and development activities;
5. timing and receipt of approvals, consents and permits under applicable legislation;
6. use of available funds and ability for the Company to raise additional funds;
7. business objectives and milestones; and
8. adequacy of financial resources.

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

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

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

All of the forward-looking information contained in this Prospectus is expressly qualified by the foregoing cautionary statements. Investors should read this entire Prospectus and consult their own professional advisors to ascertain and assess the income tax, legal, risk factors and other aspects of their investment.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. You should read this entire prospectus carefully, especially the "Risk Factors" section of this Prospectus.

The Company: 1111 Acquisition Corp. is a company existing under the BCBCA. See "*Corporate Structure*".

Business of the Company: The Company's principal business activity is the acquisition, exploration and evaluation of mineral property interests located in Canada. The Company is in the process of exploring its mineral property interest in British Columbia and has not yet determined whether it contains mineral reserves that are economically recoverable. Should the Property not be deemed viable, the Company shall explore other financially viable business opportunities. See "*Description of the Business*" and "*Pinnacle Project Option – Property Description and Location*".

Listing: The Company intends to list its Common Shares on the CSE under the trading symbol "CMN" or such other symbol accepted by the CSE. Listing is subject to the Company fulfilling all of the requirements of the Exchange, including minimum public distribution requirements.

Available Funds and Principal Purposes: It is anticipated that the Company will have available funds of approximately $394,000, based on its working capital position as of January 31, 2021. Upon the Listing, the principal purposes for the foregoing available funds are anticipated to be as follows:

Principal Purposes	**Funds ($)**
General and administrative costs(1)	150,000
Phase 1 exploration program expenditures on the Property(2)	105,000
Cash payment required under Option Agreement	25,000
Estimated expense for listing on the CSE	100,000
Total use of available funds	**380,000**
Unallocated funds (unaudited)	**14,000**

Notes:

(1) This figure is for a forecasted period of 12 months and is comprised of general and administrative expenses in the amount of approximately $35,000, operating and personnel costs in the amount of approximately $90,000, and professional fees in the amount of approximately $25,000.

(2) See "*Pinnacle Project Option – Recommendations*".

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. Use of funds will be subject to the discretion of management. For further details, see "*Use of Available Funds - Available Funds and Principal Purposes*".

The Company generated a net increase in cash of approximately $280,000 driven by the issuance of Common Shares and the Special Warrants. However, to the extent that the Company has negative cash flow from operating activities in future periods, the Company may need to use a portion of proceeds from any offering to fund such negative cash flow. See "*Risk Factors – Negative Cash Flows From Operations*".

Management, The Board of Directors of the Company consists of Robert Cameron, Michael

Directors & Officers: Sweatman, Nancy Curry, and Scott Young. The officers of the Company are Robert Cameron (CEO), Scott Young (Corporate Secretary), Kristian Whitehead (VP of Exploration) and Daniel Martino (CFO). See "*Directors and Executive Officers*".

Selected Consolidated Financial Information: The following selected financial information has been derived from and is qualified in its entirety by the financial statements of the Company for the period from incorporation on February 21, 2020 to January 31, 2021 (audited), and notes thereto included in this Prospectus, and should be read in conjunction with such financial statements and the related notes thereto included in Schedule "A" of this Prospectus. All financial statements of the Company are prepared in accordance with International Financial Reporting Standards.

All amounts referred to as being derived from the financial statements of the Company are denoted in Canadian Dollars.

	As at and for the period from incorporation to January 31, 2021 (audited) ($)
Total Assets	$480,515
Total Liabilities	$67,918
Total Shareholders' Equity	$412,597
Revenue	-
Loss and Comprehensive Loss for the Period	$46,810

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

Risk Factors: Due to the nature of the Company's business and the present stage of development of its business, the Company is subject to significant risks. Readers should carefully consider all such risks. Risk factors include, but are not limited to, limited operating history, speculative nature of mineral exploration, dilution, mineral titles, loss of interest in properties, permits and government regulations, environmental and safety regulations and risks, fluctuating mineral prices, financing risks and competition. For a detailed description of these and other risks, please see "*Risk Factors*".

CORPORATE STRUCTURE

Name and Incorporation

The Company was incorporated under the *Business Corporations Act* (British Columbia) on February 21, 2020 under the name 1111 Acquisition Corp.

The Company's head office and registered office is located at 1100 – 1111 Melville St., Vancouver, B.C. V6E 3V6.

Intercorporate Relationships

The Company does not have any subsidiaries.

DESCRIPTION OF THE BUSINESS

The Company's principal business activity is the acquisition, exploration and evaluation of mineral property interests located in Canada. The Company is in the process of exploring its mineral property interest in British Columbia and has not yet determined whether it contains mineral reserves that are economically recoverable.

The Company holds an option to acquire up to a 70% interest in the 14,040-hectare Pinnacle Project , which is located in Central British Columbia (within the Quesnel Trough), 50 km to the west of Centerra Gold's Mt. Milligan Mine and 20 km to the north of PEMC's Jean Marie Copper-Gold-Silver-Molybdenum Project. For details regarding the Property and the Option Agreement, see "*Pinnacle Project Option – Property Description and Location*".

The Company is led by a management team and Board of Directors with significant industry and capital markets experience and a track record of creating shareholder value through the acquisition, exploration, permitting and development of mineral properties. The Company intends to use such knowledge and expertise from its management team and Board of Directors to leverage some of the attributes of the Pinnacle Project. The Company is currently pursuing listing of the Common Shares on the CSE.

Stated Business Objectives and Competitive Conditions

The Company's Property is in the exploration stage. The Company intends to use its available funds to carry out the Phase 1 of the exploration program for the Property, which is budgeted for $105,000, to make payments pursuant to the Option Agreement and to pay for costs associated with the Listing. See "*Pinnacle Project Option – Recommendations*" and "*Use of Available Funds*".

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

HISTORY

Financings

On February 27, 2020, the Company issued 5,200,000 Seed Shares at a price of $0.0025 per Seed Share(1) for gross proceeds of $13,000.

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[1] The number of Seed Shares issued and price per Seed Share have been adjusted to reflect the Share Split.

On June 9, 2020, the Company closed a crowd funding financing utilizing Vested Technology Corporation's crowd funding platform. Pursuant to the crowd funding, the Company issued 976,000 Share Special Warrants at a price of $0.025[(2)] each for gross proceeds of $24,400 (the "**Share Special Warrant Offering**"). The Company issued an additional 400,000 Share Special Warrants to Vested as a finder's fee with a fair value of $10,000 ($0.025 each). Each Share Special Warrant will automatically convert into one common share of the Company on the Prospectus Receipt Date.

On December 30, 2020, the Company completed a private placement consisting of the issue of 1,710,133 FT Shares at a price of $0.06 each for gross proceeds of $102,608 (the "**Flow-Through Offering**"). The FT Shares were issued at a premium to the concurrent non-flow-through private placement of special warrants (which closed on January 31, 2021, see below) which reflects the value of the income tax write-offs that the Company renounced to the holders of the FT Shares effective December 31, 2020.

On January 31, 2021, the Company completed a special warrant financing ("**Unit Special Warrant Offering**") whereby it collected gross proceeds of $346,500 representing subscriptions for 6,930,000 Unit Special Warrants at a price of $0.05 each. On the Prospectus Receipt Date, the Unit Special Warrants will automatically convert into units consisting of one Common Share and one Warrant, with each Warrant being exercisable into one Warrant Share at an exercise price of $0.10 for 24 months from the date of issuance. Finders' fees of $10,000 were incurred in respect of the Unit Special Warrant Financing.

Pinnacle Project Option

On August 25, 2020, the Company entered into an Option Agreement to earn a 70% interest in the copper-gold Pinnacle Property from PEMC. Under the terms of the agreement, the Company can earn a 70% interest in the property by making cash payments and issuing common shares to PEMC, and incurring cumulative exploration expenditures by August 25, 2024, as follows (the "**Earn-In**"):

Cash payments (cumulative $375,000):

- $15,000 upon signing the agreement (paid);
- $25,000 on or before August 25, 2021;
- $35,000 on or before August 25, 2022;
- $50,000 on or before August 25, 2023; and
- $250,000 on or before August 25, 2024 (with the option to pay up to 50% of this amount in an equivalent value of common shares).

Exploration expenditures (cumulative $5,700,000):

- $100,000 on or before August 25, 2021;
- $500,000 on or before August 25, 2022;
- $2,100,000 on or before August 25, 2023; and
- $3,000,000 on or before August 25, 2024.

Share issuances (cumulative 3,500,000 common shares):

- 200,000 common shares on or before August 25, 2021;
- 300,000 shares on or before August 25, 2022;
- 500,000 shares on or before August 25, 2023; and

[2] The number of Share Special Warrants issued and price per Share Special Warrant have been adjusted to reflect the Share Split.

- 2,500,000 shares on or before August 25, 2024.

Following the Earn-In, the Company must make a cash payment of $50,000 to PEMC (or the equivalent number of common shares) within three years of the Earn-In completion date, and each subsequent anniversary of such date. Additionally, PEMC will retain a 30% free-carried interest in the Project up until the date that the Company publishes a NI 43-101 compliant Pre-Feasibility Study ("**PFS**") on the Project. Following completion of the PFS, a Joint Venture will be formed whereby the Company will own 70% and PEMC will own 30% of the project.

Additionally, upon completion of the Earn-In, PEMC will retain a 2.0% Net Smelter Return Royalty ("NSR") which can be reduced to 1.0% by way of making a $1,000,000 cash payment to PEMC.

The following information has been excerpted from the Technical Report, a technical report prepared in accordance with NI 43-101 titled "Technical of the Pinnacle Property" prepared by the Author, Richard J. Haslinger, P. Eng, a Qualified Person (as defined in NI 43-101), dated September 27, 2020. The Technical Report is available at the registered office of the Company and on the Company's profile on SEDAR at www.sedar.com. Certain maps and figures are not included in the Prospectus, but they may be viewed in the Technical Report. The following information has been revised in respect of certain references. Prospective purchasers are encouraged to read the Technical Report in its entirety.

1. PROPERTY DESCRIPTION & LOCATION

The Pinnacle Property is located in central British Columbia, approximately 100 km north-northwest of Fort St. James and 200 km northwest of Prince George. The Property can be accessed from Fort St. James via well-maintained Forest Service Roads ("**FSR**"). The Property is located on NTS map sheets 093N 2 & 7, and falls within the jurisdiction of the Omineca Mining Division. The Property currently consists of 30 mineral claims covering 14,107 hectares (Figure 4.2). Table 4.1 summarizes the claims as of the date of this report. All claims are on Crown Land and administered by the Government of British Columbia's Mineral Titles Online system ("**MTO**").

Certain mineral titles outlined in Table 4.1 have the current status of "protected". The status classification stems from a recent order of British Columbia's Chief Gold Commissioner dated March 27, 2020, whereby the expiry dates of mineral titles in existence prior to the date of the order and due to expire before December 31, 2021, have been extended to December 31, 2021. The order given on March 27, 2020 was a result of circumstances arising from the Covid-19 pandemic.

On August 25, 2020, 1111 Acquisition entered into the Option Agreement with PEMC to earn a 70% interest in the Property by incurring a total of $5,700,000 in exploration expenditures, issuing a total of 3,500,000 shares of 1111 Acquisition (or a successor company) and making cash payments totaling $375,000 to PEMC over a period of four years. Upon completion of the aforementioned expenditures, issuances and cash payments, 1111 Acquisition will be responsible for all expenses, taxes and fees related to the Property up until the date that they publish an NI 43-101 compliant Pre-Feasibility Study on the Property, after which point Joint Venture funding will be incurred by 1111 Acquisition and PEMC on a 70% and 30% basis, respectively.

The Property is subject to a 1% Net-Smelter Return royalty at this time, the rights to which are held by Nova Royalty Corp. None of the Pinnacle Property mineral claims are known to overlap any legacy or Crown granted mineral claims, or no-staking reserves. The Property, to the extent of the author's knowledge, is not subject to any environmental liabilities.

To the extent of the author's knowledge, a Multi-Year Area Based permit pertaining to the Pinnacle Property (Work Permit Number MX-13-256) is in place and is valid until December 15, 2021. Drilling, road construction and camp construction activities are permitted within the scope of the permit.

To the best of the author's knowledge, there are no significant factors or risks that may affect access, title, or the right or ability to perform work on the Property.

Figure 4.1: Location Map

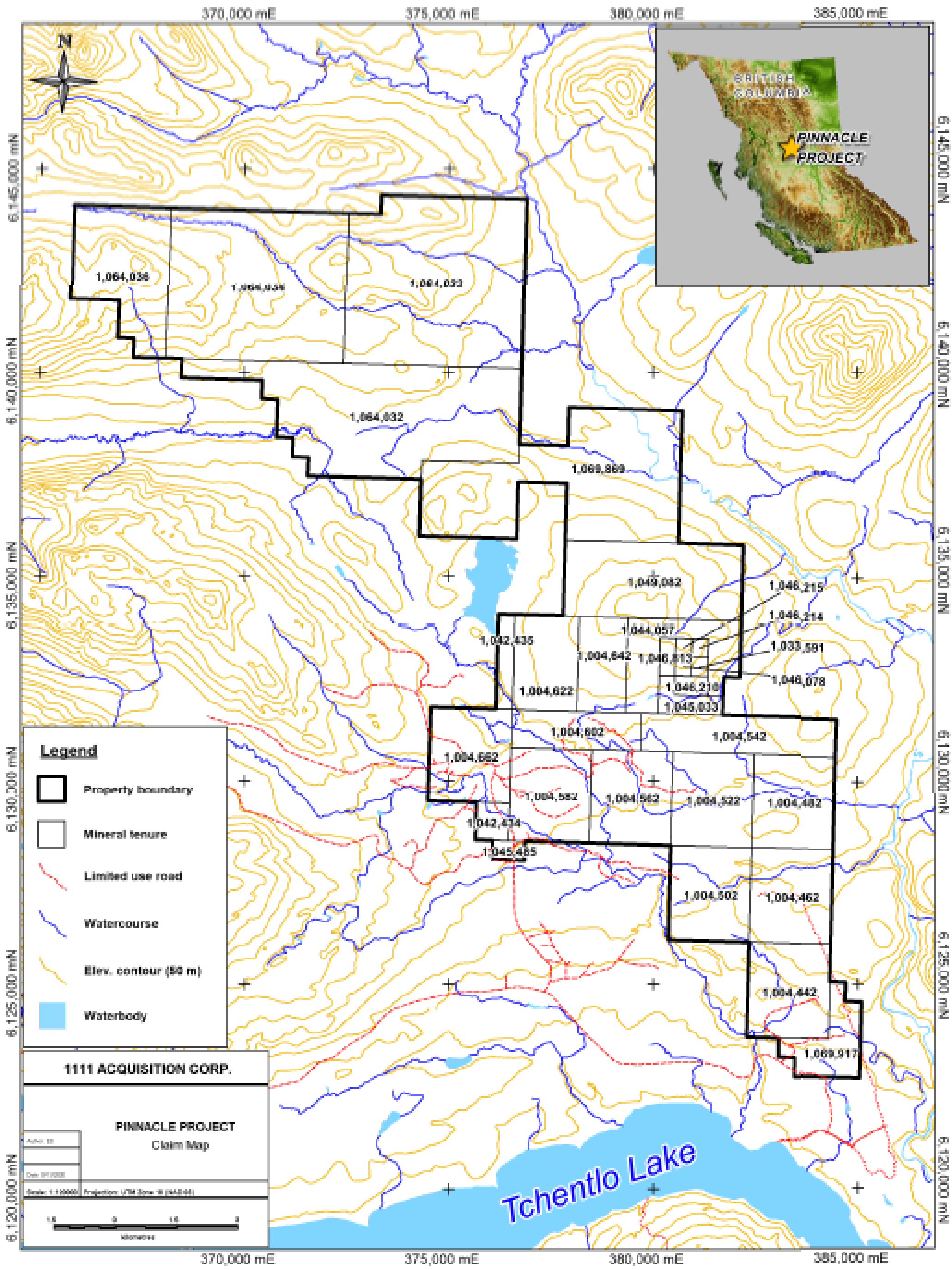


Figure 4.2: Claim Map

Table 4.1: Details of Pinnacle Property mineral claims.

Claim ID	Name	Owner name	Claim type	Good To Date	Status	Area (ha)
1004442	LATER 1	PEMC (100%)	Mineral	2026/DEC/22	GOOD	460.9043
1004462	LATER 2	PEMC (100%)	Mineral	2026/DEC/22	GOOD	460.6649
1004482	LATER 3	PEMC (100%)	Mineral	2026/DEC/22	GOOD	460.4242
1004502	LATER 4	PEMC (100%)	Mineral	2026/DEC/22	GOOD	460.6662
1004522	LATER 5	PEMC (100%)	Mineral	2026/DEC/22	GOOD	460.4261
1004542	LATER 6	PEMC (100%)	Mineral	2026/DEC/22	GOOD	441.8467
1004562	LATER 7	PEMC (100%)	Mineral	2026/DEC/22	GOOD	460.4254
1004582	LATER 8	PEMC (100%)	Mineral	2026/DEC/22	GOOD	460.4204
1004602	LATER 9	PEMC (100%)	Mineral	2026/DEC/22	GOOD	294.5632
1004622	LATER 10	PEMC (100%)	Mineral	2026/DEC/22	GOOD	368.0686
1004642	LATER 11	PEMC (100%)	Mineral	2026/DEC/22	GOOD	276.0529
1004662	LATER 12	PEMC (100%)	Mineral	2026/DEC/22	GOOD	460.3218
1033591	APLITE CREEK NORTH	PEMC (100%)	Mineral	2026/DEC/22	GOOD	18.4036
1042434	L1	PEMC (100%)	Mineral	2026/DEC/22	GOOD	73.6783
1042435	L2	PEMC (100%)	Mineral	2026/DEC/22	GOOD	92.0168
1044057	L4	PEMC (100%)	Mineral	2026/DEC/22	GOOD	368.0493
1045033	L3	PEMC (100%)	Mineral	2026/DEC/22	GOOD	92.0353
1045485	L5	PEMC (100%)	Mineral	2026/DEC/22	GOOD	36.8449
1046078		PEMC (100%)	Mineral	2026/DEC/22	GOOD	18.4036
1046210		PEMC (100%)	Mineral	2026/DEC/22	GOOD	36.8111
1046214		PEMC (100%)	Mineral	2026/DEC/22	GOOD	18.4016
1046215		PEMC (100%)	Mineral	2026/DEC/22	GOOD	18.4017
1046813	L6	PEMC (100%)	Mineral	2026/DEC/22	GOOD	36.8052
1049082	L7	PEMC (100%)	Mineral	2024/DEC/22	GOOD	809.3694
1064032	NWT 1	PEMC (100%)	Mineral	2021/JAN/03	PROTECTED	1617.2594
1064033	NWT 2	PEMC (100%)	Mineral	2021/JAN/03	PROTECTED	1781.3664
1064034	NWT 3	PEMC (100%)	Mineral	2021/JAN/03	PROTECTED	1616.112
1064036	NWT 4	PEMC (100%)	Mineral	2021/JAN/03	PROTECTED	697.7988
1069869	GOLDEN LINK	PEMC (100%)	Mineral	2021/JAN/03	PROTECTED	1452.4042
1069917	GOLDEN GUN	PEMC (100%)	Mineral	2021/JAN/03	PROTECTED	258.1749

2. ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE & PHYSIOGRAPHY

2.1 Accessibility

The Pinnacle Property is accessible via well maintained logging roads from Fort St. James. To access the Property, proceed north from the community of Fort St. James on the “North Road” for 9 km, then turn left on the Tachie Road and continue for 40 km on paved road to the turnoff for the Leo Creek FSR. Turn north onto the Leo Creek-Grostete FSR and continue for 68 km before turning right onto the Driftwood FSR, heading northwest. Follow the Driftwood FSR for 15.5 km, then turn right onto the Tchentlo FSR. Follow the Tchentlo FSR through Nation Lake Provincial Park for 7.5 km, and proceed south, continuing on the Tchentlo FSR for 22 km. At this location the Tchentlo FSR continues east towards the Later 1 claim and the southwestern portion of the Property, and the Valleau Main FSR continues north towards the Later 12 claim and the northwest portion of the Property. There is currently active logging in this area, and additional roads and bridges are being constructed on the Property. Travel by road to the site is 172 km from Fort St. James.

2.2 Climate

The following data has been taken from Environment Canada's National Climate Data and Information Archive for the Fort St. James area and contains climate data collected beginning in 1971.

The area has short cool summers and long cold winters with an annual average temperate of 3.1°C. The highest daily average temperatures of 15.3°C occur in July and the lowest daily average temperatures of -11.3°C occur in January.

The region receives an average of 295 mm rainfall and 192 cm of snowfall annually, with 138 days per year where precipitation exceeds 0.2 mm. The Property is snow covered from early November to late May. As such, the ideal operating period on the Property is late May to early November.

2.3 Local Resources

Labour and services are readily available from Prince George, Fort St. James and Vanderhoof. Trucking, expediting, industrial supply, heavy machinery and operators are available in Fort St. James, as are personnel for line-cutting, core-cutting and other exploration services.

2.4 Infrastructure

There are no permanent structures or facilities located on the Property, and the sufficiency of surface rights for mining operations is not known at this time, due to the early stage nature of the project.

Infrastructure on the Property consists of logging roads accessing the Property from the south. Electric power can be accessed from the BC Hydro Kennedy Substation south of Mackenzie, where hydro electric power lines have been extended to the Mt. Milligan Mine site, approximately 55 km east of the Property.

2.5 Physiography

The Property lies near the northern boundary of the Southern Plateau and Mountain Region of the Canadian Cordilleran Interior System. More specifically, the Property is within the Nechako Plateau near the southern limits of the Swannell Range of the Omineca Mountains.

The Nechako Plateau was covered by the Cordilleran ice cap, which moved eastward from the Coast Ranges towards the Rocky Mountains near McLeod Lake, over-riding the mountains, coating the landscape with a blanket or veneer of glacial drift, and altering the pre-glacial drainage patterns.

Drainage from this area is to the northeast via the Nation River into Williston Lake, which forms part of the Peace-Mackenzie River basin.

The Property occupies a broad, till-blanketed low lying area which ranges in elevation from 1000 m to 1250 m. The local topography is gently sloping, with sparse bedrock exposure.

The area is characterized by swamps and forests consisting of spruce and lodgepole pine, broad-leaf deciduous trees and shrubs, such as alder, birch and aspen, cottonwood, and underlying lichen and mosses.

3. HISTORY

In the 1930's and 1940's the discovery of mercury at Pinchi Lake spurred exploration concentrated on prospecting for mercury along the Pinchi fault and for placer gold in Kwanika Creek. Exploration for copper porphyry deposits in the area began in the 1950's with the discovery of the Lorraine deposit. Exploration continued through the 1970's and 1980's when favorable gold and copper prices renewed interest in alkaline porphyry deposits, resulting in the discovery of the Mt. Milligan deposit 55 km east of the Pinnacle Project.

In the area of the Property the topography is low and flat and outcrop is sparse. As a consequence historical exploration programs prior to 2014 have focused on areas of topographic relief in the vicinity of the Aplite Creek Showing (Minfile # 093N 085).

Diamond drilling by Noranda Exploration Company, Limited ("**Noranda**") at the Sooner Showing (Minfile 093N 169) in 1972-73 consisted of 266 metres in 4 holes (BC Geological Survey, 2013b) and drilling by BP Resources Canada Limited ("**BP**") at the Aplite Creek Showing (Minfile # 093N 085) in 1990 (BC Geological Survey, 2013a) encountered 6.4 g/t Au over 6 m from mixed volcanic/intrusive "hybrid" rock (Paterson and Barrie, 1991, AR#20943).

Table 6.1: Summary of Historical Exploration

Year	Operator	Description	Relevant Results
1970	Luc Syndicate	No drilling	Aplite Creek
1971	Denison Mines Ltd.	1,781 soils	Copper anomaly at Later target.
1972	Calico Silver Mines	Geochemistry	"Potential for significant deposit"
1972-1973	Noranda Exploration Co.	Geochemistry & Drilling	Copper-molybdenum
1972-1974	Pechiney Development Ltd.	Geochemistry & Drilling	Assays removed from report
1983-1984	BP Exploration Canada	Geochemistry & Mapping	1500 ppb Au & 11,450 ppm Cu (rock)
1989-1990	BP Exploration Canada	Geophysics & Drilling	6.4 g/t Au over 6m
2001	Peregrine Syndicate	Ground magnetics	No significant results.
2007	Solomon Resources Ltd.	Airborne DIGHEM	Resistivity anomalies along contact
2012	PEMC	Soil sampling	Weakly anomalous gold geochemistry
2014	PEMC / OZE Exploration	Induced Polarization	Chargeability anomalies along contact
2015	PEMC / OZE Exploration	Diamond Drilling	94m @ 0.34 g/t Au (DD15ELB001)
2016	PEMC / ML Gold	Diamond Drilling	41.3m @ 0.42 g/t Au (DD16ELB007)
2017	PEMC / ML Gold	Diamond Drilling	3m @ 0.21 g/t Au & 772 ppm Cu (DD16ELB007)
2019	PEMC	RC Drilling	77.5m @ 0.18 g/t Au (DD16ELB007)

3.1 Luc Syndicate - 1970 (Luc Claims)

The first claims to be recorded in the area were the Luc Claims 1-4, and in 1970 a work program consisting of a magnetometer survey and soil geochemistry was completed by the Luc Syndicate (Bacon, 1970, AR#2450). A 20-foot wide pyrite rich zone was observed cutting a rhyolite unit with malachite, chalcopyrite, calcite and hematite. Chalcopyrite was observed primarily occurring as blebs in andesites. Results from the soil geochemistry survey concluded that there was a background copper distribution of 40 ppm with an erratic distribution of higher values. The geology of the work area was described as primarily underlain by andesites with minor rhyolites. A near vertical, barren, feldspar porphyry dike was also observed. The location of this work program is approximately 1100 m north of the Later 6 claim on the Aplite Creek North Claim in the vicinity of the Aplite Creek Showing.

3.2 Calico Silver Mines Ltd. - 1972 (Cul 1-30 Claims)

In 1971 Calico Silver Mines Ltd. ("**Calico**") staked the Cul 1-30 mineral claims. An exploration program consisting of line-cutting, mapping, rock chip sampling and soil sampling was completed.

The following is taken verbatim from the report conclusions (Gutrath, 1972, AR#3865):

> "The geological mapping has located a copper mineralized zone on the Cul #17 and Cul #18 claim that by itself is of little economic importance. However, the mapping located relatively widespread pyrite mineralization associated with minor chalcopyrite indicating the possibility of a much more significant deposit in the general area."

3.3 Denison Mines Ltd. - 1971 (Gun, Mar, Bid & Pit Claims)

On March 3, 1971 the Gun 1-20, Bid 1-46, Mar 1-48 and Pit 1-18 Claims were recorded. The claims covered the area associated with MINFILE 93N 122 (GUN). The GUN Showing is described as being underlain by slightly silicified and locally chlorite altered Early Jurassic granodiorite and syenite of the Late Triassic to Early Cretaceous Hogem Intrusive Complex (Pisani and Sanders, 1971, AR#3460). Malachite staining occurs at one location.

The claims were optioned to Denison Mines Limited and a work program consisting of soil sampling, a magnetometer survey and an IP survey was conducted from July to October of 1971. Assessment Report 3460 describes the results of the soil geochemistry survey and the magnetometer survey while a separate report, unknown to the author, describes the results of the IP survey. This work covered a portion of the Later 1 claim.

The geology was described as intrusive Hogem Batholith rocks consisting of a medium grained, locally porphyritic, grey to pink granodiorite, grading into syenite, indicated by a gradual increase in pink orthoclase, and a decrease in quartz and plagioclase. Numerous veins of coarse pink orthoclase, with some quartz, averaging 1" thick and oriented at random cut across the intrusive body. Rock exposure is described as sparse, representing less than 1% of the Property. Malachite staining was reported to be associated with pink orthoclase.

The soil sampling program collected and analyzed 1,781 soil samples for Cu. Both A and B horizon material was collected and analyzed. Several anomalies were outlined, having a limited surface extent and erratic values with no defined orientation. A very close correlation between areas of poor drainage and anomalous values was observed. The results also showed that for samples collected from the B horizon material the background and threshold levels were 15 and 40 ppm, respectively whereas samples collected from A horizon material had background and threshold values of 45 and 120 ppm respectively.

The magnetic survey was completed over the same area as the soil geochemistry grid and outlined a narrow, steeply dipping magnetic high trending N60W.

3.4 Noranda Exploration Company Ltd. - 1972 to 1973 (The Sooner Claims)

Following a reconnaissance geochemical program in August of 1971, Noranda staked 52 contiguous mineral claims in October (Sooner 1-36 & Sooner 1-16 Fr.) called the Ahdatay Property.

The Property was believed to cover the contact between intrusive rocks of the Hogem Batholith and Takla Group volcanic rocks, but a blanket of glacial till masks almost all bedrock in the area. The Property was described as being underlain by glacial rubble and detritus of chiefly an intrusive nature with intrusive float being dominated by granodiorite, granodiorite porphyries, syenites and diorites. Volcanic float was described as andesite and andesite porphyry (Dirom and Howell, 1972, AR#3962).

Several small copper anomalies with associated molybdeunum anomalies were identified and a ground IP survey was conducted over the area (Smith and Fountain, 1972, AR#4431). Although no further work was filed for assessment purposes, it is believed that Noranda followed up with diamond drilling because historic drill core has been observed at this location by several authors.

The 4 holes were reportedly drilled on Sooner 16 and 27, and Sooner 14 Fr. claims. Assessment Report 13342 describes abandoned core from an early 1970's drill program at a location near 379,215 E / 6,131,996 N.

3.5 Pechiney Development Ltd. - 1972 to 1974 (Ian Claims)

From 1972 to 1974 Pechiney Developments Ltd. ("**Pechiney**") completed soil sampling, magnetometer (Berthault, 1973, AR#4430), IP, resistivity surveys (Guelpa et al., 1973, AR#4653) and 4 diamond drill holes (Hainsworth, 1974; Guelpa, 1974, AR#5148 & #5212) on the Ian Group of Claims . The historic Ian claims were located approximately 800 m north of the Later 11 mineral claim in the vicinity of what is now the L7 claim. Three of the holes were abandoned prematurely but one hole was completed to a depth of 500 feet. Copper mineralization was observed in the core and the geology was logged primarily as andesites and porphyritic andesites. Assay values for this drilling appear to have been removed from the drill logs prior to submission for assessment credit.

3.6 BP Exploration Canada Ltd., Selco Division - 1983 to 1984 (Phil 2 Claims)

In the summer of 1983, a reconnaissance rock sample returned anomalous gold and copper values from altered Takla volcanics (Farmer and Rebegliati, 1984, AR#12149). BP Exploration Canada ("**BP**") staked a 20-unit claim (Phil 2) and conducted soil sampling. Following positive results an additional 72 units (5 claims) were staked (Phil 3-7).

The soil geochemistry program consisting of 1100 samples analyzed for gold, copper, zinc, silver and arsenic (Farmer and Rebegliati, 1984, AR#12149). Two anomalous zones were identified; the Aplite Creek Zone and the Hilltop Zone where anomalous copper and gold was associated with strongly sheared and altered rocks.

In 1984, a follow-up program consisting of geological mapping, prospecting and rock chip sampling was carried out to identify potential economically mineralized zones (Meyers, 1984, AR#13342). Rock sample values up to 1500 ppb gold and 11,450 ppm copper occur in potassic-quartz-carbonate-pyrite altered volcanics at the Aplite Creek Zone. On the Phil 3 claim, currently Later 11, a coincident copper soil anomaly and IP anomaly was identified. This anomalous zone corresponds to the zone of primary interest outlined in Assessment Report 3962 from Noranda's 1972 work program on the Sooner claims.

3.7 BP Exploration Canada - 1989 to 1991 (Phil A Claims)

In 1989, an airborne magnetometer and VLF-EM survey was completed over the entire Phil 2-7 claim area in an attempt to delineate possible intrusive centers and/or major structures, (Wong, 1990, AR#19615).

Conclusions from the airborne survey describe an extremely broken magnetic pattern with no apparent trend and a vertical magnetic gradient signature suggesting an intensely complex lithologic structure. VLF-EM data revealed a general north-south striking trend.

In June of 1990, BP completed a ground IP survey over the Phil 2, 4 & 5 claims. The report notes that three zones of anomalous IP response were observed, one of the zones warranted immediate drilling (Wong, 1991, AR#20876).

In September of 1990, BP Resources completed 1067.8 m of drilling in six holes. Highlights include 6.4 g/t gold over 6 meters, (Paterson and Barrie, 1991, AR#20943). In addition, forty-one rock chip samples were collected and analyzed for copper and gold; one rock chip sample contained 9,450 ppb gold and 6,600 ppm copper. The geology from drill core was described as primarily andesitic to latitic Takla Group volcanic rocks cut by dikes and "hybrid" rock.

In 1991, BP completed a follow-up IP survey to expand upon the IP survey completed during 1990. The results from this survey were not published for assessment purposes and no further work is believed to have been completed by BP.

3.8 Peregrine Syndicate - 2001 (Aplite Claims)

In 2001, Peregrine Syndicate staked the Aplite claims in the area of previous drilling by BP. A program consisting of ground magnetics was conducted. No work of significance was completed.

3.9 Solomon Resources Ltd. - 2007 (Col-Magnet Property)

In 2006, Solomon Resources Ltd. ("**Solomon**") optioned the Col Property from Indata Resources Ltd. and Nation River Resources Ltd. Solomon subsequently added to the Property by staking the Magnet West and Magnet East claims. The Col-Magnet Property consisted of 48 mineral claims totaling 19,926 hectares.

In the spring of 2007, Solomon contracted Fugro Airborne Systems Inc. ("**Fugro**") to conduct an airborne DIGHEM survey over the Col-Magnet Property. The survey consisted of 1458 line-km and was filed for assessment in June 2008 (Lane, 2007b, AR#29339).

3.10 PEMC - 2012 (Later Claims)

In late summer of 2012, PEMC conducted a limited soil geochemical survey consisting of two reconnaissance lines over an airborne magnetic anomaly of interest at the time (Ritchie, 2013, AR#34320). No significantly anomalous soils were sampled during this program.

3.11 PEMC / OZE Exploration - 2014 (Later Claims)

Between September and late December of 2014, 3 IP grids were completed over coincident magnetic high and resistivity high anomalies referred to as the Later, Sooner and Elbow target areas. The program was funded by Oz Minerals Exploration Pty. Large IP chargeability high anomalies were outlined at the Elbow and Sooner targets, while the Later IP survey did not result in any well defined IP chargeability anomalies (Ritchie, 2015b, AR#35406).

3.12 PEMC / OZE Exploration - 2015 (Later Claims)

Between May and July of 2015, 6 diamond drill holes were completed on the Later Claims, with drilling operated by PEMC and funded by Oz Minerals Exploration Pty (Ritchie, 2015a, AR#35824). 3 drill holes were completed at the Sooner target and three holes were completed at the Elbow target. Anomalous intervals of copper were intersected at both target areas, although no significant copper intercepts were achieved. The most significant result was a gold intercept of 94 m grading 0.34 g/t gold from drilling at the Elbow target.

3.13 PEMC / ML Gold - 2016 (Later Claims)

In the summer of 2016, ML Gold completed three diamond drill holes at the Elbow zone. The Property was under option from PEMC at this time. Again, notable gold intercepts were achieved at the Elbow zone with only locally anomalous copper mineralization. Highlights include 41.3 m at 0.42 g/t gold in hole DD16ELB007.

3.14 PEMC / ML Gold - 2017 (Aplite Creek claims)

In the summer of 2017, ML Gold completed 5 diamond drill holes immediately to the west of the historical Aplite Creek drilling by BP Selco in 1990. The focus of the 2017 drilling program was an annular IP charge- ability anomaly measuring roughly 1.5 km diameter that was outlined in historical IP surveys completed by BP Selco between 1988 and 1990. The annular anomaly was further defined to depth by a 12 km deep- penetrating IP survey completed by ML Gold in March of 2017. No significant copper or gold intercepts were achieved over the course of the 2017 drilling program, although propylitic alteration, characterized by a chlorite-epidote-pyrite ± carbonate ± albite assemblage was apparent in all holes drilled, with localized potassic alteration comprised of a biotite-pyrite ± chalcopyrite assemblage.

3.15 PEMC - 2019 (Later Claims)

Between October and December of 2019, PEMC completed a small RC drilling program. Drilling was preceeded by passive seismic and soil geochemical surveys over the Elbow and Later target areas in September of 2019. Four short RC holes totaling 337 m were completed over the course of the snowmobile-assisted winter drill program.

Two short RC holes were drilled at the Elbow target area, roughly 1 km to the north and northwest of diamond drill hole DD15ELB001, which intersected propylitic and local phyllic alteration and achieved an intercept of 94 m grading 0.34 g/t Au. The two holes intersected weak to moderate propylitic alteration with 2-4% pyrite as disseminations and as medium grained fill within sporadic quartz ± carbonate veins. One RC drill hole from the Elbow target area was sent for laboratory analysis, with the most notable intercept being 77.7 m grading 0.18 g/t gold from 29 metres to 106.7 metres.

Two short RC holes were drilled at the Later target area, which were targeting anomalous copper-in-soil coincident with a favourable magnetic “bull’s eye” signature and a weak IP chargeability response. No significant values were obtained from the two short RC holes drilled at the Later target area.

4. GEOLOGICAL SETTING & MINERALIZATION

4.1 Regional Geology

The Property lies within the Quesnel Terrane, part of the Intermontane Belt, a composite of low metamorphic grade magmatic arc segments of mixed oceanic and continental affinities, and oceanic plates, which amalgamated to the North American continental margin in the Early Jurassic Period (Figure 7.1).

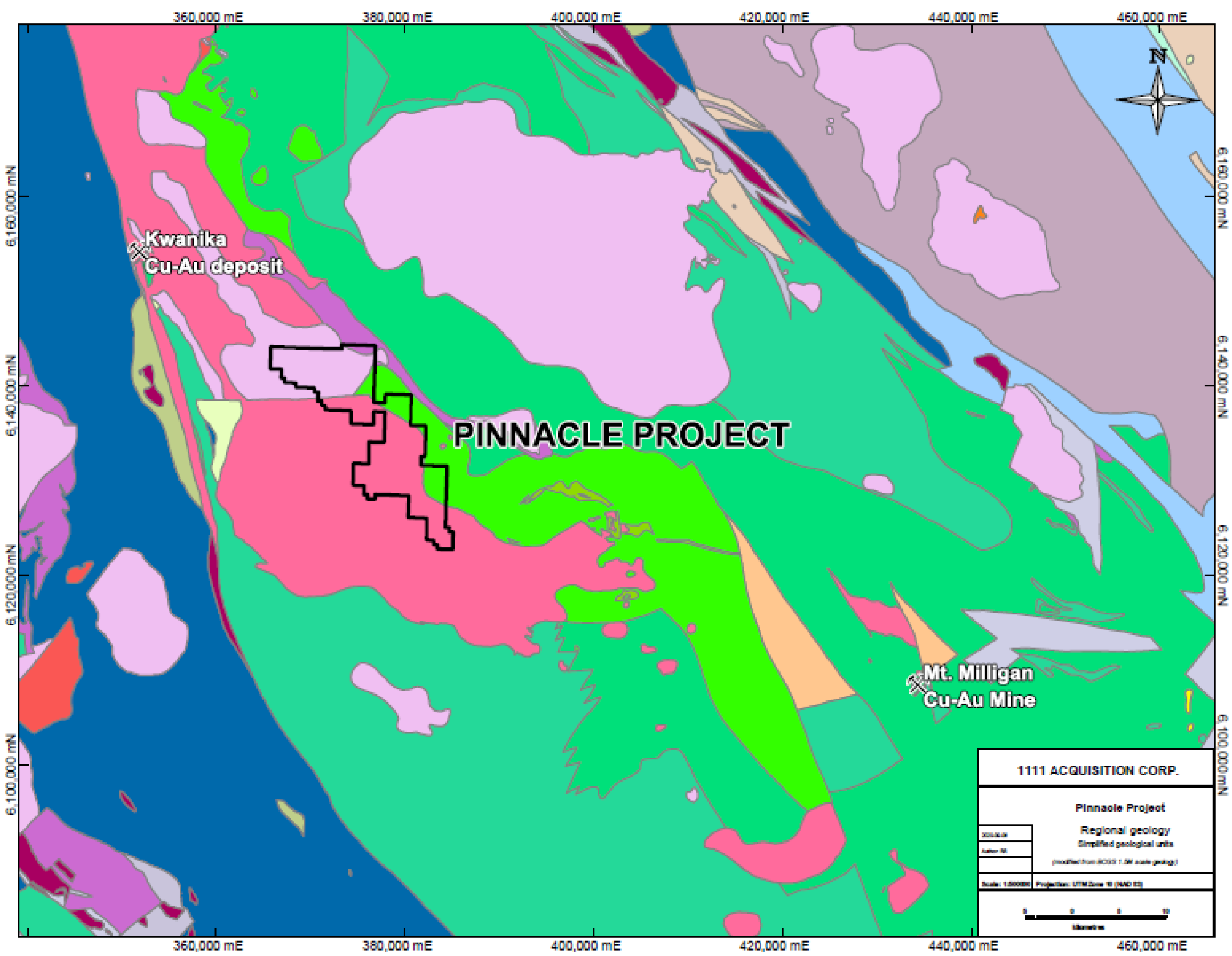


Figure 7.1: Regional Geology - simplified units. *Modified from BCGS 1:1.5M scale digital geology.*

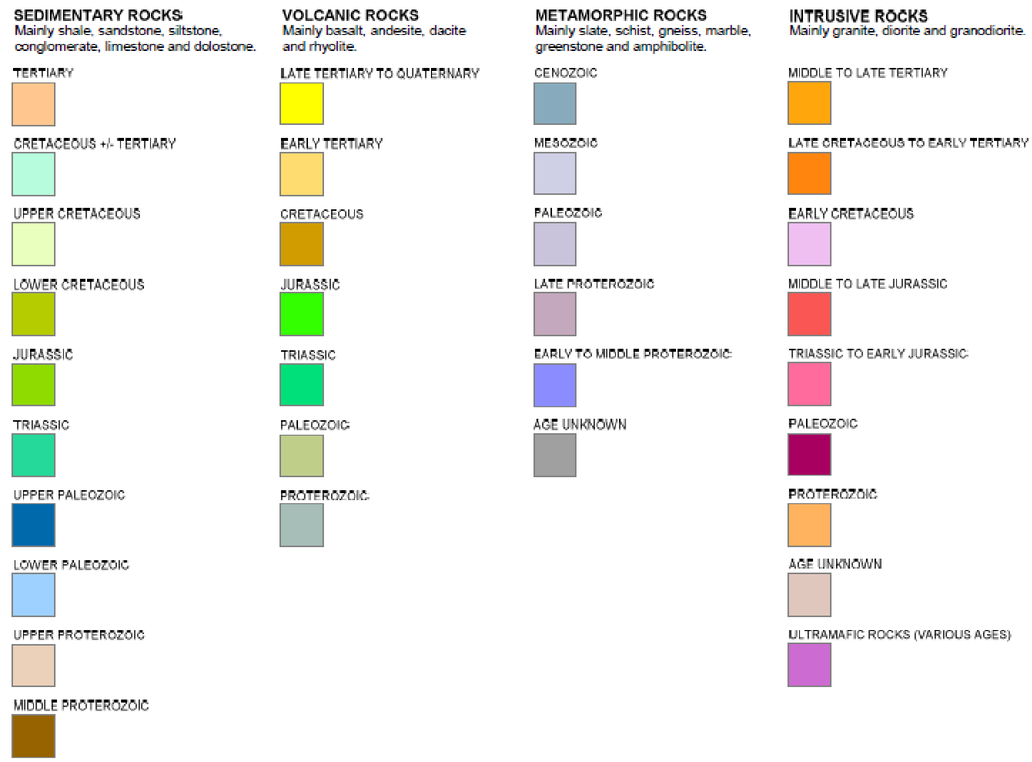


Figure 7.2: Geological Legend for Regional Geology - simplified units. *Modified from BCGS 1:1.5M scale digital geology.*

The Quesnel Terrane formed along or near the western North American continental margin and accreted to the margin in the late Early Jurassic (186-181 Ma). Quesnellia is found along most of the length of the Canadian Cordillera and in the Nation Lakes area is characterized by Late Triassic to Early Jurassic volcanic and sedimentary rocks of island arc affinity (Nelson and Colpron, 2007).

The Quesnel Terrane is contacted to the east with Proterozoic and Paleozoic carbonate and siliciclastic rocks of the Cassiar Terrane, representing part of the ancestral North American miogeocline. In places, the Quesnel and Cassiar terranes are separated by an intervening assemblage of late Paleozoic oceanic rocks of the Slide Mountain Terrane. The boundary between the Quesnel and Cassiar terranes is a complex structural zone that includes late Early Jurassic east-directed thrust faults that juxtapose the Quesnel Terrane above the Cassiar Terrane.

Towards the west the Quesnel Terrane is in fault contact with the late Paleozoic through mid-Mesozoic oceanic rocks of the Cache Creek Terrane, interpreted to be part of the accretion-subduction complex that was responsible for generating the Quesnel Magmatic arc. Younger rocks commonly found in the region include Cretaceous granitic stocks and batholiths, Eocene volcanic and sedimentary rocks, and flat lying basalts of both Neogene and Quaternary age.

Intrusive units of a wide variety of sizes, ages, compositions and textures occur in the region. The largest bodies are the Hogem and Germansen batholiths. The Hogem Intrusive Suite is composed of many discrete plutons including mafic to syenitic Late Triassic to Early Jurassic intrusions, as well as mid-Cretaceous granites. A myriad of small intrusions and some larger ones are equivalent to the Early Jurassic volcanic units and to the late stages of Takla Group volcanism. Significant porphyry copper-gold deposits in the area are associated with “crowded porphyries”. In a typical crowded porphyritic monzonite, small blocky plagioclase phenocrysts (1-2 mm), with lesser hornblende, biotite and/or augite touch each other in a fine grained matrix of plagioclase, potassium feldspar, mafic and oxide minerals.

Volcanic units in the area have been assigned to the Upper Triassic Takla Group and consist of a number of distinguishable subunits, each of regional extent. In the Nation Lakes area the Takla Group has been subdivided into a number of units: the Slate Lake succession, the Plughat Mountain succession, the Inzana Lake succession and the Willy George succession. Superficially Takla stratigraphy seems to represent an upwards transition from basinal sediments through increasing epiclastic and then pyroclastic components, into thick volcanic piles.

Bulletin 99 (Nelson and Bellefontaine, 1996) describes three new Lower Jurassic units, the Chuchi Lake, Twin Creek and Discovery Creek successions that were defined during the course of regional mapping in the Nation Lakes area from 1990 through 1992. These units had previously been assigned to the Triassic Takla Group but have been separated for the following reasons:

- The Chuchi Lake and Twin Creek successions are volcanic, but differ clearly from the Witch Lake and Plughat Mountain successions in their lithologic heterogeneity and the dominance of more felsic compositions.
- They overlie the Upper Triassic volcanic rocks. The base of the Twin Creek succession is a well-exposed, easily recognized unconformity.
- Fossils from the Chuchi Lake succession are early to late Pliensbachian in age (≈190-183 Ma ± 1.5 Ma), considerably younger than the youngest known Takla Group in the area.
- The upper unit in the Twin Creek succession is 199.7 Ma.
- The Discovery Creek clastic sedimentary beds contain upper Toarcian (≈178-183 Ma) ammonites.
- In the McConnell Creek area, Upper Triassic rocks are included in the Takla Group, but Lower Jurassic aged rocks are included in the Hazelton Group.

The Quesnel arc had two phases of development, Late Triassic and Early Jurassic. The first, Late Triassic early arc development phase is dominated by augite phyric basalt and alkali basalt (shoshonitic) volcanism. Basal sediments of the Slate Creek succession (235-204 Ma) grade upwards into increasingly volcanic and volcaniclastic rocks of the Inzana, Willy George, Plughat Mountain and Witch Lake successions (230-204 Ma), collectively referred to as the Takla Group. A depositional hiatus marks a break in volcanic activity prior to the onset of renewed volcanic activity in the Early Jurassic.

The second phase of arc development began in the early Jurassic and is characteristic of a more mature arc, developed on thicker crust. These early Jurassic volcanic suites were compositionally more heterogeneous and dominated by plagioclase and plagioclase-augite phyric, sub-alkaline to shoshonitic lithologies. The Triassic arc successions are overlain paraconformably by the early Jurassic suites of the Chuchi Lake and Twin Creek successions.

The Hogem batholith differs from other Upper Triassic batholiths in the Quesnel terrane in two significant ways.

1. It is unusually long lived (Late Triassic to Cretaceous) rather than confined to a shorter interval near the Triassic-Jurassic boundary such as the Guichon and Iron Mask Batholiths.
2. The Guichon and Iron Mask Batholiths are calc-alkaline and alkaline respectively, whereas the Hogem Batholith is composed of four phases which alternate from alkaline to calc-alkaline, with each phase becoming progressively more felsic.

The economic importance of the Quesnel arc is demonstrated by its rich endowment of porphyry copper-gold mineral deposits. The Pinnacle Project is located in an area with abundant alkalic porphyry showings and prospects, along with significant copper-gold deposits.

4.1.1 Regional Mineral Occurrences

The Mount Milligan Copper-Gold Mine is operated by Centerra Gold Inc. and is located approximately 55 kilometers to the east of the Pinnacle Project. Production of copper-gold concentrate commenced in

September 2013, followed by the first truckload of concentrate to Mackenzie on September 24, 2013. Accumulated copper-gold concentrate is shipped via rail to the port of Vancouver. The Mt. Milligan Mine is a conventional truck-shovel open pit mine designed to process 60,000 tonnes per day of copper-gold bearing ore. The recently revised planned mine life is 9 years with a Proven and Probable Reserve of 191.0 million tonnes @ 0.23% copper and 0.39 g/t gold (Fitzgerald et al., 2020).

The Mt. Milligan deposits are centered on two principal intrusive bodies, the MBX and Southern Star stocks. Within the stocks, monzonite varies texturally and compositionally.

Late synmineral plagioclase hornblende porphyritic monzonite dykes are common throughout the Southern Star stock. Hydrothermal breccia occurs extensively throughout the Southern Star stock, and less com- monly in adjacent volcanic rocks and along the margins of the MBX stock. It is characterized by potassium feldspar veinlets and flooding that vary in amount and size.

Important east-northeasterly trending cross-faults and northwesterly trending, steeply easterly dipping faults separate the MBX stock from the Southern Star stock.

In the Mt. Milligan area the Quesnel Terrane is characterized by widespread Late Triassic to Early Jurassic arc rocks comprising (Herbert et al., 2007):

- Volcanic rocks: mainly volcaniclastics, with subordinate coherent volcanics of basaltic to dacitic com- positions. Augite-porphyry is particularly characteristic of Quesnellia, and forms an eastern facies of alkaline to sub-alkaline augite-phyric basaltic andesite;
- Coeval and partly comagmatic plutons ranging from calcalkaline (in the west) to alkaline (in the east); and
- Sedimentary rocks including shale, limestone, and epiclastic deposits.

The Witch Lake Succession hosts the Mt. Milligan deposit, and is characterized by augite-phyric volcaniclastic and coherent basaltic andesites, with subordinate epiclastic beds. The Witch Lake formation is intruded by coeval Takla Group and post-Takla Group intrusions. Coeval intrusions comprise most of the Mt. Milligan intrusive complex, which consists dominantly of monzonitic rocks with minor dioritic/monzodioritic and gabbroic/monzogabbroic rocks.

Table 7.1: Mt. Milligan Reserve & Resource Information

Reserves (Effective Date December 31, 2019)					
Category	**Tons (000)**	**Cu (%)**	**Au (g/t)**	**Contained Cu lb (Million)**	**Contained Au oz (000)**
Proven	114,753	0.23	0.41	571	1,525
Probable	76,275	0.23	0.36	389	882
Total	191,028	0.23	0.39	2,407	2,407
Resources[1] (Effective Date December 31, 2019)					
Category	**Tons (000)**	**Cu (%)**	**Au (g/t)**	**Contained Cu lb (Million)**	**Contained Au oz (000)**
Measured (M)	50,582	0.16	0.44	182	713
Indicated (I)	74,788	0.20	0.29	336	695
Total M+I	125,370	0.19	0.35	517	1,408
Inferred	3,736	0.12	0.46	10	55

1 Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
Source: From 43-101 Technical Report dated March 26, 2020 (Fitzgerald et al., 2020).
Note: Resources calculated using 0.2% CuEq cut-off

The Kwanika Copper-Gold Deposit is located approximately 35 kilometers to the northwest of the Pinnacle Property and is owned and operated by Serengeti Resources Inc. ("**Serengeti**"). Discovered in 2006, the Kwanika deposit consists of two closely-separated deposits (Kwanika Central Zone & Kwanika South Zone) containing Indicated Resources of 0.94 billion pounds of copper and 1.42 million ounces of gold at a Cut-off of 0.2% CuEq at the Kwanika Central Zone (Serengeti Resources Inc., 2016).

Copper-gold mineralization in the "Central Zone" consists of disseminated chalcopyrite, bornite and pyrite in and around a potassically altered monzonite stock intruding andesitic rocks of the Takla Volcanic Group. Where strongly mineralized, the unit commonly displays quartz stockwork and hydrothermal breccia- tion. Copper-gold-molybdenum-silver mineralization in the "South Zone" consists primarily of chalcopyrite and molybdenite with trace amounts of chalcocite, bornite and enargite and is associated with potassicaly altered alkalic to intermediate composition intrusive rocks (Serengeti Resources Inc., 2016).

In April of 2016, Serengeti announced that it had signed a deal with Daewoo Minerals Canada Corp. ("**DMC**"), a 100% owned Canadian subsidiary of Posco Deawoo Corp, whereby Posco Deawoo has the right to earn up to a 35% interest in Serengeti's Kwanika copper-gold project by providing funding of $ 8.2 million.

The BP Chuchi Deposit or Chuchi Lake Deposit is located roughly 18 km to the east of the Pinnacle Property, and is currently owned by AuRico Metals Inc. A copper-gold alkalic porphyry deposit is centered about a cluster of plagioclase porphyry stocks, dikes and sills which intrude a sedimentary unit of the Lower Jurassic Chuchi Lake succession. This sedimentary unit consists of well-bedded sandstones, siltstones and tuffs that grade downwards into massive coarse lapilli tuffs and agglomerates. Copper-gold mineralization is accompanied by pervasive potassic and propylitic alteration and abundant secondary magnetite. The best grades fall within a northeast-trending zone that crosses the monzonite stock. A rough estimate (non 43-101 compliant) of the geological resource is 50 million tonnes with grades between 0.21 and 0.40% copper and 0.21 and 0.44 g/t gold (Nelson and Bellefontaine, 1996).

4.2 Local and Property Geology

The Pinnacle Project straddles the contact between intrusive rocks of the Hogem Intrusive Suite and volcanic rocks of the Chuchi Lake succession. Chuchi Lake succession volcanic flows, pyroclastics and associated rock are predominate to the north and Hogem intrusive rocks dominate to the south of this contact, as shown in Figure 7.3.

The early Jurassic Chuchi Lake succession is dominated by subaerial to submarine, maroon to green, plagioclase ± augite phyric latite, trachyte and andesite flows and pyroclastics. Regional mapping has the Chuchi Lake succession dipping gently to the south at roughly 20 degrees.

Intrusive rocks of the early Jurassic Hogem Intrusive Suite in the area of the Property are highly differ- entiated, and span a range from hornblendites and pyroxenites to diorites and syenites, with a predominance of monzonites to monzodiorites.

Due to the presence of widespread glacial cover and lack of outcrop diamond drilling has provided additional information and detail of the geology underlying the Later Property.

The geology in the Elbow target area to the north of the contact, consists of variably altered an- desitic heterolithic breccias, trachytic flows, latites and tuffs that are cut by feldspar porphyry and aplite dikes. Alteration was predominantly propylitic with localized zones of phyllic alteration consisting of silica-sericite±biotite. Localized potassic alteration as K-feldspar in veins and vein selvages increases at depth with coarse blebs of pyrite associated with quartz veins, which coincide spatially with aplite dikes. Intrusive rocks in the Elbow target area consist of variably altered monzonite with lesser syenite cut by basalt, feldspar porphyry, diorite and latite dikes.

At the Sooner target area drilling at DD15SON001 & 002 intersected variably altered monzonite, diorite and syenite with lesser feldspar porphyry, diorite and heterolithic andesite breccia that were cut by late mafic and aplitic dikes. Moderate to strong calc-silicate alteration with coarse grained magnetite alteration persists through roughly the first 200 m of DD15SON001 and is locally associated with thin bands of semi-massive pyrite and trace chalcopyrite. Alteration is variable and predominantly propylitic with lesser K-feldspar alteration. Drilling at hole DD15SON003 intersected fine grained andesitic volcanics at the top of the hole to a depth of 350 m. Below this intrusive lithologies characterized by variably altered syenite and monzonite were encountered. Once into the intrusives, coarse grained calc-silicate alteration persisted.

Geologic units encountered in historical drilling at the Aplite Creek area consists primarily of andesitic volcanics locally intruded by syenitic to dioritic dikes. Syenite and monzonite porphyry dikes have been encountered in this area, and are locally associated with alteration and copper-gold mineralization.

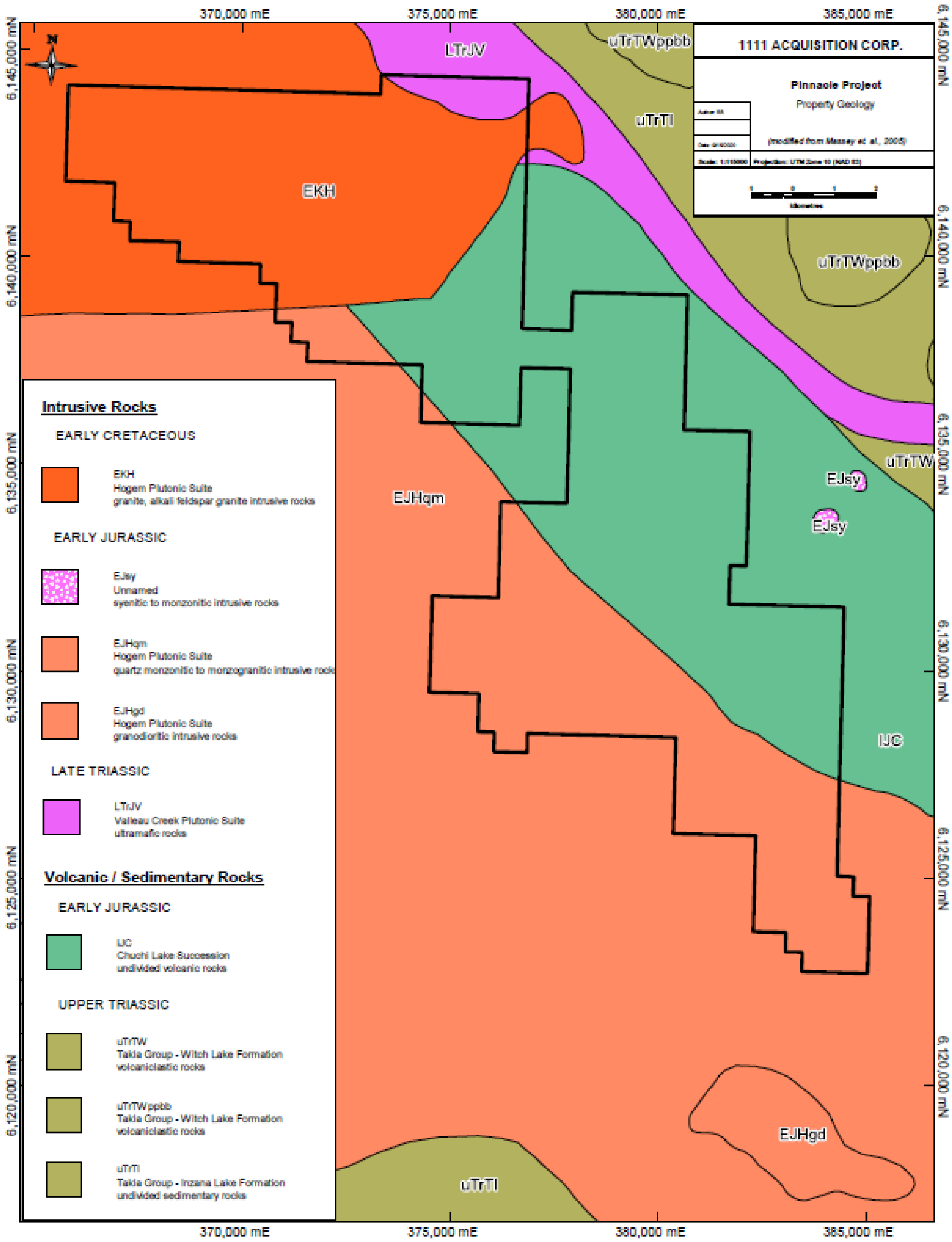


Figure 7.3: Local Geology. *Modified from BCGS digital geology by Massey et. al. (2005).*

4.2.1 Property Mineralization & Alteration

Mineralization was first recognized on the Property in the 1970’s in the area of Aplite Creek where chalcopy- rite and secondary malachite occur in a calcite-quartz breccia zone that can be traced for approximately 30 m and is approximately 7 m in width. During 1990 BP Resources Canada Ltd. completed an exploration program in the area of Aplite Creek that consisted of 1067.8 m of diamond drilling in 6 holes. Highlights from this program include:

- DDH # AH90-3, 40-50 m (10 m) @ 0.4 g/t Au. 0.07% Cu;
- DDH # AH90-4, 60-64 m (4 m) @ 1.7 g/t Au, 0.004% Cu;
- incl. 76-82 m (6 m) @ 0.4 g/t Au, 0.08% Cu;
- incl. 106-112 m (6 m) @ 6.4 g/t Au, 0.098% Cu.

Alteration from the 1990 drilling was described as primarily propylitic but with moderate potassic alter- ation both in the intrusion and immediately adjacent (Paterson and Barrie, 1991).

Diamond drilling to the south and west of the Aplite Creek Target area in 2015 and 2016 encountered widespread pyrite mineralization and propylitic ± phyllic ± weak potassic alteration in addition to gold mineralization with intermittent copper values. At the Elbow Target Area, to the south of Aplite Creek, 2015 diamond drilling encountered 94 m @ 0.34 g/t Au with sporadic anomalous copper values that was associated with quartz-carbonate veining quartz-sericite-pyrite alteration overprinting early biotite alteration. 2016 drilling at the Elbow Zone returned 41.3 m @ 0.41 g/t Au.

Drilling to the west of the Aplite Creek Target area in 2015 encountered propylitic and calc-silicate altered intrusive rocks, locally with anomalous copper values. One hole, DD15SON003, encountered phyllic and lesser argillic alteration in volcanic and volcaniclastic units with abundant pyrite.

5. DEPOSIT TYPES

5.1 Porphyry Copper-Gold Deposits

Porphyry deposits are large, low- to medium-grade deposits in which primary ore minerals are dominantly structurally controlled and which are spatially and genetically related to felsic to intermediate porphyritic intrusions (Sinclair, 2007). Their formation is related to magma emplacement at relatively high levels in the crust, where the circulation of hydrothermal fluids facilitates scavenging, mobilizing and deposition of metals.

Porphyry copper systems are defined as large volumes of hydrothermally altered rock centered on por- phyry copper stocks that may also contain skarn, carbonate-replacement, sediment-hosted, and high- and intermediate-sulphidation epithermal base and precious metal mineralization (Sillitoe, 2010).

The metal content of this class of deposits is diverse, but within the scope of this report can be narrowed down to those grouped as Copper ± Molybdenum ± Gold (Cu ± Mo ± Au).

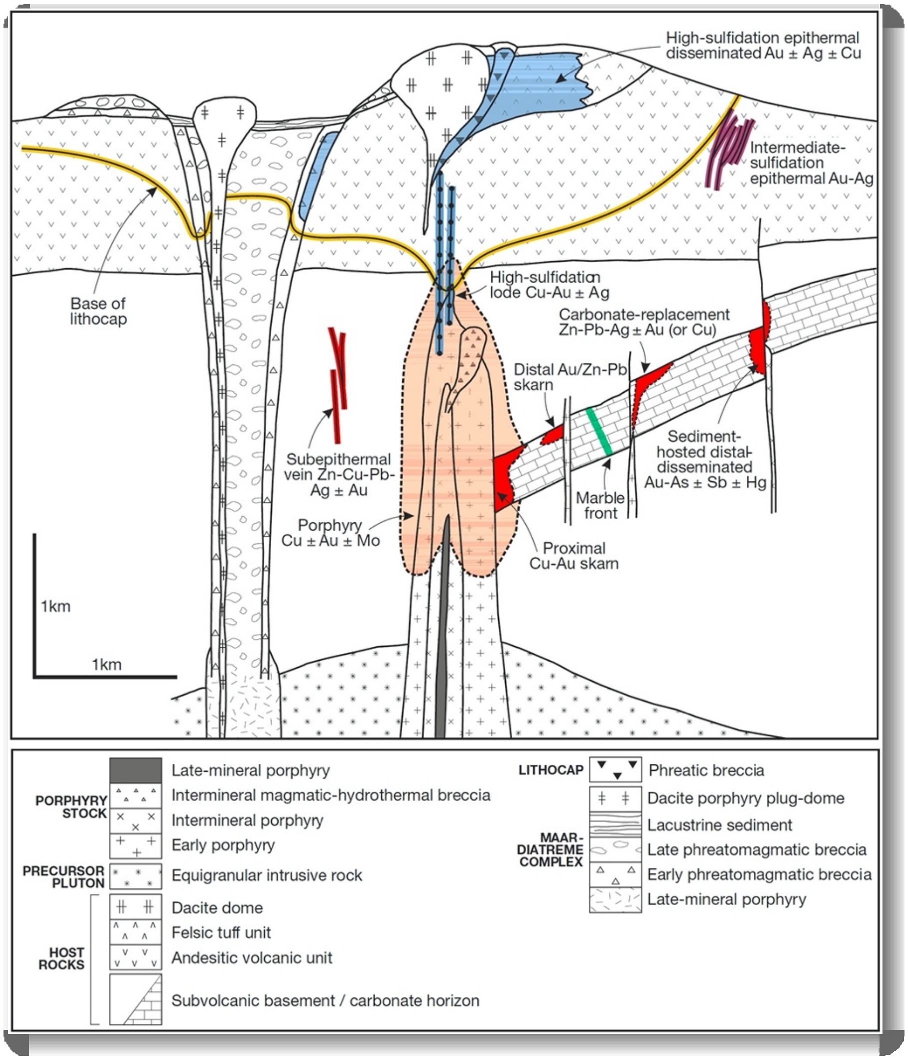


Figure 8.1: Anatomy of a telescoped porphyry Cu system (Sillitoe, 2010).

5.1.1 Importance

Porphyry copper deposits account for approximately two-thirds of global copper production and more than 95% of world molybdenum production. Porphyry deposits are also major sources of gold, silver, and tin; significant byproducts include Re, W, Pd, Pt, Te and Se.

5.1.2 Geographic Distribution

Porphyry deposits occur throughout the world in a series of extensive, relatively narrow, linear metallogenic provinces. They are predominantly associated with Mesozoic to Cenozoic orogenic belts in western North and South America, around the western margin of the Pacific Basin, and in the Tethyan orogenic belt in eastern Europe and southern Asia. However, major deposits also occur within Paleozoic orogens in Central Asia and eastern North America and, to a lesser extent, within Precambrian terranes (Sinclair, 2007).

5.1.3 Geographic Distribution within British Columbia

Late Triassic to Early Jurassic Cu-Au and Cu-Mo porphyry deposits of the Stikine and Quesnel terranes are collectively the most important group of deposits in British Columbia (Nelson and Colpron, 2007). They include such long time producers as Highland Valley, Gibraltar, Copper Mountain, Brenda, and Afton; projects such as Mt. Milligan, Red Chris, Schaft Creek, Brucejack, and Kerr-Sulphurets-Mitchell

(KSM) are also moving towards production. Host intrusions range from 210 Ma (Galore, Highland Valley) to 183 Ma (Mt. Milligan). The abundance of porphyry and other deposits marks Stikinia and Quesnelia as remarkably rich metallotects, comparable to the modern arc setting of Papua New Guinea.

5.1.4 Tectonic Setting

Porphyry Cu systems are generated mainly in magmatic arc environments subjected to broadly contractional settings, marked by crustal thickening, surface uplift and rapid exhumation (Sillitoe, 2010). Porphyry Cu deposits are typically located in volcanic or sub-volcanic environments in subduction-related, continental and island-arc settings.

Fault and fault intersections are invariably involved in determining the formational sites and geome- tries of porphyry Cu systems and their constituent parts. Some investigators emphasize the importance of intersections between continental-scale transverse fault zones and arc-parallel structures for porphyry Cu formation (Richards et al., 2001).

5.1.5 Geological Setting

Porphyry deposits occur in close association with porphyritic epizonal and mesozonal intrusions. There is a close temporal relationship between magmatic activity and hydrothermal mineralization. Commonly located in volcanic or sub-volcanic environments, host rocks typically include volcanics, intrusives (which may or may not be coeval with country rock) and volcano-sedimentary, epiclastic and pyroclastic rocks.

The composition of intrusions associated with porphyry deposits varies widely and appears to exert a fundamental control on the metal content of the deposits. Intrusive rocks associated with porphyry Cu-Au and porphyry Au deposits tend to be low-silica, relatively mafic and primitive in composition, ranging from calc-alkaline dioritic and granodioritic plutons to alkalic monzonitic rocks. Porphyry Cu and Cu-Mo deposits are associated with intermediate to felsic, calc-alkaline intrusive rocks ranging from granodiorite to granite in composition (Richards, 1990).

5.1.6 Alteration

Hydrothermal alteration is extensive and typically zoned on a deposit scale as well as around individual veins and fractures. Alteration zones on a deposit scale commonly consist of an inner potassic ± sodic core characterized by K-feldspar and/or biotite (± amphibole ± magnetite ± anhydrite), and an outer, more extensive zone of propylitic alteration that consists of quartz, chlorite, epidote, calcite and, locally, albite associated with pyrite. Zones of phyllic (quartz + sericite + pyrite) and argillic alteration (quartz + illite + pyrite ± kaolinite ± montmorillonite ± calcite) may be part of the zonal pattern between the potassic and propylitic zones, or can be irregular or tabular, younger zones superimposed on older alteration and sulphide assemblages (Moyle et al., 1990).

Alteration mineralogy is controlled in part by the composition of the host rocks, and by the composition of the mineralizing system. In mafic host rocks with significant iron and magnesium, biotite is the dominant alteration mineral in the potassic alteration zone, whereas K-feldspar dominates in more felsic rocks (Sinclair, 2007). In more oxidized environments, minerals such as pyrite, magnetite (± hematite), and anhydrite are common, whereas pyrrhotite is present in more reduced environments (Rowins, 2000).

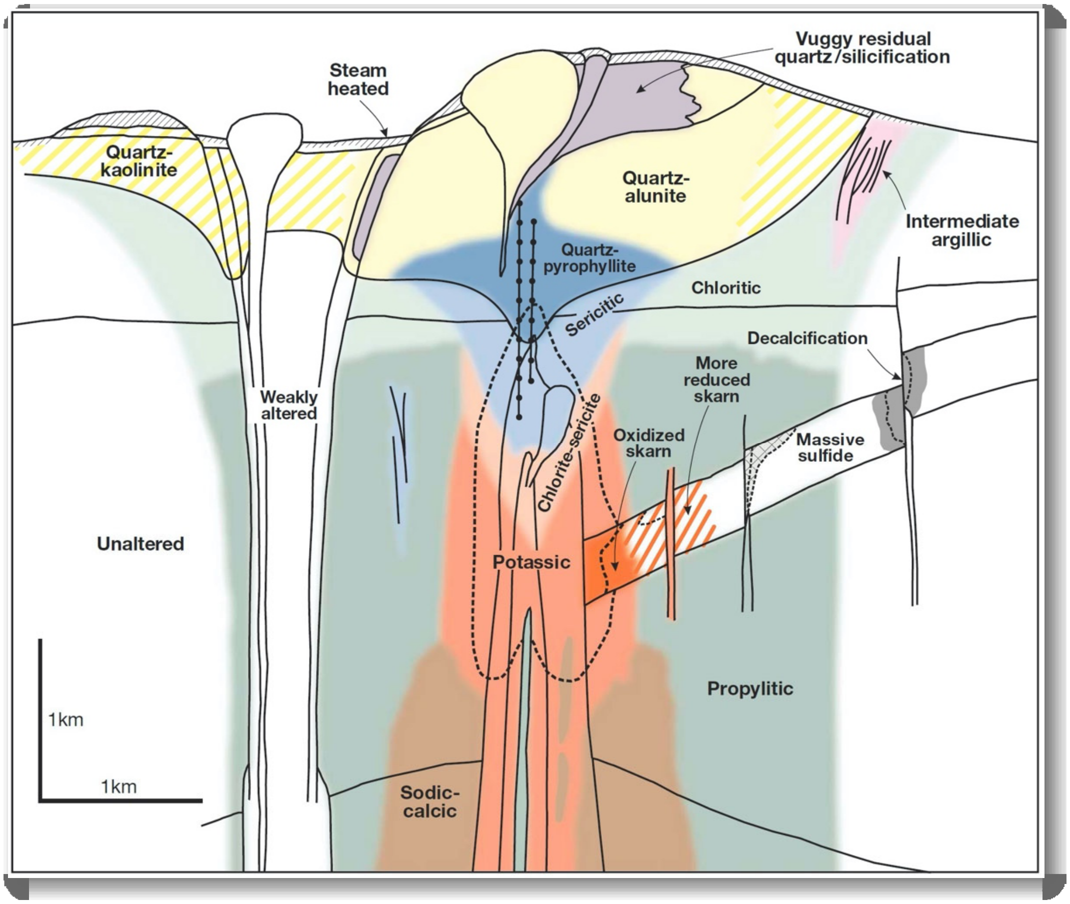


Figure 8.2: Generalized alteration-mineralization zoning pattern for telescoped porphyry Cu systems (Sil- litoe, 2010).

5.1.7 Structure and Mineralization Styles

As mentioned above, faults and fault intersections are invariably involved in determining the formation and geometry of porphyry Cu systems. At the scale of ore deposits, associated structures can result in a variety of mineralization styles, including veins, vein sets, stockworks, fractures, “crackled zones”, and breccia pipes. Orientations of mineralized structures can be related to local stress environments around the tops of plutons or can reflect regional stress conditions.

5.1.8 Mineralogy

The mineralogy of porphyry deposits is highly varied, although pyrite is typically the dominant sulphide mineral in porphyry Cu ± Mo ± Au deposits. Principal ore minerals are chalcopyrite, bornite, chalcocite, tennantite, enargite, other Cu sulphides and sulphosalts, molybdenite, and electrum; associated minerals include pyrite, magnetite, quartz, biotite, K-feldspar, anhydrite, muscovite, clay minerals, epidote and chlorite.

5.1.9 Morphology and Architecture

The overall geometry of individual porphyry deposits is highly varied and includes irregular, ovoid, pipe-like or cylindrical shapes, which may or may not be “hollow”. Ore bodies are zoned, with often barren cores and crudely concentric metal zones, and may occur separately or overprint one another, vertically and laterally. Complex, irregular ore and alteration patterns arise from overprinting episodes of zoned mineralization and alteration of different ages.

5.1.10 Genetic Model

Porphyry Cu systems typically span the upper 4 km or so of the crust, with their centrally located stocks being connected downward to parental magma chambers at depths of perhaps 5 to 15 km. The water-rich parental magma chambers are the source of the heat and hydrothermal fluids throughout the development of the system. Large, poly-phase hydrothermal systems developed within and above genetically related intrusions are formed and are often long-lived (≈5m.y.).

Convection of hydrothermal fluids throughout the country rock and intruding stocks results in a focusing of metals along conduits and within permeability networks where hydro-fracturing has taken place. Effective scavenging of metals is facilitated by “organized” hydrothermal systems in a state of convection, while efficient metal deposition is enhanced by pore-fluid over-pressurization resulting in catastrophic failure and rapid remobilization and de-pressurization of metalliferous hydrothermal fluids.

5.1.11 Porphyry Copper Subtypes

5.1.11.1 Alkalic Copper-Gold Porphyry

Alkalic Cu-Au porphyry deposits are known in only a few mineral provinces worldwide, with British Columbia being the type area for such deposits (Chamberlain et al., 2006). Relatively unique, alkalic porphyry deposits are an especially Au-rich variety of porphyry deposits that still maintain good copper grades. Alkalic Cu-Au porphyry deposits differ from Cu or Cu-Mo dominant porphyry deposits in the following ways:

Alteration

Alkalic porphyry deposits have smaller and more cryptic alteration footprints (Figure 8.3). On the deposit scale, phyllic alteration is typically restricted to fault zones that penetrate late in the hydrother- mal system. Furthermore, alkalic deposits lack advanced argillic alteration in most cases (Chamberlain et al., 2006).

Tectonic and Geological Setting

Porphyry deposits associated with alkaline intrusions typically form in an island-arc setting, possibly during periods of extension. Geological compositions vary between silica-saturated (diorite and mon-zonite) or silica-undersaturated (pyroxenite and syenite) complexes (Chamberlain et al., 2006). The volcano-plutonic suites are generally considered more primitive and less felsic than those associated with Cu ± Mo porphyry deposits.

Architecture

Alkalic systems often consist of numerous discrete bodies that can exhibit complex and variable ge-ometries, from high-level breccia-hosted bodies (Mt. Polley) to deeper level intrusive-centered sulphide accumulations (Mt. Milligan or Lorraine). Orebody geometries commonly mimic associated pipe-like intrusions(Deyell and Tosdal, 2004).

5.1.12 Telescoped Intrusion Centered Ore Deposits

Telescoping is the process of juxtaposing or overprinting early, deep mineralization, commonly of the porphyry type, and late, shallow, generally epithermal styles of precious- and base-metal mineralization. Tele- scoping is attributed to synhydrothermal degradation of volcanic paleosurfaces, as a result of either rapid erosion under pluvial conditions or sector (and, less probably, caldera) collapse of the volcanic edifices. Paleosurfaces may be lowered easily by 1 km during the ~ 1 m.y. total life spans of hydrothermal systems, leading to the vertical compression of any contained ore deposits by at least 1 km.

Sector collapse may be triggered by volcanic tumescence (Sillitoe, 1994) due to synmineralization intrusion, and it may be facilitated by hydrothermal weakening of volcanic edifices. Sector collapse causes extensive ingress of meteoric and/or ocean water to the magmatic environment and a decrease in confining pressure. The latter may induce hydrothermal brecciation, boiling and possible epithermal gold precipitation, and even accelerated efflux of magmatic fluids.

Telescoped systems (Figures 8.1 & 8.2) are believed to possess greater potential for the existence of both porphyry-type deposits at shallower than normal depths and giant ore deposits (Sillitoe, 1994).

5.1.13 Exploration Models

5.1.13.1 Geophysical Targeting

Several geophysical techniques can be effectively utilized while exploring for porphyry Cu ± Mo ± Au deposits. Most notably, magnetic, electromagnetic and Induced Polarization surveys are considered highly effective tools for detection of characteristic anomalies.

At a regional scale, airborne magnetic surveys are useful for mapping out the geological framework and for identifying magmatic arcs and their constituent elements. At a local scale, both airborne and ground magnetic surveys can be effective at targeting intrusions and associated mineral deposits. Primary magnetite typically forms as an accessory mineral within intrusive bodies, and secondary magnetite may result from hydrothermal alteration and/or hornfelsing. In should be noted, however, that some deposits are characterized by magnetic lows due to the destruction of magnetite in phyllic alteration zones (Sinclair, 2007).

Electromagnetic airborne and ground surveys can be effective at delineating resistive, porphyritic intrusions as well as associated alteration haloes. In the search for porphyry deposits, large circular or ovate resistivity highs are considered to be sources of potential interest (Lane, 2007b, AR#29339). A circular-like high resistivity anomaly directly coincides with the Mt. Milligan porphyry and might therefore reflect the potassic alteration halo (Devine, 2012; Geotech Ltd., 2009).

At a local scale, ground Induced Polarization surveys have proved to be the most effective at detecting metalliferous bodies. At Copper Mountain, this technique was responsible for the discovery or extension of several new zones, with resulting chargeability anomalies having a shape that generally corresponds with the known shape of the ore bodies (Stanley et al., 1995).

Chile is host to some of the world's most spectacular porphyry copper deposits. The aeromagnetic signature of porphyry copper systems in northern Chile was investigated by Behn et al., 2001. The authors proposed that transverse magnetic anomalies (lows) were responses to the loci of emplacement of intrusive bodies, and that all known porphyry copper deposits in northern Chile are spatially related to these transverse magnetic anomalies.

5.1.13.2 Geological Targeting

Volcanic arc complexes are high priority exploration targets for in- trusion related ore deposits. In British Columbia, the Stikine Terrane and the Quesnel Terrane represent Triassic-Jurassic volcanic arc complexes that were emplaced during the Jurassic and collectively represent the foundation for further geological targeting. Within these terranes, unconformities and contact faults represent prospective locations for the identification of mineralization. Due to the size of porphyry Cu deposits their associated alteration haloes, alteration zonation patterns over 10's to 1,000's of meters provide a possible method of vectoring towards areas of highest priority.

The presence of glacial cover across large portions of BC make direct observation of alteration patterns in outcrop challenging. In these areas, local scale geological mapping is of limited effectiveness. At regional scales, however, regional mapping can be useful at narrowing in on prospective terranes and their constituent lithologies, and inferences can be made when used in conjunction with geophysical data.

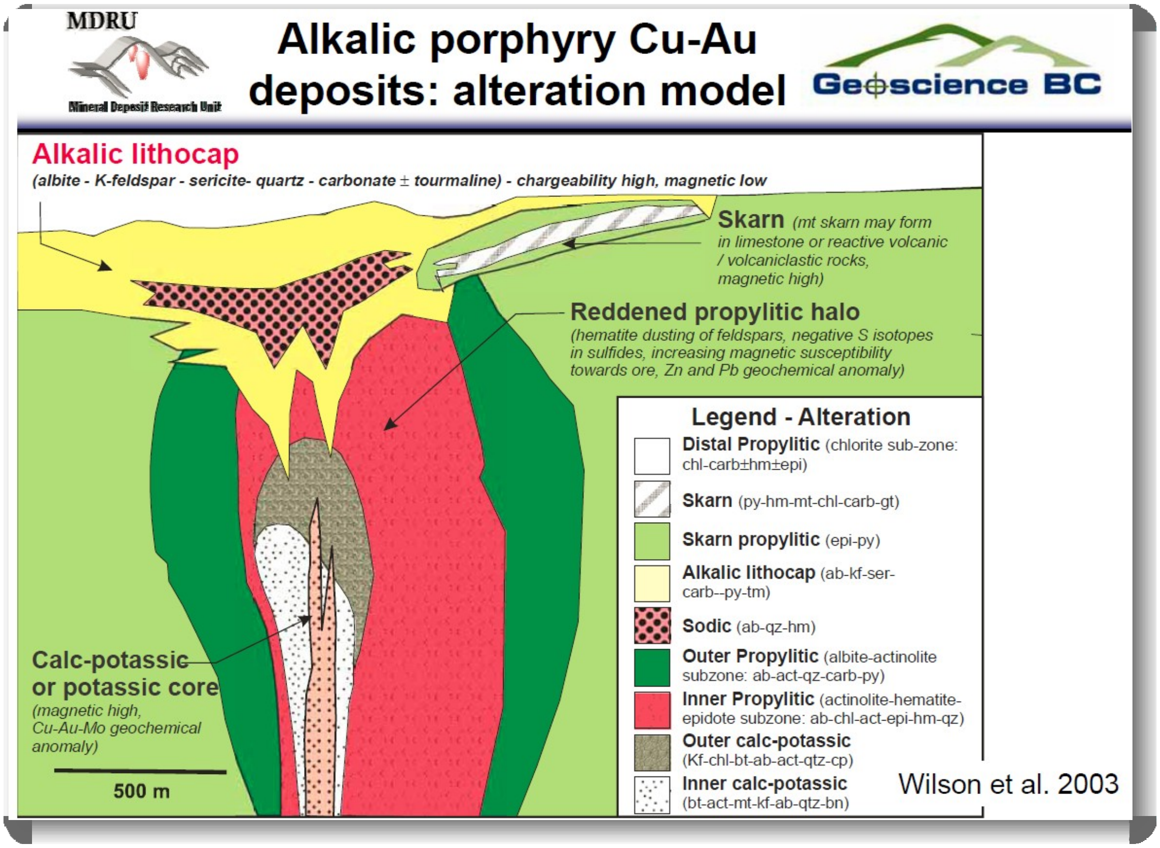


Figure 8.3: Generalized alteration and mineralization zoning associated with alkalic systems in British Columbia.

5.1.13.3 Geochemical Targeting

Regional silt sampling programs have been successful in narrowing in on prospective areas for porphyry associated mineralization, although the data is often too coarse for targeting at a local scale. Areas with glacial cover will not be conducive to silt sampling as water courses may not be cutting through and re-mobilizing any of the underlying rock.

At a local scale, soil geochemistry can be utilized as a means of direct detection of metalliferous bodies, though its effectiveness is invariably related to presence and thickness of cover and/or soils. New techniques in sampling and analysis have allowed for detection of buried deposits. By lowering thresholds with partial extractions of selectively sampled soil components, soil geochemistry can be effective in detecting porphyry Cu mineralization through transported glacial overburden of up to 100’s of meters (Heberlein et al., 2010).

Traditional soil sampling (B-Horizon) performed over the Mt. Milligan deposits outlined numerous copper and gold anomalies within the area encompassing the vast majority of the deposits. However, extensive cover partially masked and dispersed the bedrock geochemical response, while geochemical values of colluvium samples were much higher (Sketchley et al., 1995).

6. EXPLORATION

1111 Acquisition has not completed any exploration activities on the Pinnacle Project to date. All exploration conducted by previous operators is outlined in Section 6 of this Report.

7. DRILLING

1111 Acquisition has not completed any drilling activities to date on the Pinnacle Project. All drilling outlined below has been conducted by previous operators. 15 diamond drill holes totaling 4,679.7 m were completed by various operators between 2015 and 2017 (Table 10.1), and 4 reverse circulation drill holes were completed by PEMC in 2019 (Table 10.2). 6 diamond drill holes were completed in 1990 by BP Resources Canada and 4 diamond drill holes were completed by Pechiney Development Corp. in 1974 (Table 10.5). Drill hole locations are illustrated in Figure 10.1.

7.1 Recent Drilling - 2015 to 2019

Table 10.1: Summary of 2015 to 2017 Diamond Drilling

Prospect	Hole ID	UTM	UTM	Elevation	Azimuth	Dip	Depth
		East	North	(m)	( )	( )	(m)
ELBOW	DD15ELB001	382,000	6,129,582	1,102	357	-50	501.0
ELBOW	DD15ELB002	381,822	6,128,901	1,104	212.5	-50	501.0
ELBOW	DD15ELB003	381,209	6,129,913	1,117	33.5	-50	76.5
ELBOW	DD15ELB004	381,209	6,129,913	1,117	35	-60	303.0
SOONER	DD15SON001	377,553	6,132,245	1,211	19.1	-50	305.2
SOONER	DD15SON002	377,326	6,131,760	1,186	29.8	-51.8	305.2
SOONER	DD15SON003	378,096	6,132,638	1,226	209.2	-51.4	501.0
ELBOW	DD16ELB005	382,790	6,129,380	1,100	45	-70	447.1
ELBOW	DD16ELB006	382,381	6,129,397	1,095	0	-60	316.5
ELBOW	DD16ELB007	382,381	6,129,397	1,095	180	-60	343.5
APLITE CREEK	DD17PR001	379,875	6,132,110	1,194	135	-60	228.3
APLITE CREEK	DD17PR002	379,875	6,132,110	1,194	45	-60	211.6
APLITE CREEK	DD17PR003	379,829	6,132,519	1,220	135	-60	209.4
APLITE CREEK	DD17PR004	380,550	6,132,400	1,227	85	-50	205.7
APLITE CREEK	DD17PR005	380,550	6,132,400	1,227	270	-60	224.6
					Total metres		**4,679.7**

7.1.1 PEMC OZE Exploration - 2015

During May and June of 2015 a diamond drill program consisting of 2,492.9 meters in 7 holes was completed. Drilling focused on two target areas, the Elbow and Sooner areas where Induced Polarization surveys in 2014 identified areas of anomalous chargeability. Although four holes were drilled at the Elbow target area only three of the holes (DD15ELB001, 2 & 4) were completed to the target depth. Drill hole DD15ELB003 was terminated at 76.5m due to errors in the location of blocks used to accurately determine the location and depth of the hole. Due to a lack of accurate downhole drill location data this hole was not assayed or logged. Hole DD15ELB003 was subsequently re-collared as DD15ELB004 and drilled to a depth of 303 m.

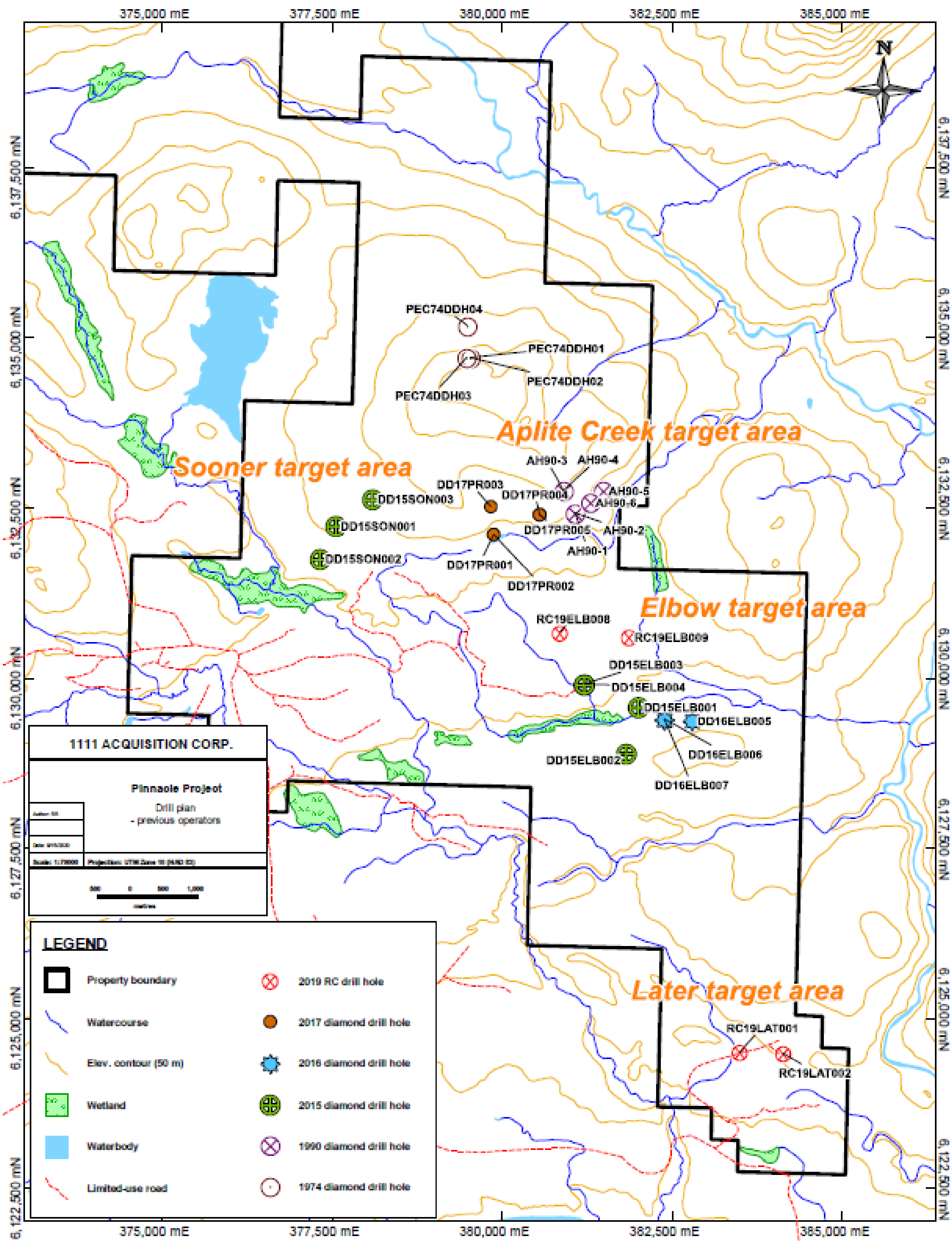


Figure 10.1: Drill plan - historical drilling.

Table 10.2: Summary of 2019 Reverse Circulation Drilling

Prospect	Hole ID	UTM East	UTM North	Elevation (m)	Azimuth ( )	Dip ( )	Depth (m)
ELBOW	DD19ELB008	380,843	6,130,665	1,137	0	-90	96.0
ELBOW	DD19ELB009	381,865	6,130,605	1,130	0	-90	112.8
LATER	DD19LAT001	383,490	6,124,510	1,090	0	-90	91.4
LATER	DD19LAT002	384,129	6,124,490	1,095	0	-90	36.6
					Total metres		336.8

Table 10.3: Significant Intercepts of 2015 to 2017 Diamond Drilling (true thicknesses not known)

Hole ID	Operator	Year	From (m)	To (m)	Interval (m)	Copper (ppm)	Gold (g/t)	Silver (g/t)
DD15ELB001	PEMC/OZE	2015	206.0	318.0	112.0	253	0.29	2.60
DD15ELB002	PEMC/OZE	2015		Not assayed				
DD15ELB003	PEMC/OZE	2015		Not assayed				
DD15ELB004	PEMC/OZE	2015	78.0	108.0	30.0	121	0.23	1.59
DD15SON001	PEMC/OZE	2015	12.4	130.0	117.6	366	0.03	0.66
DD15SON002	PEMC/OZE	2015		Not assayed				
DD15SON003	PEMC/OZE	2015	350.0	400.0	50.0	378	0.01	0.35
DD16ELB005	PEMC/ML Gold	2016	194.2	297.8	103.6	133	0.14	0.79
DD16ELB006	PEMC/ML Gold	2016	23.5	75.3	51.8	174	0.24	1.31
DD16ELB007	PEMC/ML Gold	2016	18.7	60.0	41.3	85	0.42	1.57
including			23.5	32.6	9.1	150	1.34	3.54
DD17PR001	PEMC/ML Gold	2017		Not assayed				
DD17PR002	PEMC/ML Gold	2017		Not assayed				
DD17PR003	PEMC/ML Gold	2017		Not assayed				
DD17PR004	PEMC/ML Gold	2017	105.8	114.9	9.1	367	0.14	0.46
DD17PR005	PEMC/ML Gold	2017		Not assayed				

7.1.1.1 The Elbow Target Area

DD15ELB001, drilled to the north, targeted the center of a charge- ability anomaly where chargeability values were greater than 20 mV/V. The hole was drilled to a depth of 501 meters and intersected variably altered andesitic volcanic rocks consisting of heterolithic breccias and massive flows cut by hypabyssal feldspar porphyry dikes and aplite dikes. Alteration was predominantly propylitic and consisted of moderate to strong chlorite-epidote-pyrite assemblages throughout the hole. From 208 - 302 meters phyllic alteration consisting of silica-sericite ± biotite was encountered associated with a zone of quartz-carbonate-pyrite veining. This interval returned 94 meters grading 0.34 g/t gold with elevated copper values including 0.23% Cu from 208 - 210 meters. Sporadic chalcopyrite was locally associated with quartz- carbonate-pyrite veins as blebs and veins fillings. Pyrite as disseminations and quartz-carbonate vein fillings occurred throughout the hole. Towards the bottom of the hole, localized potassic alteration as K feldspar in veins and vein selvages increased and coarse blebs of pyrite were associated with quartz veins, which coincided spatially with aplite dikes. Casing length and overburden depth was 10.7 m for DD15ELB001.

DD15ELB002 was collared approximately 700 meters to the south-southwest of DD15ELB001 and was drilled to the southwest to a depth of 501 meters. The top of the hole was characterized by variably altered volcanic rocks consisting of andesitic to trachytic flows and tuffs cut by aplite dikes. From 257 meters to the bottom of the hole at 501 meters the predominant lithology was a variably altered monzonite with lesser syenite cut by basalt, feldspar porphyry, diorite and latite dikes. This hole was not sampled, despite the presence of several sporadic pyrite-chalcopyrite-galena ± sphalerite veins. Moderate amounts of disseminated magnetite were prevalent throughout. At this location, the length of casing and overburden depth was 10.5 m.

DD15ELB003 was collared approximately 850 meters to the west of DD15ELB001 and was drilled to the northeast to a depth of 76.5 meters. The hole was terminated due to technical issues and subsequently re-drilled at a steeper dip as DD15ELB004.

DD15ELB004 was drilled to the northwest at a dip of -60°to a depth of 303 meters. Lithologies encountered were predominantly andesitic flows and tuffs with lesser trachytes and latites. Several aplitic dikes were typically spatially related to significant faults. Pyrite as disseminations and quartz-carbonate vein fillings were relatively abundant throughout. A 2 meter interval from 104 - 106 meters returned 2.28 g/t gold associated with moderately pervasive biotite ± epidote alteration within fine grained, locally amygdaloidal andesite. This hole was abandoned prematurely as the core barrel got stuck in a rubbly fault. At this location the casing length was 16.5 meters.

7.1.1.2 The Sooner Target Area

DD15SON001 was drilled to the north-northeast and targeted a discrete magnetic high coincident with a small chargeability anomaly. The hole was drilled to a depth of 305.2 meters and primarily intersected variably altered monzonitic intrusive rocks with lesser feldspar porphyry, diorite and heterolithic andesite breccia. Moderate to strong calc-silicate alteration with coarse grained magnetite alteration persists through roughly the first 200 m of the hole, locally associated with thin bands of semi-massive pyrite and trace chalcopyrite. Anomalous copper values were intersected over 175.6 metres (12.4m - 188m) where values averaged 302.8 ppm. At this location the overburden depth was 12.4 metres.

DD15SON002 was collared approximately 530 metres south-southwest of DD15SON001 and was drilled at an azimuth of approximately 30 degrees to a depth of 305.2 metres. Variably propylitic ± K-feldspar altered monzonite and syenite were cut by a few late mafic and aplite dikes. This hole was not sampled. At this location the overburden depth was 18.3 metres.

DD15SON003 was collared approximately 675 meters to the northeast of DD15SON001 and was drilled at an azimuth of 209 degrees to a depth of 501 meters. At this location the chargeability anomaly is associated with a magnetic low response. From the top of the hole to a depth of approximately 350 meters volcanic lithologies were dominant and consisted of fine grained andesitic volcanics. Intrusive lithologies characterized by variably altered syenite and monzonite were encountered from 350 meters to the bottom of the hole at 501 meters. Localized phyllic ± argillic alteration was present in the first 150 m of the hole. Only selected intervals from this hole were submitted for analysis. Anomalous copper values were intersected over 74 meters (312m - 398m) where values averaged 358.5 ppm. At this location the overburden depth was 30.5 meters.

7.1.2 PEMC / ML Gold Corp. - 2016

In 2016, a diamond drill program was completed on the Elbow target area to follow-up on anomalous gold mineralization encountered during the 2015 drill campaign. A total of 1,107.19 metres was completed in 3 holes and was highlighted by the intersection of 41.3 metres grading 0.42 g/t gold in hole DD16ELB007.

The diamond drilling program at the Elbow Zone during 2016 focused on an area to the southeast of the 2015 drilling. Similar styles of mineralization and alteration were encountered including quartz-sericite-pyrite alteration associated with elevated gold values. The dominant alteration assemblage was propyllitic that was characterized by the presence of secondary chlorite, calcite, epidote and localized magnetite. Local and patchy zones of phyllic alteration were associated with secondary quartz, sericite and pyrite and were also associated with elevated gold values. Secondary biotite, similar to that encountered in DD15ELB001, was not observed in the 2016 drilling.

DD116ELB005, was collared 818 m to the east-southeast of DD15ELB001 and drilled to the northeast targeting a lobe of anomalous elevated resistivity and coincident magnetic high on the eastern margin of the chargeability anomaly. At this location the depth to overburden was 14 m and the hole was drilled to a depth of 447.14 m. The top of the hole consisted of green, fine grained, massive andesite flows with small feldspar and hornblende phenocrysts cut by medium green, chlorite-calcite altered fine grained andesite dikes. At a depth of 300 m localized zones of increasingly porphyritic texture appear and are characterized by feldspar and hornblende phenocrysts. Latite interbeds appear at a depth of 400 m and were characterized by the presence of abundant plagioclase lathes indicating a flow direction texture. Phenocrysts of augite and hornblende also characterize the latite flows. Distal propylitic alteration best describes the alteration mineralogy encountered with weak chlorite-calcite alteration dominating. Pyrite content in this hole ranged from 0 - 80% and averaged just over 4%.

DD116ELB006, was collared 419 m to the southeast of DD15ELB001 and 400 m to the west of DD16ELB005. This hole was drilled to the north to a depth of 316.5 m and targeted a moderate chargeability and resistivity high signature coincident with a magnetic low. Overburden consisting of glaciofluvial boulders and cobbles of an intrusive nature was drilled to a depth of 20 m. The upper portion of the hole (20.4 - 63.7 m) encountered plagioclase lath phyric and crystal rich augite phyric latite flows with adesitic interflows. Beyond 63.7 m to the end of the hole a dark grey-green, locally augite-phyric, fine grained basalt was intersected. Alteration consisted of an assemblage of weakly chlorite-calcite-epidote altered volcanics with minor localized zones of quartz-sericite-pyrite alteration. Pyrite content in this hole ranged from 0 - 10% and averaged just under 3%.

DD16ELB007, was collared at the same location as DD16ELB006 but drilled to the south, targeting the same geophysical signature as DD16ELB006. Litholgies and alteration encountered were similar to that of DD16ELB006 with the depth of overburden at 18.7 m. Pyrite content in this hole ranged from 0 - 9% and averaged approximately 3.6%.

7.1.3 PEMC / ML Gold Corp. - 2017

In 2017, ML Gold Corp. completed five diamond drill holes totaling 1,079.6 m, immediately to the west of the historical Aplite Creek zone. The focus of the 2017 program was an annular IP chargeability "donut" measuring approximately 1.5 km in diameter. Propylitic alteration consisting of a chlorite-epidote-carbonate- pyrite assemblage was encountered in all 5 holes, with localized potassic alteration consisting of a biotite- pyrite-chalcopyrite assemblage occurring in drill hole DD17PR004. However, no appreciable copper-gold intercepts were achieved over the course of this program.

7.1.4 PEMC - 2019

In the fall and winter months of 2019, PEMC completed a small, snowmobile assisted reverse circulation drilling program on the Pinnacle Project comprised of 4 short drill holes totaling 336.8 m (Figure 10.2). Two holes were drilled in the northern portion of the Elbow target area and two holes were drilled at the Later target area. Although no significant copper intervals were intersected over the course of the 2019 RC drill program, one significant interval of anomalous gold mineralization was drilled at the Elbow target area (Figure 10.4).

Table 10.4: Significant Intercepts of 2019 Reverse Circulation Drilling (true thicknesses not known)

Hole ID	Operator	Year	From (m)	To (m)	Interval (m)	Copper (ppm)	Gold (g/t)	Silver (g/t)
RC19ELB008	PEMC	2019		Not				

				assayed				
RC19ELB009	PEMC	2019	29.0	106.7	77.7	140	0.18	0.93
RC19LAT001	PEMC	2019		Not assayed				
RC19LAT002	PEMC	2019	25.9	32.0	6.1	377	0.01	0.63

7.1.4.1 Elbow target area

The intent of the two holes drilled at the Elbow target area in 2019 was to step 1 km to the north and northwest of the 2015 diamond drill hole DD15ELB001, which intersected 94 m grading 0.34 g/t copper. Despite the relatively large step out, anomalous gold mineralization and propylitic alteration was encountered in the one hole that was assayed, RC19ELB009 (Figure 10.4). Gold mineralization was associated with pyrite±+/- quartz-sericite alteration.

7.1.4.2 Later target area

Limited RC drilling at the Later target area was focused on testing a “bull’s eye” magnetic anomaly high anomaly coincident with moderate copper-in-soil geochemistry. Anomalous copper was intersected (Figure 10.4), but no appreciable copper-gold mineralization was encountered at this target area.

7.2 Historical Drilling

In 1974, Pechiney Development Ltd. drilled 4 diamond drill holes totaling 230.8 metres on what was then known as the Hilltop prospect, which coincides with the northwest portion of the current Later Property. Drilling encountered propylically altered andesite volcanics with 0.5% to 1% pyrite and localized chalcopyrite mineralization ((Hainsworth, 1974, AR#05148)). Analytical results from the 1974 drilling were blanked out of publicly available assessment reports, and are not known as a result. Drill hole coordinates are summarized in Table 10.5.

BP Resources Canada Ltd. completed 1067.8 metres of drilling in 6 diamond drill holes in 1990. Drilling targeted surface copper mineralization and geophysical anomalies (magnetic and IP chargeability) and was focused in and around the area of the “Aplite Creek Zone”. Drilling encountered propylitic, phyllic and localized potassic alteration assemblages in andesitic volcanics which are locally intruded by syenitic to monzonitic porphyritic dikes. Anomalous copper-gold mineralization was spatially associated with syenitic to monzonitic dikes in drill holes AH90-1 through AH90-4 ((Paterson and Barrie, 1991, AR#20943)). Drill collar information is summarized in Table 10.5 while significant intercepts from the 1990 drilling are summarized in Table 10.6.

Table 10.5: Summary of Historical Diamond Drilling

Prospect	Hole ID	UTM East	UTM North	Elevation (m)	Azimuth (°)	Dip (°)	Depth (m)
HILLTOP	PEC74DDH01	379,538	6,134,706	1,335	0	-90	16.5
HILLTOP	PEC74DDH02	379,538	6,134,706	1,335	240	-45	30.5
HILLTOP	PEC74DDH03	379,477	6,134,713	1,332	200	-70	31.4
HILLTOP	PEC74DDH04	379,488	6,135,173	1,265	0	-90	152.4
APLITE CREEK	AH90-1	381,071	6,132,425	1,195	270	-45	198.1
APLITE CREEK	AH90-2	381,073	6,132,423	1,195	150	-46	164
APLITE CREEK	AH90-3	380,901	6,132,755	1,250	256	-45	202.7
APLITE CREEK	AH90-4	380,905	6,132,755	1,250	90	-59	168.9
APLITE CREEK	AH90-5	381,486	6,132,755	1,183	150	-45	170
APLITE CREEK	AH90-6	381,296	6,132,585	1,189	160	-45	164.1

Table 10.6: Significant Intercepts of Historical Diamond Drilling (true thicknesses not known)

Hole ID	Operator	Year	From (m)	To (m)	Interval (m)	Copper (ppm)	Gold (g/t)
PEC74DDH01	Pechiney	1974		No assays available			
PEC74DDH02	Pechiney	1974		No assays available			
PEC74DDH03	Pechiney	1974		No assays available			
PEC74DDH04	Pechiney	1974		No assays available			
AH90-1	BP	1990	10.4	198.1	187.7	529	0.04
including			88.0	114.0	26.0	915	0.07
AH90-2	BP	1990	3.6	164.0	160.4	396	0.03
including			126.0	128.0	2.0	1,114	0.18
AH90-3	BP	1990	3.1	202.7	199.6	180	0.04
including			42.0	44.0	2.0	2,551	1.33
AH90-4	BP	1990	3.8	168.9	165.1	235	0.32
including			60.0	62.0	2.0	43	2.97
& including			106.0	112.0	6.0	981	6.42
AH90-5	BP	1990		No significant assays			
AH90-6	BP	1990	2.4	164.1	161.7	189	0.01
& including			82.0	90.0	8.0	713	0.03

8. SAMPLE PREPARATION, ANALYSIS & SECURITY

As data verification completed by the QP was performed on representative core samples from the 2016 ML Gold diamond drilling, a review of the sample preparation, analysis and security measures employed during that drill program were reviewed based on information provided by PEMC management and are detailed below.

8.1 2016 Diamond Drilling

During 2016, Sunrise Drilling Inc. was contracted by ML Gold to complete the drilling and a B-20 Diamond Drill was used. All holes were drilled with NQ size, no orientation of core was completed. Magnetic susceptibility information was recorded by running a magnetic susceptibility meter along the core over one metre intervals.

Drill core was driven back to the camp at Tchentlo Lake Lodge where it was logged and all intervals were split into halves using a conventional rock saw with one half placed into plastic sample bags and closed using plastic strap closures. Samples were shipped to Met-Solve Analytical in Langley, BC for analysis. The split drill core was left in labelled core boxes and is stored at Tchentlo Lake Lodge.

Sample preparation and analyses for this program were completed at Met-Solve Analytical in Langley BC. Gold was determined by 30g Fire Assay with an Atomic Absorption Spectrophotometry (AAS) finish. Copper and other elements were determined by 4-Acid digestion with Inductively Coupled Plasma - Atomic Emission Spectrometry (ICP-AES/MS) finish. Met-Solve is an ISO 9001-2008 certified analytical laboratory (certificate #0010433-00) that is independent to PEMC or ML Gold.

A comprehensive quality assurance/quality control program including insertion of blanks and certified reference materials form part of ML Gold's sampling protocol, whereby these materials are inserted into the sample sequence at a rate of 1 in 20. Met-Solve analytical provides further quality control with insertion of sample duplicates, blank and certified reference materials. All quality control sample results are inspected by PEMC subsequent to receiving analytical results The field program was supervised by ML Gold staff and contractors.

It is of the QP's opinion that the sample preparation, security and analytical procedures utilized in the 2016 drill program were adequate.

9. DATA VERIFICATION

A total of 3 data verification samples were selected and submitted to ALS Canada Ltd. ("**ALS**") for analysis. The selection of the data verification samples was based on anomalous gold values encountered in the 2016 drill program. In particular, an anomalous sample that graded over 2 g/t of gold warranted verification, in the opinion of the QP. In addition, sampling procedures and quality assurance/quality control procedures from the 2016 diamond drilling program were reviewed (outlined above).

3 drill core samples were obtained by cutting previously half-split drill core with a rock saw brought to site by the QP, thereby sampling one quarter of the original drill core. The 3 core samples were shipped to ALS Minerals in North Vancouver, BC, and were analyzed with analogous analytical packages as those originally used at Met-Solve. ALS Minerals is an ISO 17025:2005 accredited laboratory (Accredited laboratory No. 579, Standards Council of Canada) that is independent of 1111 Acquisition. Samples were prepared by crushing to >70% passing through <2 mm sieve followed by pulverizing with >85% passing through a 75 um sieve. Samples were then split using a riffle splitter followed by a four-acid digestion and 48 element analysis using ICP-MS. 30 g samples were analyzed for gold by Fire Assay with an Atomic Absorption finish.

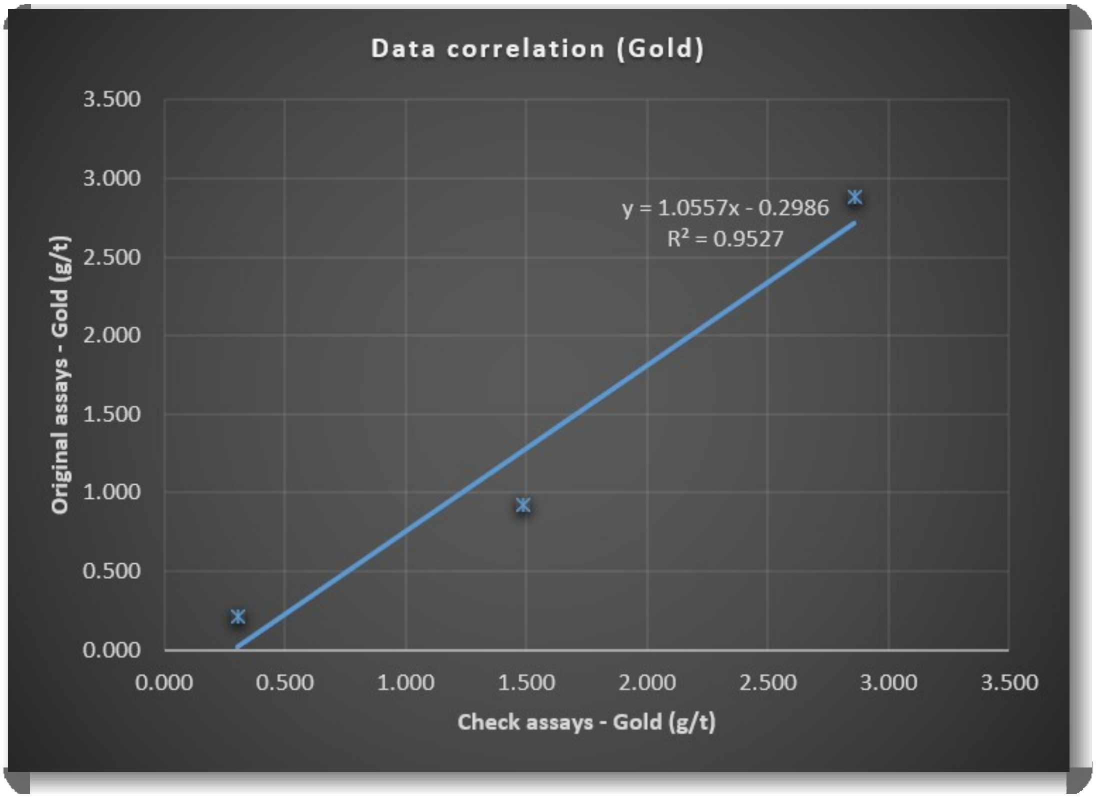
The results of the drill core "check samples" are presented in Tables 12.1 and 12.2, with data analysis presented in Figures 12.1 through 12.3. The two sets of analytical data correlate well together, with R-squared values of 0.95 or greater, and there are no significant outliers between the two data sets. In particular, check sample analysis of the higher grade gold sample that was the focus of the data verification correlated very well with the original analytical results. In the opinion of the QP, the data verification was adequate for the purpose of this report.

Table 12.1: Data verification - Original analytical results.

Hole ID	From (m)	To (m)	Interval (m)	Au original (g/t)	Ag original (g/t)	Cu original (ppm)
DD16ELB007	23.47	26.52	3.05	0.922	5.93	189.5
DD16ELB007	26.52	29.57	3.05	0.209	1.38	201.7
DD16ELB007	29.57	32.61	3.04	2.881	3.31	59.3

Table 12.2: Data verification - Check sample analytical results.

Hole ID	From (m)	To (m)	Interval (m)	Au check (g/t)	Ag check (g/t)	Cu check (ppm)
DD16ELB007	23.47	26.52	3.05	1.485	10.05	192.0
DD16ELB007	26.52	29.57	3.05	0.304	1.77	190.0
DD16ELB007	29.57	32.61	3.04	2.860	3.91	70.2



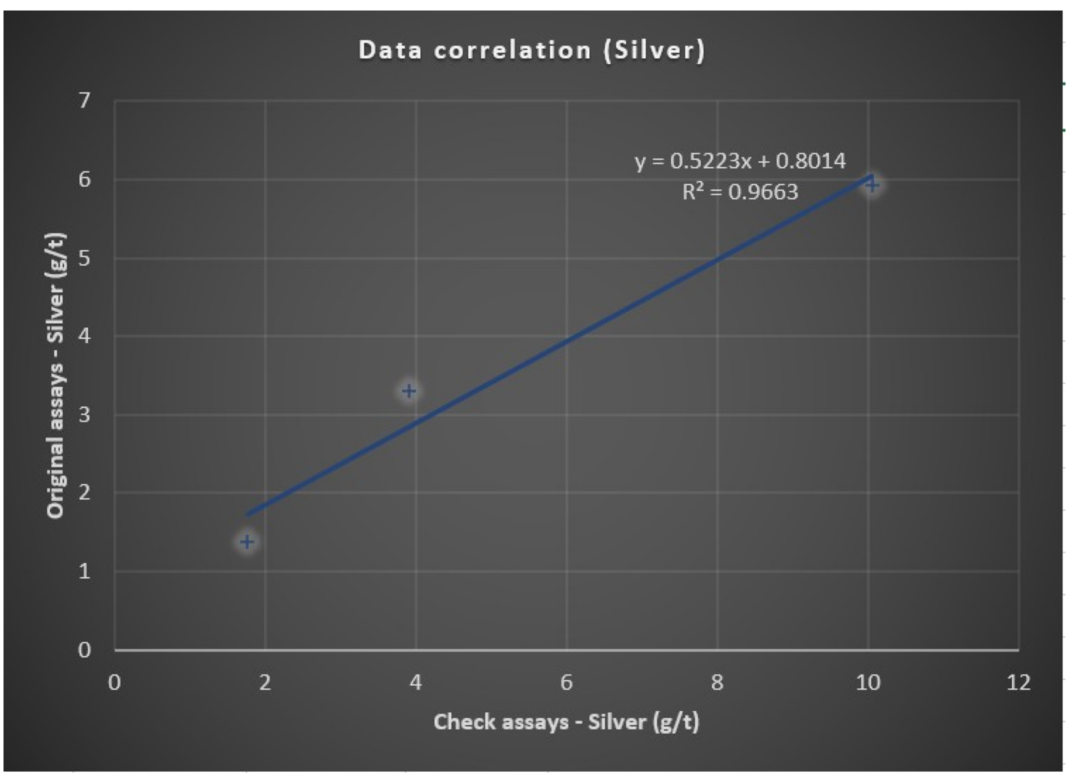
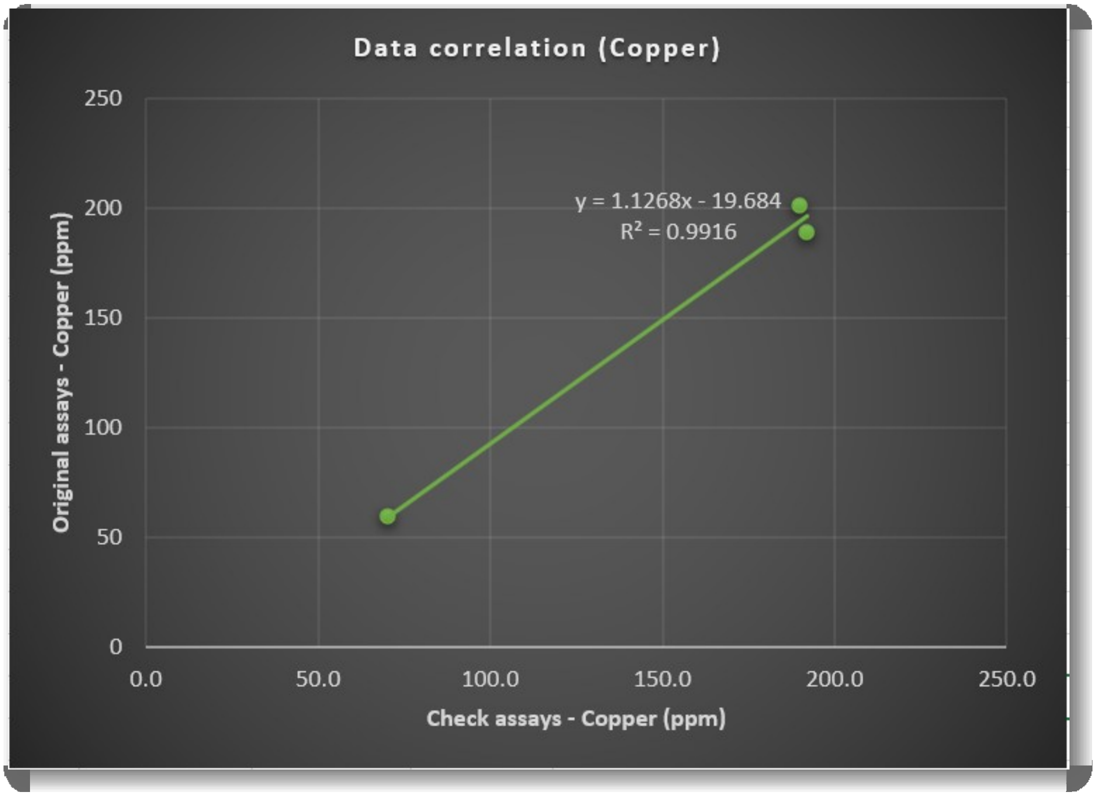


Figure 12.2: Data correlation chart - Silver



10. MINERAL PROCESSING & METALLURGICAL TESTING

No mineral processing or metallurgical testing analyses have been carried out on the Pinnacle Project to date.

11. MINERAL RESOURCE ESTIMATES

No known mineral resources or mineral reserves of any category exist on the Pinnacle Project.

12. ADJACENT PROPERTIES

Immediately to the east of the Pinnacle Project is the Col Property where disseminated and stockwork vein hosted copper and gold have been reported. The Col Developed Prospect is located on the Col Property and has been the focus intermittent exploration programs since it was discovered by its current owner Colin Campbell in 1969.

Falconbridge signed an option agreement with Mr. Campbell in 1971 and proceeded to complete soil sampling, mapping, Induced Polarization and diamond drilling programs in the 1970's. This work identified a zone of copper-gold mineralization at the area referred to as the A-Zone (Harper, 1972).

In the late 1980's Kookaburra Gold optioned the Col Property from Mr. Campbell and proceeded to complete additional mapping, soil geochemical sampling and diamond drilling. This work was conducted to the immediate east of the A-Zone and was unsuccessful in extending the known mineralization at the A-Zone to the east (Nebocat, 1991).

In 2007, Solomon Resources entered into an option agreement with Mr. Campbell and over a period of two years completed an airborne geophysical survey, soil sampling and diamond drilling. The diamond drilling was primarily focused on expanding known mineralization at the A-Zone to the west (Lane, 2007a). The results of this program suggested that mineralization at the A-Zone was restricted in size and the Property was subsequently returned to the owner.

In 2013, after staking the ground to the west of the Col Property, PEMC entered into an option agreement with Mr. Campbell. During 2014 a program of Induced Polarization and diamond drilling was conducted. Although the Induced Polarization survey did not locate any significant areas of anomalous chargeability in the area of the A-Zone, two diamond drill holes were completed to the west of the A-Zone to test subtle chargeability anomalies at depth (Peters and Ritchie, 2015). The Property was returned to Mr. Campbell with no further work in 2015.

The author has been unable to verify the information pertaining to the Col Property, other than data collected during PEMC's 2013 and 2014 exploration programs. The information above and historical results to date on the Col Property are not necessarily indicative of the mineralization on the Pinnacle Project.

13. OTHER RELEVANT DATA & INFORMATION

Drilling information presented in this Report has been thoroughly scrutinized, and should form the basis for future targeting at this time on the Pinnacle Project. As such, no other relevant data and information is presented.

14. INTERPRETATION & CONCLUSIONS

Prior to 2012, exploration activities in the area of the Pinnacle Project were focused on areas of topographic relief where outcrop exposures were more common than in areas of subdued relief that are dominated by swamps and where outcrop exposure is absent. Early exploration in the area took place around the Aplite Creek Showing where copper mineralization was discovered in outcrop. Beginning in the 1970's and continuing through to the early 1990's, exploration efforts in the area of Aplite Creek consisted of soil geochemical surveys, geophysical surveys, rock sampling and diamond drilling. The results of this work outlined an area of anomalous cooper and gold soil geochemistry in addition to an Induced Polarization chargeability anomaly in the area of Aplite Creek. Encouraging gold values were returned from the 1990 drilling program by BP Resources Canada following up on an induced polarization survey. Following this drilling program, an induced polarization survey was completed in 1991 that expanded upon the area surveyed one year prior. However, this data was never published and no further work was completed in the area of Aplite Creek or the Pinnacle Project until 2007 when Solomon Resources completed an airborne DIGHEM survey over the Col-Magnet claims which covered the area of the Later claims.

The Induced Polarization surveys completed by PEMC and partner OZE during 2014 were successful in identifying intriguing chargeability anomalies at the Elbow target area. Follow-up diamond drilling in 2015 and 2016 was successful in demonstrating that alteration and mineralization encountered in diamond drilling was consistent with alteration and mineralization that may be encountered on the margins or above a porphyry copper-gold system. Diamond drilling in 2016 encountered similar alteration and pyrite-dominated mineralization associated with anomalous gold, as did limited reverse circulation drilling in 2019.

Drilling in 1990 confirmed the presence of anomalous gold and copper as pyrite and localized sporadic chalcopyrite spatially associated with porphyritic syenitic to monzonitic dikes. The alteration and mineralization described in historical drill reports suggests that drilling in this area may have intersected the upper reaches of a copper-gold porphyry system. The coincidence of anomalous copper and gold in soils, widespread and relatively strong IP chargeability and anomalous copper and gold in drilling in the area of the historical Aplite Creek drilling suggests that a porphyry system exists in the area. Furthermore, discontinuous and localized potassic alteration associated with localized porphyritic intrusions suggests that a potentially copper-gold mineralized potassic center may exist at depth.

Exploration to date on the Pinnacle Project has shown that there is potential for a copper-gold porphyry deposit to exist, at both the Elbow and Aplite Creek target areas, as evidenced by distal porphyry-type alteration assemblages, an abundant of pyrite, localized chalcopyrite mineralization and widespread anomalous gold. Although no economic mineralization has been outlined to date, drilling has encountered lithologies, alteration assemblages and sulphide mineralization that could be associated with a copper-gold porphyry system in the immediate area, either laterally or at depth in both the Aplite Creek and Elbow target areas.

15. RECOMMENDATIONS

Given the widespread nature of anomalous gold at the Elbow Target Area, and the presence of locally high grade gold with anomalous copper at the Aplite Creek zone, it is of the author's opinion that at least two substantial areas prospective for copper-gold porphyry mineralization exist on the Pinnacle Project. Both areas should be drill tested with relatively deep diamond drilling to test for a copper-gold mineralized potassic centre at depth beneath zones of localized phyllic and potassic alteration at the Elbow and Aplite Creek target areas. Airborne geophysics and geological works including rock sampling, relogging and sampling of certain core that has not been assayed should be conducted prior to diamond drilling to further constrain drill targeting at both the Aplite Creek and Elbow target areas.

A helicopter-supported diamond drilling program designed to test for copper-gold mineralization at depth beneath the large IP chargeability anomalies at the Elbow and Aplite Creek target areas should be undertaken at the Pinnacle Project. Two 800 m holes at the Aplite Creek zone, beneath historical drill hole AH90-4 and AH90-1 are recommended, as well as two 800 m deep drill holes at the Elbow target area, roughly 500 m north and 1,000 m east of the 2015 drill hole DD15ELB001. The total cost of the Phase 1 exploration program is $105,000. Completion of Phase 2 is contingent on the results of Phase 1.

Item	Cost (CDN$)
Phase 1 Airborne geophysics and geological works	$105,000
Phase 2 Diamond drilling (3,200 m)	$480,000
Analytical	$63,000
Helicopter support	$176,000
Support	$110,000
	$829,000

USE OF AVAILABLE FUNDS

Proceeds

This is a non-offering prospectus. No proceeds will be raised, as no securities are being sold pursuant to this Prospectus.

Available Funds

As at January 31, 2021, the Company had approximately $394,000 in working capital, which includes the net proceeds from the issuance of the Seed Shares, the Share Special Warrant Offering, the Flow-Through Offering and the Unit Special Warrant Offering.

Management anticipates applying its available funds in the following manner of the next 12 months:

Principal Purposes	Funds ($)
General and administrative costs(1)	150,000
Phase 1 exploration program expenditures on the Property(2)	105,000
Cash payment required under Option Agreement	25,000
Estimated expense for listing on the CSE	100,000

Total use of available funds	**380,000**
Unallocated funds (unaudited)	**14,000**

Notes:

(1) This figure is for a forecasted period of 12 months and is comprised of general and administrative expenses in the amount of approximately $35,000, operating and personnel costs in the amount of approximately $90,000, and professional fees in the amount of approximately $25,000.

(2) See "*Pinnacle Project Option – Recommendations*"

It is anticipated that the Company will have sufficient cash available upon Listing, to execute its business plan and to pay its operating and administrative costs for at least twelve months after the completion of the Listing.

Unallocated funds will be deposited in the Company's bank account and added to the working capital of the Company. The CFO of the Company will be responsible for the supervision of all financial assets of the Company. Based on the Company's cash flow requirements, management will determine the appropriate level of liquidity required for operations and will draw down such funds as necessary.

There may be circumstances, where for business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objectives.

The Company generated a net increase in cash of approximately $280,000 driven by the issuance of Common Shares and the Special Warrants. However, the Company cannot guarantee it will have a cash flow positive status from operating activities in future periods. As a result, the Company continues to rely on the issuance of securities or other sources of financing to generate sufficient funds to fund its working capital requirements and for corporate expenditures. The Company may have negative cash flow from operating activities until sufficient levels of sales are achieved. To the extent that the Company has negative cash flow from operating activities in future periods, the Company may need to use a portion of proceeds from any offering to fund such negative cash flow. See "*Risk Factors –Negative Cash Flow*".

Business Objectives and Milestones

The Company's sole intended business objective and milestone following the Listing is to complete the Phase 1 exploration program on the Property, as described in "*Pinnacle Property Option – Recommendations*". Any decision to proceed with Phase 2 will be contingent on the results of Phase 1 and the Company having sufficient funds.

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

DIVIDENDS OR DISTRIBUTIONS

Dividends

The Company has neither declared nor paid any dividends on its Common Shares. The Company intends to retain any earnings to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Selected Financial Information

The following selected financial information has been derived from and is qualified in its entirety by the financial statements of the Company for the period from incorporation to January 31, 2021 (audited), and notes thereto included in this Prospectus, and should be read in conjunction with such financial statements and the related notes thereto included in Schedule "A" of this Prospectus. All financial statements of the Company are prepared in accordance with International Financial Reporting Standards.

All amounts referred to as being derived from the financial statements of the Company are denoted in Canadian Dollars.

	As at and for the period from incorporation to January 31, 2021 (audited) ($)
Total Assets	$480,515
Total Liabilities	$67,918
Total Shareholders' Equity	$412,597
Revenue	-
Loss and Comprehensive Loss for the Period	$46,810

As an exploration stage company, the Company has not generated revenue from its property interest and does not anticipate it will do so for the foreseeable future. The Company has recently acquired the Property and Management anticipates that expenses related to mineral exploration and administration of the Company will materially increase following closing of the Listing. Management anticipates that such expenses will include increased exploration expenditures with respect to the Property and increased professional fees, and other costs associated with compliance with applicable securities laws following closing of the Listing.

Management's Discussion and Analysis

The MD&A of the Company from the date of incorporation (February 21, 2020) to January 31, 2021 is as follows.

As reflected in the Company's financial statements, the Company has not carried on any active business other than: (i) the raising of funds for the purpose of identifying and evaluating assets, properties or businesses with a view to acquiring or participating therein; and (ii) acquisition, exploration and evaluation of mineral property interests. As such, its principal asset is cash, and its expenses are primarily for the acquisition, exploration and evaluation of mineral property interests, the costs of raising capital and professional fees.

During the period ended January 31, 2021, the Company generated a net increase in cash of approximately $280,000 driven by the issuance of Common Shares and the Special Warrants generating gross proceeds of approximately $487,000 (of which approximately $182,000 was collected subsequent to January 31, 2021).

Additionally, the Company incurred a loss and comprehensive loss of approximately $47,000. The Company's loss per share was $0.01.

The significant expenses incurred were as follows (amounts are rounded):

- $19,000 of management fees, including fees incurred to directors and officers of the Company for services including accounting, administration, corporate development, management and technical services.

- $18,000 of professional fees incurred for legal and audit services.

- $2,000 of property investigation fees related to the evaluation of the Pinnacle project prior to entering into the option agreement with PEMC, as well as evaluation of other prospective projects

Financial Condition, Liquidity and Capital Resources

The Company's working capital position at January 31, 2021 was approximately $394,000. The Company's primary source of liquidity during the period ended January 31, 2021 was completion of various rounds of financing that generated gross proceeds of approximately $487,000 (of which approximately $182,000 was collected subsequent to January 31, 2021).

The Company received $13,000 in share subscriptions, pursuant to the issue of 5,200,000 Seed Shares(3) on February 27, 2020. On June 9, 2020, the Company closed the Share Special Warrant Offering utilizing Vested's crowd funding platform, pursuant to which the Company issued 976,000 Share Special Warrants(4) and raised gross proceeds of $24,400. The Company also issued 400,000(4) additional Share Special Warrants as compensation to Vested. On December 30, 2020, the Company completed the Flow-Through Offering and issued 1,710,133 FT Shares for gross proceeds of $102,608. The Company also completed the Unit Special Warrant Offering on January 31, 2021, whereby it collected gross proceeds of $346,500 representing subscriptions for 6,930,000 Unit Special Warrants.

Risk Management and Financial Risks

Capital Management

The Company's capital currently consists of Common Shares and the Special Warrants and its principal source of cash is from the issuance of Common Shares and the Special Warrants. The Company's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to acquire and explore mineral property assets. The Company does not have any externally imposed capital requirements to which it is subject. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or special warrants.

As the Company's mineral property is in the exploration stage, the Company is dependent on external financing to fund its activities. In order to carry out its operations, the Company will spend its existing working capital and raise additional amounts as needed.

Financial Risks

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, market risk, and liquidity risk.

Credit risk

The Company is exposed to credit risk by holding cash and receivables. The risk on cash is minimized by holding the funds in a Canadian bank. The Company has minimal receivables exposure as its subscriptions receivable were collected in full subsequent to January 31, 2021.

Interest rate risk

The Company is not exposed to interest rate risk due to fluctuating interest rates as the Company does not have any financial assets or liabilities bearing variable rates of interest.

Market risk

The Company has limited exposure to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. As at January 31, 2021, the Company's exposure to equity price risk was limited as it was a private company.

Liquidity risk

[3] The number of Seed Shares issued has been adjusted to reflect the Share Split.

[4] The number of Share Special Warrants issued has been adjusted to reflect the Share Split.

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources.

The MD&A of the Company should be read in conjunction with the respective financial statements and the accompanying notes thereto included in this Prospectus. Certain information contained in the MD&A constitutes forward-looking statements. These statements relate to future events or to our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward looking statements. See "*Forward-Looking Information*" and "*Risk Factors*".

DESCRIPTION OF SECURITIES

Common Shares

The Company's authorized capital consists of an unlimited number of Common Shares, of which only 6,910,133 Common Shares are issued and outstanding as at the date of this Prospectus as fully paid and non-assessable. Holders of the Common Shares are entitled to vote at all meetings of the holders of the Common Shares, to receive any dividend declared by the Company and to participate rateably in any distribution of the Company's property or assets upon liquidation or wind-up.

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

Special Warrants

On June 9, 2020, the Company closed the Share Special Warrant Offering and issued 1,376,000 Share Special Warrants(5) (which includes 400,000 Share Special Warrants issued to Vested on a non-cash compensatory basis). The Share Special Warrants will automatically convert into Common Shares on (i) the Prospectus Receipt Date or (ii) the date that is 18 months from the date of issuance of the Share Special Warrants, pursuant to the automatic conversion provision of the Share Special Warrants.

Upon conversion of the Share Special Warrants into Common Shares, holders are entitled to vote at all meetings of the holders of Common Shares and to participate rateably in any distribution of the Company's property or assets upon liquidation or winding-up.

On January 31, 2021, the Company closed the Unit Special Warrant Offering and issued 6,930,000 Unit Special Warrants. Each of the Unit Special Warrants will be deemed to be exercised and will automatically convert upon the earlier of the following dates: (i) the Prospectus Receipt Date, or (ii) completion by the Company of a transaction or series of transactions with a third party reporting issuer whereby the holders of the Unit Special Warrants receive shares and warrants of such reporting issuer upon receiving conditional approval for listing on an exchange. Pursuant to the automatic conversion provision of the Unit Special Warrants, upon deemed exercise, the Unit Special Warrants will convert into units consisting of one Common Share and one Warrant, with each Warrant being exercisable into one Warrant Share at an exercise price of $0.10 for 24 months from the date of issuance.

Upon conversion of the Unit Special Warrants into Common Shares, and on exercise of the Warrants into Warrant Shares, holders of such Common Shares are entitled to vote at all meetings of the holders of Common Shares and to participate rateably in any distribution of the Company's property or assets upon liquidation or winding-up.

The Company has granted to each holder of a Special Warrant a contractual right of rescission of the prospectus-exempt transaction under which the Special Warrant was initially acquired. The contractual right of rescission provides that if a holder of a Special Warrant who acquires another security of the Company on exercise of the Special Warrant as provided for in this Prospectus is, or becomes, entitled

[5] The number of Share Special Warrants issued has been adjusted to reflect the Share Split.

under the securities legislation of a jurisdiction to the remedy of rescission because of this Prospectus or an amendment to this Prospectus containing a misrepresentation, (a) the holder is entitled to rescission of both the holder's exercise of its Special Warrant and the private placement transaction under which the Special Warrant was initially acquired, (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Company on the acquisition of the Special Warrant, and (c) if the holder is a permitted assignee of the interest of the original Special Warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

CONSOLIDATED CAPITALIZATION

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

Description	Authorized	Outstanding as at January 31, 2021(1)(2)	Outstanding as at the date of this Prospectus(1)(2)	Outstanding After Giving Effect to the Special Warrant Offerings (1)(2)
Common Shares	Unlimited	6,910,133	6,910,133	15,216,133

Notes:
(1) See "*Prior Sales*".
(2) On an undiluted basis.
(3) On an undiluted basis. Assumes the issuance of 1,376,000 Common Shares upon deemed exercise of the Share Special Warrants and 6,930,000 Common Shares upon deemed exercise of the Unit Special Warrants. The Company will also have 6,930,000 Warrants outstanding upon deemed exercise of the Unit Special Warrants.

Fully Diluted Share Capitalization

Common Shares	Amount of Securities	Percentage of Total
Issued and outstanding as at the date of this Prospectus	6,910,133	31.21%
Common Shares reserved for issuance upon conversion of Share Special Warrants	1,376,000	6.21%
Common Shares reserved for issuance upon conversion of Unit Special Warrants	6,930,000	31.29%
Common Shares reserved for issuance upon exercise of Warrants	6,930,000	31.29%
Total Fully Diluted Share Capitalization after the Listing	22,146,133	100%

OPTIONS TO PURCHASE SECURITIES

Outstanding Options

As of the date of this Prospectus, the Company has not granted any options under the Option Plan and accordingly does not have any stock options outstanding.

PRIOR SALES

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

Date of Issue	Price per Security	Number of Securities
February 27, 2020	0.0025(1)	5,200,000 Seed Shares(2)
June 9, 2020	0.025(1)	1,376,000 Share Special Warrants(2)
December 30, 2020	$0.06	1,710,133 FT Shares
January 31, 2021	$0.05	6,930,000 Unit Special Warrants

Notes:
(1) Price has been adjusted to reflect the Share Split.
(2) Number of securities has been adjusted to reflect the Share Split.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

In connection with the proposed Listing on the CSE, the following Common Shares are expected to be subject to escrow upon completion of the listing on the CSE as shown in the following table:

Name	Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer (1)(2)	Percentage of class(3)
Robert Cameron	Common Shares	1,200,000(4)	7.89%
Nancy Curry	Common Shares	500,000(5)	3.29%
Daniel Martino	Common Shares	183,333(6)	1.20%
Michael Sweatman	Common Shares	204,000(7)	1.34%
Kristian Whitehead	Common Shares	1,074,000	7.06%
MDS Management Ltd.	Common Shares	804,000(8)	5.28%
Scadam Holdings Ltd.	Common Shares	1,000,000(9)	6.57%
Infiniti Drilling Corporation	Common Shares	208,000(10)	1.37%
Total		**5,173,333**	**34.0%**

Notes:
(1) These Common Shares are held under the Escrow Agreements in accordance with NP 46-201. The escrow agent is Endeavor.
(2) Number of Common Shares held assuming conversion of all Share Special Warrants and all Unit Special Warrants.
(3) Based on 15,216,133 Common Shares issued and outstanding following conversion of all Share Special Warrants and Unit Special Warrants.
(4) Mr. Cameron will also hold 200,000 Warrants on conversion of the Unit Special Warrants.
(5) Ms. Curry will also hold 500,000 Warrants on conversion of the Unit Special Warrants.
(6) Mr. Martino will also hold 100,000 Warrants on conversion of the Unit Special Warrants.
(7) Mr. Sweatman will also hold 200,000 Warrants on conversion of the Unit Special Warrants.
(8) MDS Management Ltd. is a company owned by Michael Sweatman.
(9) Scadam Holdings Ltd. is a company controlled by a relative of Scott Young.
(10) Infiniti Drilling Corporation is a company owned and controlled by Kristian Whitehead. It will also hold 200,000 Warrants on conversion of the Unit Special Warrants.

Escrow Agreements

NP 46-201 provides that all shares of an issuer owned or controlled by its Principals will be escrowed at the time of the issuer's initial public offering. At the time of its initial public offering, an issuer will be classified for the purposes of escrow as either an “exempt issuer”, an “established issuer” or an “emerging issuer” as those terms are defined in NP 46-201.

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

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

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

The automatic timed release provisions under NP 46-201 pertaining to “established issuers” provide that 25% of each Principal’s and shareholder’s escrowed securities are released on the Listing Date, with an additional 25% being released in equal tranches at six month intervals over eighteen months. If, within eighteen months of the Listing Date, the Company meets the “established issuer” criteria as set out in NP 46-201, the escrowed securities will be eligible for accelerated release available for established issuers. In such a scenario, that number of escrowed securities that would have been eligible for release from escrow if the Company had been an “established issuer” on the Listing Date will be immediately released from escrow. The remaining escrowed securities would be released in accordance with the timed release provisions for established issuers, with all escrowed securities being released eighteen months from the Listing Date. The Company does not expect to become an established issuer within 18 months of the Listing Date.

Pursuant to the terms of the Escrow Agreement, 5,173,333 Common Shares will be held in escrow on the Listing Date.

PRINCIPAL SECURITYHOLDERS

The following table lists those persons who own 10% or more of the issued and outstanding Common Shares, prior to and after giving effect to the Special Warrant Offerings:

Name and Municipality of Residence	Type of Ownership	Number of Common Shares Prior to Giving Effect to the Special Warrant Offerings	Percentage of Common Shares Prior to Giving Effect to the Special Warrant Offerings	Number of Common Shares After Giving Effect to the Special Warrant Offerings (undiluted and fully-diluted[(2)])	Percentage of Common Shares After Giving Effect to the Special Warrant Offerings (undiluted and fully-diluted[(2)])
Robert Cameron Vancouver, BC	Direct	1,000,000[(1)]	14.47%	1,200,000[(1)] (undiluted) 1,400,000[(1)] (diluted)	7.89% (undiluted) 6.32% (diluted)

Name and Municipality of Residence	Type of Ownership	Number of Common Shares Prior to Giving Effect to the Special Warrant Offerings	Percentage of Common Shares Prior to Giving Effect to the Special Warrant Offerings	Number of Common Shares After Giving Effect to the Special Warrant Offerings (undiluted and fully-diluted[(2)])	Percentage of Common Shares After Giving Effect to the Special Warrant Offerings (undiluted and fully-diluted[(2)])
Kristian Whitehead North Vancouver, BC	Direct	1,070,000[(1)]	15.48%	1,074,000[(1)] (undiluted) 1,074,000[(1)] (diluted)	7.06% (undiluted) 4.85% (diluted)
Scadam Holdings Ltd. Vancouver, BC[(3)]	Direct	1,000,000[(1)]	14.47%	1,000,000[(1)] (undiluted) 1,000,000[(1)] (diluted)	6.57% (undiluted) 4.52% (diluted)
MDS Management Ltd.[(4)] Delta, BC	Direct	800,000[(1)]	11.58%	804,000[(1)] (undiluted) 804,000[(1)] (diluted)	5.28% (undiluted) 3.63% (diluted)
Darren Beattie Vancouver, BC	Direct	800,000	11.58%	800,000 (undiluted) 800,000 (diluted)	5.26% (undiluted) 3.61% (diluted)

Notes:

(1) Subject to the Escrow Agreement. See "*Escrow Securities*".
(2) Following the deemed exercise of all Special Warrants and assuming that all Warrants are exercised in full.
(3) Scadam Holdings Ltd. is a company controlled by a relative of Scott Young.
(4) MDS Management Ltd. is a company owned by Michael Sweatman.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holdings

The following table provides the names, municipalities of residence, position, principal occupations and the number of voting securities of the Company that each of the directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as of the Prospectus Receipt Date after giving effect to the Special Warrant Offerings:

Name and Municipality of Residence and Position with the Company	Director/ Officer Since	Principal Occupations Held During the Last 5 Years	Number and Percentage of Common Shares Beneficially Owned or Controlled, Directly or Indirectly[(1)]
Robert Cameron Vancouver, BC CEO and Director	February 21, 2020	CEO of Commander Resources Ltd. from 2015.	1,200,000 (7.89%)
Michael Sweatman[(5)] Delta, BC Director	August 14, 2020	President of MDS Management Ltd. from 1982.	1,008,000[(2)] (6.62%)
Scott Young[(5)] Vancouver, BC Corporate Secretary and Director	August 14, 2020	Self-employed consultant.	1,000,000[(3)] (6.57%)

Name and Municipality of Residence and Position with the Company	Director/ Officer Since	Principal Occupations Held During the Last 5 Years	Number and Percentage of Common Shares Beneficially Owned or Controlled, Directly or Indirectly(1)
Nancy Curry(5) Vancouver, BC Director	May 17, 2021	Senior management consultant.	500,000 3.29%
Kristian Whitehead North Vancouver, BC VP of Exploration	October 8, 2020	Self-employed geologist.	1,282,000(4) (8.43%)
Daniel Martino Coquitlam, BC CFO	January 1, 2021	Principal at Donaldson Brohman Martin, CPA Inc., a professional services accounting firm from 2018 to Present. Principal in assurance services at Davidson & Company LLP, a public practice accounting firm from 2010 to 2018.	83,333 (1.20%)

Notes:
(1) Percentage is based on 6,910,133 Common Shares issued and outstanding as of the Prospectus Receipt Date after giving effect to the Special Warrant Offerings, on an undiluted basis,.
(2) Includes 804,000 Common Shares held though MDS Management Ltd., a company owned or controlled by Mr. Sweatman.
(3) Common Shares held through Scadam Holdings Ltd., a company owned or controlled by a relative of Mr. Young.
(4) Includes 208,000 Common Shares held though Infiniti Drilling Corporation, a company owned and controlled by Mr. Whitehead.
(5) Denotes member of Audit Committee.

The term of office of the directors expires annually at the time of the Company's next annual general meeting. As of the Prospectus Receipt Date after giving effect to the Special Warrant Offerings, the directors and executive officers of the Company as a group will beneficially own, directly or indirectly, or exercised control or discretion over an aggregate of 5,173,333 Common Shares of the Company, which is equal to 34.0% of the Common Shares to be issued and outstanding as at the Prospectus Receipt Date.

Background

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

Scott Young – Corporate Secretary and Director, 69 years old.

Mr. Young was an investment advisor holding both his Canadian and U.S. securities licenses up until 2000. He has worked as a corporate governance and communications consultant since 2000 in the technology, mining and pharmaceutical industries, with clients trading on both Canadian and American stock exchanges. During the 2020 Winter Olympics he was an in-house consultant with Alda Pharmaceuticals which was the infection control sponsor for the games. The Company was also named in the TSXV Top 50 listed companies the same year. Recently he was the Managing Director of Sonoma Resources which completed a Reverse Takeover of Element Lifestyle Retirement in December 2015. Over the last five years, Scott has been a consultant to Element along with holding directorships with other TSX Venture Exchange and CSE public companies.

Mr. Young anticipates devoting approximately 40% of his working time for the benefit of the Company.

Robert Cameron – CEO and Director, 62 years old.

Mr. Cameron has over 30 years of international experience in the mining industry including positions as President and CEO of Valley High Ventures and Bearing Resources Ltd. as well as Vice-President and Manager of exploration for Phelps Dodge Corporation of Canada Limited (a then subsidiary of Freeport McMoRan Copper and Gold Inc.). In addition he has extensive market and finance experience including a term as mining analyst for Research Capital. He is a member of the Association of Professional Engineers and Geoscientists of British Columbia.

Mr. Cameron anticipates devoting approximately 40% of his working time for the benefit of the Company.

Michael Sweatman – Director, 69 years old.

Mr. Sweatman possesses in excess of 30 years experience as a Chartered Professional Accountant (CPA CA) in public and private practice and has worked with and provided advice to many companies listed on the Toronto Stock Exchange and TSX Venture Exchange. Mr. Sweatman was admitted to the Institute of Chartered Accountants of British Columbia in 1982 and in the Yukon in 1990. He was the principal of Michael Sweatman Limited, Chartered Accountant, from 1999 until 2015 and has operated MDS Management Ltd., a Vancouver-based management consulting and investment company, since November 1992. In addition, Mr. Sweatman has served as a director and officer of a number of public companies over the past 25 years. He is currently Director and Chairman of Nevada Sunrise Gold Corp. (TSXV-NEV), and Director of Lithoquest Resources Inc. (TSXV - LDI) He also serves as an Audit Committee member of the aforementioned.

Mr. Sweatman anticipates devoting approximately 10% of his working time for the benefit of the Company.

Nancy Curry – Director, 55 years old.

Nancy Curry is an independent director with over 25 years of financial market, strategic planning, corporate development and executive management experience. Having worked in senior management positions with several mineral and development companies, Ms. Curry is committed to industry recognized best practices and promoting shareholder's interests. Her career began in the financial services industry specializing in futures trading before focusing on mineral exploration. An exploration stage advocate, Ms. Curry was nominated twice for Best Investor Relations by a TSX Venture Exchange company by IR Magazine. Ms. Curry believes in giving back to the community and has volunteered her time to many local community organizations. Co-founding an annual Christmas Toy Drive supported by the local mining industry before becoming a founding director of Global Change for Children (www.gc4c.org), foundation registered in 2009 by a group of women primarily from the mineral exploration industry in Vancouver, BC.

Ms. Curry anticipates devoting approximately 10% of her working time for the benefit of the Company.

Daniel Martino – Chief Financial Officer, 33 years old.

Mr. Martino has worked in public practice since 2010, providing accounting, assurance, financial reporting, and executive management services primarily to public companies listed on the Toronto Stock Exchange and TSX Venture Exchange. Prior to DBM, Daniel was formerly a Principal with Davidson & Company LLP concentrating in assurance services. Daniel now serves as Chief Financial Officer and/or financial reporting consultant for various public companies in the clean technology, mineral resource, and cannabis industries. He obtained his Bachelor of Business Administration (BBA) degree at Simon Fraser University in 2010, and his CPA, CA (Chartered Professional Accountant) designation in 2013.

Mr. Martino anticipates devoting approximately 15% of his working time for the benefit of the Company.

Kristian Whitehead – VP of Exploration, 46 years old.

Mr. Whitehead formerly VP Exploration for Eureka Resources Corporation, former Senior Project Managing Geologist for Hunter Dickinson Inc. & Taseko Mines and Senior Project Geologist for Kootenay Silver Inc. Kristian has over 18 years of professional geological experience where he has managed and implemented numerous strategic exploration and production projects based globally with multi-million dollar operational budgets. In addition, Mr. Whitehead is the President, Founder & Sole owner of Infiniti Drilling Corporation which has and continues to provide the geological industry with remote global diamond drilling, exploration, mining and project management support since 2005.

Mr. Whitehead anticipates devoting approximately 20% of his working time for the benefit of the Company.

Corporate Cease Trade Orders or Bankruptcies

No director or executive officer of the Company is, as at the date of this Prospectus, or was within ten years before the date hereof, a director, CEO or CFO of any company, including the Company, that:

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

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

Penalties or Sanctions

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

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

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

Scott Young, a director of the Company, was previously a director of Sonoma Resources Inc. ("Sonoma"), a TSXV-listed company. On August 6, 2014, the BCSC issued a cease trade order and on November 5, 2014, the Alberta Securities Commission ("ASC") issued a cease trade order, in each case as a result of Sonoma's failure to file its financial statements for the period ended March 31, 2014. On February 25, 2015, Sonoma was demoted to NEX after failing to meet Tier 2 requirements for the TSXV. All outstanding financial statements of Sonoma were filed in July 2015 and Sonoma received revocation orders from both the BCSC and ASC dated July 24, 2015, and July 27, 2015, respectively.

Bankruptcies

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

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

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

Conflicts of Interest

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

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

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

EXECUTIVE COMPENSATION

The following information regarding executive compensation is presented in accordance with National Instrument Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*, and provides information regarding compensation the company paid, made payable, awarded, granted, gave or otherwise provided to each Named Executive Officer and director for the financial year, and the decision-making process relating to compensation.

For the purposes hereof, the term named executive officer ("**Named Executive Officer**" or "**NEO**") means each CEO, each CFO and the Company's most highly compensated executive officer, other than the CEO and the CFO, who was serving as executive officer as at the end of the Company's most recently completed financial year ended January 31, 2021 and whose total salary and bonus exceeds $150,000 and any additional individuals for whom disclosure would have been provided except that the individual was not serving as an officer of the Company at the end of the Company's most recently completed financial year.

The current NEOs of the Company are Robert Cameron (CEO), Scott Young (Corporate Secretary) and Daniel Martino (CFO). NEOs for the period from incorporation on February 21, 2020 to January 31, 2021 included Robert Cameron (President/CEO), Scott Young (Corporate Secretary), Michael Sweatman (CFO until December 31, 2020), and Daniel Martino (CFO since January 1, 2021).

Summary Compensation Table

The following table sets out information concerning the compensation paid to each of the Company's NEOs and directors, excluding compensation securities, for the for the period from incorporation on February 21, 2020 to January 31, 2021.

Table of Compensation (excluding compensation securities)							
Name and position(s)	**Year(1)**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total Compensation ($)**
Robert Cameron President/CEO and Director(2)	2021	5,500	Nil	Nil	Nil	Nil	5,500
Scott Young Corporate Secretary and Director(3)	2021	7,000	Nil	Nil	Nil	Nil	7,000
Michael Sweatman Former CFO and Director(4)	2021	5,400	Nil	Nil	Nil	Nil	5,400
Daniel Martino CFO(5)	2021	1,500	Nil	Nil	Nil	Nil	1,500
Kristian Whitehead VP, Exploration	2021	2,000	Nil	Nil	Nil	Nil	2,000

Notes:
(1) Period from incorporation on February 21, 2020 to January 31, 2021.
(2) Mr. Cameron has been director and President/CEO of the Company since the date of incorporation on February 21, 2020.
(3) Mr. Young has been director of the Company since August 14, 2020 and was appointed as Corporate Secretary of the Company on January 7, 2021. Fees for management services of Mr. Young charged to the Company by Freeform Communications Inc.
(4) Mr. Sweatman has been a director of the Company since August 14, 2020 and acted as CFO of the Company from August 14, 2020 until December 31, 2020. Fees for management services of Mr. Sweatman charged to the Company by MDS Management Ltd.
(5) Fees for accounting services of Mr. Martino charged to the Company by Donaldson Brohman Martin, CPA Inc.

Stock Options and Other Compensation Securities

As of the date of this Prospectus, the Company has not granted any stock options or other compensation securities.

Stock Option Plans and Other Incentive Plans

On March 17, 2021, the Company implemented the Option Plan in order to provide effective incentives to directors, officers and employees of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Company's shareholders. The Company has no equity incentive plans other than the Option Plan. The size of Option grants is dependent on each officer's level of responsibility, authority and importance to the Company and the degree to which such officer's long-term contribution to the Company will be key to its long-term success.

The Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance, set aside and made available for issuance under the Option Plan may not exceed 10% of the number of Common Shares of the Company issued and outstanding from time to time.

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

The exercise price of any Options granted under the Option Plan shall be determined by the Board, but may not have an exercise price lower than the greater of the closing market prices of the underlying securities on (a) the trading day prior to the date of grant of the Options; and (b) the date of grant of the Options. The term of any Options granted under the Option Plan shall be determined by the Board at the time of grant but, subject to earlier termination in the event of termination or in the event of death, the term of any Options granted under the Option Plan may not exceed ten years. Options granted under the Option Plan are not to be transferable or assignable. Subject to certain exceptions, in the event that a director or officer ceases to hold office, options granted to such director or officer under the Option Plan will expire one year after such director or officer ceases to hold office. Subject to certain exceptions, in the event that an employee, or consultant ceases to act in that capacity in relation to the Company, Options granted to such employee, consultant or management company employee under the Option Plan will expire one year after such individual or entity ceases to act in that capacity in relation to the Company. The number of Common Shares reserved for issuance under the Option Plan may not exceed 5% of the issued Shares of the Company to any one person in any 12-month period (calculated as of the date the Option is granted).

Employment, Consulting and Management Agreements

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

Oversight and Description of Director and NEO Compensation

At its present stage of development, the Company does not have any formal objectives, criteria and analysis for determining the compensation of its Named Executive Officers and primarily relies on the discussions and determinations of the Board. With a view to minimizing its cash expenditures not directed at the exploration of the Property, the emphasis in compensating the Named Executive Officers shall be the grant of incentive Options under the Option Plan described above. The type and amount of future compensation to be paid to NEOs and directors has not been determined and the Board has not considered the implications of the risks associated with the compensation policies and practices. The Company has not considered the implications of the risks associated with the Company's compensation policies and practices. Neither NEOs nor directors are permitted to purchase financial instruments that are designed to hedge or offset a decrease in the market value of equity securities offered as compensation.

As of the date of this Prospectus, the Board 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.

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

Defined Benefit Plans

The Company does not have any pension, retirement or deferred compensation plans, including defined contribution plans, defined benefit or actuarial plans, and none are proposed at this time.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Aggregate Indebtedness

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

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

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

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Audit Committee

The Audit Committee's role is to act in an objective, independent capacity as a liaison between the auditors, management and the Board and to ensure the auditors have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations. NI 52-110, NI 41-101 and Form 52110F2 require the Company, as an IPO venture issuer, to disclose certain information relating to the Company's audit committee and its relationship with the Company's independent auditors.

Audit Committee Charter

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

Composition of Audit Committee

The members of the Company's Audit Committee are:

Scott Young	Not Independent(1)	Financially literate(2)
Michael Sweatman	Independent(1)	Financially literate(2)
Nancy Curry	Independent(1)	Financially literate(2)

Notes:

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

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

Relevant Education and Experience

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

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

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

(c) an understanding of internal controls and procedures for financial reporting. See "*Directors and Executive Officers*" for further details.

For a summary of the experience and education of the Audit Committee members see "*Directors and Executive Officers*".

Audit Committee Oversight

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

Pre-Approval Policies and Procedures

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

External Auditor Service Fees

The Company's external audit fees for the period ended January 31, 2021 were $nil. Davidson and Company LLP, the Company's external auditor, partially billed the Company $7,000 subsequent to January 31, 2021, for its services in connection with the preparation of this Prospectus.

Exemption

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services).

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

CORPORATE GOVERNANCE

General

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

Board of Directors

The Board facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board. The Board is comprised of four directors: Robert Cameron, Scott Young, Nancy Curry and Michael Sweatman. As the size of the Board is small, the Board has no formal procedures designed to facilitate the exercise of independent supervision over management, relying instead on the integrity of the individual members of its management team to act in the best interests of the Company.

Scott Young is not independent as he is the Corporate Secretary of the Company.

Directorships

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

Director	Name of Reporting Issuer and Exchange
Scott Young	Element Lifestyle Retirement Inc. (TSXV: ELM) Pinedale Energy Limited (TSXV: MCF)
Michael Sweatman	Lithoquest Resources Inc. (TSXV: LDI) Nevada Sunrise Gold Corporation (TSXV: NEV)
Robert Cameron	Commander Resources Ltd. (TSXV: CMD)

Orientation and Continuing Education

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

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

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

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

Compensation

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

Other Board Committees

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

Assessments

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

RISK FACTORS

General

The Company is in the business of exploring and, if warranted, developing mineral properties, which is a highly speculative endeavor. A purchase of any of the securities offered hereunder involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities offered hereunder should not constitute a significant portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective investors should evaluate carefully the following risk factors associated with an investment in the Company's securities prior to purchasing any of the securities offered hereunder.

Limited Operating History

The Company has no history of earnings. There are no known commercial quantities of mineral reserves on any properties optioned by the Company. There is no guarantee that economic quantities of mineral reserves will be discovered on the Property by the Company in the near future or at all. If the Company does not generate revenue, it may be unable to sustain its operations in which case it may become insolvent and you may lose your investment.

Dilution

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

Speculative Nature of Mineral Exploration

Resource exploration is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital. There is no assurance that the Company's mineral exploration activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Acquisition of Additional Mineral Properties

If the Company abandons the exploration and development of the Property, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange. There is also no guarantee that the Exchange will approve the acquisition of any additional properties by the Company, whether by way of option or otherwise, should the Company wish to acquire any additional properties.

Commercial Ore Deposits

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

Uninsurable Risks

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

Permits and Government Regulations

The future operations of the Company may require permits from various federal, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that the Company will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on the Property.

Environmental and Safety Regulations and Risks

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

Key Person Insurance

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

Mineral Titles

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

Loss of Interest in Properties

The Company's ability to maintain an interest in the properties owned by the Company will be dependent on its ability to raise additional funds by equity financing. Failure to obtain additional financing may result in the Issuer being unable to make the periodic payments required to keep the Property in good standing and could result in the delay or postponement of further exploration and or the partial or total loss of the Company's interest in the properties transferred to or optioned by the Company.

Failure to obtain additional financing may result in the Company being unable to complete the required work required to keep the Property interests in good standing and could result in the delay or postponement of further exploration and or the partial or total loss of the Company's interest in the Property.

Aboriginal Title

The Property or other properties owned or optioned by the Company may in the future be the subject of First Nations land claims. The legal nature of aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Company's ownership interest in the properties optioned or owned by the Company cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the area in which the properties optioned or purchased by the Company are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with First Nations in order to facilitate exploration and development work on the properties optioned or owned by the Company.

Fluctuating Mineral Prices

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

Competition

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

Management

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

Financing Risks

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

Negative Cash Flows From Operations

It is highly likely the Company may have negative cash flow in any future period and as a result, the Company will need to use available cash, including proceeds of future financings to fund any such negative cash flow.

Resale of Common Shares

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

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline below the initial purchase price.

Conflicts of Interest

Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with the Company. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the Business Corporations Act (British Columbia). Some of the directors and officers of the Company are or may become directors or officers of other companies engaged in other business ventures. In order to avoid the possible conflict of interest which may arise between the directors' duties to the Company and their duties to the other companies on whose boards they serve, the directors and officers of the Company have agreed to the following:

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

Public Health Crises

The Company may be adversely affected by public health crises and other events outside its control. Public health crises, such as epidemics and pandemics, acts of terrorism, war or other conflicts and other events outside of our control, may adversely impact the activities of the Company as well as operating results. In addition to the direct impact that such events could have on the Company's facilities and workforce, these types of events could negatively impact capital expenditures and overall economic activity in impacted regions or, depending on the severity of the event, globally, which could impact the demand for and prices of commodities. The outbreak of the novel coronavirus known as COVID-19 has impacted access to and from, and overall economic activity in, Canada and globally. To date, the Company has not been materially adversely impacted by the outbreak. However, a prolonged continuance of this public health crisis, an increase in its breadth or in its overall severity, could adversely affect our workforce and ability to operate generally as well as cause significant investment decisions to be delayed or postponed. A prolonged continuance of this public health crisis could also have a material adverse effect on overall economic growth and impact the stability of the financial markets and availability of credit. Any of these developments could have a material adverse effect on the Company's business, financial position, liquidity and results of operations.

Tax Issues

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

Dividends

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

PROMOTER

Robert Cameron, one of the Company's directors, may be considered to be a Promoter of the Company in that he took the initiative in founding and organizing the business of the Company. Mr. Cameron will be the registered and beneficial owner of 1,200,000 Common Shares and 200,000 Warrants as of the Prospectus Receipt Date, which is equal to 6.32% of the Common Shares issued and outstanding on a fully-diluted basis.

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

1. received anything of value directly or indirectly from the Company;
2. sold or otherwise transferred any asset to the Company within the last 2 years;
3. is at of the date hereof, or was within 10 years before the date hereof, a director, CEO or CFO of any person or company that was the subject of a cease trade order or similar order or an order that denied the relevant person or company access to any statutory exemptions for a period of more than 30 consecutive days while that person was acting in the capacity as director, CEO or CFO;

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

5. is at of the date hereof, or was within 10 years before the date hereof, a director or executive officer of any person or company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets;

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

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

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

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

LEGAL PROCEEDINGS

Legal Proceedings

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

Regulatory Actions

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

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

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

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

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as set forth below, from incorporation on February 21, 2020 to the date of this Prospectus, none of the following persons or companies has had any material interest, direct or indirect, in any transaction which has materially affected or is reasonably expected to materially affect the Company: (a) any director or executive officer of the Company; (b) any person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of any class or series of the Company's outstanding voting securities; and (c) any associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b).

AUDITORS

The auditors of the Company are Davidson and Company LLP, having an address at 1200-609 Granville St. Vancouver, BC, Canada V7Y 1G6. Such firm is independent of the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent of the Company is Endeavor Trust Corporation & National Securities Administrators Ltd. at its principal office at 777 Hornby Street, Unit 702, Vancouver, BC V6Z 1S4.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following agreements are the only material contract entered into by the Company from its incorporation to the date of this Prospectus:

- the Option Agreement;
- the Engagement letter between the Company and Vested Technology Corporation dated February 28, 2020; and
- Escrow Agreement dated [●] among the Company. certain of its securityholders and Endeavour Trust Corporation.

EXPERTS

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

Davidson and Company LLP, Chartered Professional Accountants, auditor of the Company, who prepared the independent auditor's report on the Company's financial statements included in and forming part of this Prospectus, has informed the Company that it is independent of the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

The Technical Report was prepared by Mr. Richard J. Haslinger. Mr. Haslinger has no interest in the Company, the Company's securities or the Property and has not held, received or is to receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of its associates or affiliates when the Technical Report was prepared or thereafter.

OTHER MATERIAL FACTS

There are no material facts about the Company that are not otherwise disclosed in this Prospectus.

FINANCIAL STATEMENTS

Financial statements of the Company for the period ended January 31, 2021 are included in this Prospectus as Schedule "A".

SCHEDULE “A”
1111 ACQUISITION CORP. FINANCIAL STATEMENTS

Table of Contents

(See Financial Statements attached.)

1111 Acquisition Corp.

Financial Statements

For the period from incorporation on

February 21, 2020 to January 31, 2021

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Directors of
1111 Acquisition Corp.

Opinion

We have audited the accompanying financial statements of 1111 Acquisition Corp. (the "Company"), which comprise the statement of financial position as at January 31, 2021, and the statements of changes in shareholders' equity, loss and comprehensive loss, and cash flows for the period from incorporation on February 21, 2020 to January 31, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2021, and its financial performance and its cash flows for the period from incorporation on February 21, 2020 to January 31, 2021 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company does not have traditional sources of revenue, and is reliant on equity financing at this time. Although the Company has been successful with its initial equity financings, there is no assurance that such financing will continue to be available with acceptable terms. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is Alyson Neil.

Vancouver, Canada Chartered Professional Accountants

DATE

1111 Acquisition Corp.

Statement of Financial Position

As at January 31, 2021

	Note	January 31, 2021 $
Assets		
Current assets		
Cash		280,347
Receivables	3	181,668
		462,015
Non-current assets		
Mineral property interest	4	18,500
		18,500
Total assets		**480,515**
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities		31,072
Accounts payable to related parties	7	19,745
Flow-through premium liability	10	17,101
Total liabilities		**67,918**
Shareholders' equity		
Share capital	5	98,507
Special warrants	5	360,900
Deficit		(46,810)
Total shareholders' equity		**412,597**
Total liabilities and shareholders' equity		**480,515**
Nature of operations and going concern	1	
Commitment	10	
Subsequent event	12	

Approved on behalf of the Board of Directors on May XX, 2021:

"Michael Sweatman" **Director** *"Robert Cameron"* **Director**

1111 Acquisition Corp.

Statement of Changes in Shareholders' Equity

For the period from incorporation on February 21, 2020 to January 31, 2021

	Number of common shares #	Number of special warrants #	Share capital $	Special warrants $	Deficit $	Total shareholders' equity $
February 21, 2020	-	-	-	-	-	-
Incorporator's share	1	-	-	-	-	-
Cancellation of incorporator's share	(1)	-	-	-	-	-
Issue of shares for cash - seed shares	5,200,000	-	13,000	-	-	13,000
Issue of shares for cash - private placement	1,710,133	-	102,608	-	-	102,608
Flow-through premium liability	-	-	(17,101)	-	-	(17,101)
Issue of special warrants for cash	-	7,906,000	-	370,900	-	370,900
Share issue costs - non-cash	-	400,000	-	-	-	-
Share issue cost - cash	-	-	-	(10,000)	-	(10,000)
Loss and comprehensive loss for the period	-	-	-	-	(46,810)	(46,810)
January 31, 2021	**6,910,133**	**8,306,000**	**98,507**	**360,900**	**(46,810)**	**412,597**

The accompanying notes are an integral part of these financial statements.

Statement of Loss and Comprehensive loss

For the period from incorporation on February 21, 2020 to January 31, 2021

	Note	January 31, 2021 $
Expenses		
General and administrative expenses		5,287
Consulting fees		2,000
Management fees	7	19,400
Professional fees		17,490
Property investigation		2,218
Filing fees		415
Loss and comprehensive loss for the period		**(46,810)**
Loss per share		
Weighted average number of common shares outstanding		
- Basic #	6	**5,268,186**
- Diluted #	6	**5,268,186**
Basic loss per share $	6	**(0.01)**
Diluted loss per share $	6	**(0.01)**

1111 Acquisition Corp.

Statement of Cash Flows

For the period from incorporation on February 21, 2020 to January 31, 2021

	Note	January 31, 2021 $
Operating activities		
Loss and comprehensive loss for the period		(46,810)
Net change in non-cash working capital items	8	40,149
		(6,661)
Financing activities		
Issue of shares/special warrants for cash		305,508
		305,508
Investing activities		
Mineral property acquisition costs		(15,000)
Deferred exploration and evaluation expenditures		(3,500)
		(18,500)
Increase in cash		**280,347**
Cash, beginning of period		**-**
Cash, end of period		**280,347**
Supplemental cash flow information	8	

1. Nature of operations and going concern

1111 Acquisition Corp. (the "Company") is a private company incorporated in British Columbia under the provisions of the British Columbia Business Corporations Act on February 21, 2020. The Company is in the process of applying for a public listing on the Canadian Securities Exchange ("CSE" or the "Exchange"). The Company's registered and records office address is 1100 – 1111 Melville Street, Vancouver BC V6E 3V6.

The Company's principal business activity is the acquisition, exploration and evaluation of mineral property interests located in Canada. The Company is in the process of exploring its mineral property interest in British Columbia and has not yet determined whether it contains mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, obtaining the necessary permits to mine, and on future profitable production or proceeds from the disposition or option of the mineral property interests. The carrying amounts of mineral property interests are based on costs incurred to date and do not necessarily represent present or future values.

These financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As an exploration stage company, the Company does not have traditional sources of revenue, and is reliant on equity financing at this time. As at January 31, 2021, the Company had working capital of $394,097. Although the Company has been successful with its initial equity financings, there is no assurance that such financing will continue to be available with acceptable terms. These uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's ability to raise capital or conduct exploration activities. There are various community travel restrictions and health and safety concerns that may prohibit or delay exploration programs from proceeding. Operations will depend on obtaining necessary field supplies, obtaining contractor services, and safeguarding all personnel during the outbreak, which may be prohibitive or too costly. Government wage and loan subsidies are available to qualified companies to assist them with operating costs during the pandemic. To date, the Company has not qualified for assistance. The Company's requirement to incur flow-through expenditures by December 31, 2021, has been relaxed by the Government allowing the Company an extension of one year (Note 10). However, it may not be possible to complete these expenditures if the pandemic continues and access to its projects prove insurmountable.

2. Significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards and Interpretations (collectively, "IFRS"), as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements have been prepared on an historical cost basis, except for financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

All amounts on the financial statements are presented in Canadian dollars which is the functional currency of the Company.

2. Significant accounting policies (continued)

Financial instruments

The Company classifies its financial instruments in the following categories: as fair value through profit or loss ("FVTPL"), financial assets at amortized cost and other financial liabilities. The classification depends on the purpose for which the financial assets or liabilities were acquired. Management determines the classification of financial assets and liabilities at initial recognition. The Company accounts for non-derivative financial assets and liabilities as follows:

Recognition

The Company recognizes financial assets and financial liabilities at fair value on the date the Company becomes a party to the contractual provisions of the instruments.

Classification

The Company classifies its financial assets and financial liabilities using the following measurement categories: (i) those to be measured subsequently at fair value (either through other comprehensive income (loss) or through profit or loss); and (ii) those to be measured at amortized cost. The classification of the Company's financial assets and financial liabilities are detailed in Note 9.

The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (an irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income (loss).

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

The Company's financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method. Interest expense is recorded to profit or loss.

Impairment

Financial assets

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

Non-financial assets

Non-financial assets are reviewed quarterly by management for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present the recoverable amount of an asset is evaluated at the CGU level, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent that the carrying amount exceeds the recoverable amount. The Company's mineral property interest impairment policy is more specifically discussed in the "mineral property interests" accounting policy below.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

2. Significant accounting policies (continued)

Mineral property interests

The acquisition costs of mineral property interests and any subsequent exploration and evaluation costs are capitalized until the properties to which they relate are placed into production, sold, allowed to lapse, or abandoned. Exploration and evaluation costs incurred prior to obtaining ownership, or the right to explore a property, are expensed as incurred as property examination costs. Properties that have close proximity and have the possibility of being developed as a single mine are grouped as projects and are considered separate cash generating units ("CGU") for the purpose of determining future mineral reserves and impairments.

The acquisition costs include the cash consideration paid and the fair market value of any shares issued for mineral property interests being acquired or optioned pursuant to the terms of relevant agreements.

Proceeds received from a partial sale or option of a mineral property interest are credited against the carrying value of the property. When the proceeds exceed the carrying costs the excess is recorded in profit or loss in the period the excess is received. When all the interest in a property is sold, subject only to any retained royalty interests which may exist, the accumulated property costs are written-off, with any gain or loss included in profit or loss in the period the transaction takes place. No initial value is assigned to any retained royalty interest. The royalty interest is subsequently assessed for value by reference to developments on the underlying mineral property.

Management reviews its mineral property interests at each reporting period for signs of impairment and annually after each exploration season to consider if there is impairment in value taking into consideration current period/year exploration results and management's assessment of the future probability of profitable operations from the property, or likely gains from the disposition or option of the property. If a property is abandoned, or inactive for a prolonged period, or considered to have no future economic potential, the acquisition and deferred exploration and evaluation costs are written-off to profit or loss.

Once an economically viable resource has been determined for an area and the decision to proceed with development has been approved, mineral property interests attributable to that area are first tested for impairment and then reclassified to property and equipment. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. Should a project be put into production, the costs of acquisition, exploration and evaluation will be amortized over the life of the project based on estimated economic reserves. If the carrying value of a project exceeds its estimated net realizable value or value in use, an impairment provision is recorded.

Exploration costs renounced to shareholders pursuant to flow-through share subscription agreements remain capitalized, however, for income tax purposes the Company has no right to claim these costs as tax deductible expenses.

When entitled, the Company may record refundable mineral exploration tax credits on an accrual basis and as a reduction of the carrying value of the mineral property interest.

2. Significant accounting policies (continued)

Share capital

Common shares and special warrants are classified as shareholders' equity. Transaction costs directly attributable to the issue of common shares, special warrants, and stock options are recognized as a deduction from shareholders' equity, net of any tax effects. Common shares or special warrants issued for consideration other than cash, are valued based on the fair value of the Company's common shares by reference to recent private placement financings as at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of common shares, special warrants, and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a unit private placement to be the more easily measurable component. The balance, if any, is allocated to the attached warrants, except where there is a related flow-through share premium, as detailed in the accounting policy below. Any fair value attributed to the warrants is recorded as reserves.

Share-based payment transactions

The Company has a stock option plan that provides for the granting of options to Officers, Directors, and consultants to acquire shares of the Company. The fair value of the options is measured on grant date and is recognized as an expense with a corresponding increase in reserves as the options vest.

Options granted to employees and others providing similar services are measured on grant date at the fair value of the instruments issued. Fair value is determined using the Black-Scholes option pricing model considering the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Each tranche in an award with graded vesting is considered a separate grant with a different vesting date and fair value. Each grant is accounted for on that basis.

Options granted to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received.

Over the vesting period, share-based payments are recorded as an operating expense and as reserves. When options are exercised, the consideration received is recorded as share capital and the related share-based payments originally recorded as reserves are transferred to share capital. When an option is cancelled, or expires, the initial recorded value is reversed from reserves and credited to deficit.

Flow-through share private placement

As an incentive to complete private placements the Company may issue common shares, which by agreement are designated as flow-through shares. Such agreements require the Company to spend the funds from these placements on qualified exploration expenditures and renounce the expenditures and income tax benefits to the flow-through shareholders, resulting in no exploration deductions to the Company.

The shares are usually issued at a premium to the trading value of the Company's common shares. The premium reflects the value of the income tax benefits that the Company must pass on to the flow-through shareholders. On issue, share capital is increased only by the non-flow-through share equivalent value. Any premium is recorded as a flow-through share premium liability.

The deferred income tax liability and reversal of the flow-through share premium liability are recorded on a pro-rata basis as the required exploration expenditures are completed.

2. Significant accounting policies (continued)

Environmental rehabilitation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development, or ongoing production of a mineral property interest. The estimated costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are determined, and capitalized at the start of each project to the carrying amount of the asset as soon as the obligation to incur such costs arises. Discount rates, using a pre-tax rate that reflects the time value of money, are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method.

The related liability is adjusted at each reporting date for the unwinding of the discount rate, for changes to the current market-based discount rate, and for changes to the amount or timing of the underlying cash flows needed to settle the obligation. Changes to estimated future costs are recognized in the statements of financial position by either increasing or decreasing the decommissioning liability and the related asset.

The Company has no known restoration, rehabilitation, or environmental costs, of any significance, related to its mineral property interests.

Income taxes

Income tax expense is comprised of current and deferred income taxes. Current income tax and deferred income tax are recognized in profit or loss, except to the extent that they relate to items recognized directly in equity or equity investments.

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

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority for the same taxable entity. A deferred income tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related income tax benefit will be realized.

Loss per share

The Company presents basic and diluted earnings (loss) per share (“EPS”) data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period/year, adjusted for own shares held. Diluted EPS is determined by dividing the profit or loss attributable to common shareholders by the weighted average number of common shares outstanding, adjusted for own shares held, and for the effects of all potential dilutive common shares related to outstanding stock options and warrants issued by the Company for the period/years presented, except if their inclusion proves to be anti-dilutive.

2. Significant accounting policies (continued)

Use of estimates and critical judgments

The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period/year. Actual results could differ from those estimates and judgments. Those areas requiring the use of management estimates and judgments include:

Estimates

- Recorded costs of flow-through share premium liabilities reflect the premium received by the Company on the issue of flow-through shares. The premium is subject to measurement uncertainly and requires the Company to assess the value of non-flow through shares. This determination is subjective and does not necessarily provide a reliable single measure of the fair value of the premium liability.

Judgments

- Recorded costs of mineral property interests and deferred exploration and evaluation costs are not intended to reflect present or future values of these properties. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that changes in future conditions could require a material change in the recognized amount. Management is required, at each reporting period, to review its mineral property interests for signs of impairment. This is a highly subjective process taking into consideration exploration results, metal prices, economics, financing prospects and sale or option prospects. Management makes these judgments based on information available, but there is no certainty that a property is or is not impaired. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.
- The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.
- These financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used, then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these financial statements (Note 1).

3. Receivables

Receivables consist of the following:

	January 31, 2021 $
Sales tax recoverable	668
Subscriptions receivable	181,000
	181,668

Subscriptions receivable includes subscriptions to the Company's Special Warrant financing completed on January 31, 2021 (Note 5). The full amount of subscriptions receivable was collected subsequent to January 31, 2021.

4. Mineral property interest

The Company's mineral property interest consists of the Pinnacle project under option located in British Columbia ("BC"), Canada.

Changes in the project carrying amounts for the period from incorporation to January 31, 2021 are summarized as follows:

	February 21, 2020 $	Acquisition $	Exploration and evaluation $	January 31, 2021 $
Pinnacle, BC	-	15,000	3,500	18,500
	-	**15,000**	**3,500**	**18,500**

Exploration and evaluation expenditures on the Pinnacle project consisted of the following:

Period from incorporation on February 21, 2020 to January 31, 2021	January 31, 2021 $
Labour	3,500
	3,500

4. Mineral property interest (continued)

Pinnacle project, British Columbia, Canada

On August 25, 2020, the Company entered into an Option Agreement to earn a 70% interest in the copper-gold Pinnacle Property (the "Project") from Pacific Empire Minerals Corp. ("PEMC"). Under the terms of the agreement, the Company can earn a 70% interest in the property by making cash payments and issuing common shares to PEMC, and incurring cumulative exploration expenditures by August 25, 2024, as follows (the "Earn-In"):

Cash payments (cumulative $375,000):

- $15,000 upon signing the agreement (paid);
- $25,000 on or before August 25, 2021;
- $35,000 on or before August 25, 2022;
- $50,000 on or before August 25, 2023; and
- $250,000 on or before August 25, 2024 (with the option to pay up to 50% of this amount in an equivalent value of common shares);

Exploration expenditures (cumulative $5,700,000):

- $100,000 on or before August 25, 2021;
- $500,000 on or before August 25, 2022;
- $2,100,000 on or before August 25, 2023; and
- $3,000,000 on or before August 25, 2024.

Share issuances (cumulative 3,500,000 common shares):

- 200,000 common shares on or before August 25, 2021;
- 300,000 shares on or before August 25, 2022;
- 500,000 shares on or before August 25, 2023; and
- 2,500,000 shares on or before August 25, 2024.

Following the Earn-In, the Company must make a cash payment of $50,000 to PEMC (or the equivalent number of common shares) within three years of the Earn-In completion date, and each subsequent anniversary of such date. Additionally, PEMC will retain a 30% free-carried interest in the Project up until the date that the Company publishes a NI 43-101 compliant Pre-Feasibility Study ("PFS") on the Project. Following completion of the PFS, a Joint Venture will be formed whereby the Company will own 70% and PEMC will own 30% of the project.

Additionally, upon completion of the Earn-In, PEMC will retain a 2.0% Net Smelter Return Royalty ("NSR") which can be reduced to 1.0% by way of making a $1,000,000 cash payment to PEMC.

5. Share capital

The authorized share capital of the Company consists of unlimited common shares without par value. All issued shares are fully paid.

Transactions for the issue of share capital during the period from incorporation on February 21, 2020 to January 31, 2021:

(a) On February 21, 2020, the Company issued and cancelled one incorporator's share issued at a price of $0.01.

(b) On February 27, 2020, the Company issued 5,200,000 common shares ("Seed Shares") at a price of $0.0025 per share for gross proceeds of $13,000.

(c) On December 30, 2020, the Company completed a private placement consisting of the issue of 1,710,133 flow-through shares at a price of $0.06 each for gross proceeds of $102,608.

The flow-through shares were issued at a premium to the concurrent non-flow-through private placement of special warrants (which closed on January 31, 2021, see below) which reflects the value of the income tax write-offs that the Company will renounced to the flow-through shareholders effective December 31, 2020. The premium was determined to be $17,101 and was recorded as a reduction of share capital with an offset to flow-through premium liability. The premium will be reversed pro rata upon the required exploration expenditures being completed and recorded as income on settlement of the flow-through premium liability (Note 10).

Transactions for the issue of special warrants during the period from incorporation on February 21, 2020 to January 31, 2021:

(d) On June 9, 2020, the Company entered into an agreement with Vested Technology Corporation ("Vested") for the raise of capital utilizing Vested's crowd funding platform. Pursuant to which, the Company issued 976,000 special warrants ("Special Warrants") at a price of $0.025 each for gross proceeds of $24,400. Each Special Warrant automatically converts into one common share of the Company upon the listing of the Company's common shares on the Exchange.

Additionally, the Company issued 400,000 Special Warrants to Vested as a finder's fee with a fair value of $10,000 ($0.025 each). The finder's fee was recorded as a share issue cost and a reduction to special warrants thereby having a net $nil effect on shareholders' equity.

(e) On January 31, 2021, the Company completed a non-flow-through special warrant financing ("Special Warrant NFT financing") whereby it collected gross proceeds of $346,500 representing subscriptions for 6,930,000 Special Warrants at a price of $0.05 each. Upon listing of the Company's common shares on the Exchange, the Special Warrants will automatically convert into units consisting of one common share and one share purchase warrant, with each warrant being exercisable into a common share at an exercise price of $0.10 for 24 months from the date of issuance.

Finders' fees of $10,000 were incurred in respect of the placement, of which $10,000 is included in accounts payable and accrued liabilities at January 31, 2021.

Escrowed Shares

The Company's Seed Shares will be held in escrow upon listing of the Company's common shares on the Exchange. The escrow agreement is anticipated to stipulate the release of the Seed Shares at staged intervals over a period of 36 months.

Stock options

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of common shares of the Company's capital stock issuable pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding common shares. Options granted under the Plan will have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the greater of the closing market price of the common shares on: (i) the last closing market price of the Company's common shares immediately preceding the grant of the options; and (ii) the date of grant in respect of options granted to consultants, or such other price as may be agreed to by the Company and accepted by the Exchange. Vesting terms are determined by the Board of Directors at the time of grant.

During the period ended January 31, 2021, the Company had not granted any stock options and accordingly did not have any stock options outstanding.

6. Loss per share

The calculation of basic and diluted loss per share for the period from incorporation on February 21, 2020 to January 31, 2021 was based on the loss attributable to common shareholders of $46,810 and a weighted average number of common shares outstanding of 5,268,186.

All options and warrants were excluded from the diluted weighted average number of common shares calculation, as their effect would have been anti-dilutive.

7. Related party payables and transactions

Key management personnel are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management includes executive and non-executive members of the Company's Board of Directors, its officers, and companies in which they have control or significant influence.

The aggregate value of transactions and outstanding balances with related parties are as follows:

	Transactions Period ended January 31, 2021 $	Balances outstanding January 31, 2021 $
Management fees	19,400	19,475
	19,400	**19,475**

The transactions with the key management personnel and Directors are included in operating expenses as follows:

(a) Management fees:

- Includes the accounting services of the Company's CFO, Dan Martino (effective January 1, 2021), charged to the Company by Donaldson Brohman Martin, CPA Inc. ("DBM CPA");
- Includes the services of Michael Sweatman, Director (and former CFO until December 31, 2020), charged to the Company by MDS Management Ltd.
- Includes the services of Robert Cameron, CEO, Director, charged to the Company; and
- Includes the services of Scott Young, Director, charged to the Company by Freeform Communications Inc.

8. Supplemental cash flow information

Changes in non-cash operating working capital during the period ended January 31, 2021 comprised of the following:

	January 31, 2021 $
Receivables	(668)
Accounts payable and accrued liabilities	21,072
Accounts payable to related parties	19,745
Net change	**40,149**

The Company incurred non-cash financing activities during the period ended January 31, 2021 as follows:

	January 31, 2021 $
Non-cash financing activities:	
Share capital proceeds included in receivables	181,000
Share issue costs included in accounts payable and accrued liabilities	10,000
Share capital reduced by flow-through share premium	17,101

During the period from incorporation on February 21, 2020 to January 31, 2021, no amounts were paid for income taxes and interest expenses.

9. Financial risk management

Capital management

The Company is a junior exploration company and considers items included in shareholders' equity as capital. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares under additional equity financing arrangements. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company's capital structure as at January 31, 2021 is comprised of shareholders' equity of $412,597.

The Company currently has no source of revenues. In order to fund future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is primarily dependent upon its ability to sell or option its mineral properties and its ability to borrow or raise additional financing from equity markets.

Financial instruments - fair value

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, and accounts payable to related parties.

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of receivables, accounts payable and accrued liabilities and accounts payable to related parties approximates their fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the statement of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

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

Financial instruments - classification

Financial assets:	Classification:	Subsequent measurement:
Cash	FVTPL	Fair value
Subscriptions receivable	Amortized cost	Amortized cost

Financial liabilities:	Classification:	Subsequent measurement:
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Accounts payable to related parties	Amortized cost	Amortized cost

The Company's financial instruments with the exception of cash approximate their fair values. Cash under the fair value hierarchy is based on Level 1 quoted prices in active markets for identical assets or liabilities.

9. Financial risk management (continued)

Financial instruments - risk

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, market risk, and liquidity risk.

a) Credit risk

The Company is exposed to credit risk by holding cash and receivables. The risk on cash is minimized by holding the funds in a Canadian bank. The Company has minimal receivables exposure as all of the subscriptions receivable as at January 31, 2021 were subsequently collected.

b) Interest rate risk

The Company is not exposed to interest rate risk due to fluctuating interest rates as the Company does not have any financial assets or liabilities bearing variable rates of interest.

c) Market risk

The Company has limited exposure to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. As at January 31, 2021, the Company's exposure to equity price risk was limited as it was a private company.

d) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources.

10. Commitment

Flow-through premium liability:

On December 30, 2020, the Company completed a private placement of flow-through shares for gross proceeds of $102,608. The Company is required to spend the funds on qualified exploration programs no later than December 31, 2021. The Company renounced the expenditures and available income tax benefits to the flow-through shareholders effective December 31, 2020. As at January 31, 2021, none of the funds had been spent.

In July 2020, the Canadian Government provided relief with respect to COVID-19 by providing companies with an additional 12 months in which they can spend eligible flow-through expenditures and provided interest relief on unspent funds. Under the Income Tax Act flow-through look-back rules, the Company now has until December 31, 2022 to spend the remaining amount of flow-through funds.

The Company's flow-through premium liability as at January 31, 2021 is as follows:

	January 31, 2021 $
Balance, beginning of period	-
Addition	17,101
Balance, end of period	**17,101**

11. Income taxes

Income tax recovery varies from the amount that would be computed from applying the combined federal and provincial income tax rate to loss before income taxes as follows:

	January 31, 2021 $
Loss for the period before income taxes	(46,810)
Statutory Canadian corporate tax rate	27.00%
Anticipated income tax recovery	(13,000)
Change in tax resulting from:	
Tax benefits renounced on flow-through expenditures	2,000
Share issue costs	(5,000)
Change in unrecognized deductible temporary differences and other	16,000
Net deferred income tax recovery	**-**

The significant components of the Company's unrecognized deferred tax assets are as follows:

Deferred tax assets (liabilities)	January 31, 2021 $
Mineral property interests	(1,000)
Share issue costs	4,000
Non-capital loss carry forwards	13,000
	16,000
Unrecognized deferred tax assets	(16,000)
Net deferred tax assets	**-**

The Company's unused temporary differences, unused tax credits, and unused tax losses that have not been included on the statement of financial position as at January 31, 2021 are as follows:

	January 31, 2021 $	Expiry Date Range
Share issue costs	16,000	2042 to 2045
Non-capital loss carry forwards	47,000	2041

Income tax attributes are subject to review and potential adjustments by tax authorities.

12. Subsequent event

The Company is in the process of completing a non-offering prospectus for the purpose of applying for a public listing on the CSE.

SCHEDULE "B"
AUDIT COMMITTEE CHARTER

The following Audit Committee Charter was adopted by the Audit Committee and the Board of Directors of 1111 Acquisition Corp. (the "**Company**")

Mandate

The primary function of the audit committee (the "**Committee**") is to assist the Company's Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements;
- review and appraise the performance of the Company's external auditors; and
- provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

Composition

The Committee shall be comprised of a minimum three directors as determined by the Board of Directors. If the Company ceases to be a "venture issuer" (as that term is defined in National Instrument 51-102), then all of the members of the Committee shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

If the Company ceases to be a "venture issuer" (as that term is defined in National Instrument 51-102), then all members of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Audit Committee Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet a least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the CFO and the external auditors.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

1. Documents/Reports Review

   (a) review and update this Audit Committee Charter annually; and

(b) review the Company’s financial statements, MD&A and any annual and interim financial information (earnings) press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

2. External Auditors

(a) review annually, the performance of the external auditors who shall be ultimately accountable to the Company’s Board of Directors and the Committee as representatives of the shareholders of the Company;

(b) obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1;

(c) review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;

(d) take, or recommend that the Company’s full Board of Directors take appropriate action to oversee the independence of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting;

(e) recommend to the Company’s Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;

(f) recommend to the Company’s Board of Directors the compensation to be paid to the external auditors;

(g) at each meeting, consult with the external auditors, without the presence of management, about the quality of the Company’s accounting principles, internal controls and the completeness and accuracy of the Company’s financial statements;

(h) review and approve the Company’s hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;

(i) review with management and the external auditors the audit plan for the year end financial statements and intended template for such statements; and

(j) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company’s external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:

(k) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided,

(l) such services were not recognized by the Company at the time of the engagement to be non-audit services, and

(m) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

3. Financial Reporting Processes

   (a) in consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external;

   (b) consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;

   (c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;

   (d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments;

   (e) following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;

   (f) review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;

   (g) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;

   (h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;

   (i) review certification process;

   (j) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and

   (k) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

4. Other

   (a) review any related party transactions;

   (b) engage independent counsel and other advisors as it determines necessary to carry out its duties; and

   (c) to set and pay compensation for any independent counsel and other advisors employed by the Committee.

CERTIFICATE OF 1111 ACQUISITION CORP.

Dated: May 25, 2021

This Preliminary Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by 1111 Acquisition Corp. as required by the securities legislation of British Columbia.

"Robert Cameron"	*"Daniel Martino"*
Robert Cameron Chief Executive Officer	Daniel Martino Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Scott Young"	*"Michael Sweatman"*
Scott Young Director	Michael Sweatman Director

CERTIFICATE OF THE PROMOTER

Dated: May 25, 2021

This Preliminary Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by 1111 Acquisition Corp. as required by the securities legislation of British Columbia.

"Robert Cameron"

Robert Cameron
Promoter