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

This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons authorized to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws and accordingly, these securities may not be offered, sold, exercised, pledged, or otherwise transferred within the United States or to, or for the account or benefit of, a "U.S. person" (as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws or pursuant to an exemption from the registration requirements of the 1933 Act and applicable state securities laws. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States. See "Plan of Distribution".

PRELIMINARY PROSPECTUS

INITIAL PUBLIC OFFERING **September 21, 2020**

BLACK SHIELD METALS CORP.

Minimum Public Offering of 4,000,000 Shares at $0.10 per Share for Gross Proceeds of $400,000
Maximum Public Offering of 5,000,000 Shares at $0.10 per Share for Gross Proceeds of $500,000

This Prospectus is being filed by Black Shield Metals Corp. (the "**Issuer**") to qualify the distribution (the "**Offering**") of a minimum of 4,000,000 common shares in the capital of the Issuer (each a "**Share**", and collectively the "**Shares**") at a price of $0.10 per Share (the "**Issue Price**") for gross proceeds of $400,000 (the "**Minimum Offering**") and a maximum of 5,000,000 Shares at the Issue Price for gross proceeds of $500,000 (the "**Maximum Offering**"). The Shares are offered on a commercially reasonable efforts basis pursuant to an agency agreement (the "**Agency Agreement**") dated ●, 2020 between the Issuer and Haywood Securities Inc. (the "**Agent**").

	Price to the Public	**Agent's Commission**(2)(3)	**Net Proceeds to the Issuer**(4)
Per Share	$0.10 (1)	$0.01	$0.09
Total Minimum Offering	$0.10	$40,000	$360,000
Total Maximum Offering	$0.10	$50,000	$450,000

Notes

(1) The Issue Price was determined by negotiations between the Issuer and the Agent.

(2) The Agent will receive a commission of 10% of the gross amount raised pursuant to the Offering (the "**Agent's Commission**"), being $40,000 under the Minimum Offering and $50,000 under the Maximum Offering. In addition, the Agent will receive warrants (the "**Agent's Warrants**") entitling the Agent to purchase that number of common shares of the Issuer (the "**Agent's Shares**") that is equal to 10% of the number of Shares issued under the Offering, being 400,000 Agent's Shares under the Minimum Offering and 500,000 Agent's Shares under the Maximum Offering. Each Agent's Warrant entitles the holder to

purchase one Agent's Share at the Issue Price for a period of 24 months following the Closing Date (as defined herein), as summarized in the table below. This Prospectus also qualifies the distribution of the Agent's Warrants. See "Plan of Distribution".

(3) The Issuer has granted to the Agent an option (the "**Over-Allotment Option**") to offer for sale additional Shares (the "**Over-Allotment Shares**") which is exercisable, in whole or in part by the Agent giving notice to the Issuer at any time up to 48 hours prior to Closing on the same terms and conditions as the Offering. The number of Over-Allotment Shares issuable upon exercise of the Over-Allotment Option is up to 15% of the number of Shares sold pursuant to the Maximum Offering. If the Over-Allotment Option is fully exercised under the Maximum Offering, the total "Price to the Public", "Agent's Commission" and "Net Proceeds to the Issuer" will be $0.10 per Share, $57,500 and $517,500, respectively (before deducting the $35,000 (plus GST) corporate finance fee and the other expenses of the Offering. The Issuer has provided the Agent $10,000 as a retainer for expenses. A Purchaser who acquires Over-Allotment Shares acquires the Over-Allotment Shares regardless of whether the over-allotment position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. The Agent will receive additional Agent's Warrants in proportion to the number of Over-Allotment Shares issued. This Prospectus also qualifies the grant of the Over-Allotment Option, the distribution of up to 750,000 Over-Allotment Shares and up to an additional 75,000 Agent's Warrants pursuant to the Over-Allotment Option.

(4) After deducting the Agent's Commission, but before deducting the $35,000 (plus GST) corporate finance fee and the $121,500 estimated remaining expenses of the Offering, which are to be paid out of the proceeds of the Offering. The Issuer has provided the Agent $10,000 as a retainer for expenses.

The Agent has agreed to conditionally offer the Shares on a commercially reasonable efforts basis, subject to prior sale, if, as and when issued by the Issuer and accepted by the Agent in accordance with the conditions contained in the Agency Agreement referred to under "Plan of Distribution", subject to the approval of all legal matters on the Issuer's behalf by McMillan LLP and on the Agent's behalf by Getz Prince Wells LLP. Subscriptions for Shares will be received subject to rejection or allotment, in whole or in part, and the right is reserved to close the subscription books at any time without notice.

Agent's Position	**Maximum Number of Securities Available(2)**	**Exercise Period**	**Exercise Price or Average Acquisition Price**
Over-Allotment Option(1)	750,000 Shares	Any time up to 48 hours prior to the Closing Date	$0.10 per Share
Agent's Warrants(2)	575,000 Shares	Twenty-four (24) months following the Closing Date	$0.10 per Share
Total Shares issuable to the Agent	1,325,000 Shares	-	-

Notes

(1) This Prospectus also qualifies the distribution of the Agent's Warrants and the Over-Allotment Shares. See "Plan of Distribution".

(2) Assuming the Maximum Offering is filled.

There is no market through which the Shares may be sold and purchasers may not be able to resell the Shares purchased under this Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "Risk Factors". The Issuer has applied to list the Shares on the Exchange. The listing will be subject to the Issuer fulfilling all of the listing requirements of the Exchange, including distribution of the Shares to a minimum number of public shareholders, being a public float of at least 500,000 freely tradable Shares held by at least 150 public shareholders holding at least a board lot each (being 500 Shares based on the Issue Price of $0.10).

Upon receiving a receipt for a long form prospectus, the Issuer will become an “IPO Venture Issuer” under NI 41-101 as an issuer that: (a) files a long form prospectus; (b) is not a reporting issuer in any jurisdiction immediately before the date of the final long form prospectus; and (c) 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 (i) the Toronto Stock Exchange, (ii) the Aequitas NEO Exchange Inc., (iii) a U.S. marketplace, or (iv) 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).

In connection with the Offering, the Agent may, subject to applicable laws, effect transactions intended to stabilize or maintain the market price for the Shares of the Issuer at levels above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See “Plan of Distribution”.

AN INVESTMENT IN NATURAL RESOURCE ISSUERS INVOLVED A SIGNIFICANT DEGREE OF RISK. THE DEGREE OF RISK INCREASES SUBSTANTIALLY WHERE THE PROPERTIES (AS IS THE CASE WITH THE ISSUER) ARE IN THE EXPLORATION STATE AS OPPOSED TO THE DEVELOPMENT STAGE. AN INVESTMENT IN THE SHARES SHOULD ONLY BE MADE BY PERSONS WHO CAN AFFORD THE TOTAL LOSS OF THEIR INVESTMENT. INVESTORS SHOULD CAREFULLY CONSIDER THE RISKS REFERRED UNDER THE HEADING “RISK FACTORS” IN THIS PROSPECTUS.

The completion of the Offering is subject to receipt of subscriptions for the Minimum Offering. Provided that the Minimum Offering is subscribed for, it is expected that the completion of the Offering will be on or about ●, 2020, subject to postponement, as the Agent and the Issuer may agree, (such actual completion date, the “**Closing**” or the “**Closing Date**”). Notwithstanding the above, the Offering will be discontinued in the event that subscriptions and subscription funds for the Minimum Offering are not received and accepted on or before 90 days from the issuance of a receipt for the final Prospectus, the Offering will be discontinued and all subscription monies will be returned to subscribers by the Agent without interest or deduction, unless an amendment to the final Prospectus is filed and a receipt has been issued for such amendment, in which case the Offering will be discontinued, and all subscription monies will be returned to subscribers by the Agent without interest or deduction, in the event that a Closing in respect of the Offering has not occurred on or prior to the date which is 90 days from the issuance of a receipt for an amendment to the final Prospectus and, in any event, not more than 180 days after the issuance of a receipt for the final Prospectus, unless otherwise agreed to by the Agent and the subscriber(s).

The Issuer is neither a “connected issuer” nor a “related issuer” of the Agent as defined in National Instrument 33-105 – *Underwriting Conflicts*.

Haywood Securities Inc.
200 Burrard Street
Suite 700
Vancouver, BC – V6C EA6

Tel: 604-697-7100
Fax: 604-697-7499

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PROSPECTUS SUMMARY

The following is a summary of the principal features of the Offering and certain information relating to the Issuer, and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. Reference is made to the Glossary for certain terms used in this Prospectus and in this summary.

The Issuer:

The Issuer was incorporated under the BCBCA on October 13, 2017 under the name "ZP Mining Inc.". On February 7, 2020, the Issuer changed its name to "Black Shield Metals Corp." The Issuer's registered and records office is located at 1500-1055 West Georgia Street, Vancouver, British Columbia V6E 4N7 and its head office is located at Suite 1430 – 800 West Pender Street, Vancouver, British Columbia, V6C 2V6. The Issuer has no subsidiaries and does not hold securities in any corporation, partnership, trust or other corporate entity.

See "Corporate Structure".

The Property:

The Issuer is a mineral exploration company focused on the exploration of CHG Project. The CHG Project consists of seven contiguous mineral claims (tenure numbers: 1071867, 1071728, 1022136, 1064403, 1022137, 1071731, and 1076270) covering 3,606 hectares and is located approximately 15 kilometres northwest of the town of Clinton in south-central British Columbia.

The Issuer holds the Option (as defined herein) to acquire up to a 60% Earned Interest (as defined herein) by incurring $1,500,000 in Expenditures (as defined herein) and making cash payments of $300,000 to Cariboo Rose Resources Ltd. over a period of 5.5 years. A 10% Additional Interest (as defined herein) can be earned by proceeding with a Feasibility Study (as defined herein) and making an additional $500,000 cash payment to Cariboo Rose Resources Ltd.

See "General Development of the Business" and "Narrative Description of the Business".

Board, Management and Promoters:

Name	Position
Fred Tejada	President and Chief Executive Officer
Kevin Ma	Chief Financial Officer, Director and Promoter
Desmond Balakrishnan	Director
David Goertz	Director

See "Directors, Officers and Promoters".

Offering:

The Offering consists of the Minimum Offering of 4,000,000 Shares at a price of $0.10 per Share for gross proceeds of $400,000 and the Maximum Offering of 5,000,000 Shares for gross proceeds of $500,000. The Issuer will pay the Agent the Agent's Commission of 10% of the gross amount raised pursuant to the Offering and a corporate finance fee of $35,000 (plus GST), and will issue to the Agent the Agent's Warrants entitling the Agent to purchase that number of Agent's Shares equal to 10% of the number of Shares sold pursuant to the Offering, being 400,000 Agent's Shares under the Minimum Offering and 500,000 Agent's Shares under the Maximum Offering. The Issuer has provided the Agent $10,000 as a retainer for expenses. The Issuer has granted the Agent the Over-Allotment Option to offer for sale the Over-Allotment Shares exercisable, in whole or in part, by the Agent by giving notice to the Issuer at any time up to 48 hours prior to the Closing Date. The number of Over-Allotment Shares issuable upon exercise of the Over-Allotment Option is equal to up to 15% of the number of Shares sold pursuant to the Offering.

The completion of the Offering is subject to receipt of subscriptions for the Minimum Offering. Provided that the Minimum Offering is subscribed for, it is expected that the completion of the Offering will be on or about ●, 2020, subject to postponement, as the Agent and the Issuer may agree. Notwithstanding the above, the Offering will be discontinued in the event that completion of the Offering has not occurred on or prior to the date that subscriptions and subscription funds for the Minimum Offering are not received and accepted on or before 90 days from the issuance of a receipt for the final Prospectus, the Offering will be discontinued and all subscription monies will be returned to subscribers by the Agent without interest or deduction, unless an amendment to the final Prospectus is filed and a receipt has been issued for such amendment, in which case the Offering will be discontinued, and all subscription monies will be returned to subscribers by the Agent without interest or deduction, in the event that a Closing in respect of the Offering has not occurred on or prior to the date which is 90 days from the issuance of a receipt for an amendment to the final Prospectus and, in any event, not more than 180 days after the issuance of a receipt for the final Prospectus, unless otherwise agreed to by the Agent and the subscriber(s).

See “Description of Securities” and “Plan of Distribution”.

Issue Price: $0.10 per Share.

Use of Proceeds: The gross proceeds to the Issuer from the sale of the Shares offered hereby will be $400,000 (under the Minimum Offering) and $500,000 (under the Maximum Offering), not taking into account the Over-Allotment Option. The funds available to the Issuer from the Offering, after deducting the Agent’s Commission (being $40,000 under the Minimum Offering and $50,000 under the Maximum Offering), a corporate finance fee of $35,000 (plus GST), the balance of the Agent’s expenses (from which $10,000 has already been provided as a retainer against such expenses) are estimated to be $335,000 (under the Minimum Offering) and $425,000 (under the Maximum Offering), not taking into account the Over-Allotment Option.

The total funds expected to be available to the Issuer upon Closing are as follows:

Source of Funds	Minimum Offering	Maximum Offering
Net Proceeds[(1)]	$335,000	$425,000
Estimated Working Capital as of August 31, 2020	$20,000	$20,000
Total Funds Available	**$355,000**	**$445,000**

(1) This excludes the proceeds to the Issuer from the issuance of any securities that may be issued upon the exercise of Agent’s Warrants and Over-Allotment Options.

The proposed principal uses of the total funds available to the Issuer upon completion of the Offering are as follows:

Principal Purpose	Minimum Offering	Maximum Offering
Expenses of the Offering(1)	$121,500	$121,500
Exploration Expenditures as per Option Agreement	$100,000	$100,000
Estimated general and administrative costs for the 12 month period subsequent to the completion of the Offering(2)	$75,000	$75,000
Unallocated Working Capital	$58,500	$148,500
Total	**$355,000**	**$445,000**

Notes

(1) Comprised of legal, accounting, and filing fees.

(2) Comprised of: (i) $15,000 for professional fees (legal and accounting); (ii) $30,000 consulting fees (management); (iii) $5,000 corporate and shareholder communication; (iv) $4,000 Transfer Agent fees; (v) $6,000 office and rent; (vi) $12,000 regulatory; (vii) $1,000 travel; and (viii) $2,000 other general and administrative expenses.

See "Use of Proceeds".

Risk Factors:

The Shares are considered to be highly speculative due to the nature of the Issuer's business and its formative stage of development. An investment in the Shares is subject to a number of risks, all of which should be carefully considered by a prospective investor. Such risks include those risks summarized below.

The Issuer faces various risks related to health epidemics, pandemics and similar outbreaks, including COVID-19, which may have material adverse effects on its business, financial position, results of operations and/or cash flows. The Issuer has limited operating history and no history of earnings. Resource exploration and development is a speculative business, characterized by a number of significant risks. The Issuer may not be able to obtain mining equipment or other resources required for mineral exploration on a timely basis or at a reasonable cost. The Issuer has negative operating cash flow and has incurred losses since its founding. There is no assurance that the Issuer can obtain further financing when it is required.

See "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Information".

Summary Financial Information

The following tables set forth selected financial information with respect to the financial operations of the Issuer for the financial years ended May 31, 2020 and May 31, 2019 which information has been derived from the reviewed financial statements of the Issuer and should be read in conjunction with such financial statements and related notes and MD&A for the financial years ended May 31, 2020 and May 31, 2019 that are included elsewhere in this Prospectus

	For the Year Ended May 31, 2020	**For the Year Ended May 31, 2019**
Total Revenue	Nil	Nil
Net loss and comprehensive loss	($52,715)	($100)
Basic & diluted loss per share	($0.16)	($1.00)
Total assets	$98,060	Nil
Long-term debt	Nil	Nil
Total liabilities	$52,525	Nil
Contributed surplus	Nil	Nil
Share capital	$87,100	100
Deficit	($52,815)	($100)
Exploration and evaluation assets	$20,000	Nil

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

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Prospectus contains "forward-looking statements" which may include, but are not limited to, statements with respect to the future financial or operating performance of the Issuer and its mineral projects (including its option to acquire an interest in the CHG Project, located in the Clinton Mining Division in south-central British Columbia), the future price of gold, silver, copper or other metal prices, the estimation of mineral resources, the realization of mineral resource estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements expressed or implied by the forward-looking statements to differ materially from those anticipated in such statements. Such factors include, among others: general business, economic, competitive, political and social uncertainties; global economic events arising from the COVID-19 outbreak; the actual results of current exploration activities and actual results of reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; changes in labour costs and other costs of equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry, including but not limited to environmental hazards, cave-ins, pit-wall failures, flooding, rock bursts and other acts of God or unfavourable operating conditions and losses, insurrection or ward; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; and, the factors discussed in the section entitled "Risk Factors" in this Prospectus. Although the Issuer has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward- looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this Prospectus and, unless otherwise required by applicable securities laws, the Issuer disclaims any obligation to update any forward- looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

GLOSSARY

In this Prospectus, unless the context otherwise requires, the following words and phrases shall have the meanings set forth below:

"**Additional Interest**" has the meaning given to such term under "Description and General Development – Option Agreement";

"**Administrator**" has the meaning given to such term under "Options and Other Rights to Purchase Securities of the Issuer – Stock Option Plan";

"**Affiliate**" means a Company that is affiliated with another Company as described below: A Company is an "Affiliate" of another Company if:

(a) one of them is the Subsidiary of the other, or

(b) each of them is controlled by the same Person.

A Company is "controlled" by a Person if:

(a) voting securities of the Company are held, other than by way of security only, by or for the benefit of that Person, and

(b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Company.

A Person beneficially owns securities that are beneficially owned by:

(c) a Company controlled by that Person, or

(d) an Affiliate of that Person or an Affiliate of any Company controlled by that Person;

"**Agency Agreement**" has the meaning given to such term on the cover page hereto;

"**Agent**" has the meaning given to such term on the cover page hereto;

"**Agent's Commission**" has the meaning given to such term on the cover page hereto;

"**Agent's Shares**" has the meaning given to such term on the cover page hereto;

"**Agent's Warrants**" has the meaning given to such term on the cover page hereto;

"**Associate**" has the meaning ascribed to such term in the *Securities Act* (British Columbia), as amended, including the regulations promulgated thereunder;

"**Audit Committee**" has the meaning given to such term under "Audit Committee and Corporate Governance";

"**BCBCA**" has the meaning given to such term in the Summary of this Prospectus;

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

"**Business Day**" means a day which is not a Saturday, Sunday or statutory or civic holiday in the City of Vancouver, British Columbia;

"**Cariboo Rose**" means Cariboo Rose Resources Ltd., a corporation incorporated pursuant to the BCBCA;

"**Cash Payments**" has the meaning given to such term under "Description and General Development – Option Agreement";

"**CDS**" has the Canadian Depository for Securities Limited;

"**CEO**" means the Chief Executive Officer of the Issuer;

"**CFO**" means the Chief Financial Officer of the Issuer;

"**CHG Project**" or "**Property**" means the mineral resource property consisting of the Claims and described in the Technical Report;

"**Claims**" means the seven contiguous mineral claims (tenure numbers: 1071867, 1071728, 1022136, 1064403, 1022137, 1071731, and 1076720) totalling 3,606 hectares and constituting the CHG Project located in the Clinton Mining Division in south-central British Columbia, and listed in the Technical Report;

"**Closing**" or "**Closing Date**" has the meaning given to such terms on the cover page hereto;

"**Commercial Production**" means the operation of the Claims or any portion thereof as a producing mine and the production of mineral products therefrom (excluding bulk sampling, pilot plant or test operations);

"**Committee**" has the meaning given to such term under "Options and Other Rights to Purchase Securities of the Issuer – Stock Option Plan";

"**Company**" unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

"**COVID -19**" means the novel coronavirus outbreak which causes the disease COVID-19;

"**Earned Interest**" means an undivided 60% right, title, ownership and beneficial interest in and to the Claim, free of any encumbrance, which may be increased to 70% upon acquisition of the Additional Interest;

"**Escrow Agent**" means Odyssey Trust Company in its capacity as escrow agent under the Escrow Agreement;

"**Escrow Agreement**" means the escrow agreement to be signed on the Closing Date among the Issuer, the Escrow Agent and certain shareholders of the Issuer pursuant to which certain Shares will be held in escrow by the Escrow Agent;

"**Escrow Shares**" means the Shares subject to the Escrow Agreement;

"**Exchange**" or the "**CSE**" has the meaning given to such terms on the cover page hereto;

"**Expenditures**" means all costs and expenses, however denominated, incurred by the Issuer or its Affiliates, or by Cariboo Rose in its capacity as manager of exploration and development of the Claims on behalf of the Issuer, on or otherwise in connection with the exploration and development of the Claims, including:

(a) all direct and indirect exploration or development costs, including drilling, geophysics, airborne geophysics, assaying, personnel, travel, accommodation, shipping of materials and the commissioning of technical or other reports in respect of the Claims; provided that any costs related to personnel, travel and accommodation will be directly related to attendance at, or the preparation of technical data with respect to, the Claims and, if incurred at such time as Cariboo Rose is the manager, will be subject to such maximum amounts as determined by the Issuer in its sole discretion and properly notified to Cariboo Rose in advance,

(b) all expenditures required to maintain the Claims in good standing in accordance with the laws of British Columbia,

(c) all expenditures made on with respect to the Claims relating to reclamation, rehabilitation and protection of the environment, including payment of any applicable bond or surety,

(d) all expenditures that qualify as a "Canadian development expense" or "Canadian exploration expense" (each as defined in the Income Tax Act (Canada)), excluding any claim acquisition costs paid to Cariboo Rose, and

(e) a charge for overhead, management and administrative costs which cannot be specifically allocated, equal to 10% of all other costs and expenses;

"**Feasibility Study**" means a positive feasibility study prepared in respect of all or a portion of the Claims that meets in all material respects the definition of a "feasibility study" in NI 43-101 and is in such form and contains such detail as is customarily required by institutional lenders of major financings for mining projects of a similar size and scope;

"**Financial Statements**" has the meaning given to such term under "Selected Financial Information and Management's Discussion and Analysis";

"**IFRS**" means International Financial Reporting Standards;

"**Issue Price**" has the meaning given to such term on the cover page hereto;

"**Issuer**" has the meaning given to such term on the cover page hereto;

"**Market Price"** means the volume weighted average trading price of the Shares on the TSXV (or such other stock exchange or quotation system on which the Shares are principally traded at the applicable time) for the 10 trading days prior to any proposed issuance of Shares, provided that if the Shares are not listed on any stock exchange, the "**Market Price**" shall be determined by agreement between the Cariboo Rose and the Issuer, acting in good faith;

"**Maximum Offering**" has the meaning given to such term on the cover page hereto;

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

"**Minimum Offering**" has the meaning given to such term on the cover page hereto;

"**NEO**" means a named executive officer of the Issuer, as defined in Form 51-102F6 - *Statement of Executive Compensation*;

"**NI 41-101**" means National Instrument 41-101 – *General Prospectus Requirements*;

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

"NI 52-110" means National Instrument 52-110 – *Audit Committees*;

"**NP 46-201**" means National Policy 46-201 – *Escrow for Initial Public Offerings*;

"**Offering**" has the meaning given to such term on the cover page hereto;

"**Operator**" has the meaning given to such term under "Description and General Development of the Business – History – Option Agreement";

"**Option**" means the option in respect of the Claims granted under the Option Agreement;

"**Option Agreement**" means the Property Option Agreement dated March 23, 2020 between the Issuer and Cariboo Rose pursuant to which Cariboo Rose granted the Issuer the Option in respect of the Claims;

"**Option Certificate**" has the meaning given to such term under "Options and Other Rights to Purchase Securities of the Issuer – Stock Option Plan";

"**Option Exercise Notice**" has the meaning given to such term under "Description and General Development – Option Agreement";

"**Over-Allotment Option**" has the meaning given to such term on the cover page hereto;

"**Over-Allotment Shares**" means the Shares issuable pursuant to the exercise of the Over-Allotment Option, the number of which shall be equal to 15% of the number of Shares sold pursuant to the Maximum Offering;

"**Person**" means a Company or individual;

"**Phase I**" has the meaning given to such term under the heading "CHG Project – Current Technical Report";

"**Phase II**" has the meaning given to such term under the heading "CHG Project – Current Technical Report";

"**Plans**" has the meaning given to such term under the heading "Eligibility for Investment";

"**Preferred Shares**" has the meaning given to such term under the heading "Description of Securities";

"**Prospectus**" means the preliminary or final prospectus, as the case may be, of the Issuer in respect of the Offering;

"**Registered Plans**" has the meaning given to such term under the heading "Eligibility for Investment";

"**Royalty**" means a 0.5% net smelter return royalty to be granted by the Issuer to Cariboo Rose

"**RRIF**" has the meaning given to such term under the heading "Eligibility for Investment";

"**RRSP**" has the meaning given to such term under the heading "Eligibility for Investment";

"**Share**" or "**Shares**" has the meaning given to such terms on the cover page hereto;

"**Stock Option Plan**" means the incentive stock option plan dated September 18, 2020;

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder;

"**Technical Report**" means the technical report prepared for the Issuer by Bruce Lawrence Laird P. Geo. of Mincord Exploration Consultants Ltd. dated effective June 19, 2020 and entitled "*NI 43-101 Technical Report on the Carbonate Hosted Gold Project (CHG), Clinton Mining Division BC*";

"**Term**" has the meaning given to such term under "Options and Other Rights to Purchase Securities of the Issuer – Stock Option Plan";

"**TFSA**" has the meaning given to such term under the heading "Eligibility for Investment";

"**Transfer Agent**" means Odyssey Trust Company in its capacity as registrar and transfer agent of the Shares; and

"**TSXV**" means the TSX Venture Exchange.

ABBREVIATIONS

Unless the context otherwise requires, technical terms or abbreviations not otherwise defined in this Prospectus have the following meanings, if and when used in this Prospectus:

"^{o}C"	degrees Celsius	"mag"	ground magnetic
"2VG"	Second Vertical Gradient	"MDI"	mineral deposit inventory
"A"	Ampere	"mm"	millimetres
"As"	Arsenic	"m^2"	square metres
"Au"	Gold	"ms"	milliseconds
"Ag"	Silver	"NAD"	North American Datum
"B-Field"	B-magnetic vector field	"Nb2O5"	niobium pentoxide
"BFx_Rev"	X B-Field reversed data for time channels 20 to 45	"NCT"	North Caribou Terrane
		"Ni"	nickel
		"nIA"	measure of dipole moment
"Cb2O5"	Columbium	"Ni-Cu"	nickel-copper
"CDGPS"	Canada-Wide Different Global Positioning System Correction Service	"nT"	nanoTesla
"Cu"	Copper	"NTS"	National Topographic System of Canada
"CVG"	Calculated Vertical Gradient	"OSD"	Oxford–Stull Domain
"dB/dt"	Maxwell-Faraday equation: rotE=-dB/dt	"oz"	ounce
"DDH"	diamond drill hole	"Pb"	lead
"EM"	electro magnetic	"PGE"	platinum group element
"Fe"	Iron	"PGM"	platinum group metals
"ftp"	File Transfer Protocol	"REE"	rare earth minerals
"Ga"	Giga Annum – billion years	"Sb"	Antimony
"Geometrics"	properties and geometry	"sec"	second
"Geosoft GDB"	Geosoft database file extension	"SFx_Rev"	X dB/dt reversed data for time channels 20-45
"GPS"	Global Positioning System	"Tau"	electromagnetic time constant
"HLEM"	horizontal loop electromagnetic	"TBN"	Thunder Bay North
"Hz"	Hertz	"TMI"	Total Magnetic Intensity
"IP"	induced polarization	"Zn"	Zinc

CORPORATE STRUCTURE

Name, Address and Incorporation

The Issuer was incorporated under the BCBCA on October 13, 2017 under the name "ZP Mining Inc.". On February 7, 2020, the Issuer changed its name to "Black Shield Metals Corp." The Issuer's registered and records office is located at 1500-1055 West Georgia Street, Vancouver, British Columbia V6E 4N7 and its head office is located at Suite 1430 – 800 West Pender Street, Vancouver, British Columbia, V6C 2V6.

The Issuer is not currently a reporting issuer in any jurisdiction and the Shares are not listed or posted for trading on any stock exchange.

Inter-corporate Relationships

The Issuer has no subsidiaries.

DESCRIPTION AND GENERAL DEVELOPMENT OF THE BUSINESS

The Issuer principal business is the acquisition, exploration and development of mineral resource properties. Its objective is to locate, define and ultimately develop economic mineral deposits. Currently, the Issuer is focused on the exploration and development of the CHG Project located in south-central British Columbia. If the Issuer loses or abandons its interest in the CHG Project, the Issuer will endeavour to acquire another mineral property of merit.

History

Subsequent to incorporation and prior to the Offering, the Issuer completed private seed capital equity financings, raising aggregate gross proceeds of approximately $87,000 to the Issuer. These funds have been and are being used for maintenance of the CHG Project and for general working capital purposes.

Option Agreement

Pursuant to the Option Agreement dated March 23, 2020, Cariboo Rose has granted an exclusive option to the Issuer to acquire: (i) a 60% Earned Interest in and to the Claims (the "**Option**"), and (ii) up to a 10% Earned Interest (the "**Additional Interest**").

Pursuant to the Option Agreement, to maintain the Option in good standing, the Issuer must: (i) incur the Expenditures (or if Cariboo Rose is acting as manager of exploration and development of the Claims, pay the amount of Expenditures to Cariboo Rose to be expended by Cariboo Rose as manager), and (ii) make the cash payments (the "**Cash Payments**"), as set out in the table below:

Payment Period	Expenditures	Cash Payment
Upon grant of Option	-	$20,000
On or before 18 months following the grant of the Option (notwithstanding that $20,000 must be spent before September 30, 2020 and sufficient additional expenditures completed before June 15, 2021 to keep all claims in good standing until at least September 30, 2021).	$100,000	$30,000

Payment Period	Expenditures	Cash Payment
On or before 30 months following the grant of the Option	$200,000	$30,000
On or before 42 months following the grant of the Option	$300,000	$70,000
On or before 54 months following the grant of the Option	$400,000	$70,000
On or before 66 months following the grant of the Option	$500,000	$80,000
TOTAL:	**$1,500,000.00**	**$300,000.00**

If the Issuer fails to incur the full amount of the Expenditures for within the above specified payment period, the Issuer nevertheless will be deemed to satisfy the Expenditure requirement if the Issuer, within 45 days, pays a cash payment to Cariboo Rose for an amount equal to the difference between the actual Expenditure or the Expenditure as determined by an auditor and the amount that ought to have been incurred for that payment period.

The Issuer may, at its sole option, accelerate the exercise of the Option at any time by completing all applicable Cash Payments and Expenditures noted above. At the option of the Issuer, any of the Cash Payment may be satisfied by the issuance to Cariboo Rose of such number of Shares as is determined by dividing the amount of payment to be settled by such issuance of Shares by the Market Price. Upon the Issuer delivering to Cariboo Rose a notice confirming the satisfaction of the consideration set out in the table above (an "**Option Exercise Notice**"), the Option will be deemed to be exercised, a 60% Earned Interest will automatically vest in the Issuer, and Cariboo Rose will upon instructions from the Issuer register the Earned Interest in the name of the Issuer.

In the event that:

- within 60 days following the exercise of the Option, the Issuer makes an additional cash payment of $100,000 to Cariboo Rose;
- within 60 days following the exercise of the Option, the Issuer commissions a Feasibility Study;
- on or before 78 months following the grant of the Option, the Issuer makes an additional cash payment of $200,000 to Cariboo Rose;
- on or before 90 months following the grant of the Option, the Issuer makes an additional cash payment of $200,000 to Cariboo Rose; and
- within 24 months following the exercise of the Option, the Feasibility Study is to be completed,

the Issuer will acquire an additional 10% Earned Interest from Cariboo (the "**Additional Interest**"), bringing the Issuer's total Earned Interest to 70%.

Concurrently with the exercise of the Option, the Issuer and Cariboo Rose will enter into a royalty agreement whereby the Issuer will grant the Royalty to Cariboo Rose with respect to production of all precious metals from the Claims, with the Royalty to be payable by the Issuer following commencement of Commercial Production. The royalty agreement shall include the following terms (except as otherwise mutually agreed by the Issuer and Cariboo Rose):

- the Royalty shall be paid quarterly, within 90 days after the end of each calendar quarter of the Issuer;
- within 120 days after the end of each fiscal year of the Issuer during which the Property is in Commercial Production, the records relating to the calculation of the Royalty during that fiscal year shall be audited and any adjustments shall be made forthwith. The audited statements shall be delivered to Cariboo Rose, who shall have 30 days after receipt of such statements to question in writing their accuracy and, failing such question, the statements shall be deemed to be correct;
- Cariboo Rose shall have the right, at all reasonable times, to inspect such books and financial records of the Issuer as are relevant to the determination of the Royalty and, at its own expense, to make copies thereof; and
- payment of the Royalty shall apply only to Commercial Production conducted on, in or under the Claims.

Upon the exercise of the Option, the Issuer and Cariboo Rose, or their designated Affiliates (as the case may be), will be deemed to have established a single purpose joint venture (the "**Joint Venture**") in relation to the Claims. Within 75 days of the formation of the Joint Venture, the Issuer and Cariboo Rose will use reasonable commercial efforts to negotiate, complete, execute and deliver a formal joint venture agreement (the "**Joint Venture Agreement**") incorporating, among other things, terms prescribed in the Option Agreement.

The Issuer will solely determine what Person is responsible for every kind of work done or in respect to the Property (the "**Operator**"). The Issuer will be the initial Operator but will engage Cariboo Rose to manage and undertake the exploration and development of the Property until such time as the Issuer determines. Pursuant to the Option Agreement, the Operator will determine the exploration programs and related budgets and will also possess all powers and authorities necessary to enable it to carry out every kind of work necessary in respect to the Property. The Issuer will have the final decision upon any disagreement on the implementation of any particular exploration or budget matter.

Each party will indemnify the other party for any claim suffered in connection with (i) a material breach of any representation or warranty under the Option Agreement or (ii) a material breach or failure to perform any covenant or obligation under the Option Agreement.

In the event of a force majeure event any time period provided in the Option Agreement will be extended by a period equivalent to the period of the delay, or longer, as reasonable in the circumstances. If a force majeure event occurs prior to the exercise of the Option by the Issuer: (i) then from the date of the force majeure event until the event is remedied or abates, the Issuer is only obliged to pay the Expenditures or Cash Payments to the extent they are necessary to maintain the Property in good standing; (ii) if the force majeure event is remedied or abates within a year from when it arose, then, to keep the Option in good standing, the issuer will pay to Cariboo Rose, within six months of the force majeure cessation, the Expenditures and Cash Payments that it would have been required to pay under the Option Agreement if not for the force majeure event; and (iii) if the force majeure event does not remedy or abate within a year from when it arose, the Issuer will elect to either terminate or not terminate the Option Agreement. If the force majeure event extends past a year and the Option Agreement is not terminated by the Issuer, the Issuer will not be required to pay the Expenditures or Cash Payments that would be owing, until the force majeure event is remedied or abates.

Neither party may acquire rights within a 2 kilometre radius from the outside boundaries of the Property as of the Option Agreement's closing date unless such rights are made subject to the terms of the Option Agreement.

A party to the Option Agreement may not assign its rights without the prior written consent of the other party, such consent not be unreasonably withheld, unless the assigning party is assigning its rights to an Affiliate.

The Issuer may terminate the Option Agreement with 30 days' notice to Cariboo Rose, provided Cariboo Rose will be entitled to retain any Cash Payments received in accordance with the Option Agreement prior to such notice of termination. Either party may terminate the Option Agreement if the other party commits a material breach which is incapable of remedy or which the defaulting party fails to take steps towards remedying within 30 days of receiving notice of such material breach. Any party may also terminate the Option Agreement if the other party becomes insolvent. If the Option Agreement is terminated prior to the exercise of the Option by the Issuer, then the Issuer will vacate the Property within a reasonable time and all equipment owned, leased, or held by the Issuer will remain the Issuer's exclusive property and may be removed at any time within a year of termination.

Future Plans

The Issuer plans to conduct exploration on the CHG Project which exploration efforts may follow some of the recommendations made in the Technical Report.

Trends

As a junior mining issuer, the Issuer is highly subject to the cycles of the mineral resource sector and the financial markets as they relate to junior companies.

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

Competitive Conditions

The Issuer is a grassroots mineral exploration company. The mineral exploration industry is competitive, with many companies competing for the limited number of precious and base metals acquisition and exploration opportunities that are economic under current or foreseeable metals prices, as well as for available investment funds. Competition also exists for the recruitment of qualified personnel and equipment. See "Risk Factors".

Government Regulation

Mining operations and exploration activities in Canada are subject to various federal, provincial and local laws and regulations which govern prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, protection of the environment, mine safety, hazardous substances and other matters.

The Issuer believes that it is and will continue to be in compliance in all material respects with applicable statutes and the regulations passed in Canada. There are no current orders or directions relating to the Issuer with respect to the foregoing laws and regulations.

Environmental Regulation

The various federal, provincial and local laws and regulations governing protection of the environment are amended often and are becoming more restrictive. The Issuer's policy is to conduct its business in a way that safeguards public health and the environment. The Issuer believes that its operations are conducted in material compliance with applicable environmental laws and regulations.

Since its incorporation, the Issuer has not had any environmental incidents or non-compliance with any applicable environmental laws or regulations. The Issuer estimates that it will not incur material capital expenditures for environmental control facilities during the current fiscal year.

CHG PROJECT

Overview

The Issuer is engaged in the business of the acquisition, exploration and development of mineral resource properties. The Issuer's sole mineral property interest is the Option on the CHG Project, located in the Clinton Mining Division in south-central British Columbia.

Current Technical Report

Unless otherwise stated, the following disclosure relating to the Claims and the CHG Project has been summarized, compiled or extracted from the Technical Report prepared by Bruce Lawrence Laird P. Geo., who is a "qualified person" within the meaning of NI 43-101 and is independent of the Issuer. The Technical Report is dated effective June 19, 2020. The disclosure in this Prospectus derived from the Technical Report has been prepared with the consent of Mr. Laird and Mincord Exploration Consultants Ltd.

The Technical Report recommends that the processing of the May 2020 geophysical survey should be completed with inverted pseudo-sections and plan maps, including depth slices, of the chargeability, resistivity and magnets generated to assist with interpretation and planning. The Technical Report also recommends airborne geological surveying which would provide insight into bedrock geology (particularly contacts), buried intrusive entities and possibly indicate areas of silicification (high resistivity) or sulfide mineralization (low resistivity). A phase I ("**Phase I**") airborne geophysical program is recommended as the next most logical phase of zeroing in on the source of the anomalous drainages. Contingent upon the results from Phase I, a second phase ("**Phase II**") expanded IP, soil sampling and geological mapping is recommended.

The Technical Report is available for inspection during regular business hours at the Issuer's head office at Suite 1430 – 800 West Pender Street, Vancouver, British Columbia, V6C 2V6. The Technical Report may also be reviewed under the Issuer's profile on the SEDAR website at www.sedar.com.

Property Description, Location and Access

Location and Access

The CHG Project consists of seven contiguous mineral claims (tenure numbers: 1071867, 1071728, 1022136, 1064403, 1022137, 1071731, and 1076270) covering 3,606 hectares (Figure 1) and is located approximately 15 kilometres northwest of the town of Clinton in south-central British Columbia (Figure 2).

Access to the CHG Project is available via a network of well-maintained logging roads that extend from the Big Bar Lake Road, which runs west from Highway 97 approximately 10 kilometres northeast of Clinton, British Columbia (Figure 3). Unless activity was ongoing, winter snow accumulation would require the logging roads to be cleared. Given the early stage of exploration field works is best completed between April and the middle of November.

Title to Claims

The registered owner of the Claims is Cariboo Rose Resources Ltd. The Issuer can earn up to a 70% Earned Interest in the Claims under the Option Agreement.

Table 1 Claim Tenure Summary, CHG Project

Tenure #	Claim Name	Date Staked	Good To Date	Area (ha)	Owner
1071867	TRUENORTH	October 17, 2019	December 31, 2021	162	CARIBOO ROSE RESOURCES LTD.
1071728	JASPEROID	October 11, 2019	December 31, 2021	567	CARIBOO ROSE RESOURCES LTD.
1022136	GOLDEN SPURS	September 6, 2013	January 7, 2021	952	CARIBOO ROSE RESOURCES LTD.
1064403	GOLDENGOOSE	November 10, 2018	January 7, 2021	243	CARIBOO ROSE RESOURCES LTD.
1022137	SILVER SPURS	September 6, 2013	January 7, 2021	1196	CARIBOO ROSE RESOURCES LTD.
1071731	MANGANESE	October 11, 2019	December 31, 2021	182	CARIBOO ROSE RESOURCES LTD.
1076270	DAWSON GOLD	May 21, 2020	May 21, 2021	304	CARIBOO ROSE RESOURCES LTD
Total				**3606**	

Royalties and Encumbrances

Please see "Description and General Development of the Business" above for an overview of the royalties and encumbrances to which the CHG Project is subject.

Risks and Permitting

The area around the CHG Project has unresolved aboriginal land claims, although no archeologically significant sites or settlements, current or historic, are documented on the Claims. The CHG Project is adjacent to the Marble Canyon Provincial Park; as recently as 2019 logging has occurred adjacent to the park boundary. With respect to environmental matters, there are no environmental issues concerning the Claims which are entirely located on provincially owned land. According to Mr. Laird, the author of the Technical Report, there are no significant factors or risks other than noted in the Technical Report that may affect access, title, the right or the ability to perform work on the CHG Project.

In British Columbia Notices of Work authorizations (Exploration Permits) are required when surface disturbance is a consequence of the exploration activity. Activities that have occurred up to the present. Cariboo Rose has applied for a multi-year, area based work permit which includes geophysical grid work and drilling. Cariboo Rose's application is pending approval, but Mr. Laird believes that obtaining an exploration permit for the CHG Project will not be difficult.

Figure 1 Claims Map, CHG Project, south-central British Columbia

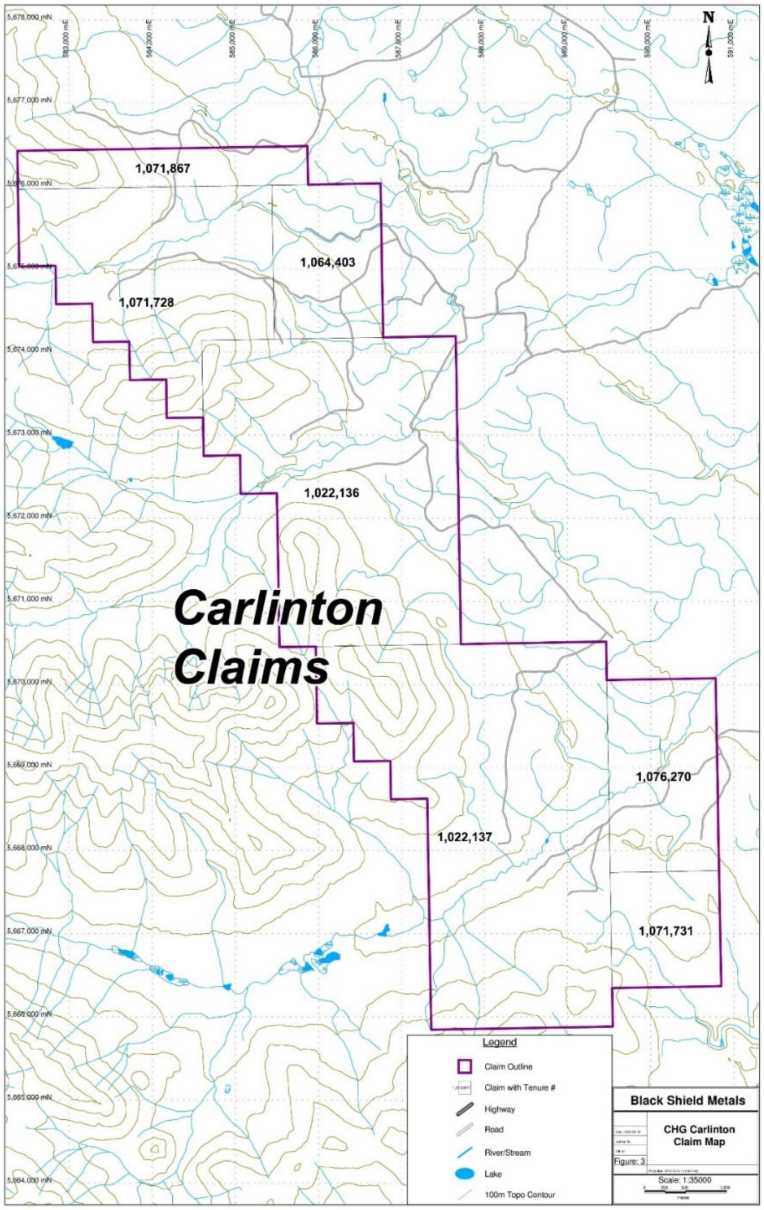


Figure 2 Location Map, CHG Project, south-central British Columbia

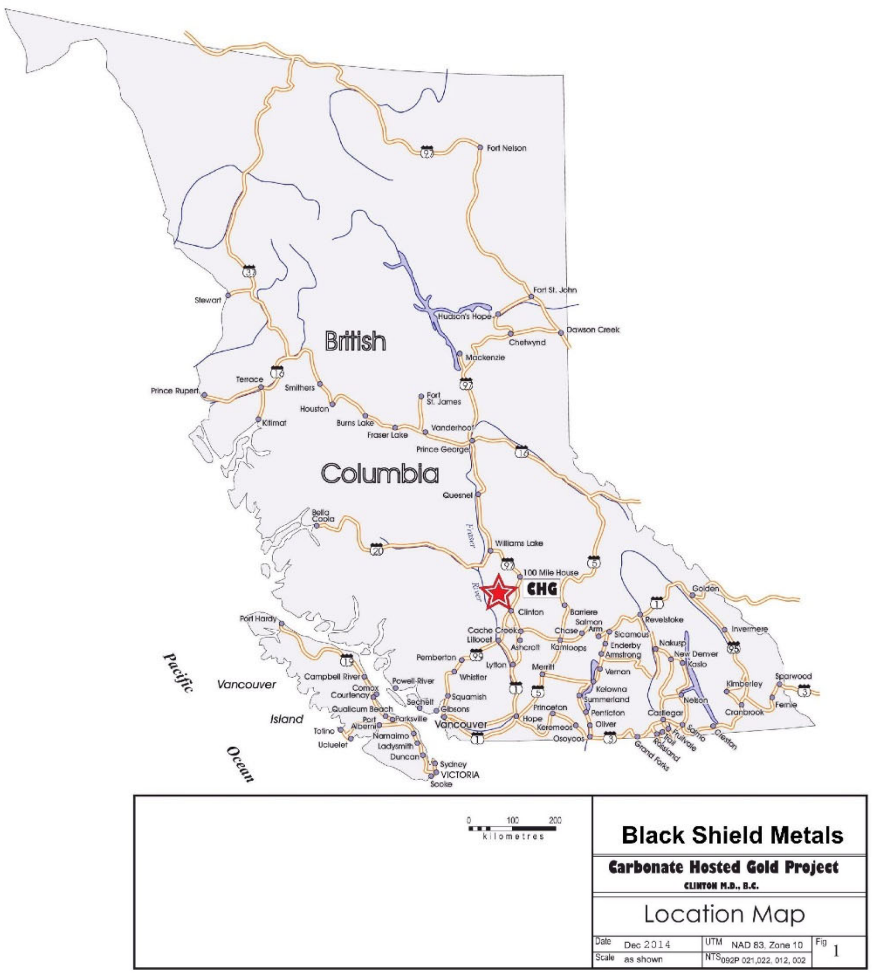
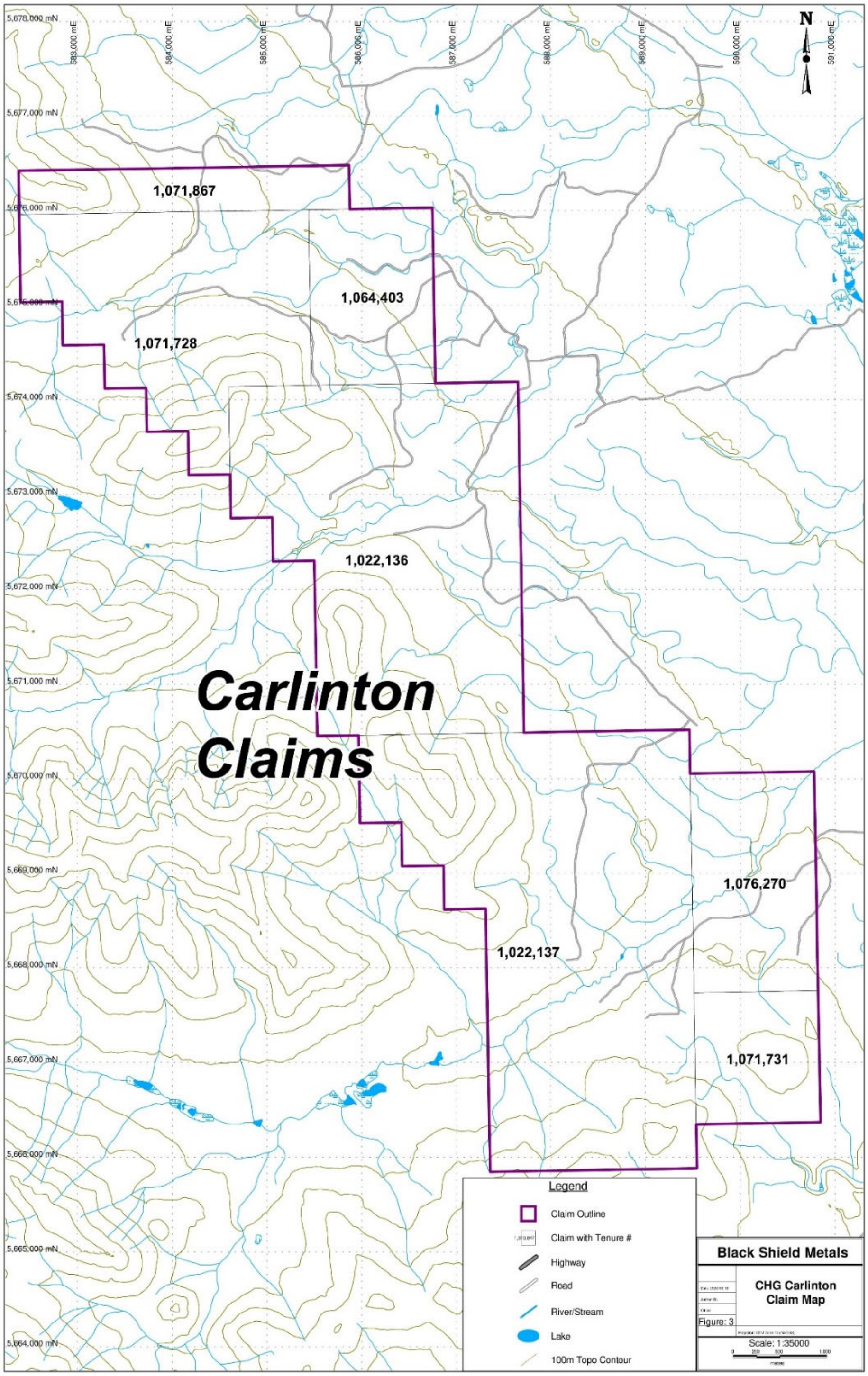


Figure 3 Claims Map, CHG Project, south-central British Columbia



Climate

The CHG Project is in a region with a semi-arid climate which makes gold exploration challenging. The climate has limited the development of water courses, extensive Pleistocene till cover and Miocene basalt on the eastern and lower elevation regions of the Claims; outcrop is rare. Further, the semi-arid climate supports vegetation dominated by ponderosa pine, Douglas fir, lodgepole pine and open grassland.

Unless activity was ongoing, logging roads in the project area would require clearing due to winter snow accumulation. In the early stages of exploration field work is best completed between early April and mid-November.

Local Resources and Infrastructure

The town of Clinton is located approximately 15 kilometres from the CHG Project. Clinton is located 225 kilometers northeast of the City of Vancouver and is a local supply centre for local logging and ranching activities. Larger supply centres of Williams Lake and Kamloops are 1.5 to 2 hours drives along Provincial highways, to the north and southeast respectively. Both communities have daily flights to Vancouver. Clinton hosts several hotel/motels, two gas stations, several stores and a detachment of the RCMP.

Physiography

The elevation in the area varies from 2,000 metres (±6,500 feet) to 900 metres (±3,000 feet), with the elevation rising in a series of flat slopes that progressively steepen in a series of increments from the northeast to southwest until reaching the base of the limestone ridges at an elevation of approximately 1,600 metres (±5,500 feet). The lower elevations are extensively till covered and are shown on regional geology maps as being underlain by Miocene age basalt. Bedrock exposure is extremely limited below outcrops of the limestone dominated Marble Range.

Numerous water courses are indicated on topographic maps but most when field checked were determined to be seasonal or nonexistent. Clinton Creek, Fifty-seven Mile Creek, Man Creek, and a few others (some unnamed) maintain a continuous flow and have deeply incised the overlying till cover.

History

A quotation in what is probably the earliest geological reconnaissance of this area completed by G. M. Dawson of the Geological Survey of Canada in 1895 include "the discovery of several specimens of rock containing richly auriferous heamatite [hematite], in gravel deposits near Clinton has been noticed. Inquiries made on the spot show that such specimens, consisting of jaspery haematite with quartz, have been found in three separate locations near the west end of the town of Clinton, and one of these, subjected to assay, is reported as yielding gold to the value of $300 to the ton [then at $20.67 per ounce]…. It would appear that the eastern edge and the eastern slopes of the Marble Mountains well deserve to be closely examined and searched for the possible origin of the richly gold bearing specimens first alluded to" (Dawson, 1895).

A further reference to early exploration in this area is provided in the 1898 Annual Report to the BC Minister of Mines. F. Soues, Gold Commissioner, reports:

> *"Some 32 locations [claims staked] have been made on the base of the Marble Mountains, about 8 or 10 miles north-west from Clinton. With one exception there has been no development work done on any of them. Assays, I am informed, have been had from surface croppings as high as $30 per ton. Samples from different ledges, which I have seen, may be described as jasper quartz, dark grey quartz with hematite and quartz with associated pyrolusite and manganite".*

These historical references have unconfirmed locations and are not indicative of mineralization found to date on the CHG Project. Some regions of the current claim blocks have been staked from time to time by other companies and or individuals. Very little information is available concerning these prior activities.

Much of the effort of the exploration completed to date by Cariboo Rose has been directed at using stream sediment sampling methodology to identify anomalous watersheds and regions of anomalous character within the watersheds.

At each site samples were processed by sieving the sample through two large sieves affixed to the top of a five gallon pail (-8 mesh on top of -50 mesh). The resulting field sieved sample, two or three kilograms in size, was subsequently divided into four samples all approximately equal in weight. One subsample was submitted directly to the lab as a conventional silt sample. The second subsample, weighing approximately 0.5 kilograms, was later concentrated on a small test aluminum sluice box to yield a concentrated sample (it was attempted visually to produce approximately an equal volume of concentrate from sample to sample). The third subsample was hand panned in a conventional gold pan and the fourth subsample was stored for posterity.

Fifty-six stream sites have been sampled with in CHG Project area and its immediate vicinity. A review of results indicates that a combination of a conventional silt sample and a sluiced sample provides a good indication "of" (or) "of not" a sample site which is anomalous.

A minor amount of prospecting and rock sampling was completed contemporaneously with the collection of silt samples with local soil grids established (1318 samples). Sampling outside the gridded areas is very limited.

The three types of stream sediment samples collected from 56 sites analyzed are shown in Table 2 below for comparison. Each sample site has a silt sample, a sluiced silt sample and a panned silt sample i.e. 1632715 (silt sample), 1632815 (sluiced silt sample) and 1632915 (panned silt sample) are from the same site. Elevated gold values are indicated in red. Stream sediment samples collected downstream and within the project area may or may not be indicative of mineralization within the project area.

Table 2 Silt, Sluiced Silt and Panned Silt Sites

Silt Sample	Gold ppb		Sluiced Silt Sample	Gold ppb		Panned Silt Sample	Gold ppb		East UTM	North UTM	Stream Name
1632715	123.7		1632815	148.9		1632915	0		586088	5676615	59
1632714	0		1632814	63.4		1632914	0.6		585975	5676490	59
1632713	100.6		1632813	**958.9**		1632913	**1611.9**		585893	5676382	59
1632712	119.8		1632812	95.6		1632912	42.3		585729	5676204	59
1632711	0.5		1632811	25.5		1632911	0		585541	5676125	59
1632710	0.5		1632810	0		1632910	0		585350	5676009	59
1632709	0.5		1632809	**307.2**		1632909	**727.1**		585188	5675884	59
1632708	0		1632808	0		1632908	0		585006	5675788	59
1632707	0		1632807	0		1632907	0		584858	5675666	59
1632706	0.6		1632806	0		1632906	0.6		584685	5675563	59
1632705	5.3		1632805	0		1632905	0		584565	5675399	59
1632704	0		1632804	0		1632904	1.4		584353	5675370	59
1632703	0.7		1632803	102.1		1632903	0		584160	5675360	59
1147381	0.7		1147481	0.8		1147581	130.4		589801	5674792	Man
1147382	0.1		1147482	0.4		1147582	7.1		589605	5674731	Man
1147383	0.1		1147483	0.8		1147583	3.2		589462	5674606	Man
1147384	0.1		1147484	0.1		1147584	0.8		589290	5674480	Man

Silt Sample	Gold ppb	Sluiced Silt Sample	Gold ppb	Panned Silt Sample	Gold ppb	East UTM	North UTM	Stream Name
1147385	3.6	1147485	0.1	1147585	0.1	589066	5674419	man
1147386	1.6	1147486	0.1	1147586	2.6	588928	5674279	Man
1147387	0.1	1147487	0.1	1147587	0.5	588650	5674242	Man
1147410	0.1	1147510	0.3	1147610	0.9	588527	5674046	Man
1147352	7.9	1147452	3.6	1147552	0.4	588385	5673897	Man
1147353	2.9	1147453	56.0	1147553	0.8	588211	5673767	Man
1147355	90.9	1147455	0.1	1147555	0.1	588145	5673562	Man
1147391	**219.0**	1147491	161.2	1147591	30.9	587946	5673407	Man
1147390	0.1	1147490	3.4	1147590	0.1	587706	5673312	Man
1147389	0.1	1147489	140.9	1147589	0.1	587518	5673227	Man
1147388	116.4	1147488	229.3	1147588	4.6	587320	5673164	Man
1147411	0.1	1147511	20.9	1147611	0.1	587139	5673071	Man
1147359	0.5	1147459	26.9	1147559	1.2	586549	5672903	Man
1147357	1.0	1147457	0.1	1147557	0.1	586948	5672948	Man
1147358	**929.5**	1147458	**9999.9**	1147558	0.1	586736	5672974	Man
1147360	0.4	1147460	24.3	1147560	9.9	586357	5672857	Man
1147361	0.1	1147461	31.5	1147561	144.4	586193	5672751	Man
1147362	**339.3**	1147462	**582.7**	1147562	0.1	586043	5672639	Man
1147356	1.8	1147456	0.1	1147556	0.1	585837	5672571	Man
1147375	110.3	1147475	187.9	1147575	0.1	592485	5671355	57
1147374	5.4	1147474	3.8	1147574	202.0	592326	5671237	57
1147373	0.7	1147473	5.8	1147573	63.1	592159	5671123	57
1147372	0.7	1147472	130.4	1147572	26.7	592017	5670982	57
1147371	1.3	1147471	1.2	1147571	77.5	591885	5670831	57
1147370	1.8	1147470	0.1	1147570	0.1	591759	5670674	57
1147369	1.6	1147469	**684.3**	1147569	**943.0**	591603	5670555	57
1147368	45.4	1147468	4.8	1147568	0.9	591412	5670480	57
1147367	0.4	1147467	16.7	1147567	1.6	591245	5670381	57
1147366	0.1	1147466	0.1	1147566	3.0	591057	5670295	57
1147365	**252.5**	1147465	**265.1**	1147565	0.1	590894	5670185	57
1147364	**471.5**	1147464	**223.9**	1147564	25.8	590747	5670060	57
1147363	0.1	1147463	1.8	1147563	**1084.5**	590610	5669904	57
1147376	0.5	1147476	6.6	1147576	**450.7**	590517	5669726	57
1147377	19.7	1147477	**741.2**	1147577	**396.4**	590478	5669529	57
1147378	0.9	1147478	2.3	1147578	83.6	590340	5669325	57
1147379	0.7	1147479	0.1	1147579	6.7	590174	5669154	57
1147380	1.0	1147480	1.1	1147580	3.8	590038	5668931	57

Summary of work completed by Cariboo Rose listed by year:

2013: 123 samples being combination of silt samples, sluiced silt samples and panned silt samples, 413 soil samples and 34 samples being a combination of rock samples, float samples and rubble samples.

2014: 39 samples being combination of silt samples, sluiced silt samples and panned silt samples, 174 soil samples and 20 samples being a combination of rock samples, float samples and rubble samples.

2015: 307 soil samples and 7 samples being a combination of rock samples, float samples and rubble samples.

2016: 7 samples being a combination of rock samples, float samples and rubble samples.

2017: 10 rock samples of rubble float material in an area of dominantly angular intrusive rubble.

2018: 210 soil samples.

2019: 2 silt samples, 222 soil samples and 22 rock samples of float in streams and outcrop along road cuts.

Silting sites (including samples each of silt, sluiced silt and panned silt) were generally established at 200 metre increments in active drainages. Soils grids, although somewhat random and influenced by proximity to roads, were generally established with a 400 metre line spacing with samples collected on 50 metre line spacing. Rock samples (most often float or rubble) were sampled as opportunity presented itself generally as a consequence of logging activities. Reconnaissance geological and prospecting traverses were completed concurrently with sample collection.

Rock exposures are dominated by limestone with lesser chert and cherty sediments along a scarp that trends northerly along the western and higher elevation side of the CHG Project and by a few exposures of Miocene age basalt which outcrop on the eastern and lower elevation side of this claim block. A flat gently westerly upwardly tilted till plane occupies the intervening area. Angular rubble in the till is dominated by limestone, cherty argillite and basalt but also contains a considerable quantity of variably silicified volcanic and subvolcanic angular boulders quite similar in appearance and consequently suggestive of a local source. The presence of anomalous gold and arsenic in float and rubble samples is supportive of a mineralizing event which might be correlated to the anomalous silt (sluiced silt and panned silt) gold responses.

Table 3 Significant Rock Samples

Sample #	**East UTM** NAD83 Zn10	**North UTM** NAD83 Zn10	**Type**	**Au ppb**	**As ppm**	**Sb ppm**	**Ca %**	**Cu ppm**	**Mo ppm**
1633301	590156	5668628	rubble	1.8	0.6	0.3	1.1	409.7	19.2
1633303	589774	5668533	float	9.4	437.9	13.2	5.8	10.1	1.6
1633309	588163	5669268	float	<0.5	36.2	10.7	6.2	72.8	0.7
F3-27-6	590345	5669038	rubble	34.2	71.9	0.9	3.3	115.2	0.5
F4B-27-6	590502	5668922	float	95.6	9.6	0.2	3.8	92.3	2.9
1147351	588341	5669867	float	16.5	3.9	0.9	0.1	117.4	3.9
6-19-5 (F)	596475	5660049	float	0.1	65.2	5.4	0.7	1556.4	15.2
6-19-7 (F)	570932	5695954	subcrop	1.9	25.2	8.9	0.0	20.9	10.5
R6-07-20	588337	5669861	subcrop	45.3	84.1	7.2	0.1	64.6	17.0
2590973	599941	5652692	float	9.4	63.6	11.7	6.4	25.7	3.5
1150727	590192	5668680	float	242.8	17.0	0.2	2.7	10.9	0.1

Table 4 Rock Sample Descriptions

Sample #	**East UTM**	**North UTM**	**Type**	**Description**
1633301	590156	5668628	rubble	In bank (many pieces), tight grey rock with vuggy quartz.
1633303	589774	5668533	float	Light coloured quartz eye porphyry, some quartz veining.
1633309	588163	5669268	float	Limestone/pyrite.
F3-27-6	590345	5669038	rubble	Angular volcanic with pyritic stockwork veining, ±2% sulfide.
F4B-27-6	590502	5668922	float	Angular, light green rhyolite, well developed stockwork.
1147351	588341	5669867	float	
6-19-5 (F)	596475	5660049	float	Jasper, rubble (may be hematite colored).
6-19-7 (F)	570932	5695954	subcrop	Silicified limestone.
R6-07-20	588337	5669861	subcrop	Subcrop, argillic altered sediment gossanous, quartz veined.

2590973	599941	5652692	float	Rusty weathering laminated breccia with limonite boxwork.
1150727	590192	5668680	float	Rusty rhyolite, with pale green-white sericite altered phenos.

Expenditures completed by Cariboo Rose on the CHG Project between 2017 and 2019 are $66,945.96. The Issuer's exploration expenditures to date in 2020 are $29,527.

Table 5 Estimated Exploration Expenditures to Date

Date Reported	Expenditures
October 2017	$ 3,383.48
September, 2018	$ 4,744.77
October, 2018	$ 23,579.77
June, 2019	$ 3,562.10
October, 2019	$ 31,675.84
May, 2020 (estimate)	$ 29,527.00
Total	**$ 96,472.96**

Geological Setting and Mineralization

The Cache Creek Group of rocks (Cache Creek Terrane) located in interior British Columbia extends approximately 1,800 km in a northwesterly orientation through the province. Accretion of Cache Creek to the Stikinia–Quesnellia oceanic island arc terrane(s) occurred about 230 Ma. Subsequent collision with the North American Craton occurred at about 180 Ma with subduction with the North American continent continuous from 180 to 150 Ma. During the Late Cretaceous to Eocene periods, dextral strike-slip faulting occurred along the eastern boundary of the Cache Creek Terrane (particularly along the Pinchi Fault Zone).

Ken Shannon, in a 1982 M.Sc. thesis (UBC), provides some insight into the basin characteristics of these rocks in the extent between Cache Creek village and Clinton village. Shannon references paleontologist W.R. Danner (UBC – per com) who concludes that the carbonate rocks of the Cache Creek Group here formed as carbonate banks on a volcanic to sedimentary substrate in tropical waters. Shannon divides the Cache Creek Group into three divisions; a mélange unit overlain by a greenstone unit and the Marble Canyon Formation (predominantly limestone) along a shallow thrust contact. A fourth unit, serpentinite, crops out periodically in all divisions as slivers in fault breaks.

The mélange is comprised of blocks of limestone, greenstone, chert, greywacke, gabbro, serpentinite and felsic tuff in a sheared matrix of carbonaceous argillite and phyllite.

Shannon concludes that the greenstone unit is dominantly basalt (sometimes pillowed) and volcaniclastic (debris flow) material with lesser components of ribbon chert and phyllite.

The Marble Canyon Formation is described as predominantly limestone with lesser andesite, chert and argillite. In one location Shannon notes the occurrence of shallow water oolites occurring with deep water radiolarian limestone. He proposes that a steep marine slope may have allowed these shallow water oolites to slide down into a deep-water basin. Upwards of ten per cent of the carbonate is dolomite.

Mineral occurrences are relatively unknown in this area which has resulted in only sparse exploration activity. Two mineral occurrences of interest are deposits of manganese occurring respectively southwest and northwest of the village of Clinton which are briefly described in publications by the Department of Energy, Mines and Resources, Ottawa.

The first occurrence, Clinton Manganese #4 (Minfile # 092P151), located 5.8 kilometres southwest of Clinton, is described as a roughly 15m stratiform exposure of manganese mineralization hosted in cherty quartzite and schists of the Cache Creek Group. A 3 metre open-cut at the north end of the exposure containing rock, with pyrolusite in vertical stringers to 2 centimetres wide. A 3.1 metre sample assayed 15.8% manganese.

The second occurrence Clinton Manganese #1 (Minfile # 092P083), is located in the southeast corner of the Carlinton Claim Group. GSC Memoir 118 (page 95) describes the "ores" as being exposed in an open cut 11.6 metres long, 1.2 metres wide and 2 metres deep. The "ore" occurs in a 6 metre thick layer consisting of "blueish-grey dense quartzite cut by quartz stringers and impregnated in an irregular manner with black manganite. Host rocks are argillites and quartzites (chert?) of the Cache Creek Complex. Bedding strikes at 305°, dipping 40° to 70° southwest. Quartz veins associated with clay are described as trending 330° and dipping to the east. A sample across the lower 15 feet of quartzite adjacent to the fault assayed 7.57 % manganese, 82.57 % silica and 0.018 % phosphorus. The showing was trenched and sampled sometime early in the last century, probably during the First World War."

Soues's 1898 Report to the British Columbia Minister of Mines sounds remarkably similar to this description …eight to ten miles northwest of Clinton… "samples from different ledges, which I have seen, may be described as jasper quartz, dark grey quartz with hematite and quartz with associated pyrolusite and manganite".

A narrow graben, infilled with Cretaceous and Eocene sediments, is mapped trending south of the village of Clinton. This feature named the Bonaparte Graben occupies the valley bottom more or less following the orientation of Highway 97. The Bonaparte Graben testifies to a later extensional tectonic event subsequent to a longer period of compressional tectonics. This feature may trend northwesterly towards and through the Carlinton claims.

Figure 4 Regional Geology Map

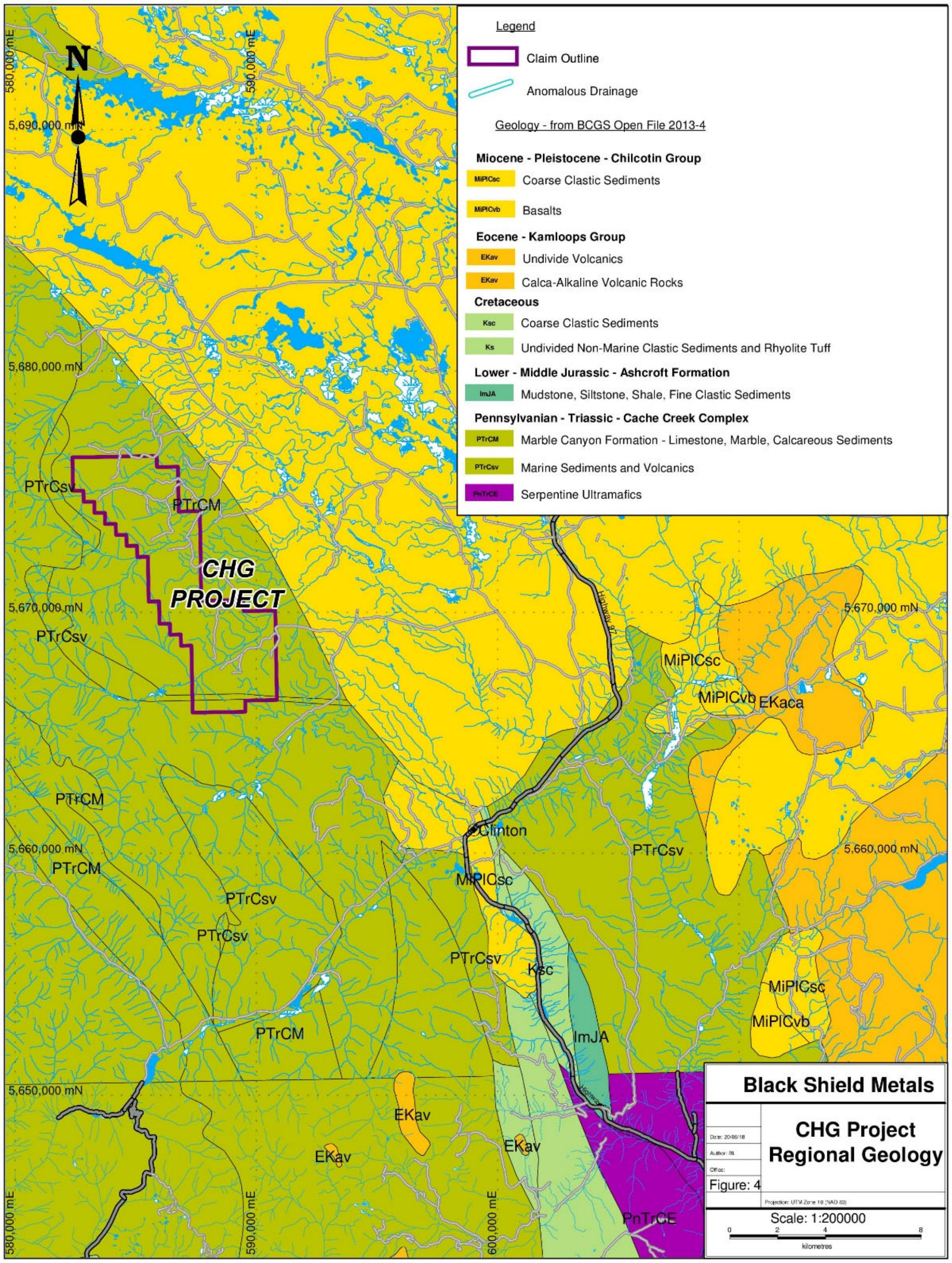
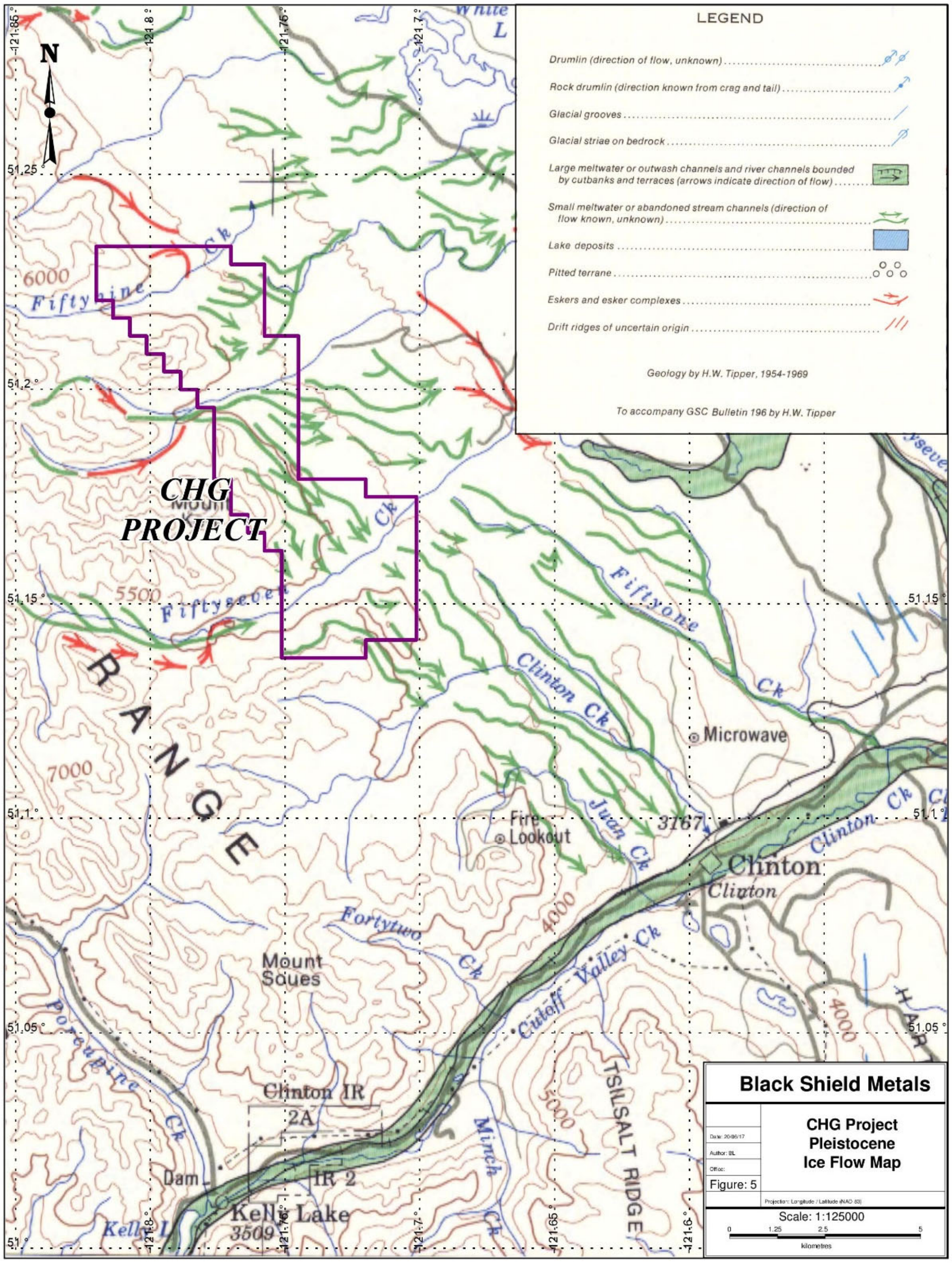


Figure 5 Pleistocene Ice Map



Deposit Types

More research has been published on the Carlin deposits than the other carbonate hosted deposits and consequently the Carlin descriptions provide the most useable criteria on which to build a more general carbonate hosted Orogenic Gold model.

The presence of carbonate encourages a neutral to basic pH condition and encourages a reducing condition. In a neutral to basic reduced fluid (often containing bisulphide) gold is somewhat soluble and tends to remain in solution. This allows extensive fluid-rock interaction to occur capturing gold in the fluid and keeping it dissolved until a focused chemical or physical trap causes precipitation (such as the encounter of an oxidizing event or a change in pressure and or temperature). The presence of carbonaceous material in the succession (bitumen and graphite etc.) is thought to further influence a reducing environment. Migration of the fluid resident in the strata is believed to be initiated when a convective hydrothermal cell develops which is often related to an intrusive, volcanic or metamorphic event.

Carlin deposits are preferentially located in a stratigraphic setting that is often described as the slope and basin carbonate succession dominated by limestone and thin bedded limy shale and siltstone (so called dirty carbonate) developed on the edge of continental crust. Alteration of the carbonate to dolomite is common and may increase porosity. Structural preparation including faulting and brecciation has been shown to be important to gold deposition.

Arsenic, mercury, antimony and thallium are the elements which behave chemically most like gold and are the most common pathfinder elements. The presence of arsenic bearing minerals such as realgar, orpiment, arsenopyrite and arsenian pyrite as well as antimony bearing stibnite and mercury bearing cinnabar are positive indicators. Sulfidation, whereby sulfur scavenged by the fluid reacts with iron sourced from ferro-magnesium silicate minerals, to produce pyrite appears to be an important process. This is particularly so when some substitution of arsenic for iron has occurred on the surface faces of pyrite to form arsenian pyrite. It is believed that gold present in the hydrothermal fluid subsequently goes into solid solution with the surface concentrations of arsenic contributing to the most significant areas of gold mineralization. Barium occurring as barite is also often in close association with Carlin type deposits.

Silicification is usually an important alteration event. Jasperoids (silicified limestone) are common and can either occur directly at the orebody or close to it (although not all jasperoids are mineralized). Unmineralized jasperoids may indicate that ground preparation, evidenced by formerly acidic waters dissolving silica and subsequently precipitating it, has occurred and resulted in the formation of an unmineralized jasperoid. High grade areas of mineralization may occur as feeder zones to a jasperoid.

In the Carlin model, thrust faults due to compressional tectonics occur along long lived fault systems. These faults are often deeply seated and provide a conduit for hydrothermal solutions. Slices of serpentinite may sometimes exploit deep penetrating faults and provide evidence of their existence. Proximity to thrust faults, their subsidiary splay faults and crosscutting normal faults, constitute favorable target areas (Vikre et al, 1997).

Figure 6 Stream Sediment Anomalies

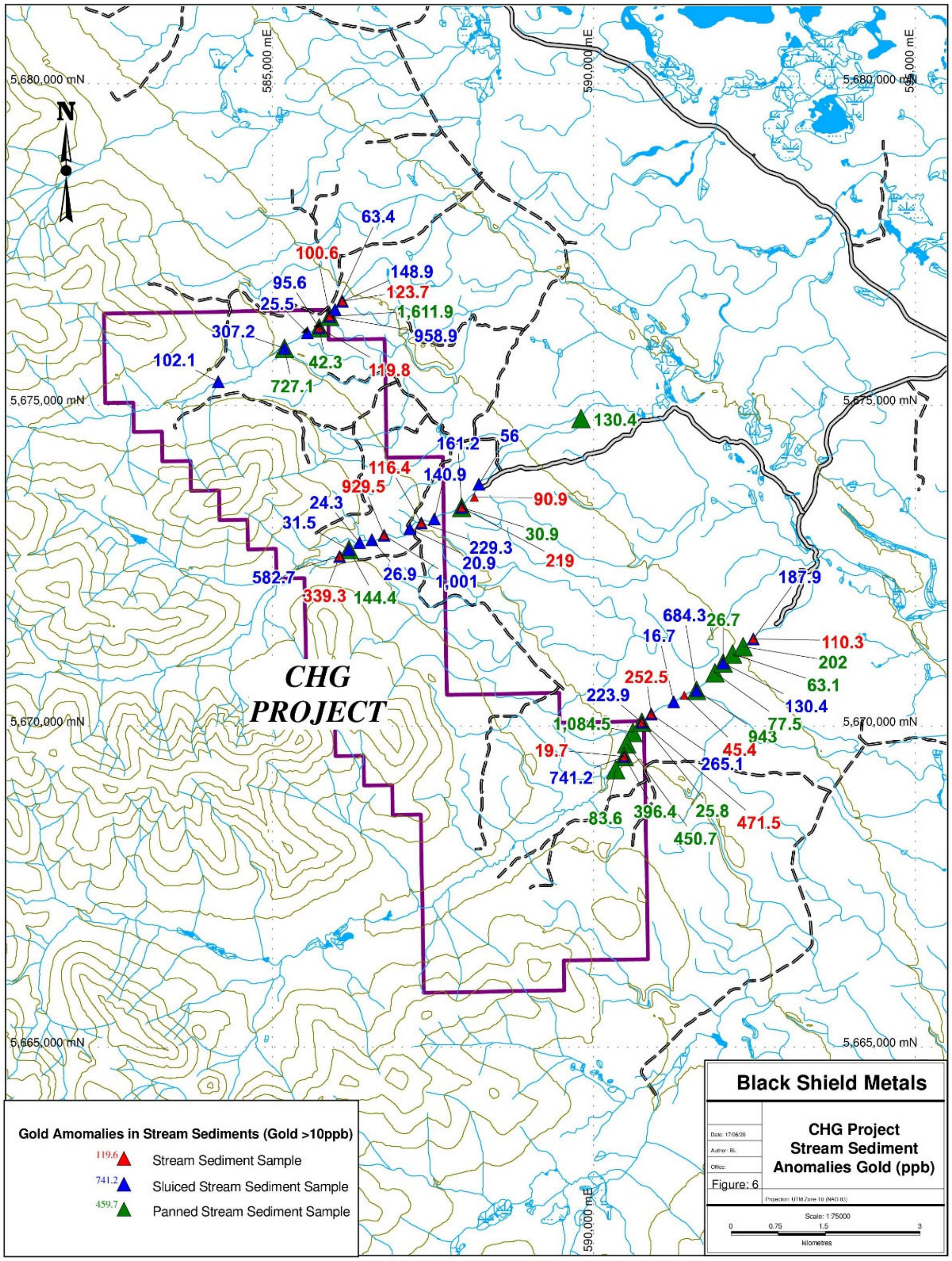


Figure 7 Soil Anomalies and Geophysics

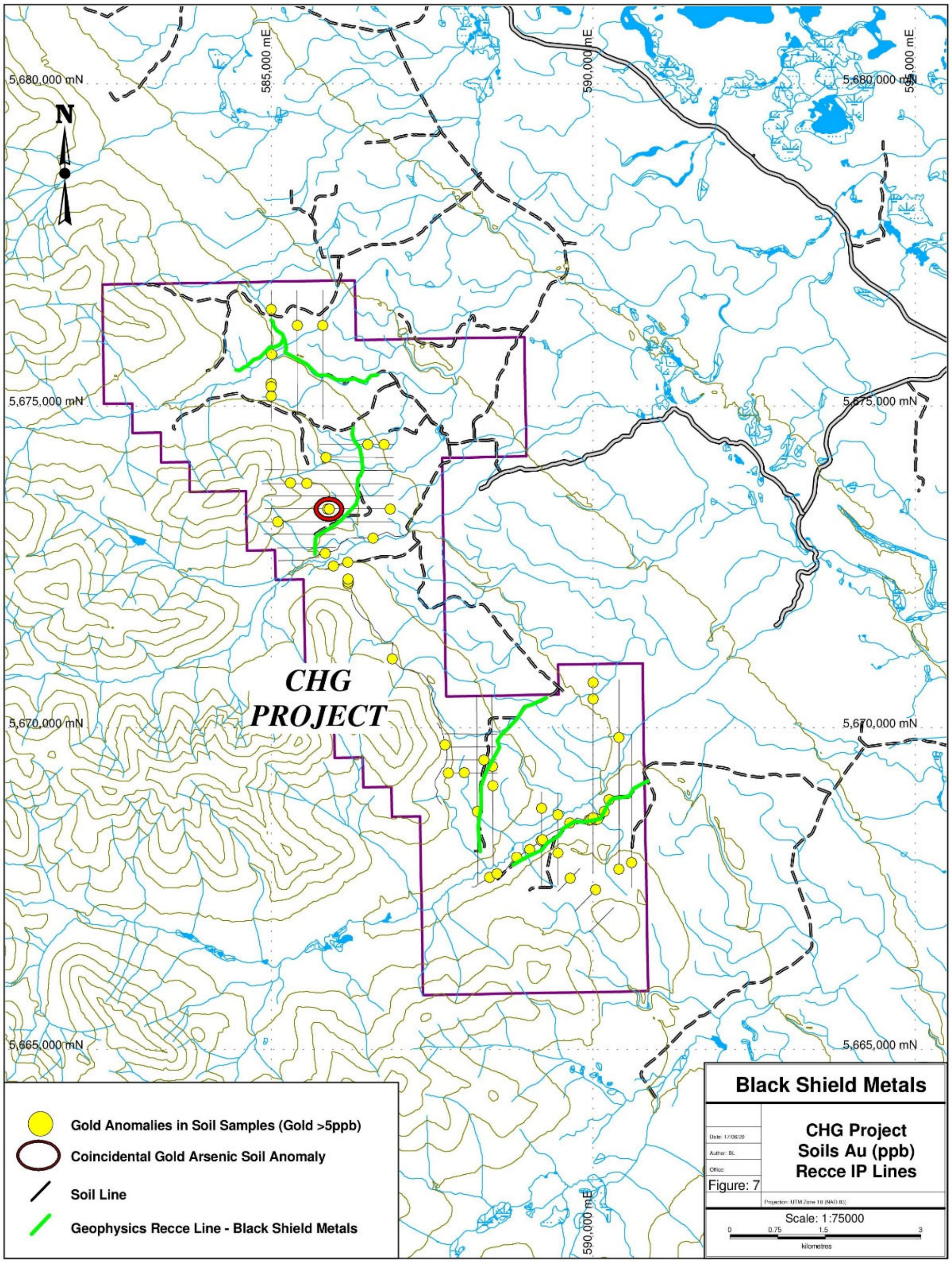
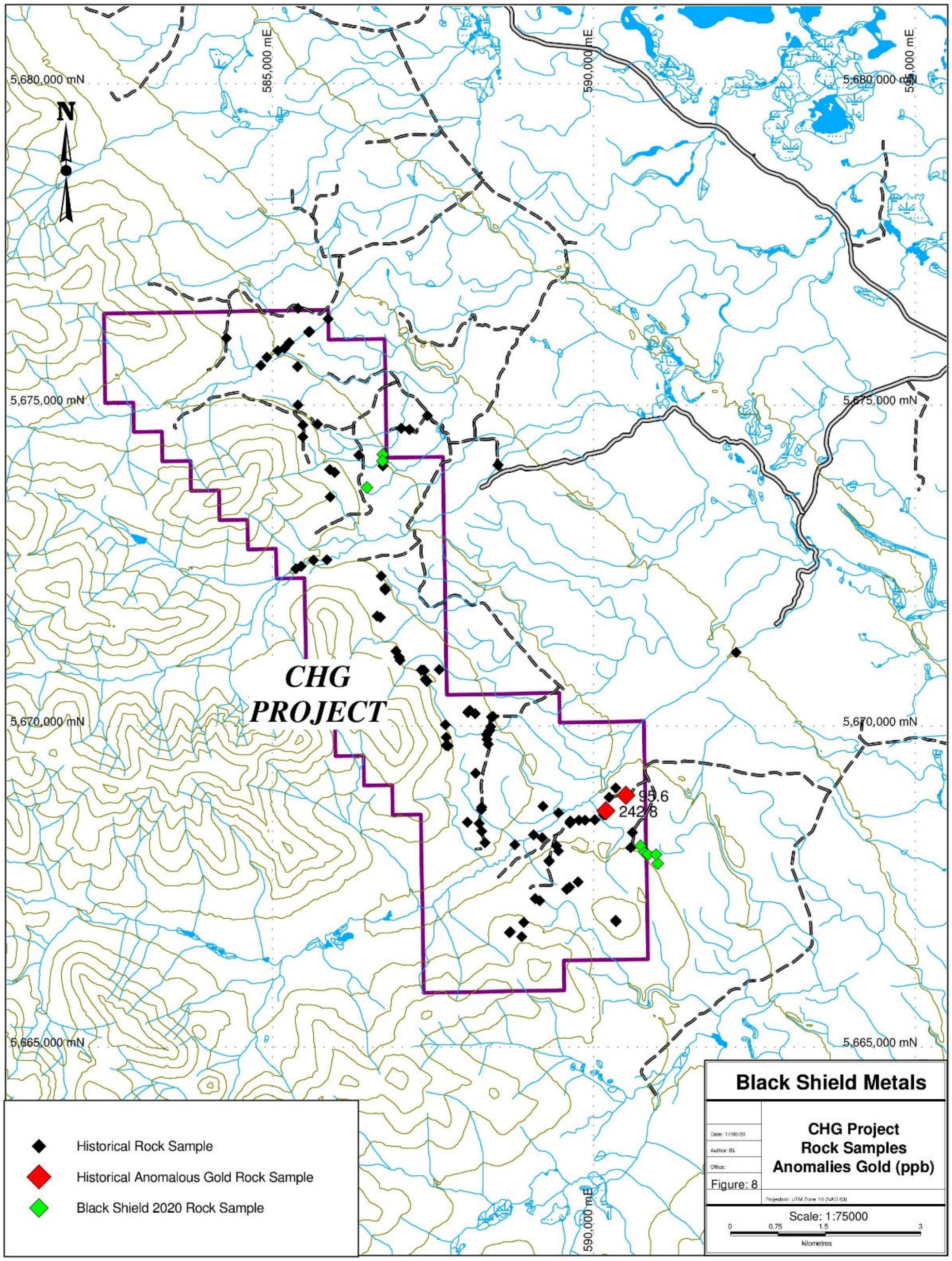


Figure 8 Rock Sample Distribution



Exploration

In May of 2020, the Issuer conducted a five line, 11.05 line kilometre IP/Resistivity/Magnetics survey along existing roads and trails. Eight rock samples were collected during this phase of exploration. The geophysics was conducted by Scott Geophysics Ltd of Vancouver BC.

The pole-dipole array was used. Readings were taken at an “a” spacing of 50 metres at “n” separations of 1 to 5(50/1-5). The on line current electrode was located to the east of the potential electrodes on lines 1N, 2N, 4N and 6N, and north of the potential electrodes on line 3E.

Total field magnetometer readings were taken at 12.5 metre intervals and corrected for diurnal variation against a fixed base station cycling at 10 second intervals. GPS readings were taken at each station and at the remote (“infinite”) electrode locations, subject to satellite reception. Elevation measurements are barometric altimeter readings, calibrated to GPS altitude at the beginning of each line.

A total of 11.05 kilometres of IP and mag survey were performed.

A GDD GRx8-32 receiver and GDD TxII transmitter (5000 watts) were used for the survey. Readings were taken in the time domain using a 2 second on/2 second off alternating square wave. The chargeability values plotted on the accompanying pseudosections and plans are for the interval 690-1050 msec after shutoff.

A GEM GSM-19 Overhauser magnetometer was used as a field unit, and a Scintrex ENVI proton precession magnetometer was used as the base unit for the magnetometer survey.

GPS readings were taken with a Garmin GPSMap GPS receiver.

Eight rock samples were collected during this phase of exploration. Grab samples of float, rubble or outcrop were placed in numbered poly sample bags with like numbers written on ribbons marking the site. Locations were noted with handheld GPS and rock descriptions noted in field notebook.

Drilling

Mr. Laird is not aware of any drilling on the CHG Project.

Sample Preparation and Analysis

All samples were analyzed by Bureau Veritas Minerals or prior to takeover by Bureau Veritas, Acme Analytical Laboratories. Bureau Veritas and Acme Laboratories operate ISO 17025 accredited laboratory, of Vancouver, British Columbia. There is no relationship between the author, Bureau Veritas, Cariboo Rose or the Issuer.

Stream Sediment Samples

Conventional stream silt samples were taken in 2013 and 2014. At each site samples were processed by sieving the sample through two large sieves affixed to the top of a five gallon pail (-8 mesh on top of -50 mesh). The resulting field sieved sample, two or three kilograms in size, was subsequently divided into four samples all approximately equal in weight. One subsample was submitted directly to the lab as a conventional silt sample. The second subsample, weighing approximately 0.5 kilograms, was later concentrated on a small test aluminum sluice box to yield a concentrated sample (it was attempted visually to produce approximately an equal volume of concentrate from sample to sample). The third subsample was hand panned in a conventional gold pan and the fourth subsample was stored for posterity. Sample preparation by Cariboo Rose contractors was limited to sieving the stream sediment samples then panning a paned fraction of the sample and sluicing a sluiced fraction of the samples prior to submitting them to the lab. The 2019 stream sediment samples were conventional stream sediment samples collected in kraft paper bags and air dried prior to shipping to the lab.

Samples were sieved to produce a -80 mesh subsample which was digested in an aqua regia solution and then assayed using multi-element ICP-MS techniques for 36 elements.

Rock Samples

Rock samples, generally float and rubble, were selected so as to be representative of the bulk of rubble or outcrop proximal to them. The samples were broken with one half placed in a plastic sample bag along with a sample number written on a piece of ribbon with a felt marker or in some cases a sample tag provided by the lab. The other half of the sample was forwarded to the project geologist to describe. A location was determined using a hand held GPS unit.

At the lab rock samples were crushed to produce a sub sample and then pulverized until 70% passed a -10 mesh screen. Samples were analyzed using an aqua regia digestion on a 15 gram sub sample using multi-element ICP-MS procedures for 36 elements.

Soil Samples

Soil sample site was marked with a ribbon bearing the sample number. Soil samples were collected by shovel in numbered kraft soil sample bags with a like numbered sample tag placed in each bag. Samples were air dried prior to being shipped to the laboratory for drying and sieving to -80 mesh prior to a 0.5 gram sample being digested in a hot aqua regia solution then analyzed via ICP/MS techniques for 36 elements.

Security

Samples were kept in a chain of command and shipped to the lab using bonded transportation contractors or delivered directly to the lab. Mr. Laird is satisfied that sample preparation, analytical procedures and security measures employed were appropriate and adequate.

Data Verification

In the opinion of Mr. Laird, the programs run by Cariboo Rose and the Issuer have been professionally managed according to accepted industry standards including acceptable verification of results. Mr. Laird has examined results for laboratory inserted standards as well as sample re-runs and is satisfied with their consistency. Mr. Laird is satisfied and verifies that the quality control procedures for work done at the CHG Project between 2013 and 2020 adhered to industry standards and that the data described in this report for those years can be relied upon. Historical data, due to age and inconsistent reporting are only reported as part of the history of work on or around the CHG Project and should not be relied upon.

Mineral Processing Metallurgical Testing

Mr. Laird is not aware of any mineral processing work done on samples from the CHG Project.

Mineral Resource and Mineral Reserve Estimates

Mr. Laird is not aware of any resource estimates or any reserve estimates made on the CHG Project.

Mining Methods

No mining methods have been determined for the CHG Project.

Recovery Methods

No recovery methods have been determined for the CHG Project.

Interpretation and Conclusions

Exploration completed in the CHG Project through 2020 has identified significant stream sediment gold anomalies in the CHG Project.

Reconnaissance level prospecting has been challenged by large amounts of glacial till which overly much of the area of the claims below the limestone scarp. Prospecting efforts have nevertheless only been preliminary and additional effort is necessary, particularly where the stream sediment anomalies terminate in the upstream direction. Sample R6-07-20 with 45.3 ppb gold and 84.1 ppm arsenic (Morton, 2013) may be significant. This sample was taken from a large area of rubble approximately 500 meters down slope from outcropping limestone is described as argillic altered cherty sediment (probably Cache Creek aged argillite). The presence of this alteration adds credence to the interpretation that the strong stream sediment gold anomalies occur in close proximity to a hydrothermal event and quite likely have a localized source. Jasperoid float found in all the main streams crossing the property, though unmineralized, have similar descriptions to the mineralized rock noted in the 1890 reports.

Soil sampling has identified a small, 4 sample, 150 metre long, gold in soil anomaly in the north central portion of the CHG Project. Samples run 6.2 ppb Au, 19.1ppb Au and 5.2 ppb Au in an area where background is less than detection limit. This area forms a coincidental 200 metre by 200 metre coincidental gold (>5ppb) – arsenic (>10ppm) anomaly. Arsenic values from soils within this area are 12ppm, 15.1ppm, 31.1ppm, 26.3ppm and 10.6ppm.

Preliminary results from the May 2020 IP/Resistivity survey show minor chargeability highs with corresponding resistivity lows though further processing and interpretation of the data is required.

The published surficial geology map of this area (GSC Bonaparte Lake) indicates that glacial melt water generally drained southeasterly; particularly through the Carlinton claims. This suggests a source of gold mineralization more to the northwest than directly west of the anomalous drainages.

Recommendations

The processing of the May 2020 geophysical survey should be completed with inverted pseudo-sections and plan maps, including depth slices, of the chargeability, resistivity and magnets generated to assist with interpretation and planning.

Due to potential structural controls of mineralization and lack of outcrop, a property wide airborne magnetics survey is recommended. An airborne geophysical surveying would provide insight to bedrock geology (particularly contacts), buried intrusive entities and possibly indicate areas of silicification (high resistivity) or sulfide mineralization (low resistivity).

The Phase I airborne geophysical program is recommended as the next most logical phase of zeroing in on the source of the anomalous drainages. Contingent upon the results from Phase I, Phase II including expanded IP, soil sampling and geological mapping is recommended.

Cariboo Rose has a permit pending for additional grid geophysics and drilling that could form the basis of later phases of exploration contingent upon the recommended work program.

The source of the anomalous gold in the creeks on the claims may be explained by any of:

- carbonate hosted gold mineralization;
- gold related to a buried felsic intrusive; or
- lode gold mineralization related to a Tertiary Graben following the Bonaparte Valley.

Proposed Budget for Airborne Survey and Evaluation

PHASE I	
Completion of processing of the 2020 IP/Resistivity/Magnetic survey	$5,000
AIRBORNE GEOPYSICAL SURVEY	
400 line kilometers of ZTEM electromagnetic (or equivalent) survey @ $225 km	$90,000
Reporting and Supervision	$5,000
PHASE I TOTAL	**$100,000**
EVALUATION and IP GRID EXPANSION	
Geologist, 20 days @$650,	$13,000
Field assistants, 2 for 20 days @ $440,	$17,600
Room and board @ $110 per man per day,	$7,200
Analytical costs, soils 1000 @ $25 per sample,	$25,000
Analytical costs, rocks (rubble) 100 @ $30 per sample,	$3,000
Vehicle cost 2 for 20 days @ $80 day,	$2,200
ATV costs, 3 @ $80 day,	$4,800
Miscellaneous equipment rental,	$2,000
Ground based induced polarization	$30,000
Supervision,	$4,000
Reporting,	$4,000
PHASE II TOTAL	**$112,800**

USE OF PROCEEDS

Available Funds and Principal Purposes

The estimated net proceeds to the Issuer at the closing of the Offering, after deducting the Agent's Commission (being $335,000 under the Minimum Offering and $445,000 under the Maximum Offering), and a corporate finance fee (being $35,000 plus GST) and the balance of the Agent's expenses (from which $10,000 has already been provided as a retainer against such expenses).

The total funds expected to be available to the Issuer upon closing of the Offering are as follows:

Available Funds	Minimum Offering	Maximum Offering
Net Proceeds[1]	$335,000	$425,000
Estimated Unaudited Working Capital as at ●	$20,000	$20,000
Total Funds Available	$355,000	$445,000

Notes

(1) This excludes the proceeds to the Issuer from the issuance of any securities that may be issued upon the exercise of Agent's Warrants and Over-Allotment Option.

(2) Included funds on hand prior to the completion of the Offering.

The proposed principal uses of the total funds available to the Issuer upon completion of the Offering for the 12 months following the Closing are as follows:

Use of Proceeds	Minimum Offering	Maximum Offering
Expenses of the Offering[1]	$121,500	$121,500
A portion of the Airborne Survey and Evaluation Project as per Option Agreement (Phase I of the Technical Report)	$100,000	$100,000
Estimated general and administrative costs for the 12 month period subsequent to the completion of the Offering[2]	$75,000	$75,000
Unallocated Working Capital	$58,500	$148,500
Total	$355,000	$445,000

Notes

(1) Comprised of legal, accounting, and filing fees.

(2) Comprised of: (i) $15,000 for professional fees (legal and accounting); (ii) $30,000 consulting fees (management); (iii) $5,000 corporate and shareholder communication; (iv) $4,000 Transfer Agent fees; (v) $6,000 office and rent; (vi) $12,000 regulatory; (vii) $1,000 travel; and (viii) $2,000 other general and administrative expenses.

The Issuer 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 in order for the Issuer to achieve its stated business objectives. The actual use of available funds will vary depending on the Issuer's operating and capital needs from time to time and will be subject to the discretion of the management of the Issuer. The Issuer will only redirect the funds to other properties on the basis of a recommendation from a professional engineer or geologist, including a professional engineer or geologist who is a director or officer of the Issuer. Pending such use, the Issuer intends to invest the available funds to the extent practicable in short-term, investment grade, interest-bearing deposit accounts and other marketable securities.

Business Objectives and Milestones

The principal business carried on, and intended to be carried on, by the Issuer is the acquisition and exploration of mineral exploration properties in North America. The Property is in the early exploration stage. The Issuer's primary objective following completion of the Offering is to undertake the recommended exploration program described in the section of this Prospectus entitled "Description and General Development of the Business". Upon completion of the Offering, the Issuer plans to complete a portion of the recommended exploration program at a cost of CDN $100,000 to digitize historical exploration data, conduct a soil geochemical survey, process assays, and complete a geological survey. The Issuer will require additional capital to complete any additional phases of exploration work. The additional capital may come from future equity or debt financings and there can be no assurance that the Issuer will be able to raise such additional capital if and when required or on terms acceptable to the Issuer or at all. See "Use of Proceeds" and "Risk Factors - Requirement for Further Financing".

The Board may, in its discretion, approve asset or corporate acquisitions or investments (including acquisitions outside the mining industry) that do not conform to these guidelines based upon the Board's consideration of the qualitative aspects of the subject properties including risk profile, technical upside, mineral resources and reserves and asset quality. Such acquisitions may require shareholder or regulatory approval.

DIVIDEND RECORD AND POLICY

There is no restriction that would prevent the Issuer from paying dividends on the Shares. However, the Issuer has not paid any dividends on its Shares and it is not contemplated that the Issuer will pay any dividends on its Shares in the immediate or foreseeable future.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Annual Information

The following table sets for the summary financial information of the Issuer for the periods indicated. This information has been summarized from and should be read in conjunction with the Issuer's audited financial statements for the fiscal years ended May 31, 2020 and May 31, 2019.

Selected Annual Information

The following table represents selected annual financial information derived from the Issuer's Financial Statements for the fiscal years ended May 31, 2020 and May 31, 2019 and should be read in conjunction with the Financial Statements and related notes and MD&A for the financial years ended May 31, 2020 and May 31, 2019, contained in this prospectus as Schedule A and Schedule B.

	For the Year Ended May 31, 2020	For the Year Ended May 31, 2019
Total Revenue	Nil	Nil
Net loss and comprehensive loss	($52,715)	(100)
Basic & diluted loss per share	($0.16)	($1.00)
Total assets	$98,060	Nil
Long-term debt	Nil	Nil
Total liabilities	$52,525	Nil
Contributed surplus	Nil	Nil
Share capital	$87,100	100
Deficit	($52,815)	($100)
Exploration and evaluation assets	$20,000	Nil

Discussion of Operations

The Issuer has yet to generate any revenue to date. See "Description and General Development of the Business – History – Option Agreement."

For the year ended May 31, 2020, the Issuer had a greater net loss compared to the year ended May 31, 2019, which can mainly be attributed to the payment of the $20,000 Cash Payment to Cariboo Rose pursuant to the Option Agreement. The Issuer's increase in assets from the year ended May 31, 2019, to May 31, 2020, is due to cash received by the Issuer from financing activities. The Issuer's increase in total liabilities can be attributed to trade payables and accrued liabilities.

Liquidity

The Issuer does not generate cash from operations and finances its activities by raising funds via issuance of the Issuer's Shares.

The Issuer's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at May 31, 2020, the Issuer's cash and cash equivalents balance was $68,048 (2019 - $nil) and the Issuer had working capital of $25,535 (2019 - $nil). Management believes that there is not sufficient working capital to maintain the Issuer's day-to-day operations, and the Issuer will need to raise funds through issuance of debt or equity instruments.

Capital Resources

The Issuer's primary objectives in capital management are to safeguard the Issuer's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds for the exploration and development of the CHG Project. Capital is comprised of the Issuer's shareholders' equity. The Issuer manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. To maintain or adjust its capital structure, the Issuer may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

There can be no assurance that financing will be available to the Issuer or, if it is, that it will be available on terms acceptable to the Issuer and will be sufficient to fund cash needs until the Issuer acquires an operating business or achieves positive cash flow. If the Issuer is unable to obtain the financing necessary to support its operations, it may be unable to continue as a going concern. The Issuer currently has no commitments for any credit facilities such as revolving credit agreements or lines of credit that could provide additional working capital. The Issuer has no long term debt, capital lease obligations, operating leases or any other long term obligations.

Off-Balance Sheet Arrangements

The Issuer does not have any off-balance sheet arrangements.

Related Party Transactions

Key management personnel include the Issuer's Board and members of senior management. The Issuer's related parties include key management personnel, and companies related by way of directors or shareholders in common. Transactions with related parties for goods and services are made on normal commercial terms.

On April 20, 2020, certain key management and directors of the Issuer subscribed to a private placement consisting of 700,000 Shares priced at $0.02 for gross proceeds of $14,000.

On May 15, 2020, a director of the Issuer subscribed to a private placement consisting of 150,000 Shares priced at $0.05 for gross proceeds of $7,500.

Outstanding Securities

As of the date hereof, the Issuer has 3,300,001 Shares issued and outstanding. The Issuer does not have any Preferred Shares or convertible securities issued and outstanding.

Financial Assets and Liabilities

Information regarding the Issuer's financial assets and liabilities as for the three months ended May 31, 2020, and the years ended May 31, 2020 and 2019 is summarized as follows:

	For the Three Months Ended May 31, 2020	2020	2019
		$	$
Financial Assets			
FVTPL			
Cash	68,048	68,048	-
Financial Liabilities			
At amortized cost			
Trade payable	15,248	15,248	-

Additional Disclosure for IPO Venture Issuers without Significant Revenue

The components of expensed exploration costs are described in the schedule of exploration expenditures in the accompanying audited Financial Statements of the Issuer. The details of general and administrative expenses are included in the statement of operations, comprehensive loss and deficit in the Financial Statements of the Issuer.

Additional Disclosure for Junior Issuers

The Issuer expects that the proceeds raised pursuant to the Offering will fund operations for a minimum of 12 months after the completion of the Offering. The estimated total operating costs necessary for the Issuer to achieve its stated business objectives during the 12 months subsequent to the completion of the Offering is approximately $296,500 including all material capital expenditures anticipated during that period.

The Issuer has not generated positive cash flow from operations, and is therefore reliant upon the issuance of its own securities to fund its operations. As of May 31, 2020, its capital resources consisted of a cash balance of $68,048. The Issuer also had a trades payable and accrued liabilities balance of $52,525. The Issuer expects that it will be able to meet its current obligations as they come due with its existing cash and other receivable balances.

As of May 31, 2020, the Issuer had a working capital of $25,535. The Issuer expects to incur losses for at least the next 24 months and there can be no assurance that the Issuer will ever make a profit. To achieve profitability, the Issuer must advance its property through further exploration in order to bring the CHG Project into to a stage where the Issuer can attract the participation of a major resource company, which has the expertise and financial capability to place such property into commercial production.

The Issuer's ability to continue as a going-concern is dependent upon its ability to achieve profitability and fund any additional losses it may incur. The Financial Statements are prepared on a going concern basis, which implies that the Issuer will realize its assets and discharge its liabilities in the normal course of business. The Financial Statements do not reflect adjustments to the carrying value of assets and liabilities that would be necessary if the Issuer were unable to achieve and maintain profitable operations.

Financial Instruments Risk Exposure

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Issuer considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments.

The following table provides an analysis of the Issuer's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

Level 1	Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Fair value measurements are those derived from inputs that are unobservable inputs for the asset or liability.

Cash is classified as Level 1.The carrying balance of trade payables approximate their fair value due to their short-term nature.

The Issuer's financial instruments expose it to a variety of financial risk: market risk (including price risk and interest rate risk), credit risk and liquidity risk. These risks arise from the normal course of operations and all transactions are undertaken to support those operations. Risk management is carried out by management under policies approved by the Board. Management identifies and evaluates the financial risks in co-operation with the Issuer's operating units.

The Issuer's overall risk management program seeks to minimize potential effects on the Issuer's financial performance, in the context of its general capital management objectives (see note 12 to the Financial Statements).

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Issuer's primary exposure to credit risk is in its cash. The Issuer manages credit risk on liquid financial assets through maintaining its cash with high quality financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Issuer will not be able to meet its obligations associated with financial liabilities. The Issuer has a planning and budgeting process in place by which it anticipates and determines the funds required to support its normal operating requirements. The Issuer coordinates this planning and budgeting process with its financing activities through the capital management process described in note 12 of the Financial Statements.

The Issuer's ongoing liquidity is impacted by various external events and conditions. The Issuer expects to repay its financial liabilities in the normal course of operations and to fund future operations and capital requirements through operating cash flows, as well as future equity and debt financing. As at May 31, 2020, the Issuer had a cash balance of $68,048 to settle current liabilities of $52,525. The Issuer's financial liabilities include trade payables which have contractual maturities of 30 days or are due on demand.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Issuer is exposed to interest rate risk on its cash. The interest rate risk on cash is not considered significant due to its short term nature and maturity.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions 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 expenditures during the reporting period. Examples of significant estimates made by management include estimating the fair values of financial instruments, valuation allowances for deferred income tax assets and assumptions used for share-based compensation. Actual results may differ from those estimates.

Outlook

For the coming year, the Issuer's priorities are to complete the Offering, become a listed company on the Exchange and to undertake the required exploration expenditures and maintain the Property in good standing pursuant to the Option Agreement.

There are significant risks that might affect the Issuer's future development. These include but are not limited to: exploration programs that may not result in a commercial mining operation; negative cash flow from operations; the Issuer's ability to raise financing in the future for ongoing operations; market fluctuations in metal prices; government regulations; and other conditions that may be out of the Issuer's control. See "Risk Factors".

Accounting Policies

A detailed summary of all the Issuer's significant accounting policies is included in note 2 to the Financial Statements.

Changes in Accounting Policies

A detailed summary of all of the Issuer's significant accounting policies in included in note 2 to the Financial Statements for the period from incorporation to May 31, 2020. The Issuer, in consultation with its auditor, periodically reviews accounting policy changes implemented within the industry.

DESCRIPTION OF SECURITIES

Common Shares

The Issuer is authorized to issue an unlimited number of Shares without par value. There were 3,300,001 Shares issued and outstanding as of the date of this Prospectus. Holders of Shares are entitled to receive notice of any meetings of shareholders of the Issuer and to attend and cast one vote per Common Share at all such meetings. Holders of Shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Shares entitled to vote in any election of directors may elect all directors standing for election. Holders of Shares are entitled to receive on a pro rata basis such dividends on the Shares, if any, as and when declared by the Issuer's Board at its discretion from funds legally available therefor, and upon the liquidation, dissolution or winding up of the Issuer, are entitled to receive on a pro rata basis the net assets of the Issuer after payments of debts and other liabilities. The Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Preferred Shares

The Issuer is authorized to issue an unlimited number of preferred shares ("**Preferred Shares**") without par value. There were nil Preferred Shares issued and outstanding as of the date of this Prospectus. The Preferred Shares may be issued in one or more series, and the Board may: (i) determine the maximum number of Preferred Shares of a series that the Issuer is authorized to issue, determine that there is no such maximum number, or alter any such determination; (ii) create an identifying name for each series of Preferred Shares; and (iii) attach or alter special rights or restrictions to attached to each series of Preferred Shares.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Issuer as at the dates indicated before and after giving effect to the Minimum Offering and the Maximum Offering. The table should be read in conjunction with the Issuer's Financial Statements (including the notes thereto) appearing elsewhere in this Prospectus:

Description	Amount Authorized	Outstanding as at May 31, 2020 (audited)	Outstanding as at the date of this Prospectus	Outstanding as after giving effect to the Minimum Offering(1)	Outstanding as after giving effect to the Maximum Offering(1) (unaudited)
Shares	Unlimited	3,300,001 Shares	3,300,001 Shares	7,300,001 Shares	8,300,001 Shares
Warrants	N/A	Nil	Nil	Nil	Nil
Options	N/A	Nil	Nil	Nil	Nil

Notes

(1) Excludes any Shares issuable upon the exercise of the Over-Allotment Option and the Agent's Warrants or Shares issued in connection with the Over-Allotment Option. See "Plan of Distribution".

The following table sets out the anticipated fully diluted share capital structure of the Issuer after giving effect to the Offering:

	Outstanding Upon Completion of the Minimum Offering		Outstanding Upon Completion of the Maximum Offering	
	Number of Shares	% of Fully Diluted Share Capital	Number of Shares	% of Fully Diluted Share Capital
Issued by the Issuer as of the date of this Prospectus	3,300,001	42.86%	3,300,001	37.50%
Shares issued pursuant to the Offering (1)	4,000,000	51.95%	5,000,000	56.82%
Reserved for issuance upon the exercise of the Agent's Warrants(1)	400,000	5.19%	500,000	5.68%
TOTAL:	7,700,001	100.00%	8,800,001	100.00%

Note

(1) Assumes no exercise of the Over-Allotment Option.

OPTIONS AND OTHER RIGHTS TO PURCHASE SECURITIES OF THE ISSUER

Stock Options

No Options have been granted to the executive officers and directors of the Issuer as at the date of the Prospectus.

Stock Option Plan

The Issuer adopted a rolling stock option plan (the "**Option Plan**") on September 18, 2020, which provides for a total of 10% of the issued and outstanding Shares available for issuance thereunder.

The purpose of the Option Plan is to allow the Issuer to grant stock options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of the Issuer. The granting of such Options is intended to align the interests of such persons with that of the Issuer's shareholders. The Issuer does not anticipate granting any Options prior to the listing of the Shares on the CSE.

Terms of the Plan

The full text of the Option Plan is available upon written request made directly to the Issuer at its registered office located at 1500-1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

Administration

The Option Plan is administered by the Board, a special committee of the Board (the "**Committee**") or by an administrator appointed by the Board or the Committee (the "**Administrator**") either of which 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 Issuer, as the Board, the Committee or the Administrator may from time to time designate.

Number of Shares Reserved

Subject to adjustment as provided for in the Option Plan, the aggregate number of Shares which are available for purchase pursuant to Options granted under to the Option Plan may not exceed 10% of the number of Shares which are issued and outstanding on the particular date of grant. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of such expired or terminated Option shall again be available for the purposes of granting Options pursuant to the Option Plan.

Exercise Price

The exercise price at which an Option holder may purchase a Common Share upon the exercise of an Option is determined by the Committee and shall be set out in the Option certificate (an "**Option Certificate**") issued in respect of the Option. The exercise price shall not be less than the price determined in accordance with CSE policies while, and if, the Issuer's Shares are listed on the CSE.

Maximum Term of Options

The term of any Option granted under the Option Plan (the "**Term**") is determined by the Board, the Committee or the Administrator, as applicable, at the time the Option is granted but, subject to earlier termination in the event of termination, or in the event of death or disability of the Option holder. In the event of death or disability, the Option shall expire on the earlier of the date which is one year following the date of disability or death and the applicable expiry date of the Option. Options granted under the Option Plan are not to be transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

Termination

Subject to such other terms or conditions that may be attached to Options granted under the Option Plan, an Option holder may exercise a Option in whole or in part at any time and from time to time during the Term. Any Option or part thereof not exercised within the Term shall terminate and become null, void and of no effect as of the date of expiry of the Option. The expiry date of an Option shall be the date so fixed by the Committee at the time the Option is granted as set out in the Option Certificate or, if no such date is set out in for the Option Certificate the applicable circumstances, the date established, if applicable, in paragraphs (a) or (b) below or in the event of death or disability (as discussed above under "Maximum Term of Options") or in the event of certain triggering events occurring, as provided for under the Option Plan:

(a) *Ceasing to Hold Office* - In the event that the Option holder holds his or her Option as an executive and such Option holder ceases to hold such position other than by reason of death or disability, the expiry date of the Option shall be, unless otherwise determined by the Committee, the Board or the Administrator, as applicable and expressly provided for in the Option certificate, the 30th day following the date the Option holder ceases to hold such position unless the Option holder ceases to hold such position as a result of:

(i) ceasing to meet the qualifications set forth in the corporate legislation applicable to the Issuer;

(ii) a special resolution having been passed by the shareholders of the Issuer removing the Option holder as a director of the Issuer or any subsidiary; or

(iii) an order made by any regulatory authority having jurisdiction to so order;

in which case the expiry date shall be the date the Option holder ceases to hold such position; or

(b) *Ceasing to be Employed or Engaged* - In the event that the Option holder holds his or her Option as an employee or consultant and such Option holder ceases to hold such position other than by reason of death or disability, the expiry date of the Option shall be, unless otherwise determined by the Committee, the Board or the Administrator, as applicable, and expressly provided for in the Option certificate, the 30th day following the date the Option holder ceases to hold such position as a result of:

(i) termination for cause;

(ii) resigning or terminating his or her position; or

(iii) an order made by any regulatory authority having jurisdiction to so order;

in which case the expiry date shall be the date the Option holder ceases to hold such position.

In the event that the Option holder ceases to hold the position of executive, employee or consultant for which the Option was originally granted, but comes to hold a different position as an executive, employee or consultant prior to the expiry of the Option, the Committee, the Board or the Administrator, as applicable, may, in its sole discretion, choose to permit the Option to stay in place for that Option holder with such Option then to be treated as being held by that Option holder in his or her new position and such will not be considered to be an amendment to the Option in question requiring the consent of the Option holder. Notwithstanding anything else contained in the Option Plan, in no case will an Option be exercisable later than the expiry date of the Option.

PRIOR SALES

The Issuer has issued an aggregate of 3,300,001 Shares since incorporation as follows:

Date	Number of Shares	Issue Price per Share ($)	Aggregate Issue Price ($)	Consideration Received
October 13, 2017	1[(1)]	$0.001	$0.001	Cash
October 13, 2017	1	$0.01	$0.01	Cash
April 20, 2020	2,600,000	$0.02	$52,000	Cash
May 15, 2020	700,000	$0.05	$35,000	Cash

Note

(1) Repurchased and returned to treasury.

Of the 3,300,001 Shares currently issued and outstanding, it is expected that 850,001 Shares which are held by principals of the Issuer will be held in escrow. See "Escrowed Securities".

ESCROWED SECURITIES

The Issuer has issued a total of 850,001 Shares (the "**Escrow Shares**") to principals and related persons of the Issuer, as defined in NP 46-201 and Exchange Policy 1 - *Interpretation*, respectively.

The following table sets out the Escrow Shares which are expected to be subject to escrow restrictions imposed by the Escrow Policy:

Designation of Class	Number of Securities in Escrow	Percentage of Class as at the date of this Prospectus	Percentage of Class After Completion of Minimum Offering[(1)]	Percentage of Class After Completion of Maximum Offering[(1)]
Shares	850,001	25.8%	11.6%	10.2%

Note

(1) Assumes no exercise of the Over-Allotment Option.

As required by applicable securities laws, concurrent with the closing of the Offering, the shareholders of the Issuer described below will enter into the Form 46-201F1 Escrow Agreement with the Escrow Agent and the Issuer, pursuant to which such shareholders will agree to deposit an aggregate of 850,001 Escrow Shares into escrow with the Escrow Agent. Under the terms of the NP 46-201, the Issuer will, at the time of the Offering, be categorized as an "emerging issuer". The Escrow Agreement provides that 10% of the number of Escrow Shares held thereunder will be released on the date that the Shares are listed and posted for trading on the Exchange, and an additional 15% of the number of securities originally held thereunder shall be released on each of 6 months, 12 months, 18 months, 24 months, 30 months and 36 months from such date.

The following is a list of the holders of the Escrow Shares:

Name	Number of Escrowed Shares
Fred Tejada	100,000
Kevin Ma	100,001

Name	Number of Escrowed Shares
Desmond Balakrishnan	550,000
David Goertz	100,000
Total	**850,001**

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and officers of the Issuer, as of the date of this Prospectus, the following table lists those persons who own 10% or more of the issued and outstanding Shares of the Issuer as of the date hereof:

Name and Municipality	Type of Ownership	Number and Type of Security	Percentage of Class of Securities Prior to the Offering (%)	Percentage of Class of Securities Held After Giving Effect to the Minimum Offering (%)	Percentage of Class of Securities Held After Giving Effect to the Maximum Offering (%)
Desmond Balakrishnan, Vancouver	Indirect	Shares	16.6%	7.5%(2)	6.6%(3)

Note

(1) Shares are registered to Desmond Balakrishnan Law Corporation, a company controlled and beneficially owned by Mr. Balakrishnan.
(2) 7.1% on a fully-diluted basis upon the exercise of 400,000 Agent's Warrants.
(3) 6.2% on a fully-diluted basis upon the exercise of 500,000 Agent's Warrants.

DIRECTORS AND OFFICERS

The following table describes the names and the municipalities of residence of the directors, executive officers, promoters and the management of the Issuer, their positions and offices with the Issuer and their principal occupations during the past five years. The following information relating to the directors and officers is based on information received by the Issuer from said persons.

Name and Province of Residence	Date Appointed	Principal Occupation and Occupation During the Past Five Years	Number of Shares
Fred Tejada **President and Chief Executive Officer** *Surrey, British Columbia*	February 28, 2020	Geologist. Self-Employed since June 2016. CEO, President and Vice-President of Exploration of European Electric Metals Inc. (formerly Tirex Resources Ltd.) from June 2011 to June 2016. Director of a number of reporting issuers.	100,000 (3.0%)
Kevin Ma(2)	January 30, 2020 (Director)(3)	Principal of Skanderbeg Financial Advisory Inc. and Partner of Calibre Capital Corp., financial advisory and	100,001 (3.0%)

Name and Province of Residence	Date Appointed	Principal Occupation and Occupation During the Past Five Years	Number of Shares
Chief Financial Officer, Director and Promoter *Vancouver, British Columbia*	February 28, 2020 (CFO)	corporate finance firms since 2015. Chartered Accountant since 2006.	
Desmond Balakrishnan(2) **Director** *Vancouver, British Columbia*	January 30, 2020(3)	Partner, McMillan LLP, a commercial and business law firm since January 2002.	550,000(4) (16.7%)
David Goertz(1)(2) **Director** Vancouver, British Columbia	February 28, 2020(3)	Partner, Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants since 2005.	100,000 (3.0%)

Notes

(1) Independent
(2) Member of Audit Committee
(3) Shares are registered to Desmond Balakrishnan Law Corporation, a company controlled by Mr. Balakrishnan.

All of the Issuer's directors' terms of office will expire at the earliest of their resignation, the close of the next annual shareholder meeting called for the election of directors, or on such other date as they may be removed according to the BCBCA. Each director will devote the amount of time is required to fulfill his obligations to the Issuer. The Issuer's officers will be appointed by and serve at the discretion of the Board.

As at the date hereof, the directors and officers of the Issuer, as a group, currently beneficially own, directly or indirectly, or exercise control or direction over, 850,001 Shares, representing 25.8% of the Issuer's issued and outstanding Shares.

Management and Key Personnel

Fred Tejada – President and Chief Executive Officer, Age 62

Mr. Tejada is an independent contractor of the Issuer, and, in his capacity as President and Chief Executive Officer of the Issuer, he dedicates approximately 50% of his time to the affairs of the Issuer. Mr. Tejada is not party to any non-competition or confidentiality agreement with the Issuer.

Kevin Ma – Chief Financial Officer, Director and Promoter, Age 41

Mr. Ma, is a principal of Skanderbeg Financial Advisory Inc. and partner of Calibre Capital Corp., specializing in corporate finance, mergers & acquisitions, and senior executive and management advisory. Mr. Ma is a Chartered Accountant certified by the Chartered Professional Accountants of British Columbia, and holds a Diploma in Accounting and a Bachelor of Arts degree from the University of British Columbia.

Mr. Ma is an independent contractor of the Issuer, and, in his capacity as Chief Financial Officer and director of the Issuer, he dedicates approximately 30% of his time to the affairs of the Issuer. Mr. Ma is not party to any non-competition or confidentiality agreement with the Issuer.

Desmond Balakrishnan – Director, Age 49

Mr. Balakrishnan is a Vancouver lawyer and has practiced law as a partner at McMillan LLP since January 2002. His areas of practice focus on mergers, acquisitions, international public listings, cannabis law, gaming and entertainment law. He acted as counsel to cannabis companies with respect to corporate governance, regulatory compliance, public listing on the Canadian Securities Exchange, the TSX Venture Exchange, the Toronto Stock Exchange, Nasdaq or the New York Stock Exchange, debt or equity financings and strategic acquisitions.

He graduated from the University of Alberta in 1997 with an LL.B and was called to the bar in British Columbia in 1998. Mr. Balakrishnan is now, or has been in the last five years, a director or officer of various public companies or reporting issuers.

Mr. Balakrishnan is an independent contractor of the Issuer, and, in his capacity as director of the Issuer, he dedicates approximately 10% of his time to the affairs of the Issuer. Mr. Balakrishnan is not party to any non-competition or confidentiality agreement with the Issuer.

David Goertz –Director, Age 42

Mr. Goertz is a partner with Dale Matheson Carr-Hilton Labonte, LLP Chartered Professional Accountants. David Goertz graduated from the University of Victoria with Bachelor of Commerce degree and has been a Chartered professional accountant for since 2004 and has been with Vancouver based Dale Matheson Carr-Hilton Labonte LLP Chartered Professional Accountants since 2005, becoming partner in the firm in 2011. Mr. Goertz provides accounting, assurance, taxation and business advisory services to private and public companies, not-for-profit organizations and incorporated professionals.

Mr. Goertz is an independent contractor of the Issuer, and, in his capacity as director of the Issuer, he dedicates approximately 10% of his time to the affairs of the Issuer. Mr. Goertz is not party to any non-competition or confidentiality agreement with the Issuer.

Reporting Issuer Experience of the Directors, Officers and Promoters of Issuer

The following table sets out the directors, officers and promoters of the Issuer that are, or have been within the last five years, directors, officers, promoters of other issuers that are or were reporting issuers in any Canadian jurisdiction:

Name	Name of Reporting Issuer	Exchange or Market	Position	From	To
Fred Tejada	European Electric Metals Inc.	TSX-V	Senior Officer	June 2011	Present
	37 Capital Inc.	CSE	Director	December 2009	Present
	MegumaGold Corp.	CSE	Director	June 2016	Present
	Major Precious Metals Corp. (formerly Eastern Zinc Corp.)	CSE	Director	April 2018	Present
	Westminster Resources Corp.	TSX-V	Director	December 2019	Present

Name	Name of Reporting Issuer	Exchange or Market	Position	From	To
	Mariner Resources Corp.	CSE	Director	July 2020	Present
	Prime Mining Corp.	TSX-V	Director	December 2014	April 2019
	Rise Gold Inc.	CSE	President, Director, CEO, CFO and Secretary	May 2012	April 2017
	Green Arrow Resources	TSXV	Director	April 2012	May 2017
	Corazon Gold Corp.	TSXV	Director	February 2014	November 2017
	Sora Capital Corp.	CSE	Director	August 2011	August 2016
Kevin Ma	E36 Capital Corp.	TSX-V	Senior Officer and Director	February 2020	Present
	Kenadyr Mining (Holdings) Inc.	TSX-V	Senior Officer	March 2017	Present
	Netcoins Holdings Inc.	CSE	Senior Officer and Director	March 2018	Present
	Link Global Technologies Inc.	CSE	Director	April 2018	Present
	Carl Data Solutions Inc.	CSE	Director	October 2015	Present
	TAAT Lifestyle & Wellness Ltd. (Formerly Molori Energy Inc.)	TSX-V	Director	April 2016	Present
	Chakana Copper Corp.	TSX-V	Senior Officer	January 2018	January 2020
	Nabis Holdings Inc.	CSE	Director	January 2018	September 2019
	First Cobalt Corp.	TSX-V	Senior Officer	December 2016	October 2018
	BIGG Digital Assets Inc.	CSE	Director	August 2017	November 2017
	StartMonday Technology Corp.	CSE	Director	September 2016	May 2017
	Gatekeeper Systems Inc.	TSX-V	Senior Officer	October 2013	September 2015
Desmond	Planet Ventures Inc.	TSX-V	Director	July 2015	Present

Name	Name of Reporting Issuer	Exchange or Market	Position	From	To
Balakrishnan	Ynvisible Interactive Inc.	TSX-V	Senior Officer	May 2008	Present
	Contagious Gaming Inc.	TSX-V	Director	August 2014	Present
	Isracann Biosciences Inc.	CSE	Director	July 2019	Present
	Copacabana Capital Limited	TSX-V	Director	June 2005	Present
	Solution Financial Inc.	TSX-V	Director	December 2010	Present
	Liberty Once Lithium Corp.	TSX-V	Director	February 2012	Present
	26 Broadway Capital Corp.	NSC	Senior Officer	August 2008	Present
	Netcoins Holding Inc.	CSE	Director	March 2018	Present
	Aroway Energy Inc.	TSX-V	Director	July 2010	Present
	Big Sky Petroleum Corporation	NEX	Director	November 2011	Present
	Karam Minerals Inc.	CSE	Director	March 2017	Present
	Hillcrest Petroleum Ltd.	TSX-V	Senior Officer	January 2008	August 2015
	Northern Dynasty Minerals Ltd.	TSX/NYSE	Director	December 2015	Present
	Red Rock Capital Corp.	TSX-V	Director	December 2012	Present

Corporate Cease Trade Orders

Other than disclosed below, no director, executive officer or promoter of the Issuer is, as at the date of this Prospectus, or was within 10 years before the date of this Prospectus, a director, chief executive officer or chief financial officer of any company (including the Issuer), that:

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

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

Desmond Balakrishnan, a director of the Issuer, was a director of Aroway Energy Inc. ("Aroway") a TSX Venture Exchange listed company at the time a cease trade order was issued by the British Columbia Securities Commission on January 4, 2016 for not having filed its annual financial statements for the year ended June 30, 2015 and its interim financial report for the financial period ended September 30, 2015 and its management's discussion and analysis for the periods ended June 30, 2015 and September 30, 2015. The cease trade order remains in effect.

Desmond Balakrishnan, a director of the Issuer, was a director of Probe Resources Ltd. ("Probe") (now known as Rooster Energy Ltd.), a TSX Venture Exchange listed company, at the time Probe was issued a cease trade order on January 7, 2011, for failure to file its annual financial statements and management's discussion and analysis for its financial year ended August 31, 2010 in the required time. Probe announced by press release dated November 16, 2010 that the company's U.S. subsidiaries filed voluntary Chapter 11 petitions in U.S. Bankruptcy Court for the Southern District of Texas in Houston, Texas. Mr. Balakrishnan resigned upon the filing of the Chapter 11 proceeding in November 2010. Probe emerged from its Chapter 11 bankruptcy filing on April 15, 2011 and then brought its filings up to date. On February 3, 2012, the cease trade order was lifted.

Kevin Ma, a director of the issuer, was a senior officer of Chakana Copper Corp. ("Chakana"), a TSX Venture Exchange listed company, at the time a management cease trade order ("MCTO") was issued on October 1, 2019 by the British Columbia Securities Commission, as principal regular, in connection with the late filing of Chakana's annual financial statements, management's discussion and analysis and officer's certification for the year ended May 31, 2019. The MCTO was revoked on November 19, 2019 in connection with the completion of the annual filings. Mr. Kevin Ma was the Chief Financial Officer at the time of the issuance of the MCTO.

Kevin Ma, a director of the issuer, was a senior officer of Netcoins Holdings Inc. ("Netcoins Holdings"), a CSE listed company, at the time a management cease trade order ("MCTO") as issued on June 16, 2020 by the British Columbia Securities Commission, as principal regular, in connection with the late filing of Netcoins Holdings' annual financial statements, management's discussion and analysis and officer's certification for the year ended December 31, 2019. The MCTO was revoked on July 16, 2020 in connection with the completion of the annual filings. Mr. Kevin Ma was the Chief Financial Officer at the time of the issuance of the MCTO.

Bankruptcies

No director, executive officer or promoter of the Issuer, and no shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer:

(a) is, as at the date of this Prospectus, or has been within the 10 years before the date of this Prospectus, a director or executive officer of any company (including the Issuer) 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 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, 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.

Penalties or Sanctions

No director, executive officer or promoter of the Issuer, and no shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer, 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 agreement with a securities regulatory authority; or

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

Conflicts of Interest

Our directors are required by law to act honestly and in good faith with a view to the best interests of the Issuer and to disclose any interests they may have in any project or opportunity of the Issuer. To the best of our knowledge, and other than as disclosed in the following paragraph, there are no known existing or potential conflicts of interest among the Issuer, our directors, officers and promoters or other members of management or of any proposed promoter, director, officer or other member of management as a result of their outside business interests.

There are potential conflicts of interest to which the directors and officers of the Issuer will be subject in connection with the operations of the Issuer. In particular, certain of the directors and officers of the Issuer are involved in managerial and/or director positions with other companies whose operations may, from time to time, be in direct competition with those of the Issuer. Conflicts, if any, will be subject to the procedures and remedies available under the BCBCA. The BCBCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the BCBCA. See "Risk Factors – Conflicts of Interest" for further details.

EXECUTIVE COMPENSATION

Compensation Discussion & Analysis

The Issuer was not a reporting issuer at any time during the most recently completed financial period. It is expected that in the future the directors and officers of the Issuer, including the NEOs, will be granted, from time to time, incentive stock options in accordance with the Issuer's Stock Option Plan. See "Options and Other Rights to Purchase Securities of the Issuer – Stock Option Plan" for a summary of the terms of the Issuer's Stock Option Plan. Given the Issuer's size and its stage of development, the Issuer has not appointed a compensation committee or formalized any guidelines with respect to compensation at this time. It is anticipated that once the Issuer becomes a reporting issuer, the Board will consider appointing such a committee and adopting such guidelines. The Issuer currently relies solely on Board discussion without any formal objectives, criteria and analysis to determine the amount of compensation payable to directors and all officers of the Issuer.

Philosophy

Compensation paid to the NEOs is based on the size and stage of development of the Issuer and reflects the need to provide incentive and compensation for the time and effort expended by the NEOs, while taking into account the financial and other resources of the Issuer, as well as increasing shareholder value.

The Issuer is a private junior mineral exploration company without revenue and therefore certain compensation factors were considered and not included within the compensation structure and philosophy. Some of the factors not considered were target share ownership guidelines, pension plans, specific target weightings, and percentage of compensation at risk.

The Issuer's executive compensation currently consists of long-term incentives in the form of participation in the Issuer's Stock Option Plan. Once the Issuer becomes a reporting issuer, it is expected that the Board will review the compensation of NEOs and make adjustments, if appropriate, to ensure that the compensation of the NEOs is commensurate with the services they provide.

Base Salary

It is expected that once the Issuer becomes a reporting issuer, base salary will be the principal component of executive compensation and the base salary for each executive officer will be based on the position held, the related responsibilities and functions performed by the executive and salary ranges for similar positions in comparable companies. Individual and corporate performance will also be taken into account in determining base salary levels for executives.

Option-based Awards

The Issuer believes that encouraging its officers and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Issuer's Stock Option Plan. Options will be granted to management and employees taking into account a number of factors, including, base salary and bonuses and competitive factors.

The stock option component of compensation provided by the Issuer is intended to advance the interests of the Issuer by encouraging the directors, officers, employees and consultants of the Issuer to acquire Shares, thereby increasing their proprietary interest in the Issuer, encouraging them to remain associated with the Issuer and furnishing them with additional incentive in their efforts on behalf of the Issuer in the conduct of its affairs. Grants under the Issuer's Stock Option Plan are intended to provide long term awards linked directly to the market value performance of the Issuer's Shares. The Board will review management's recommendations for the granting of stock options to management, directors, officers and other employees and consultants of the Issuer and its subsidiaries. Stock options are granted according to the specific level of responsibility of the particular executive. The number of outstanding Options is also considered by the Board when determining the number of Options to be granted in any particular year due to the limited number of Options which are available for grant under the Issuer's Stock Option Plan.

Compensation Risk Assessment and Mitigation

The Board has considered the implications of the risks associated with the Issuer's compensation policies and practices. The Board is responsible for setting and overseeing the Issuer's compensation policies and practices. The Board does not provide specific monitoring and oversight of compensation policies and practices, but does review, consider and adjust these matters annually. The Issuer does not use any specific practices to identify and mitigate compensation policies that could encourage a NEOs or individual at a principal business unit or division to take inappropriate or excessive risks. These matters are dealt with on a case-by-case basis. The Issuer currently believes that none of its policies encourage its NEOs to take such risks. The Issuer has not identified any risks arising from its compensation policies and practices that are reasonably likely to have a material adverse effect on the Issuer.

There are no restrictions on NEOs or directors regarding the purchase of financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities

Named Executive Officers

In this section, "NEO" means (a) the CEO, including an individual performing functions similar to a CEO, (b) the CFO, including an individual performing functions similar to a CFO, (c) the most highly compensated executive officer of the Issuer, and its subsidiaries, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*, for that financial year; and (d) each individual who would be an NEO under (c) but for the fact that the individual was not an executive officer of the Issuer and was not acting in a similar capacity, at the end of that financial year.

During the Issuer's fiscal year ended May 31, 2020 the following individuals were the NEOs of the Issuer:

(a) Fred Tejada; and

(b) Kevin Ma.

Director and Named Executive Officer Compensation

Table of Compensation

The following table provides a summary of compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Issuer to each NEO and director of the Issuer during the fiscal periods ended May 31, 2020 and May 31, 2019.

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission ($)	Bonus ($)	Committee or Meeting Fees ($)	Value of Perquisites ($)	Value of all other Compensation ($)	Total Compensation ($)
Fred Tejada(1) President and Chief Executive Officer	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	-	-	-	-	-	-
Kevin Ma(2) Chief Financial Officer and Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	-	-	-	-	-	-
Desmond Balakrishnan(3) Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	-	-	-	-	-	-
David Goertz(4) Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	-	-	-	-	-	-

Notes:
(1) Mr. Tejada was appointed President and Chief Executive Officer of the Issuer on February 28, 2020.
(2) Mr. Ma was appointed Chief Financial Officer of the Issuer on February 28, 2020.
(3) Mr. Balakrishnan was appointed director of the Issuer on January 30, 2020.
(4) Mr. Goertz was appointed director of the Issuer on February 28, 2020.

Stock Options and Other Compensation Securities

During the fiscal year ended May 31, 2020, no compensation securities were granted or issued to any director or NEO of the Issuer for services provided or to be provided, directly or indirectly, to the Issuer.

Recent Significant Changes to the Issuer's Compensation Policies

There have been no significant changes to the Issuer's compensation policies during the financial period ended May 31, 2020 that could or will have an effect on director or NEO compensation.

Employment, Consulting and Management Agreements

The Issuer is not party to any employment, consulting or management agreement with an NEO or a person performing services of a similar capacity.

There are no arrangements for compensation with respect to the termination of NEOs, included in the event of a change of control.

Pension Plan Benefits

The Issuer does not provide retirement benefits for directors or executive officers.

Compensation of Directors

See *"Executive Compensation – Director and Named Executive Officer Compensation."*

Except as otherwise disclosed herein, there were no standard arrangements, or other arrangements in addition to or in lieu of standard arrangements, under which the directors were compensated by the Issuer for services in their capacity as a director (including any additional amounts payable for committee participation or special assignments), during the most recently completed financial period ended May 31, 2020. No directors' fees are expected to be paid by the Issuer.

All directors are also entitled to be reimbursed for reasonable expenses incurred on behalf of the Issuer.

There are no arrangements for compensation with respect to the termination of directors in the event of a change or control of the Issuer.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Since the start of the most recently completed financial year, no director, executive officer, senior officer, nor any of their respective associates or affiliates is, or has been at any time since the beginning of the last completed financial year, indebted to the Issuer or its subsidiaries nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Issuer.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Audit Committee

The Audit Committee's Charter

1. Purpose

This charter sets out the Audit Committee's purpose, composition, member qualification, member appointment and removal, responsibilities, operations, manner of reporting to the Board, annual evaluation and compliance with this charter. The primary responsibility of the Audit Committee is that of oversight of the financial reporting process on behalf of the Board. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk and financial management control, and oversight responsibility for compliance with tax and securities laws and regulations as well as whistle blowing procedures. The Audit Committee is also responsible for the other matters as set out in this charter and/or such other matters as may be directed by the Board from time to time. The Audit Committee should exercise continuous oversight of developments in these areas.

2. Composition

A majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Issuer or of an affiliate of the Issuer, as defined in National Instrument 52-110, provided that should the Issuer become listed on a more senior exchange, each member of the Audit Committee will also satisfy the independence requirements of such exchange and of NI 52-110.

The Audit Committee will consist of at least three members, all of whom must be directors of the Company. Upon graduating to a more senior stock exchange, if required under the rules or policies of such exchange, each member of the Audit Committee will also satisfy the financial literacy requirements of such exchange and of NI 52-110.

The Chair of the Audit Committee will be appointed by the Board

3. Authority

In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:

(a) engage, set and pay the compensation for independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities, and any such consultants or professional advisors so retained by the Audit Committee will report directly to the Audit Committee;

(b) communicate directly with management and any internal auditor, and with the external auditor without management involvement; and

(c) incur ordinary administrative expenses that are necessary or appropriate in carrying out its duties, which expenses will be paid for by the Issuer.

4. Duties and Responsibilities

A. The duties and responsibilities of the Audit Committee include:

1. recommending to the Board the external auditor to be nominated by the Board;

2. recommending to the Board the compensation of the external auditor to be paid by the Company in connection with (i) preparing and issuing the audit report on the Issuer's financial statements, and (ii) performing other audit, review or attestation services;

3. reviewing the external auditor's annual audit plan, fee schedule and any related services proposals (including meeting with the external auditor to discuss any deviations from or changes to the original audit plan, as well as to ensure that no management restrictions have

been placed on the scope and extent of the audit examinations by the external auditor or the reporting of their findings to the Audit Committee);

4. overseeing the work of the external auditor;

5. ensuring that the external auditor is independent by receiving a report annually from the external auditors with respect to their independence, such report to include disclosure of all engagements (and fees related thereto) for non-audit services provided to Issuer;

6. ensuring that the external auditor is in good standing with the Canadian Public Accountability Board by receiving, at least annually, a report by the external auditor on the audit firm's internal quality control processes and procedures, such report to include any material issues raised by the most recent internal quality control review, or peer review, of the firm, or any governmental or professional authorities of the firm within the preceding five years, and any steps taken to deal with such issues;

7. ensuring that the external auditor meets the rotation requirements for partners and staff assigned to the Issuer's annual audit by receiving a report annually from the external auditors setting out the status of each professional with respect to the appropriate regulatory rotation requirements and plans to transition new partners and staff onto the audit engagement as various audit team members' rotation periods expire;

8. reviewing and discussing with management and the external auditor the annual audited and quarterly unaudited financial statements and related MD&A, including the appropriateness of the Issuer's accounting policies, disclosures (including material transactions with related parties), reserves, key estimates and judgements (including changes or variations thereto) and obtaining reasonable assurance that the financial statements are presented fairly in accordance with IFRS and the MD&A is in compliance with appropriate regulatory requirements;

9. reviewing and discussing with management and the external auditor major issues regarding accounting principles and financial statement presentation including any significant changes in the selection or application of accounting principles to be observed in the preparation of the financial statements of the Issuer and its subsidiaries;

10. reviewing and discussing with management and the external auditor the external auditor's written communications to the Audit Committee in accordance with generally accepted auditing standards and other applicable regulatory requirements arising from the annual audit and quarterly review engagements;

11. reviewing and discussing with management and the external auditor all earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies prior to such information being disclosed;

12. reviewing the external auditor's report to the shareholders on the Issuer's annual financial statements;

13. reporting on and recommending to the Board the approval of the annual financial statements and the external auditor's report on those financial statements, the quarterly unaudited financial statements, and the related MD&A and press releases for such financial statements, prior to the dissemination of these documents to shareholders, regulators, analysts and the public;

14. satisfying itself on a regular basis through reports from management and related reports, if any, from the external auditors, that adequate procedures are in place for the review of the Issuer's disclosure of financial information extracted or derived from the Issuer's financial statements that such information is fairly presented;

15. overseeing the adequacy of the Issuer's system of internal accounting controls and obtaining from management and the external auditor summaries and recommendations for improvement of such internal controls and processes, together with reviewing management's remediation of identified weaknesses;

16. reviewing with management and the external auditors the integrity of disclosure controls and internal controls over financial reporting;

17. reviewing and monitoring the processes in place to identify and manage the principal risks that could impact the financial reporting of the Issuer and assessing, as part of its internal controls responsibility, the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board;

18. satisfying itself that management has developed and implemented a system to ensure that the Issuer meets its continuous disclosure obligations through the receipt of regular reports from management and the Issuer's legal advisors on the functioning of the disclosure compliance system, (including any significant instances of non-compliance with such system) in order to satisfy itself that such system may be reasonably relied upon;

19. resolving disputes between management and the external auditor regarding financial reporting;

20. establishing procedures for:

    a. the receipt, retention and treatment of complaints received by the Issuer from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practises relating thereto, and

    b. the confidential, anonymous submission by employees of the Issuer of concerns regarding questionable accounting or auditing matters;

21. reviewing and approving the Issuer's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;

22. pre-approving all non-audit services to be provided to the Issuer or any subsidiaries by the Issuer's external auditor;

23. overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities;

24. establishing procedures for:

    a. reviewing the adequacy of the Issuer's insurance coverage, including the Directors' and Officers' insurance coverage;

b. reviewing activities, organizational structure, and qualifications of the CFO and the staff in the financial reporting area and ensuring that matters related to succession planning within the Issuer are raised for consideration at the Board;

c. obtaining reasonable assurance as to the integrity of the CEO and other senior management and that the CEO and other senior management strive to create a culture of integrity throughout the Issuer;

d. reviewing fraud prevention policies and programs, and monitoring their implementation;

e. reviewing regular reports from management and others (e.g., external auditors, legal counsel) with respect to the Issuer's compliance with laws and regulations having a material impact on the financial statements including:

   i. tax and financial reporting laws and regulations;

   ii. legal withholding requirements;

   iii. environmental protection laws and regulations;

   iv. other laws and regulations which expose directors to liability; and

B. A regular part of Audit Committee meetings involves the appropriate orientation of new members as well as the continuous education of all members. Items to be discussed include specific business issues as well as new accounting and securities legislation that may impact the organization. The Chair of the Audit Committee will regularly canvass the Audit Committee members for continuous education needs and in conjunction with the Board education program, arrange for such education to be provided to the Audit Committee on a timely basis.

C. On an annual basis the Audit Committee shall review and assess the adequacy of this charter taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Issuer has a reporting relationship and, if appropriate, recommend changes to the Audit Committee charter to the Board for its approval.

5. Term

The members of the Audit Committee shall be appointed by designation of the Board and shall continue to be a member thereof until the earlier of (i) the Board, at its discretion, decides to remove the member from the Committee, or (ii) the expiration of his or her term of office as a Director. Vacancies at any time occurring shall be filled by designation of the Board.

6. Meetings

The Committee shall meet at least once per year or more frequently as circumstances dictate. A majority of the members appearing at a duly convened meeting shall constitute a quorum and the Committee shall maintain minutes or other records of its meetings and activities. The Chair shall be responsible for leadership of the Committee, including scheduling and presiding over meetings, preparing agendas, overseeing the preparation of briefing documents to circulate during the meetings as well as pre-meeting materials, and making regular reports to the Board. These documents will be shared with the Board as needed to discharge the Committee's delegated responsibilities and stored in a centralized electronic archive administered by the Corporate Secretary. In case of absence of the Chair, the participating Audit Committee members will designate an interim Chair. The Committee may invite members of Management or others to attend their meetings and they will be asked to step-out during sensitive conversations. As part of its responsibility to foster open communication, the Committee should meet at least annually with each of the CEO and CFO in separate executive sessions to discuss any matters that the Committee or the executive officers believe should be discussed privately with the Committee.

7. Reports

The Audit Committee will report, at least annually, to the Board regarding the Audit Committee's examinations and recommendations.

The Audit Committee will report its activities to the Board to be incorporated as a part of the minutes of the Board meeting at which those activities are reported.

8. Minutes

The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

9. Annual Performance Evaluation

The Board will conduct an annual performance evaluation of the Audit Committee, taking into account the charter, to determine the effectiveness of the Committee.

Composition of the Audit Committee

The members of the Issuer's Audit Committee are Kevin Ma, Desmond Balakrishnan and David Goertz. All members are considered to be financially literate.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Issuer. A material relationship means a relationship which could, in the view of the Issuer's Board, reasonably interfere with the exercise of a member's independent judgment.

Mr. Balakrishnan is not independent as he is currently a partner in a law firm that provides legal services to the Issuer and Mr. Ma is not independent as he is the CFO of the Issuer. The Board has determined that the Issuer will rely on Part 6 of NI 52-110 requiring that a majority of the members of an audit committee of a venture issuer must not be executive officers, employees or control persons of the venture issuer or of an affiliate of the venture issuer.

A member of the Audit Committee is considered financially literate if he or she has 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 reasonably be expected to be raised by the Issuer.

Relevant Education and Experience

Each member of the Issuer's present and proposed 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 Issuer to prepare its financial statements and the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and provisions;

(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 Issuer's financial statements or experience actively supervising individuals engaged in such activities; and

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

Kevin Ma (not independent)

Mr. Ma, is a principal of Skanderbeg Financial Advisory Inc. and a partner of Calibre Capital Corp., specializing in corporate finance, mergers & acquisitions, and senior executive and management advisory. Mr. Ma is a Chartered Accountant certified by the Chartered Professional Accountants of British Columbia, and holds a Diploma in Accounting and a Bachelor of Arts degree from the University of British Columbia.

Desmond Balakrishnan (not independent)

Mr. Balakrishnan is a Vancouver lawyer and has practiced law as a partner at McMillan LLP since 2002. Mr. Balakrishnan is now, or has been in the last five years, a director or officer of various public companies or reporting issuers. Mr. Balakrishnan received his Law Degree from the University of Alberta in June 1997 and was called to the British Columbia Bar in May 1998. He received his Bachelor of Arts from Simon Fraser University in June 1994.

David Goertz (independent)

Mr. Goertz is a partner with Dale Matheson Carr-Hilton Labonte, LLP Chartered Professional Accountants. David Goertz graduated from the University of Victoria with Bachelor of Commerce degree and has been a Chartered professional accountant since 2004 and has been with Vancouver based Dale Matheson Carr-Hilton Labonte LLP Chartered Professional Accountants since 2005, becoming partner in the firm in 2011. Mr. Goertz provides accounting, assurance, taxation and business advisory services to private and public companies, not-for-profit organizations and incorporated professionals.

Audit Committee Oversight

The Audit Committee has not made any recommendations to the Board to nominate or compensate any external auditor that was not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

Fees incurred for audit and non-audit services during the two most recently completed financial years ended 2020 and 2019 are outlined in the following table:

Nature of Services	**Fees Billed by the Auditor During the Period Ended May 31, 2020**	**Fees Billed by the Auditor During the Period Ended May 31, 2019**
Audit Fees[(1)]	$15,000	Nil

Nature of Services	Fees Billed by the Auditor During the Period Ended May 31, 2020	Fees Billed by the Auditor During the Period Ended May 31, 2019
Audit-Related Fees(2)	Nil	Nil
Tax Fees(3)	Nil	Nil
All Other Fees(4)	Nil	Nil
Total	$15,000	Nil

Notes

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Issuer's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

Reliance on Certain Exemptions

The Issuer is relying on the exemption in section 6.1 of NI 52-110, which exempts venture issuers, as defined in NI 52-110, from certain composition requirements of the audit committee and certain reporting obligations under NI 52-110 for their most recently completed financial year.

Corporate Governance

Board of Directors

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

The independent member of the Board of the Issuer is David Goertz.

The non-independent director of the Issuer is Kevin Ma, by virtue of his position as the CFO of the Issuer and Desmond Balakrishnan, by virtue of his position as a partner in a law firm that provides legal services to the Issuer.

The Board facilitates its independent supervision over management by having regular Board meetings and by establishing and implementing prudent corporate governance policies and procedures.

Directorships

Certain directors are presently a director of one or more other reporting issuers. See "Directors, Officers and Promoters - Reporting Issuer Experience of the Directors, Officers and Promoters of the Issuer" above for further details.

Orientation and Continuing Education

When new directors are appointed they receive orientation, commensurate with their previous experience, on the Issuer's business, assets and industry and on the responsibilities of directors. Board meetings may also include presentations by the Issuer's management and employees to give the directors additional insight into the Issuer's business.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Issuer'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 Issuer.

Nomination of Directors

The Board will consider 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 duties effectively and to maintain a diversity of views and experience.

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

Compensation

Management of the Issuer will conduct an annual review of the compensation of the Issuer's directors and executive officers and make recommendations to the Board. The Board determines compensation for the directors and executive officers.

Other Board Committees

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

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees. The Board does not consider that formal assessments would be useful at this stage of the Issuer's development. The Board conducts informal annual assessments of the Board's effectiveness, the individual directors and the Audit Committee. As part of the assessments, the Board may review its mandate and conduct reviews of applicable corporate policies.

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement, the Issuer has appointed the Agent to act as its agent to offer for distribution in the selling jurisdictions, on a commercially reasonable efforts basis, up to 5,000,000 Shares (excluding the Over-Allotment Option) at a purchase price of $0.10 per Share for aggregate gross proceeds to the Issuer of up to $500,000 under the Maximum Offering, subject to the terms and conditions of the Agency Agreement. The Offering is subject to the Minimum Offering of 4,000,000 Shares for aggregate gross proceeds of $400,000. The Agent may enter into selling arrangements with other investment dealers and offer selling group participation at no additional cost to the Issuer. The Issuer will pay the Agent's

Commission to the Agent, being a cash payment equal to 10% from the gross proceeds realized from the sale of the Shares under the Offering. In addition, the Issuer has agreed to issue to the Agent the Agent's Warrants, being non-transferable common share purchase warrants that will entitle the Agent to purchase such number of Shares of the Issuer that is equal to 10% of the aggregate number of Shares sold under the Offering. Each Agent's Warrant will entitle the holder to purchase one Common Share at an exercise price of $0.10 per Common Share until the date which is 24 months following the Closing Date. The Issuer has further agreed to pay to the Agent a cash corporate finance fee of $35,000 (plus GST) and the balance of the Agent's expenses (from which $10,000 has already been provided as a retainer against such expenses). This Prospectus qualifies the distribution of the Agent's Warrants.

The Issuer will also reimburse the Agent for its legal fees and disbursements and other expenses incurred pursuant to the Offering.

The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of financial markets or upon the occurrence of certain stated events.

The Offering Price of the Shares was determined by negotiation between the Issuer and the Agent.

The Agent hereby also conditionally offers, as agent on behalf of the Issuer, up to an additional 750,000 Shares in the event of the Maximum Offering pursuant to the Over-Allotment Option which is exercisable, in whole or in part by the Agent giving notice to the Issuer at any time up to 48 hours prior to the Closing Date. The Agent will receive up to an additional $7,500 in Agent's Commission and up to an additional 75,000 Agent's Warrants in connection with the issuance of the Over-Allotment Shares. This Prospectus also qualifies the distribution of up to 750,000 Over-Allotment Shares and up to an additional 75,000 Agent's Warrants pursuant to the Over-Allotment Option. A purchaser who acquires Over-Allotment Shares shall acquire the Over-Allotment Shares under this Prospectus, regardless of whether the Over-Allotment Shares are acquired through the exercise of the Over-Allotment Option or secondary market purchases.

All funds received from subscribers for Shares will be held by the Agent pursuant to the terms of the Agency Agreement. In the event that subscriptions and subscription funds for the Minimum Offering are not received and accepted on or before 90 days from the issuance of a receipt for the final Prospectus, the Offering will be discontinued and all subscription monies will be returned to subscribers by the Agent without interest or deduction, unless an amendment to the final Prospectus is filed and a receipt has been issued for such amendment, in which case the Offering will be discontinued, and all subscription monies will be returned to subscribers by the Agent without interest or deduction, in the event that a Closing in respect of the Offering has not occurred on or prior to the date which is 90 days from the issuance of a receipt for an amendment to the final Prospectus and, in any event, not more than 180 days after the issuance of a receipt for the final Prospectus, unless otherwise agreed to by the Agent and the subscriber(s).

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without prior notice.

It is expected that the Shares will be issued as non-certificated book-entry securities through CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee. Consequently, purchasers of the Shares will receive a customer confirmation from the registered dealer that is a CDS participant from or through which the Shares were purchased and no certificate evidencing the Shares will be issued. Registration will be made through the depository services of CDS. **There is no market through which the Shares may be sold and purchasers may not be able to resell the Shares purchased under this Prospectus.**

ELIGIBILITY FOR INVESTMENT

In the opinion of McMillan LLP, counsel to the Issuer, based on the provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "**Tax Act**") in force on the date hereof, if and provided the Shares become listed on a "designated stock exchange" (as such term is defined in the Tax Act and which currently includes the Exchange) or the Issuer otherwise constitutes a "public corporation" (as that term is defined in the Tax Act) at a particular time, the Shares will at that time be a "qualified investment" under the Tax Act for a trust governed by a "registered retirement savings plan" ("**RRSP**"), "registered retirement income fund" ("**RRIF**"), "tax-free savings account" ("**TFSA**"), "registered education savings plan" ("**RESP**"), "deferred profit sharing plan" and "registered disability savings plan" ("**RDSP**"), as those terms are defined in the Tax Act (collectively, the "**Plans**").

The Shares are currently not listed on a "designated stock exchange" and the Issuer is currently not a "public corporation", as those terms are defined in the Tax Act. Accordingly, the Shares are currently not a qualified investment for the Plans. Holders who intend to acquire or hold Shares within a Plan should consult their own tax advisors in advance regarding whether such securities are a qualified investment for such Plan at all relevant times.

It is counsel's understanding that the Issuer will apply to list the Shares on the Exchange as of a time prior to Closing, followed by an immediate halt in trading of the Shares in order to allow the Issuer to satisfy the conditions of the Exchange and to have the Shares listed prior to the issuance of the Shares on Closing. The Issuer must rely on the Exchange to list the Shares on the Exchange prior to the issuance of the Shares on Closing and to otherwise proceed in such manner as may be required to result in the Shares being considered as unconditionally listed on the Exchange for purposes of the Tax Act at the time of their issuance on Closing, and counsel expresses no opinion in this regard. Listing will be subject to the Issuer fulfilling all of the requirements of the Exchange, and there can be no guarantee that Exchange approval of a listing (if at all) will be granted or will be in a form that is, or is acceptable to the Canada Revenue Agency as, a full and unconditional listing sufficient for "qualified investment" status under the Tax Act for purposes of a Plan. If the Shares are not effectively listed on a "designated stock exchange" (which currently includes the Exchange) for purposes of the Tax Act at the time of their issuance on Closing and the Issuer is not otherwise a "public corporation" at that time, the Shares will not be "qualified investments" for the Plans at that time. The adverse tax consequences where a Plan acquires or holds Shares that are not a "qualified investment" are not discussed in this summary, and Holders who intend to acquire or hold Shares within a Plan should consult their own tax advisors in this regard.

Notwithstanding that a Common Share may become a qualified investment for a TFSA, RRSP, RRIF, RDSP or RESP (a "**Registered Plan**"), the holder, subscriber or annuitant of the Registered Plan, as the case may be, will be subject to a penalty tax as set out in the Tax Act in respect of the Shares if such Shares are a "prohibited investment" for the Registered Plan for purposes of the Tax Act. The Shares will generally be a "prohibited investment" for a Registered Plan if the holder, subscriber or annuitant, as the case may be, does not deal at arm's length with the Issuer for the purposes of the Tax Act or has a "significant interest" (as defined in the Tax Act) in the Issuer. In addition, the Shares generally will not be a prohibited investment if the Shares are "excluded property" within the meaning of the Tax Act for the Registered Plan. **Holders who intend to acquire or hold Shares within a Registered Plan should consult their own tax advisors in regard to the application of these rules in their particular circumstances**.

RISK FACTORS

The Issuer is in the business of exploring and developing mineral properties, which is a highly speculative endeavour. 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 major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective purchasers should evaluate carefully the following risk factors associated with an investment in the Issuer's securities prior to purchasing any of the securities offered hereunder.

COVID-19 Outbreak

Upon the occurrence of a natural disaster, or upon an incident of war, riot or civil unrest, the impacted country may not efficiently and quickly recover from such event, which could have a materially adverse effect on the Issuer. Terrorist attacks, public health crises including epidemics, pandemics or outbreaks of new infectious disease or viruses (including, most recently, COVID-19) and related events can result in volatility and disruption to global supply chains, operations, mobility of people and the financial markets, which could affect interest rates, credit ratings, credit risk, inflation, business, financial conditions, results of operations and other factors relevant to the Issuer.

There are no comparable recent events which may provide guidance as to the effect of the spread of novel COVID-19 and a potential pandemic, and, as a result, the ultimate impact of the novel COVID-19 outbreak or a similar health epidemic is highly uncertain and subject to change. The Issuer does not yet know the full extent of potential delays or impacts on its business, our operations or the global economy as a whole. However, the effects could have a material impact on the Issuer's operations, and it will continue to monitor the novel COVID-19 situation closely.

Insufficient Capital

The Issuer does not currently have any revenue producing operations and may, from time to time, report a working capital deficit. To maintain its activities, the Issuer will require additional funds which may be obtained either by the sale of equity capital or by entering into an option or joint venture agreement with a third party providing such funding. There is no assurance that the Issuer will be successful in obtaining such additional financing, and failure to do so could result in the loss or substantial dilution of the Issuer's interest in the Property.

Limited Operating History

The Issuer has no history of earnings. There are no known commercial quantities of mineral reserves on the Issuer's property. The Issuer is in the process of carrying out exploration and development with the objective of establishing economic quantities of mineral reserves. There can be no assurance that the Issuer will achieve profitability in the future.

Exploration and Development Risks

Resource exploration and development 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 Issuer may be affected by numerous factors that are beyond the control of the Issuer and that 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 minerals and environmental protection, the combination of which factors may result in the Issuer not receiving an adequate return of investment capital. All of the claims to which the Issuer has a right to acquire an interest are in the exploration stage only and are without a known body of commercial ore. Development of the subject mineral properties 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. There is no assurance that the Issuer's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Issuer'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.

Lack of Availability of Resources

Mining exploration requires ready access to mining equipment such as drills, and personnel to operate that equipment. There can be no assurance that such resources will be available to the Issuer on a timely basis or at a reasonable cost. Failure to obtain these resources when needed may result in delays in the Issuer's exploration programs.

Resale of Shares

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

Requirement for Additional Financing

The further development and exploration of the Issuer's properties depends upon the Issuer's ability to obtain financing through equity financing, joint ventures, debt financing, or other means. There is no assurance that the Issuer will be successful in obtaining required financing as and when needed. Volatile markets for precious and base metals may make it difficult or impossible for the Issuer to obtain equity financing or debt financing on favourable terms or at all. Failure to obtain additional financing on a timely basis may cause the Issuer to postpone its exploration and development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its operations.

Negative Operating Cash Flow

The Issuer has negative operating cash flow and has incurred losses since its founding. The losses and negative operating cash flow are expected to continue for the foreseeable future as funds are expended on the exploration program on the Property and on administrative costs. The Issuer cannot predict when it will reach positive operating cash flow.

Discretion in Use of Proceeds

The Issuer intends to use the net proceeds from the Offering as set forth under "Use of Proceeds"; however, the Issuer maintains broad discretion concerning the use of the net proceeds of the Offering as well as the timing of their expenditure. The Issuer may re-allocate the net proceeds of the Offering other than as described under the heading "Use of Proceeds" if management of the Issuer believes it would be in the Issuer's best interest to do so and in ways that a purchaser may not consider desirable. Until utilized, the net proceeds of the Offering will be held in cash balances in the Issuer's bank account or invested at the discretion of the Board. As a result, a purchaser will be relying on the judgment of management of the Issuer for the application of the net proceeds of the Offering. The results and the effectiveness of the application of the net proceeds are uncertain. If the net proceeds are not applied effectively, the Issuer's results of operations may suffer, which could adversely affect the price of the Shares. The timing of the Issuer's use of the net proceeds of the Offering could also be adversely impacted by the COVID-19 pandemic as discussed herein.

Ability of Issuer to Continue as a Going Concern

The Issuer is in the exploration stage and is currently seeking additional capital to develop its exploration properties. The Issuer's ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity and debt, will be sought to finance the operations of the Issuer; however, there can be no certainty that such funds will be available at terms acceptable to the Issuer. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Issuer's ability to continue as a going concern.

Uninsurable Risks

The Issuer's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Issuer's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Although the Issuer intends to maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance may not cover all the potential risks associated with a mining company's operations. The Issuer may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Issuer or to other companies in the mining industry on acceptable terms. The Issuer might also become subject to liability for pollution or other hazards which may not be insured against or which the Issuer may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Issuer to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Environmental Regulations, Permits and Licenses

The Issuer's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Issuer intends to comply fully with all environmental regulations. The current or future operations of the Issuer, including development activities and commencement of production on its properties, require permits from various federal, provincial and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that may require the Issuer to obtain permits from various governmental agencies. There can be no assurance, however, that all permits that the Issuer may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which the Issuer might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Issuer and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

To the best of the Issuer’s knowledge, it is operating in compliance with all applicable environmental rules and regulations.

Mineral Exploration and Mining Carry Inherent Risks

Mineral exploration and mining operations are subject to hazards normally encountered in exploration, development and production. These include unexpected geological formations, rock falls, flooding dam wall failure and other incidents or conditions which could result in damage to plant or equipment or the environment and which could impact exploration and production throughput. Although the Issuer intends to take adequate precautions to minimize risk, there is a possibility of a material adverse impact on the Issuer’s operations and its financial results.

Title Risks

Although the Issuer has exercised the usual due diligence with respect to determining title to properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Issuer’s mineral property interests may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. Surveys have not been carried out on any of the Issuer’s mineral properties in accordance with the laws of the jurisdiction in which such properties are situated; therefore, their existence and area could be in doubt. Until competing interests in the mineral lands have been determined, the Issuer can give no assurance as to the validity of title of the Issuer to those lands or the size of such mineral lands.

Aboriginal Land Claims

The area around the CHG Project has unresolved aboriginal land claims. First Nations rights may be claimed on Crown properties or other types of tenure with respect to which mining rights have been conferred. The Supreme Court of Canada's 2014 decision in *Tsilhqot'in Nation v. British Columbia* marked the first time in Canadian history that a court has declared First Nations title to lands outside of reserve land. The Property may now or in the future be the subject of aboriginal or indigenous land claims. The legal nature of aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Issuer's ownership interest in the Property cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the area in which the Property is located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Issuer's activities. Even in the absence of such recognition, the Issuer may at some point be required to negotiate with and seek the approval of holders of aboriginal interests in order to facilitate exploration and development work on the Property, there is no assurance that the Issuer will be able to establish a practical working relationship with any First Nations in the area which would allow it to ultimately develop the Property.

Competition

The mining industry is intensely competitive in all its phases, and the Issuer competes with other companies that have greater financial resources and technical facilities. Competition could adversely affect the Issuer’s ability to acquire additional suitable properties or prospects in the future.

Management

The success of the Issuer is currently largely dependent on the performance of its Board and its senior management. The loss of the services of these persons will have a materially adverse effect on the Issuer’s business and prospects. The Issuer does not maintain insurance for the loss of a member of its Board or its senior management. There is no assurance the Issuer can maintain the services of its Board and management or other qualified personnel required to operate its business. Failure to do so could have a material adverse affect on the Issuer and its prospects.

Metal Prices are Volatile

The mining industry is intensely competitive and there is no assurance that, even if commercial quantities of a mineral resource are discovered, a profitable market will exist for the sale of the same. There can be no assurance that metal prices will be such that the Issuer’s properties can be mined at a profit. Factors beyond the control of the Issuer may affect the marketability of any minerals discovered. Metal prices are subject to volatile price changes from a variety of factors including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of, and demand for, the Issuer’s principal products and exploration targets, gold, copper and silver, is affected by various factors, including political events, economic conditions and production costs.

Infrastructure

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

Conflict of Interests

Certain of the directors and officers of the Issuer are directors or officers of, or have significant shareholdings in, other mineral resource companies and, to the extent that such other companies may participate in ventures in which the Issuer may participate or may wish to participate, the directors of the

Issuer may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such other companies may also compete with the Issuer for the acquisition of mineral property rights. In the event that any such conflict of interest arises, a director or officer who has such a conflict will disclose the conflict to a meeting of the directors of the Issuer and, if the conflict involves a director, the director will abstain from voting for or against the approval of such a participation or such terms. In appropriate cases, the Issuer will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment.

In accordance with the provisions of the BCBCA the directors and officers of the Issuer are required to act honestly in good faith, with a view to the best interests of the Issuer. In determining whether or not the Issuer will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to the Issuer, the degree of risk to which the Issuer may be exposed and its financial position at that time.

Mr. Balakrishnan, a director of the Issuer, is a partner at McMillan LLP, counsel to the Issuer. See "Experts and Interests of Experts."

Growth will Require New Personnel

Recruiting and retaining qualified personnel is critical to the Issuer's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Issuer's business activity grows, it will require additional key financial, administrative, mining, marketing and public relations personnel as well as additional staff on the operations side. Although the Issuer believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

Dilution

Investors will experience dilution of the value of their investment due to the issue of lower priced securities at the private stage. There are also outstanding Options pursuant to which additional Shares may be issued in the future. Exercise of such Options may result in dilution to the Issuer's shareholders. In addition, if the Issuer raises additional funds through the sale of equity securities, shareholders may have their investment further diluted.

Offering Risks and Price Volatility

There is no current public market for the Shares. If an active public market for the Shares does not develop, the trading price of the Shares may decline below the Issue Price of the Shares.

There is no market through which the Shares may be sold and purchasers may not be able to resell Shares purchased under this Prospectus. This may affect the pricing of the Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Shares, and the extent of Issuer regulation. If the Issuer does not list the Shares on the Exchange prior to the time of issuance on Closing in the manner contemplated in this prospectus under the section "*Eligibility for Investment*", adverse tax consequences may result with respect to any Shares acquired or held within registered plans. See also "*Eligibility for Investment*".

The market price of publicly traded shares is affected by many variables not directly related to the success of the Issuer. These variables include macroeconomic developments in North America and globally, market perceptions of the attractiveness of particular industries, changes in commodity prices, currency exchange fluctuation and the extent of analytical coverage available to investors concerning the business of the Issuer.

In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration and development stage companies, has experienced wide fluctuations which have not necessarily been related to operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of the Shares.

The Issuer has an unlimited number of Shares that may be issued by the Board without further action or approval of the Issuer's shareholders. While the Board is required to fulfill its fiduciary obligations in connection with the issuance of such shares, Shares may be issued in transactions with which not all shareholders agree, and the issuance of additional Shares will cause dilution to the ownership interests of the Issuer's shareholders.

The financial risk of the Issuer's future activities will be borne to a significant degree by purchasers of the Shares, who, on completion of the Offering, will incur immediate and substantial dilution in the net tangible book value per Common Share. If the Issuer issues Shares from its treasury for financing purposes, control of the Issuer may change and purchasers may suffer additional dilution.

Tax Issues

Income tax consequences in relation to the Shares offered will vary according to the circumstances of each purchaser. Prospective purchasers should seek independent advice from their own tax and legal advisers prior to subscribing for Shares.

Estimates and Assumptions

Preparation of its financial statements requires the Issuer to use estimates and assumptions. Accounting for estimates requires the Issuer to use its judgment to determine the amount to be recorded on its financial statements in connection with these estimates. If the estimates and assumptions are inaccurate, the Issuer could be required to write down its recorded values. On an ongoing basis, the Issuer re-evaluates its estimates and assumptions. However, the actual amounts could differ from those based on estimates and assumptions.

Costs and Compliance Risks

Legal, accounting and other expenses associated with public company reporting requirements are significant. The Issuer anticipates that costs may increase with corporate governance related requirements, including, without limitation, requirements under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, NI 52-110 and National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

The Issuer also expects these rules and regulations may make it more difficult and more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for the Issuer to attract and retain qualified individuals to serve on its Board or as executive officers.

Dividend Record and Policy

The Issuer has not paid any dividends since incorporation and does not anticipate declaring any dividends on the Shares in the foreseeable future. The directors of the Issuer will determine if and when dividends should be declared and paid in the future based on the Issuer's financial position at the relevant time.

PROMOTERS

Kevin Ma is considered to be a Promoter of the Issuer in that he took the initiative in founding and organzing the Issuer. Information relating to Mr. Ma's involvement in the incorporation, funding and corporate organization of the Issuer is provided throughout this Prospectus. See "Principal Shareholders", "Directors and Officers" and "Executive Compensation".

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed elsewhere in this Prospectus, no director, executive officer, principal shareholder or any known associate or affiliate of such persons, has any material interest, direct or indirect, in any transaction within the last three years or in any proposed transaction, that has materially affected or is reasonably expected to materially affect the Issuer.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS CONCERNING THE ISSUER

To the knowledge of the Issuer's management, there is no litigation outstanding, threatened or pending, as of the date hereof, by or against the Issuer which would be material to a purchaser of securities of the Issuer. To the knowledge of the Issuer's management, there have been no penalties or sanctions imposed by a court or regulatory body against the Issuer, nor has the Issuer entered into any settlement agreement with a court or securities regulatory authority, as of the date hereof, which would be material to a purchaser of securities of the Issuer.

RELATIONSHIP BETWEEN THE ISSUER AND THE AGENT

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

INCOME TAXATION

Income tax consequences to investors are not viewed as a material aspect of the Offering of the Shares hereunder. Investors should consult their own tax advisors for advice with respect to the income tax consequences associated with their acquisition of Shares under this Prospectus.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditor of the Issuer is Manning Elliott LLP, of Vancouver, British Columbia.

The transfer agent and registrar for the Shares of the Issuer is Odyssey Trust Company of Vancouver, British Columbia.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only contracts entered into by the Issuer since incorporation which can reasonably be regarded as material, are the following:

(a) Option Agreement

(b) Agency Agreement. See "Plan of Distribution".

(c) Escrow Agreement. See “Escrowed Securities”.

Copies of these agreements will be available for inspection at the offices of the Issuer’s counsel, McMillan LLP, at Suite 1500 – 1055 West Georgia Street, Vancouver, British Columbia, Canada V6E 4N7 at any time during ordinary business hours during the course of distribution of the Shares, and for a period of 30 days thereafter.

EXPERTS AND INTEREST OF EXPERTS

Bruce Lawrence Laird, P. Geo, of Mincord Exploration Consultants Ltd., prepared the “NI 43-101 Technical Report on the Carbonate Hosted Gold Project (CHG), Clinton Mining Division BC”.

Manning Elliott LLP has prepared an auditor’s report in connection with the Financial Statements included in this Prospectus. As of the date of the Prospectus, Manning Elliott LLP has informed the Issuer that it is independent of the Issuer within the meaning of the rules of professional conduct of the Institute of Chartered Accountants of British Columbia.

Desmond Balakrishnan, a director of the Issuer, is a partner at McMillan LLP which is legal counsel to the Issuer. As of the date hereof Mr. Balakrishnan indirectly holds 550,000 Shares.

Matters referred to under “Eligibility for Investment” will be passed upon by McMillan LLP, counsel to the Issuer.

Except as disclosed herein, none of McMillan LLP, lawyers for the Issuer, Getz Prince Wells LLP, lawyers for the Agent, or any director, officer, employee, principal or partner thereof received or will receive a direct or indirect interest of the Issuer or of any associate or affiliate of the Issuer. In addition, except as disclosed herein, no other director, officer, partner or employee of any of the aforementioned companies and partnerships is currently expected to be elected, appointed or employed as a director, officer or employee of the Issuer or of any associates or affiliates of the Issuer.

OTHER MATERIAL FACTS

To management of the Issuer’s knowledge, there are no further material facts or particulars in respect of the securities being distributed pursuant to this Prospectus that are not already disclosed herein that are necessary to be disclosed for this Prospectus to contain full, true and plain disclosure of all material facts relating to such securities.

PURCHASERS’ STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser of the Shares with remedies for rescission or, in some jurisdictions, damages, if the Prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of such purchaser’s province or territory. The purchaser of the Shares should refer to any applicable provisions of the securities legislation of such purchaser’s province for the particulars of these rights or consult with a legal adviser.

SCHEDULE A
FINANCIAL STATEMENTS

BLACK SHIELD METALS CORP.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED MAY 31, 2020 AND 2019

(EXPRESSED IN CANADIAN DOLLARS)

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INDEPENDENT AUDITORS' REPORT

To the Shareholder and Directors of Black Shield Metals Corp.

Opinion

We have audited the financial statements of Black Shield Metals Corp. (the "Company") which comprise the statements of financial position as at May 31, 2020 and 2019, and the statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the years ended May 31, 2020, 2019 and the period from incorporation on October 13, 2017 to May 31, 2018, and the related notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2020 and 2019, and its financial performance and its cash flows for the years ended May 31, 2020, 2019 and the period from incorporation on October 13, 2017 to May 31, 2018 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audits 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 audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about 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, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

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 identified above 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.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, 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.

INDEPENDENT AUDITORS' REPORT (continued)

Auditors' Responsibilities for the Audits 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 auditors' 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 auditors' 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 auditors' 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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 audits resulting in this independent auditors' report is Fernando J. Costa.

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, Canada
September XX, 2020

BLACK SHIELD METALS CORP.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Note	As at May 31, 2020	As at May 31, 2019
		$	$
ASSETS			
Current Assets			
Cash		68,048	-
Prepaid expenses and other	5	10,012	-
		78,060	-
Exploration and evaluation assets	6	20,000	-
TOTAL ASSETS		98,060	-
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Trade payables and accrued liabilities	7	52,525	-
Liabilities		52,525	-
Shareholders' Equity			
Share capital	8	87,100	100
Share subscriptions received	8	11,250	-
Deficit		(52,815)	(100)
		45,535	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		98,060	-

Nature and continuance of operation (note 1)
Subsequent Event (note 13)

Approved on behalf of the Board of Directors

"Kevin Ma" — Director

"Desmond Balakrishnan" — Director

BLACK SHIELD METALS CORP.
STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Note	For the Year Ended May 31, 2020	For the Year Ended May 31, 2019	For the Period Ended May 31, 2018
		$	$	$
OPERATING EXPENSES				
Exploration and evaluation costs	6	29,527	-	-
Office and administration		202	43	-
Professional fees	7	22,986	-	-
		(52,715)	(43)	-
OTHER INCOME (EXPENSES)				
Gain from forgiveness of debt	9	-	19,943	-
Impairment of exploration and evaluation assets	6	-	(20,000)	-
		-	(57)	-
NET AND COMPREHENSIVE LOSS		(52,715)	(100)	-
BASIC AND DILUTED LOSS PER SHARE		(0.16)	(100)	-
WEIGHTED AVERAGE COMMON SHARE OUTSTANDING		322,741	1	-

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

BLACK SHIELD METALS CORP.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

		Common Shares				
	Note	Number of shares	Amount	Share Subscriptions Received	Accumulated Deficit	Total
			$	$	$	$
Balance at May 31, 2018		**1**	**100**	**-**	**-**	**100**
Comprehensive loss for the year		-	-	-	(100)	(100)
Balance at May 31, 2019		**1**	**100**	**-**	**(100)**	**-**
Shares issued for cash	8	3,300,000	87,000	-	-	87,000
Cash received in advance of financing	8	-	-	11,250	-	11,250
Comprehensive loss for the year		-	-	-	(52,715)	(52,715)
Balance at May 31, 2020		**3,300,001**	**87,100**	**11,250**	**(52,815)**	**45,535**

BLACK SHIELD METALS CORP.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	For the Year Ended May 31, 2020	For the Year Ended May 31, 2019	For the Period Ended May 31, 2018
	$	$	$
CASH PROVIDED BY (USED IN)			
OPERATING ACTIVITIES			
Net loss	(52,715)	(100)	-
Items not affecting cash:			
Gain from forgiveness of debt	-	(19,943)	-
Impairment of exploration and evaluation assets	-	20,000	-
Changes in non-cash working capital items:			
Prepaid expenses and other	(10,012)	-	-
Trade payables and accrued liabilities	52,525	(43)	-
Cash used in operating activities	(10,202)	-	-
INVESTING ACTIVITIES			
Acquisition of exploration and evaluation assets	(20,000)	-	-
Cash used in investing activities	(20,000)	-	-
FINANCING ACTIVITIES			
Proceeds from issuance of shares	87,000	-	-
Share subscriptions received	11,250	-	-
Cash provided by financing activities	98,250	-	-
Change in cash during the year	68,048	-	-
Cash – beginning of year	-	-	-
Cash – end of year	68,048	-	-
Supplemental Cash Flow Information			
Income tax paid	-	-	-
Interest paid	-	-	-

1. NATURE OF OPERATIONS AND GOING CONCERN

Black Shield Metals Corp. ("BSM" or the "Company") is incorporated on October 13, 2017 under the British Columbia Corporations Act of the Province of British Columbia. The Company changed its name from ZP Mining Inc. to Black Shield Metals Corp. on February 7, 2020.

The address of the Company and the registered and records office is 1500-1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

The Company is in the exploration stage and its principal business activity is the exploration and evaluation of mineral properties in Canada. The Company is in the process of exploring and evaluating its mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. As at May 31, 2020, the Company has not yet determined whether its property contains ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation property is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and future profitable production from the properties or realizing proceeds from their disposition.

The Company's financial statements for the years ended May 31, 2020 and 2019 have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities and commitments in the normal course of business. For the year ended May 31, 2020, the Company incurred a net loss of $52,715 (2019 - $100). As at May 31, 2020, it had an accumulated deficit of $52,815, which has been funded by the issuance of equity. The Company's ability to continue its operations and to realize its assets at their carrying values are dependent upon obtaining additional financing sufficient to cover its operating costs.

Although management is currently seeking additional sources of equity or debt financing, there is no assurance these activities will be successful. If the Company is unable to raise additional capital in the future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

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, economics, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

1. NATURE OF OPERATIONS AND GOING CONCERN (continued)

Statement of Compliance and Basis of Presentation

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the parathion of these financial statements as set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

The financial statements were approved and authorized for issuance by the Board of Directors on September XX, 2020.

These financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The functional and presentation currency of the Company is the Canadian dollar.

2. SIGNIFICANT ACCOUNTING POLICIES

Long-Lived Assets

<u>Exploration and Evaluation Assets</u>

All direct costs related to the acquisition of mineral properties held or controlled by the company are capitalized on an individual basis until the property is put into production, sold, abandoned, or determined to be impaired. All direct costs related to the exploration and evaluation of mineral properties are recognized in the consolidated statement of loss and comprehensive loss in the period in which the costs are incurred.

The Company classifies its mineral properties as exploration and evaluation assets until the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. At this point, the exploration and evaluation assets are transferred to property and equipment. The establishment of technical feasibility and commercial viability of a mineral property is assessed based on a combination of factors, such as the extent of established mineral reserves, the results of feasibility and technical evaluations, and the status of mining leases or permits.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Long-Lived Assets (continued)

Impairment
The Company's assets are reviewed for indication of impairment at each statement of financial position date. If any such indication exists, an estimate of the recoverable amount is undertaken, being the higher of an asset's fair value less costs of disposal ("FVLCD") and its value in use ("VIU"). If the asset's carrying amount exceeds its recoverable amount then an impairment loss is recognized in the statement of loss and comprehensive loss.

FVLCD is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Fair value of mineral assets is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects.

VIU is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and from its ultimate disposal.

Impairment is normally assessed at the level of cash-generating units, which are identified as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets.

Reversal of Impairment
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 amortization, if no impairment loss had been recognized.

Cash and Cash Equivalents
Cash and cash equivalents consist of cash on hand and deposits in banks.

Related Party Transactions
Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party when there is a transfer of resources or obligations between related parties.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Current and Deferred Income Taxes

Current Income Tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Income Tax

Deferred income tax is recognized, using the asset and liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Financial Instruments

Financial instruments are accounted for in accordance with IFRS 9 “Financial Instruments: Classification and Measurement”. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another equity.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Financial Assets
On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed.

All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. The Company measures cash at FVTPL.

Impairment of Financial Assets
IFRS 9 uses the expected credit loss ("ECL") model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company's receivables.

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Financial Liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities required to b measured at FVTPL or if the Company has opted to measure them at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Trades payable are measured at amortized cost.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the estimated useful lives and depreciation and amortization of equipment, fair value measurements for financial instruments and the valuation of share-based payments, the recoverability and measurement of deferred tax assets and liabilities and ability to continue as a going concern. Actual results may differ from these estimates and judgments.

Critical Judgments

The following are critical judgments that management has made in the process of applying policies that have the most significant effect on the amount recognized in the financial statements:

Going Concern

The assessment of the Company's ability to continue as a going concern involves critical judgment based on historical experience. Significant judgements are used in the Company's assessment of its ability to continue as a going concern which is described in Note 1.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

Impairment of Exploration and Evaluation Assets
The recoverability of amounts shown as exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop the properties, and the ultimate realization of profits through future production or sale of the properties.

Management reviews the carrying values of its mining claims on at least an annual basis, or when an impairment indicator exists, to determine whether an impairment should be recognized. In making its assessment, management considers, among other things, exploration results to date and future exploration plans for a particular property. In addition, capitalized costs related to relinquished property rights are written off in the period of relinquishment. Capitalized costs in respect of the Company's exploration and evaluation assets may not be recoverable and there is a risk that these costs may be written down in future periods.

Management reviewed exploration and evaluation assets for the years ended May 31, 2020 and 2019, and during the year ended May 31, 2019, the Company impaired a property acquired in 2018 (see Note 6).

4. ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE

In October 2018, the IASB issued amendments to IFRS 3, Definition of a Business that narrowed and clarified the definition of a business. The amendments permit a simplified assessment of whether an acquired set of activities and assets is a group of assets rather than a business. The amendments are effective January 1, 2020 with earlier adoption permitted. The amendments apply to business combinations after the date of adoption. The Company will prospectively adopt the amendments on January 1, 2020 and anticipates this standard will not have a material impact on the financial statements.

In October 2018, the IASB issued amendments to IAS 1, Presentation of Financial Statements and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The amendments make minor changes to the definition of the term "material" and align the definition across all IFRS Standards. Materiality is used in making judgments related to the preparation of consolidated financial statements. The amendments are effective January 1, 2020 with earlier adoption permitted. The Company will prospectively adopt the amendments on January 1, 2020 and anticipates this standard will not have a material impact on the financial statements.

5. PREPAID EXPENSES AND OTHER

	2020	2019
	$	$
Prepaid expenses	10,000	-
Other	12	-
	10,012	**-**

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

Acquisition expenditures for the years ended May 31, 2020 and 2019 are as follows:

	CHG
	$
Balance at May 31, 2018	20,000
Impairment	(20,000)
Balance at May 31, 2019	**-**
Acquisition cost	20,000
Balance, May 31, 2020	**20,000**

Exploration and evaluation costs for the years ended May 31, 2020 and 2019 are as follows:

	CHG
	$
Balance at May 31, 2019 and 2018	**-**
Exploration and evaluation costs	29,527
Balance, May 31, 2020	**29,527**

CHG Project (BC, Canada)

On March 23, 2020, the Company entered into an option agreement (the "Agreement") with Cariboo Rose Resources Ltd. ("CRR"), an unrelated company. Under the terms of the Agreement, the Company can earn a 60% interest and up to 10% additional interest in CRR's carbonate hosted gold ("CHG") project. Upon the exercise of the option, the parties will be deemed to have established a joint venture in relation to the property.

Under the terms of the Agreement, the Company is required to make payments and incur the minimum required expenditures in accordance to the following payment schedule:

Payment Period	Expenditures	Cash Payment
	$	$
Closing Date (paid)	-	20,000
On or before October 29, 2021	100,000	30,000
On or before October 29, 2022	200,000	30,000
On or before October 29, 2023	300,000	70,000
On or before October 29, 2024	400,000	70,000
On or before October 29, 2025	500,000	80,000
Total	**1,500,000**	**300,000**

At the option of the Company, any of the cash payments noted above or below for the additional interest may be satisfied by the issuance of common shares of the Company.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

In order to obtain the additional 10% interest, the Company must do the following:

- pay $100,000 within 60 days of exercising the option;
- commission a feasibility study within 60 days of exercising the option; the feasibility study is to be completed within 24 months following the exercise of the option;
- pay $200,000 on or before October 29, 2026; and
- pay $200,000 on or before October 29, 2027.

The property is subject to a 0.5% net smelter royalty on commercial production from the mineral claims.
During the year ended May 31, 2018, the Company entered into a property option agreement ("Option Agreement") with CRR. On October 4, 2018, the Company signed a Quit Claim for the Option Agreement, and as a result the Company provided for an impairment charge of $20,000. The Agreement described above was for the same property as the Option Agreement.

7. TRADE PAYABLES AND ACCRUED LIABILITIES

	2020	2019
	$	$
Trade payables	15,248	-
Accrued liabilities	37,277	-
	52,525	**-**

During the year ended May 31, 2019, the Company wrote off trade payables of $13,736 for legal fees incurred that were forgiven and $7,890 in other professional fees. These amounts have been netted against professional fees on the statements of comprehensive loss for the year ended May 31, 2019.

8. SHARE CAPITAL

Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares without par value.

Issued Share Capital

On April 20, 2020, the Company issued 2,600,000 common shares at a price of $0.02 for gross proceeds of $52,000 (see Note 9).

On May 15, 2020, the Company issued 700,000 common shares at a price of $0.05 for gross proceeds of $35,000 (see Note 9).

During the year ended May 31, 2020, the Company received share subscriptions of $11,250 related to an unclosed private placement.

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS

Key management personnel include the Company's Board of Directors and members of senior management. The Company's related parties include key management personnel, and companies related by way of directors or shareholders in common. Transactions with related parties for goods and services are made on normal commercial terms.

During year ended May 31, 2020, certain key management and directors of the Company subscribed to a private placement consisting of 700,000 common shares priced at $0.02 for gross proceeds of $14,000 (see Note 8).

During year ended May 31, 2020, certain key management and directors of the Company subscribed to a private placement consisting of 300,000 common shares priced at $0.05 for gross proceeds of $15,000 (see Note 8).

During the year ended May 31, 2019, a Company controlled by a key officer forgave debt of $15,043.

During the year ended May 31, 2019, the Company forgave a receivable from a former director of the Company in the amount of $100 related to the initial share issuance of 100 common shares.

10. INCOME TAXES

The following table reconciles the expected income taxes expense (recovery) at the Canadian statutory tax rates to the amounts recognized in the statement of operations and comprehensive loss for the year ended May 31, 2020 and 2019:

	2020	**2019**
Statutory tax rate	27%	27%
	$	**$**
Loss for the year before income taxes	(52,715)	(100)
Expected income tax recovery	14,233	27
Change in deferred tax assets not recognized	(14,233)	(27)
Income tax expense (recovery)	-	-

(Expressed in Canadian Dollars)

10. INCOME TAXES (continued)

The unrecognized deductible temporary differences are as follows:

	2020	2019
	$	$
Non-capital losses carried forward	6,272	12
Exploration and evaluation assets	7,988	15
Total deferred income tax assets	14,260	27
Unrecognized deferred income tax assets	(14,260)	(27)
Net deferred income tax assets	-	-

The Company has non-capital loss carry forwards of approximately $23,000 which may be carried forward to apply against future income for Canadian tax purposes, subject to the final determination by taxation authorities, expiring between 2039 and 2040.

11. FINANCIAL INSTRUMENTS

Financial Assets and Liabilities

Information regarding the Company's financial assets and liabilities as at May 31, 2020 and 2019 is summarized as follows:

	2020	2019
	$	$
Financial Assets		
FVTPL		
Cash	68,048	-
Financial Liabilities		
At amortized cost		
Trade payable	15,248	-

11. FINANCIAL INSTRUMENTS (continued)

Financial Instrument Risk Exposure

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

Level 1	fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
Level 2	fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
Level 3	fair value measurements are those derived from inputs that are unobservable inputs for the asset or liability.

Cash is classified as Level 1. The carrying balance of trade payables approximate their fair value due to their short-term nature.
The Company's financial instruments expose it to a variety of financial risk: market risk (including price risk and interest rate risk), credit risk and liquidity risk. These risks arise from the normal course of operations and all transactions are undertaken to support those operations. Risk management is carried out by management under policies approved by the Board of Directors. Management identifies and evaluates the financial risks in co-operation with the Company's operating units.

The Company's overall risk management program seeks to minimize potential effects on the Company's financial performance, in the context of its general capital management objectives (Note 12).

<u>Credit Risk</u>
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash. The Company manages credit risk on liquid financial assets through maintaining its cash with high quality financial institutions.

11. FINANCIAL INSTRUMENTS (continued)

Financial Instrument Risk Exposure (continued)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support its normal operating requirements. The Company coordinates this planning and budgeting process with its financing activities through the capital management process described in Note 12.

The Company's ongoing liquidity is impacted by various external events and conditions. The Company expects to repay its financial liabilities in the normal course of operations and to fund future operations and capital requirements through operating cash flows, as well as future equity and debt financing. As at May 31, 2020, the Company had a cash balance of $68,048 to settle current liabilities of $52,525. The Company's financial liabilities include trade payables which have contractual maturities of 30 days or are due on demand.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its cash. The interest rate risk on cash is not considered significant due to its short term nature and maturity.

12. CAPITAL MANAGEMENT

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds for the exploration and development of the CHG project. Capital is comprised of the Company's shareholders' equity. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

13. SUBSEQUENT EVENT

Subsequent to May 31, 2020, the Company entered into an agreement with Haywood Securities Inc. (the "Agent") to complete an initial public offering ("IPO") for the issuance of a minimum 4,000,000 common shares at $0.10 per share for gross proceeds of $400,000 to a maximum 5,000,000 common shares for gross proceeds of $500,000. The Company granted the Agent an over-allotment option to increase the size of the IPO by up to 15% by giving notice at any time up to 48 hours prior to the closing of the IPO.

The Company will pay the Agent a cash commission of 10% of the gross proceeds of the IPO and will issue the Agent that number of Agent warrants which is equal to 10% of the number of common shares sold in the IPO. The Agent warrants are exercisable into common shares at $0.10 per share for up to 24 months from the date of closing of the IPO. In addition, the Company will pay the Agent a corporate finance fee of $35,000 (of which $10,000 has already been paid). The Company will also pay the Agent's administration fees related to the offering and reimburse the Agent for legal expenses.

SCHEDULE B
MANAGEMENT'S DISCUSSION AND ANALYSIS

BLACK SHIELD METALS CORP.

(AN EXPLORATION STAGE COMPANY)

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE YEARS ENDED MAY 31, 2020 AND 2019

(EXPRESSED IN CANADIAN DOLLARS)

GENERAL

The following Management's Discussion and Analysis ("MD&A") is presented as at September XX, 2020 and provides an analysis of the financial results of Black Shield Metals Corp. ("BSM" or the "Company") for the years ended May 31, 2020 and 2019. It should be read in conjunction with the Company's financial statements for the years ended May 31, 2020 and 2019. The Company's audited financial statements and the financial information contained in this MD&A were prepared in accordance with IFRS. Additional information relating to the Company can be found on SEDAR at www.sedar.com.

The MD&A, particularly under the heading "Capital Resources", contains forward-looking statements that involve numerous risks and uncertainties. Forward-looking statements are not historical fact, but rather are based on the Company's current plans, objectives, goals, strategies, estimates, assumptions, and projections about the Company's industry, business and future financial results. The Company's actual results could differ materially from those discussed in such forward-looking statements.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking statements and forward-looking information (collectively, "**forward-looking statements**"). Such forward-looking statements relate to possible events, conditions or financial performance of the Corporation based on future economic conditions and courses of action. All statements other than statements of historical fact are forward-looking statements. The use of any words or phrases such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "will likely result", "are expected to", "will continue", "is anticipated", "believes", "estimated", "intends", "plans", "projection", "outlook" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, assumptions, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes there is a reasonable basis for the expectations reflected in the forward-looking statements, however no assurance can be given that these expectations will prove to be correct and the forward-looking statements included in this prospectus should not be unduly relied upon by investors. The forward-looking statements speak only as of the date of this prospectus and are expressly qualified, in their entirety, by this cautionary statement.

COMPANY OVERVIEW

Black Shield Metals Corp. was incorporated in British Columbia, Canada on October 13, 2017. The Company is a junior mining company and has been engaged in the acquisition, exploration, development and mining of mineral properties. The Company has entered into an option agreement with Cariboo Rose Resources Ltd. (“CRR”) whereby BSM will receive a 60% interest and up to 10% additional interest in a carbonate hosted gold (“CHG”) project with CRR located in British Columbia.

The registered and records office is 1500-1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

GOING CONCERN

This MD&A and the Financial Statements have been prepared on the basis that the Company will remain a going concern which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business for the Company’s next fiscal year. The Company’s ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due.

The Company has not advanced its property to commercial production and is not able to finance its day-to-day activities through operations. The Company’s ability to continue as a going concern is dependent upon successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Therefore, this indicates a material uncertainty that may cash significant doubt about the Company’s ability to continue as a going concern.

As a result of the above, realization values may be substantially different from the carrying values shown and the Company’s financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of the assets and liabilities should the Company be unable to continue as a going concern.

SELECTED FINANCIAL INFORMATION

The following sets out selected financial information from the Company's most recently completed financial period, being the years ended May 31, 2020 and 2019, and the period from October 13, 2017 (date of incorporation) to May 31, 2018, and are derived from, and should be read together with the Company's annual financial statements.

Summary of Components of Statements of Operations and Comprehensive Loss		Year ended May 31, 2020		Year ended May 31, 2019		For the period from October 13, 2017 to May 31, 2018
Operating expenses	$	52,715	$	43	$	-
Net loss and comprehensive profit (loss)	$	(52,715)	$	(100)	$	-
Earnings (loss) per share	$	(0.16)	$	(100)	$	-
Total assets	$	98,060	$	-	$	-
Total liabilities	$	52,525	$	-	$	-
Retained earnings (deficit)	$	(52,815)	$	(100)	$	-

OVERALL PERFORMANCE

The following discussion of the Company's financial performance is based on the audited consolidated financial statements for the years ended May 31, 2020 and 2019.

The statement of financial position as of May 31, 2020 indicates a cash position of $68,048 (2019 - $nil), and total current assets of $98,060 (2019 - $nil). Total current assets comprise primarily of cash in bank accounts, GST receivables and prepaid expenses and deposits.

Black Shield Metals Corp. completed two equity private placement offerings for cash proceeds during the year ended May 31, 2020; 3,300,000 common shares were issued for total gross proceeds of $87,000.

Current liabilities at May 31, 2020 totaled $52,525 (2019 - $nil), which comprised mainly of trade payables and accrued liabilities. The Company does not have any long-term liabilities as at May 31, 2020 and 2019. Shareholders' equity, as at May 31, 2020, is comprised of capital stock of $87,100 (2019 - $100), subscription received in advance of $11,250 (2019 - $nil) and accumulated deficit of $52,815 (2019 - $100). As at May 31, 2020, working capital, which is current assets less current liabilities, was $25,535 (2019 - $nil). Management believes that there is not sufficient working capital to maintain the Company's day-to-day operations, and the Company will need to raise funds through issuance of debt or equity instruments.

RESULTS OF OPERATIONS

During the years ended May 31, 2020 and 2019, the Company was focused on properly setting up of its organization and finding mineral properties. Expenses of the Company were mainly exploration and evaluation costs as well as professional fees whereby the Company incurred $29,527 in exploration and evaluation costs in 2020 (2019 - $nil) and $22,986 in professional fees in 2020 (2019 - $nil). BSM reported a net loss of $52,715 in 2020 and $100 in 2019.

OUTLOOK

The Company has not yet determined whether its current exploration and evaluation assets have economically recoverable ore reserve. The Company aims to continue to seek potential mineral properties and bring these properties from exploration to commercial production.

The company intends to raise funds in order to secure its interests in CHG project as well as actively seeking other properties. Ultimately, the Company anticipates creating shareholder value through the advancements of its current CHG project, and other projects as they come along.

LIQUIDITY AND CAPITAL RESOURCES

The Company does not generate cash from operations and finances its activities by raising funds via issuance of the Company's common shares.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at May 31, 2020, the Company's cash and cash equivalents balance was $68,048 (2019 - $nil) and the Company had working capital of $25,535 (2019 - $nil).

Financing Activities

In May 2020, the Company issued 700,000 common shares at a price of $0.05 for gross proceeds of $35,000.

In April 2020, the Company issued 2,600,000 common shares at a price of $0.02 for gross proceeds of $52,000.

Investing Activities

CHG Project (BC, Canada)

On March 23, 2020, BSM entered into an option agreement with Cariboo Rose Resources Ltd. ("CRR"), an unrelated company, to grant BSM a 60% interest and up to 10% additional interest in CRR's carbonate hosted gold ("CHG") project.

Under the agreement, BSM is required to make payments and incur the minimum required expenditures in accordance to the following payment schedule:

Payment Period		Expenditures		Cash Payment
Closing Date	$	-	$	20,000
On or before October 29, 2021		100,000		30,000
On or before October 29, 2022		200,000		30,000
On or before October 29, 2023		300,000		70,000
On or before October 29, 2024		400,000		70,000
On or before October 29, 2025		500,000		80,000
Total	$	1,500,000		300,000

In order to obtain the additional 10% interest, BSM must make the following payments to CRR:

- $100,000 within 60 days of exercising the option;
- BSM to commission a feasibility study within 60 days of exercising the option;
- $200,000 on or before October 29, 2026;
- $200,000 on or before October 29, 2027;
- The feasibility study is to be completed within 24 months following the exercise of the option.

As at May 31, 2020, the Company had exercised its option by making the first payment of $20,000 to CRR.

CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard our ability to continue as a going concern in order to support the Company's operations and growth strategies for the benefit of the Company's stakeholders. As the Company is in its development stage, our principal source of funds is from the issuance of common shares.

In the management of capital, the Company includes the components of equity as well as cash and restricted cash. 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, acquire or dispose of assets or adjust the amount of cash and investments.

The Company is not subject to externally imposed capital requirements and our overall strategy with respect to capital risk management remains unchanged during the period presented.

CAPITAL STRUCTURE

The Company currently has 3,300,001 common shares issued and outstanding.

OFF-BLANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS

Refer to Note 11 of the Company's financial statements for the years ended May 31, 2020 and 2019.

RISK FACTORS

Risks of the Company's business include the following:

Financing of Existing and Future Operations

With no source of revenue, the Company has negative cash flow from operations and raises funds for operations through equity financings. The Company's ability to raise funds for existing and continuing operations and future exploration and development of its properties cannot be guaranteed.

Mining Industry

The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that any exploration programs planned by the Company will result in a profitable commercial mining operation. Whether a mining deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection.

The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. Mining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of ore, including unusual and unexpected geology formations, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

The Company's mineral exploration activities are directed towards the search, evaluation and development of mineral deposits. There is no certainty that the expenditures to be made by the Company as described herein will result in discoveries of commercial quantities of ore. There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other interests, many of which have greater financial resources than it will have for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

Government Regulation

The exploration activities of the Company are subject to various federal, provincial and local laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substance and other matters. Exploration activities are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws mandate, among other things, the maintenance of air and water quality standards, and land reclamation. These laws also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste.

Although the Company's exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration, mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

Permits and Licenses

The exploitation and development of mineral properties may require the Company to obtain regulatory or other permits and licenses from various governmental licensing bodies. There can be no assurance that the Company will be able to obtain all necessary permits and licenses that may be required to carry out exploration, development and mining operations on its properties.

Environmental Risks and Hazards

All phases of the Company's mineral exploration operations are subject to environmental regulation in jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present, which have been caused, by previous or existing owners or operators of the properties. The Company may become liable for such environmental hazards caused by previous owners and operators of the properties even where it has attempted to contractually limit its liability. Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent such approvals are required and not obtained; the Company may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

RELATED PARTY TRANSACTIONS

Refer to Note 9 to the Company's financial statements for the years ended May 31, 2020 and 2019.

CRITICAL ACCOUNTING ESTIMATES

Refer to Note 3 to the Company's financial statements for the years ended May 31, 2020 and 2019.

FUTURE CHANGES IN ACCOUNTING POLICIES

Refer to Note 4 to the Company's financial statements for the years ended May 31, 2020 and 2019.

SCHEDULE C
AUDIT COMMITTEE CHARTER

BLACK SHILED METALS CORP.

(the "**Company**")

AUDIT COMMITTEE CHARTER

I. PURPOSE

This charter sets out the Audit Committee's purpose, composition, member qualification, member appointment and removal, responsibilities, operations, manner of reporting to the Board of Directors (the "**Board**"), annual evaluation and compliance with this charter. The primary responsibility of the Audit Committee is that of oversight of the financial reporting process on behalf of the Board. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk and financial management control, and oversight responsibility for compliance with tax and securities laws and regulations as well as whistle blowing procedures. The Audit Committee is also responsible for the other matters as set out in this charter and/or such other matters as may be directed by the Board from time to time. The Audit Committee should exercise continuous oversight of developments in these areas.

II. COMPOSITION

A majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company, as defined in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), provided that should the Company become listed on a more senior exchange, each member of the Audit Committee will also satisfy the independence requirements of such exchange and of NI 52-110.

The Audit Committee will consist of at least three members, all of whom must be directors of the Company. Upon graduating to a more senior stock exchange, if required under the rules or policies of such exchange, each member of the Audit Committee will also satisfy the financial literacy requirements of such exchange and of NI 52-110.

The Chair of the Audit Committee will be appointed by the Board.

III. AUTHORITY

In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:

A. engage, set and pay the compensation for independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities, and any such consultants or professional advisors so retained by the Audit Committee will report directly to the Audit Committee;

B. communicate directly with management and any internal auditor, and with the external auditor without management involvement; and

C. incur ordinary administrative expenses that are necessary or appropriate in carrying out its duties, which expenses will be paid for by the Company.

IV. DUTIES AND RESPONSIBILITIES

A. The duties and responsibilities of the Audit Committee include:

1. recommending to the Board the external auditor to be nominated by the Board;

2. recommending to the Board the compensation of the external auditor to be paid by the Company in connection with (i) preparing and issuing the audit report on the Company's financial statements, and (ii) performing other audit, review or attestation services;

3. reviewing the external auditor's annual audit plan, fee schedule and any related services proposals (including meeting with the external auditor to discuss any deviations from or changes to the original audit plan, as well as to ensure that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditor or the reporting of their findings to the Audit Committee);

4. overseeing the work of the external auditor;

5. ensuring that the external auditor is independent by receiving a report annually from the external auditors with respect to their independence, such report to include disclosure of all engagements (and fees related thereto) for non-audit services provided to Company;

6. ensuring that the external auditor is in good standing with the Canadian Public Accountability Board by receiving, at least annually, a report by the external auditor on the audit firm's internal quality control processes and procedures, such report to include any material issues raised by the most recent internal quality control review, or peer review, of the firm, or any governmental or professional authorities of the firm within the preceding five years, and any steps taken to deal with such issues;

7. ensuring that the external auditor meets the rotation requirements for partners and staff assigned to the Company's annual audit by receiving a report annually from the external auditors setting out the status of each professional with respect to the appropriate regulatory rotation requirements and plans to transition new partners and staff onto the audit engagement as various audit team members' rotation periods expire;

8. reviewing and discussing with management and the external auditor the annual audited and quarterly unaudited financial statements and related Management Discussion and Analysis ("**MD&A**"), including the appropriateness of the Company's accounting policies, disclosures (including material transactions with related parties), reserves, key estimates and judgements (including changes or variations thereto) and obtaining reasonable assurance that the financial statements are presented fairly in accordance with IFRS and the MD&A is in compliance with appropriate regulatory requirements;

9. reviewing and discussing with management and the external auditor major issues regarding accounting principles and financial statement presentation including any significant changes in the selection or application of accounting principles to be observed in the preparation of the financial statements of the Company and its subsidiaries;

10. reviewing and discussing with management and the external auditor the external auditor's written communications to the Audit Committee in accordance with generally accepted auditing standards and other applicable regulatory requirements arising from the annual audit and quarterly review engagements;

11. reviewing and discussing with management and the external auditor all earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies prior to such information being disclosed;

12. reviewing the external auditor's report to the shareholders on the Company's annual financial statements;

13. reporting on and recommending to the Board the approval of the annual financial statements and the external auditor's report on those financial statements, the quarterly unaudited financial statements, and the related MD&A and press releases for such financial statements, prior to the dissemination of these documents to shareholders, regulators, analysts and the public;

14. satisfying itself on a regular basis through reports from management and related reports, if any, from the external auditors, that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements that such information is fairly presented;

15. overseeing the adequacy of the Company's system of internal accounting controls and obtaining from management and the external auditor summaries and recommendations for improvement of such internal controls and processes, together with reviewing management's remediation of identified weaknesses;

16. reviewing with management and the external auditors the integrity of disclosure controls and internal controls over financial reporting;

17. reviewing and monitoring the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company and assessing, as part of its internal controls responsibility, the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board;

18. satisfying itself that management has developed and implemented a system to ensure that the Company meets its continuous disclosure obligations through the receipt of regular reports from management and the Company's legal advisors on the functioning of the disclosure compliance system, (including any significant instances of non-compliance with such system) in order to satisfy itself that such system may be reasonably relied upon;

19. resolving disputes between management and the external auditor regarding financial reporting;

20. establishing procedures for:

  a. the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practises relating thereto, and

  b. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;

21. reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;

22. pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor;

23. overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities; and

24. establishing procedures for:

   a. reviewing the adequacy of the Company's insurance coverage, including the Directors' and Officers' insurance coverage;

   b. reviewing activities, organizational structure, and qualifications of the Chief Financial Officer ("**CFO**") and the staff in the financial reporting area and ensuring that matters related to succession planning within the Company are raised for consideration at the Board;

   c. obtaining reasonable assurance as to the integrity of the Chief Executive Officer ("**CEO**") and other senior management and that the CEO and other senior management strive to create a culture of integrity throughout the Company;

   d. reviewing fraud prevention policies and programs, and monitoring their implementation; and

   e. reviewing regular reports from management and others (e.g., external auditors, legal counsel) with respect to the Company's compliance with laws and regulations having a material impact on the financial statements including:

      i. tax and financial reporting laws and regulations;

      ii. legal withholding requirements;

      iii. environmental protection laws and regulations; and

      iv. other laws and regulations which expose directors to liability.

B. A regular part of Audit Committee meetings involves the appropriate orientation of new members as well as the continuous education of all members. Items to be discussed include specific business issues as well as new accounting and securities legislation that may impact the organization. The Chair of the Audit Committee will regularly canvass the Audit Committee members for continuous education needs and in conjunction with the Board education program, arrange for such education to be provided to the Audit Committee on a timely basis.

C. On an annual basis the Audit Committee shall review and assess the adequacy of this charter taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Company has a reporting relationship and, if appropriate, recommend changes to the Audit Committee charter to the Board for its approval.

V. TERM

The members of the Audit Committee shall be appointed by designation of the Board and shall continue to be a member thereof until the earlier of (i) the Board, at its discretion, decides to remove the member from the Committee, or (ii) the expiration of his or her term of office as a Director. Vacancies at any time occurring shall be filled by designation of the Board.

VI. MEETINGS

The Committee shall meet at least once per year or more frequently as circumstances dictate. A majority of the members appearing at a duly convened meeting shall constitute a quorum and the Committee shall maintain minutes or other records of its meetings and activities. The Chair shall be responsible for leadership of the Committee, including scheduling and presiding over meetings, preparing agendas, overseeing the preparation of briefing documents to circulate during the meetings as well as pre-meeting materials, and making regular reports to the Board. These documents will be shared with the Board as needed to discharge the Committee's delegated responsibilities and stored in a centralized electronic archive administered by the Corporate Secretary. In case of absence of the Chair, the participating Audit Committee members will designate an interim Chair. The Committee may invite members of Management or others to attend their meetings and they will be asked to step-out during sensitive conversations. As part of its responsibility to foster open communication, the Committee should meet at least annually with each of the CEO and Chief Financial Officer in separate executive sessions to discuss any matters that the Committee or the executive officers believe should be discussed privately with the Committee.

VII. REPORTS

The Audit Committee will report, at least annually, to the Board regarding the Audit Committee's examinations and recommendations.

The Audit Committee will report its activities to the Board to be incorporated as a part of the minutes of the Board meeting at which those activities are reported.

VIII. MINUTES

The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

IX. ANNUAL PERFORMANCE EVALUATION

The Board will conduct an annual performance evaluation of the Audit Committee, taking into account the charter, to determine the effectiveness of the Committee.

CERTIFICATE OF THE ISSUER

Dated: September 21, 2020

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

"Fred Tejada"	*"Kevin Ma"*
Fred Tejada President and Chief Executive Officer	Kevin Ma Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Desmond Balakrishnan"	*"David Goertz"*
Desmond Balakrishnan Director	David Goertz Director

CERTIFICATE OF THE PROMOTER

Dated: September 21, 2020

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

"Kevin Ma"

Kevin Ma
Promoter

CERTIFICATE OF AGENT

Dated: September 21, 2020

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

HAYWOOD SECURITIES INC.

"Don Wong"

Don Wong, Vice-President, Investment Banking