

A copy of this preliminary prospectus has been filed with the securities regulatory authorities in each of the Provinces of Canada, other than the Province of Québec, but has not yet become final for the purposes 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 of the prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of securities only in those jurisdictions where such securities may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereunder have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and, subject to certain exceptions, may not be offered or sold within the United States except in transactions exempt from registration under the U.S. Securities Act and under the securities laws of any applicable state. 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

January 7, 2021



Up to [•] Units
at a price of \$[•] per Unit
and

**44,890,000 Common Shares and 44,890,000 Common Share Purchase Warrants
issuable upon the exercise of 44,890,000 previously issued Special Warrants**

Cascada Silver Corp. ("Cascada" or the "Company") is a mineral exploration company whose principal business, and current focus, is the evaluation and development of the Agua Amarga silver project located in Region III, Chile.

The Special Warrant Offering

This Prospectus qualifies the distribution of 44,890,000 common shares of Cascada ("Common Shares" and such Common Shares being the "SW Shares") and 44,890,000 Common Share purchase warrants (the "SW Warrants", and together with the SW Shares, the "SW Securities"). Each whole SW Warrant will entitle the holder to acquire one Common Share (each such acquired Common Share, a "SW Warrant Share"), at a price of \$0.15 per SW Warrant Share (the "Warrant Exercise Price"), until the earlier of: (i) June 30, 2024; and (ii) the date that is 36 months following the date that the Common Shares are listed and posted on a recognized Canadian exchange (the "Warrant Expiry Time").

The SW Securities will be distributed by the Company without any additional payment upon the exercise or automatic exercise of 44,890,000 previously issued special warrants of the Company (the "Special Warrants"). The Company issued the Special Warrants on October 15, 2020 at a price of \$0.10 per Special Warrant (the "Offering Price") pursuant to an agency agreement dated October 15, 2020, as amended by an amending agreement dated October 15, 2020 (as amended, the "Agency Agreement") between Mackie Research Capital Corporation (the "Agent") and the Company (the "Special Warrant Offering"). The Special Warrants were purchased by subscribers pursuant to private placement exemptions from the prospectus requirements in the Provinces of Ontario, Alberta, British Columbia and Saskatchewan (the "Qualifying Jurisdictions") and in certain jurisdictions outside of Canada in compliance with laws applicable to each subscriber, respectively.

This Prospectus also qualifies the distribution to the Agent of 3,591,200 compensation options (the "**Compensation Options**"). Each Compensation Option will entitle the Agent to acquire one Common Share (each, a "**Compensation Share**") and one Common Share purchase warrant (each, a "**Compensation Warrant**"), subject to adjustment in certain circumstances, at an exercise price of \$0.10 per Compensation Option at any time until the Warrant Expiry Time. Each Compensation Warrant will entitle the Agent to acquire one Common Share (each, a "**Compensation Warrant Share**") on the same terms as the SW Warrants. The Broker Special Warrants will be exercised immediately prior to the Warrant Expiry Time.

The Special Warrants were issued and are governed by a special warrant indenture dated as of October 15, 2020 (the "**Special Warrant Indenture**") between the Company and Computershare Trust Company of Canada (the "**Warrant Agent**"), as special warrant agent thereunder. Pursuant to the terms of the Special Warrant Indenture, the Special Warrants are exercisable until 5:00 p.m. (Toronto time) on the day that is the earlier of: (i) the third business day after the date on which a final receipt is issued for this Prospectus (the "**Qualification Date**"); and (ii) October 14, 2021 (the "**SW Expiry Time**"). All Special Warrants not previously exercised will be exercised by the Warrant Agent on behalf of the holders thereof immediately prior to the SW Expiry Time. The SW Warrants will be issued and governed by the warrant indenture dated as of October 15, 2020 between the Company and the Warrant Agent, as warrant agent thereunder. The Offering Price and the other terms of the Special Warrant Offering were determined by arm's-length negotiation between the Company and the Agent. See "*Plan of Distribution*".

The Compensation Options will be distributed by the Company without any additional payment upon the exercise or automatic exercise of 3,591,200 previously issued broker special warrants (the "**Broker Special Warrants**"). The Company issued the Broker Special Warrants on October 15, 2020 pursuant to the Agency Agreement. Each Broker Special Warrant is exercisable by the Agent to acquire one Compensation Option for no additional consideration, and will be automatically exercised immediately prior to the SW Expiry Time.

No additional Special Warrants or Broker Special Warrants are available for purchase pursuant to this Prospectus and no additional funds are to be received by the Company from the distribution of the (i) SW Securities, or (ii) Compensation Options.

The Additional Unit Offering

This Prospectus also qualifies the distribution on a non-brokered basis of up to [•] units of securities of the Company (each, a "**Unit**") at the Offering Price for a maximum offering of \$[•] (the "**Additional Unit Offering**"). Each Unit consists of one Common Share (each, a "**Unit Share**") and one Common Share purchase warrant (each whole warrant, a "**Unit Warrant**", and together with the Unit Shares the "**Unit Securities**"). Each Unit Warrant will entitle the holder thereof to purchase one Common Share (each, a "**Unit Warrant Share**") at the Warrant Exercise Price at any time before the Warrant Expiry Time. The Units will separate into Unit Shares and Unit Warrants immediately upon issue. The Additional Unit Offering is being undertaken to meet the distribution requirements of the Canadian Securities Exchange. No commission is payable in respect of the Additional Unit Offering. See "*Plan of Distribution*".

The Unit Securities, the SW Securities and the Compensation Options are collectively referred to herein as the "**Qualifying Securities**".

	Price to the Public	Agent's Commission ⁽¹⁾	Net Proceeds to Cascada
<i>Special Warrant Offering</i>			
Per Special Warrant.....	\$0.10	\$0.006	\$0.094
Total.....	\$4,489,000 ⁽⁴⁾	\$269,340	\$4,125,688 ⁽²⁾⁽³⁾

- (1) The Company paid the Agent's Commission pursuant to the terms and conditions of the Agency Agreement.
- (2) The SW Securities will be issued for no additional consideration upon exercise of the Special Warrants in accordance with the terms of the Special Warrant Indenture.
- (3) This figure includes the sum of the gross proceeds of the Special Warrant Offering being \$4,489,000, with deductions for: (i) the Agent's Commission in the amount of \$269,340; (ii) \$85,250 in Agent's expenses; and (iii) a further \$8,722 in expenses of the Warrant Agent, as agent for holders of the Special Warrants, all of which expenses were paid by the Company.
- (4) Including the Additional Unit Offering maximum proceeds of \$[•], the total Price to the Public would be \$[•] and Net Proceeds to Cascada would be \$[•].

Except for sales made in the United States and in respect of the Special Warrants that were issued in certificated form, the SW Securities will be deposited with CDS Clearing and Depository Services Inc. ("**CDS**") electronically through the non-certificated inventory system administered by CDS, and registered in the name of CDS or its nominee. Holders of the SW Securities will receive only a customer confirmation from the Agent or other registered dealer who is a CDS participant and from or through whom a beneficial interest in such securities is acquired.

The Unit Securities and the Broker Special Warrants were or will be issued in certificated form.

There is currently no market through which the SW Securities and Unit Securities may be sold and purchasers may not be able to resell such securities. This may affect the pricing of such securities in the secondary market, the transparency and availability of trading prices, the liquidity of such securities and the extent of issuer regulation. See "*Risk Factors*".

An investment in the Qualifying Securities involves significant risks. Investors should carefully review and consider the risk factors described under the heading "*Risk Factors*" and elsewhere in this Prospectus.

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

Notwithstanding that this Prospectus is being filed to qualify the distribution of the SW Securities and the Compensation Options issuable upon the exercise or deemed exercise of the Special Warrants and the Broker Special Warrants, respectively, in the event that a holder of Special Warrants or Broker Special Warrants exercises such securities prior to the date that the final receipt is issued for this Prospectus by the Company, the SW Securities and the Compensation Options issued upon exercise of the Special Warrants and the Broker Special Warrants, respectively, will be subject to statutory hold periods under applicable securities legislation and will bear such legends as required by applicable securities laws.

In this Prospectus, unless otherwise noted or the context requires, references to "\$" are to Canadian dollars.

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GLOSSARY

In this Prospectus, in addition to the terms defined in the cover page or elsewhere in this Prospectus, the following words and phrases have the following meanings unless the context otherwise requires:

"Agent's Fee" means the cash commission payable to the Agent pursuant to the terms of the Agency Agreement, as more particularly described under *"Plan of Distribution"*.

"Agua Amarga Option Agreement" means the option agreement dated September 30, 2020 between Atacama Silver and Aragonita, as more particularly described under *"Material Contracts"*.

"Agua Amarga Project" means the Agua Amarga Project located within Region III of northern Chile, as more particularly described under *"Mineral Properties – Agua Amarga Project"*.

"Aragonita" means Aragonita Asesorias Ltda.

"Atacama Silver" means Atacama Silver SpA, a wholly owned Chilean subsidiary of the Company.

"BCBCA" means the *Business Corporations Act* (British Columbia).

"Board" means the board of directors of the Company.

"Chilean Option Agreements" means the Agua Amarga Option Agreement and the GEMA Option Assignment Agreement.

"Common Shares" means common shares in the capital of the Company.

"Company" or **"Cascada"** means Cascada Silver Corp., a company incorporated under the OBCA and continued under the BCBCA.

"CSE" means the Canadian Securities Exchange.

"Eligible Participant" has the meaning ascribed thereto under *"Options to Purchase Securities – Stock Option Plan"*.

"Escrow Agent" means [•].

"Escrow Agreement" means the NP 46-201 escrow agreement dated [•], 2021 among the Escrow Agent, the Company and various principals and securityholders of the Company.

"Final Receipt" means a final receipt for this Prospectus issued by a securities commission or other securities regulatory authority in any of the provinces of Canada other than Quebec.

"GEMA Option Assignment Agreement" means the option assignment agreement dated September 30, 2020 between Atacama Silver and SBX Asesorias, as more particularly described under *"Description of the Business"*.

"GEMA Projects" means the GEMA Projects located within Region III of Northern Chile, as more particularly described under *"Mineral Properties – GEMA Projects"*.

"Lock-up Agreements" has the meaning ascribed thereto under *"Escrowed Securities and Securities Subject to Contractual Restriction on Transfer – Contractual Lock-Ups"*.

"Market Price" means the last closing price of the Common Shares on the CSE or any other exchange before the grant of a stock option to an Eligible Participant.

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

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

"NI 58-101" means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

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

"NP 58-201" means National Policy 58-201 – *Corporate Governance Guidelines*.

"Offering" means the distribution of the Qualifying Securities pursuant to this Prospectus.

"Offering Jurisdictions" means each of the provinces of Canada, except for the province of Québec.

"Option Plan" means the Company's stock option plan, as more particularly described under *"Options to Purchase Securities – Stock Option Plan"*.

"Projects" means, collectively, the Agua Amarga Project and the GEMA Projects.

"SBX Asesorias" means SBX Asesorias E Inversiones Limitada, a company incorporated under the laws of Chile and controlled by Albrecht Schneider.

"SEDAR" means the System for Electronic Document Analysis and Retrieval, accessible through the internet at www.sedar.com.

"**Technical Report**" means the Technical Report on the Agua Amarga Silver Project prepared by Martín Pérez Villagrán Prof. Reg. Geologist having an effective date of November 10, 2020.

"**TSX**" means the Toronto Stock Exchange.

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

Words importing the singular number only, include the plural and vice versa, and words importing any gender include all genders.

GENERAL MATTERS

A prospective investor should rely only on all of the information contained in this Prospectus and not on certain parts of this Prospectus to the exclusion of others. No person has been authorized to give any information other than that contained in this Prospectus, or to make any representations in connection with the Offering, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Company. Any graphs, tables or other information demonstrating our historical performance or of any other entity contained in this Prospectus are intended only to illustrate past performance and are not necessarily indicative of our future performance. The information contained in this Prospectus is accurate only as of the date of this Prospectus, regardless of the time of delivery of this Prospectus or any sale of the Qualifying Securities. The Company's business, financial condition, operating results and prospects of the Company may have changed since the date of this Prospectus.

For investors outside the Qualifying Jurisdictions, neither the Company nor the Agent has done anything that would permit the Offering or distribution of this Prospectus in any jurisdiction where action for that purpose is required, other than in Canada. Investors are required to inform themselves about, and to observe any restrictions relating to, the Offering and the distribution of this Prospectus.

Unless otherwise noted or the context requires, all references in this Prospectus to the "Company", "Cascada", "we", "us" or "our" refer to Cascada Silver Corp. together with our subsidiaries, on a consolidated basis, as of the date hereof.

FINANCIAL INFORMATION AND ACCOUNTING PRINCIPLES

The financial statements of the Company contained herein have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") as opposed to Canadian generally accepted accounting principles ("Canadian GAAP") and as a result, such financial statements may not be comparable to financial statements of other Canadian issuers. The Company has not provided, nor is it required to provide, a reconciliation of its financial statements to Canadian GAAP.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Prospectus contains, or incorporates by reference, "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information may include, but is not limited to, statements with respect to the future financial and operating performance of the Company and its subsidiaries, and its mineral properties, the future price of silver and other metals, the estimation of mineral resources, results of exploration activities and studies, the realization of mineral resource estimates, exploration expenditures, costs and timing of the development of new deposits, the acquisition of additional mineral resources, the results of future exploration and drilling, timing of economic and scoping-level studies, costs and timing of future exploration of the Projects, requirements for additional capital, management's skill and knowledge with respect to the exploration and development of mining properties in Chile in general and the relevance of that knowledge to the Projects, government regulation of mining operations and exploration operations, timing and receipt of approvals and licences under mineral legislation, environmental risks and title disputes or claims and limitations of insurance coverage. In certain cases, 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 state 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 and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks associated with the Company's dependence on the Projects; the Company's limited operating history; general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; risks associated with dependence on key members of management; conclusions of economic evaluations and studies; currency fluctuations (particularly in respect of the Canadian dollar, the United States dollar and the Chilean peso and the rate at which each may be exchanged for the others); future prices of silver and other metals; uncertainty in the estimation of mineral resources, exploration and development risks; infrastructure risks; inflation risks; defects and adverse claims in the title to the Projects; accidents, political instability, insurrection or war; labour and employment risks; changes in government regulations and policies, including laws governing development, production, taxes, royalty payments, labour standards and occupational health, safety, toxic substances, resource exploitation and other matters; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; insufficient insurance coverage; the risk that dividends may never be declared; liquidity and financing risks related to the global economic crisis, as well as those factors discussed in the section entitled "Risk Factors" in this Prospectus. Such forward-looking statements are based on a number of material factors and assumptions, including: that contracted parties provide goods and/or services on the agreed timeframes; that on-going contractual negotiations will be successful and progress and/or be completed in a timely manner; that no unusual geological or technical problems occur; that plant and equipment work as anticipated and that there is no material adverse change in the price of silver or other metals. Although the Company 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. 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 due to the inherent uncertainty therein.

EXCHANGE RATE INFORMATION

This Prospectus contains references to the Canadian dollar, the U.S. dollar and the Chilean peso. Unless otherwise indicated, all references to "\$" or "CDN" or "dollars" in this Prospectus are to Canadian dollars. References to U.S. dollars are referred to as "U.S. dollars" or "US\$" and references to the Chilean peso are referred to as "CLP\$". As at [•], 2021, the noon spot rate of exchange rate as reported by the Bank of Canada was US\$[•] = CDN\$1.00 or CDN\$[•] = US\$1.00 and CLP\$[•] = CDN\$1.00 or CDN\$[•] = CLP\$1.00.

PROSPECTUS SUMMARY

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

Principal Business of the Company and its Subsidiaries

The Company's principal business is the acquisition, exploration and development of precious metal mineral resource properties in Chile. The Company's principal mineral property is the Agua Amarga Project. The Company's other properties are the GEMA Projects.

The Agua Amarga Project comprises 1,465 hectares, in five groups of exploitation mining tenements, and is located approximately 30 kilometers south of the City of Vallenar in Chile's Region III and 80 kilometers by road from the Huasco seaport, in the Atacama Region (Region III) of Chile.

The GEMA Projects consist of three separate concession groups located northeast of the City of Copiapo in Region III in Chile, the Marilin, El Gringo and Guanaca properties.

See "The Company" and "Mineral Properties".

Use of Proceeds

The net proceeds from the Special Warrant Offering were \$4,125,688 after deducting the Agent's Fee and the Agent's expenses, which totaled \$93,972 in the aggregate.

Under the Additional Unit Offering, the Company anticipates gross proceeds of up to \$[•], depending on whether the maximum number of Units are sold. Together with the working capital as at [•], 2021, the Company will have up to \$[•], which will be expended as detailed below. The total funds available to the Company following the Special Warrant Offering and the Additional Unit Offering are [•].

The Company had \$[•] working capital as at [•]. The estimated consolidated working capital (deficiency) as at December 31, 2020 is [•].

The Company intends to use available funds to execute exploration programs and other studies on the Projects with the goal of advancing the Projects to the preliminary economic assessment stage. Following the completion of the preliminary economic assessment and depending on the recommendations of the assessment, the Company's current intention would be to complete a preliminary feasibility study on each of the Projects. The time period to advance the Projects through these events is primarily dependent on the results of the initial exploration programs and any follow up exploration programs on each Project and the availability of equity financing on reasonable terms for further work on the Projects.

A summary of the planned use of proceeds is as follows:

	US\$	CDN\$
Agua Amarga Project - Initial Program		
Magnetics survey and geological mapping	70,000	93,333
Sampling (geological mapping and drilling)	150,000	200,000
Travel	50,000	66,667
RC drilling (2,000 m)	500,000	666,667
Subtotal	770,000	1,026,667
VAT 19%	146,300	195,067
Total	916,300	1,221,733
Other costs		28,267
		1,250,000
GEMA Projects - Initial Program		
Geophysics, mapping and sampling (incl. VAT)		250,000
Total		250,000
		2,000,000
Agua Amarga Project/GEMA Projects - Follow Up Programs		1,500,000
Share issue costs		448,641
General and Administrative		545,000

General Corporate Purposes and Working Capital		[•]
Total		\$[•]

(1) Based on an estimated US\$/ exchange rate of \$1.00 = US\$0.75.

See "Use of Proceeds".

Risk Factors

The Qualifying Securities are highly speculative and involve significant risks. These risks include:

- Cascada's exploration projects may not be successful, are highly speculative in nature, and may not ever result in the development of a producing mine.
- Silver price volatility may adversely affect Cascada.
- Cascada has no estimated mineral resources.
- Cascada will require additional capital in the future and no assurance can be given that such capital will be available at all or available on terms acceptable to Cascada.
- Cascada relies on its management team and outside contractors and the loss of one or more of these persons may adversely affect Cascada.
- Cascada may have difficulty recruiting and retaining employees.
- Certain directors and officers may have conflicts of interest.
- Cascada's operations are subject to operational risks and hazards inherent in the mining industry.
- Cascada has no history of mineral production.
- There is no assurance that title to mineral properties will not be challenged.
- Cascada is subject to a number of inherent exploration risks.
- Government regulations may have an adverse effect on Cascada's exploration and development activities, and future operations.
- Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure.
- Cascada's insurance coverage does not cover all of its potential losses, liabilities and damage related to its business and certain risks are uninsured or uninsurable.
- Environmental and other regulatory requirements may adversely affect Cascada.
- Cascada faces significant competition for attractive mineral properties.
- Fluctuations in the value of the United States dollar or the Chilean Peso may adversely affect Cascada's financial position.
- The Coronavirus (COVID-19) outbreak could persist for a prolonged period.
- Foreign investments and operations are subject to numerous risks associated with operating in foreign jurisdictions.
- Cascada has a limited operating history and no history of earnings, positive cash flow or dividend payments.
- The Qualifying Securities do not trade on any exchange and may experience substantial volatility.
- Management will have discretion concerning the use of the proceeds of the Special Warrants Offering and the Additional Unit Offering as well as the timing of their expenditures. As a result, an investor will be relying on the judgment of management for the application of such proceeds.

See "Risk Factors".

Selected Financial Information

The following table sets out selected consolidated financial information for the Company for the periods and as at the dates indicated and is based on the audited financial statements and the related notes which appear elsewhere in this Prospectus and should be read in conjunction with "Management's Discussion and Analysis" included elsewhere in this Prospectus.

September 30, 2020	
Consolidated Statements of Financial Position	
Cash and assets	\$224,193
Current liabilities	\$50,182
Equity	\$174,011
Total equity and liabilities	\$224,193
Period from August 25, 2020 (incorporation) to September 30, 2020	
Consolidated Statements of Loss and Comprehensive Income (Loss)	
Net and comprehensive loss for the period	\$(10,990)

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

THE COMPANY

The Company's principal business is the acquisition, exploration and development of precious metal mineral resource properties in Chile. The Company's principal mineral property is the Agua Amarga Project. The Company's other mineral properties are the GEMA Projects. See "*Mineral Properties*".

Incorporation and Offices

The Company was incorporated under the *Business Corporations Act* (Ontario) (the "**OBCA**") on August 25, 2020 as 2773777 Ontario Inc. The Company was then continued into British Columbia under the BCBCA on October 2, 2020 with the name "Cascada Silver Corp.". The Company's head office is located at 25 Adelaide Street East #1900, Toronto, Ontario and its registered office is located at 666 Burrard Street, Suite 1700, Vancouver, British Columbia, V6C 2X8.

Intercompany Relationship

The Company has one 100%-owned subsidiary, Atacama Silver, incorporated in Chile. Atacama Silver has entered into the Chilean Option Agreements in respect of the Projects, which are discussed under the header "*Description of the Business*".

DESCRIPTION OF THE BUSINESS

Since the Company's incorporation in August 2020, the Company has focused on the acquisition of options in respect of the Projects, the recruitment of management and directors and raising equity capital to fund exploration.

On September 30, 2020, Aragonita and Atacama Silver entered into the Agua Amarga Option Agreement under which Atacama Silver can earn a 100% interest in the Agua Amarga Project by paying a total of US\$2,500,000 in cash, undertaking work commitments comprising US\$350,000, drilling 12,500 metres and committing to specific royalties. Upon earning a 100% interest in the Agua Amarga Project, the Company will inherit the obligation to future potential payments associated with a 1% net smelter royalty ("**NSR**") to Barrick Gold Corporation ("**Barrick**") on any precious metals production and a 5% net profits interest on any base metal production (collectively, the "**Barrick Royalties**"). The Barrick Royalties are payable on production from all Agua Amarga Project concessions with the exception of the Lourdes 1/50 concessions.

Upon Atacama Silver earning a 100% interest in the Agua Amarga Project, Aragonita will retain a 1% NSR on all metals production from concessions subject to the Barrick Royalties and a 2% NSR on any metals production from the Lourdes 1/50 concessions. The Company may repurchase 50% of the Aragonita NSRs for a total of US\$2,000,000 any time up to the first anniversary of the commencement of commercial production.

On September 30, 2020, SBX Asesorias and Atacama Silver entered into the GEMA Option Assignment Agreement under which Atacama Silver can earn a 100% interest in the GEMA Projects by paying a total of US\$3,779,000, as follows: US\$15,000 by March 15, 2021, US\$60,000 by June 15, 2021, US\$90,000 by September 15, 2021, US\$45,000 by January 15, 2022, US\$300,000 by September 15, 2022, US\$825,000 by July 15, 2023, US\$1,290,000 by May 15, 2024, and \$1,154,000 by March 15, 2025. Of these balances, US\$300,000 is payable to SBX Asesorias and US\$3,479,000 is payable to the underlying property owners.

Upon Atacama Silver earning a 100% interest in the Marilyn concessions of the GEMA Project, the underlying property owner will retain a 1% NSR and the Company may repurchase 50% of the NSR for US\$1,000,000. Upon Atacama Silver earning a 100% interest in the El Gringo or Guanaca concessions of the GEMA Projects, the underlying property owners will retain a 1.5% NSR in each such property and the Company may repurchase 50% of the NSR for US\$1,000,000.

The Company's management team and the Board have an established track record of creating value with public resource companies. In addition to having extensive experience in the mining industry, including acquiring resource properties, exploring and developing resource stage properties, and operating producing resource projects, management has effectively raised capital through the public and private equity markets for other resource issuers. A number of members of the management team and the Board have also previously worked together in establishing TSXV issuers. Given its stage of development, however, the Company does not have any employees and it relies on consultants to carry out exploration programs.

As with other junior mining companies, there is significant competition in the precious metals mining industry for mineral rich properties that can be developed and produced economically, the technical expertise to find, develop, and operate such properties, the labour to operate the properties and the capital for the purpose of funding such properties. As well, like all mineral exploration and development companies, the Company's operations are subject to environmental regulation in the 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.

We do not know of any particular trends, commitment, events or uncertainty that is expected to have a material effect on our business, financial condition or results of operations other than as disclosed under "Risk Factors".

Stated Business Objectives

Cascada's business objectives are focused on the exploration and development of the Projects. Over the next two years Cascada plans to carry out exploration programs to identify a silver resource(s) at the Projects.

In the area of the Agua Amarga Project in Chile, exploration field activities such as drilling can occur year-round as the property is not at a high elevation. Accordingly, Atacama Silver will commence a Phase I drilling program, as recommended in the Technical Report, during the first quarter of 2021.

A summary of the planned use of proceeds is as follows:

	US\$	CDN\$
Agua Amarga Project - Initial Program		
Magnetics survey and geological mapping	70,000	93,333
Sampling (geological mapping and drilling)	150,000	200,000
Travel	50,000	66,667
RC drilling (2,000 m)	500,000	666,667
Subtotal	770,000	1,026,667
VAT 19%	146,300	195,067
Total	916,300	1,221,733
Other costs		28,267
		1,250,000
GEMA Projects - Initial Program		
Geophysics, mapping and sampling (incl. VAT)		250,000
Total		250,000
		2,000,000
Agua Amarga Project/GEMA Projects - Follow Up Programs		1,500,000
Share issue costs		448,641
General and Administrative		545,000
General Corporate Purposes and Working Capital		[•]
Total		\$[•]

These above-noted expenditures will be funded from total available funds following completion of the Additional Unit Offering.

History

From incorporation on August 25, 2020 to September 30, 2020, the Company focused its activities on signing the Agua Amarga Option Agreement and the GEMA Option Assignment Agreement and marketing activities related to the Special Warrant Offering. During this period, the Company carried on no business activities and had no assets other than its initial seed capital. The Company generated no revenue from operations in this period.

On October 13, 2020, the Company completed a private placement of 15,000,000 units (each, an "Initial Unit") to directors and officers of the Company, and friends and family members thereof, at a price of \$0.01 per Initial Unit for gross proceeds of \$150,000. Each Initial Unit is comprised of one Common Share and one Common Share purchase warrant, with each such warrant entitling the holder thereof to purchase one Common Share on the same terms as the SW Warrants.

On October 15, 2020 the Company issued 44,890,000 Special Warrants at \$0.10 per Special Warrant for gross proceeds of \$4,489,000. The Company incurred \$448,641 of cash share issuance cost and issued 3,591,200 Broker Special Warrants.

Operating in Chile

Each of the Agua Amarga Project and the GEMA Projects are located in Chile, which may be considered an emerging market. As a result, the Company may be exposed to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction such as difference in laws, business cultures and practices, banking systems and internal control over financial reporting.

The Company has implemented a system of corporate governance, internal controls over financial reporting and disclosure controls and procedures that apply at all levels of the Company and its subsidiaries. These systems are overseen by the Company's Audit Committee and implemented by the Company's senior management. As a result of these controls, the Company is of the view that any risks associated with its corporate structure and its foreign operations are minimal and effectively managed. See also "Risk Factors".

Global economic crises could negatively affect investor confidence in emerging markets or the economy of Chile. A crisis in other emerging-market countries could dampen investor enthusiasm and the value attributed to companies with South American operations. Financial conditions in Argentina, Brazil or other emerging market countries could negatively impact Chile's economy in the future. Although economic conditions in these countries may differ significantly from economic conditions in Chile, investors' reactions to developments in these other countries, such as the recent developments in global financial markets, may substantially affect the capital flows into, and the market value of companies with operations in, Chile.

Risks, when considered within the context of an established mining industry in Chile, and the location of the Projects, are known and manageable and for these reasons, the Company is comfortable operating where it does and is confident of its procedures in respect of its operations.

Control over and Communication with Foreign Subsidiaries. Senior management of the Company directs, and must consent to, all decisions being made at the subsidiary level. As a result, the operations and business objectives of the Company and its subsidiaries are effectively aligned. The Company, as the direct majority shareholder of its subsidiaries, can also resolve in a short period of time, to change the officers and the majority of the directors at its discretion.

Records. The minute books and corporate records of the Company's subsidiaries are kept at the offices of local corporate secretarial services in the jurisdictions in which such subsidiaries exist. All disbursements of corporate funds to subsidiaries of the Company are to be reviewed and approved by the Board or its designees and will be based upon preapproved budgeted expenditures or contractual commitments.

Internal Control Over Financial Reporting and Funds. The Company maintains a bank account in Chile with a long-established Chilean commercial bank. Any requests for funding at the subsidiary level must be specific and supported by documentation to justify the request. When a request is approved by the Company's management team in Canada, the funds are advanced to the Company's Chile bank account. The majority of the Company's funds are kept with a major Canadian chartered bank until such time as funds are required to be expended in Chile.

Experience of the Company's Directors and Officers in Chile. The directors and management of the Company have a thorough understanding of the political, cultural, legal and business environment in Chile through extensive previous experience working and conducting business in Chile. The Company's management team and Board have many years of experience in Chile. A number of members of the management team and Board have also previously worked together in connection with Andina Minerals, Atacama Pacific Gold and ATEX, each of which have operations in Chile. Carl Hansen, the Company's CEO was previously co-founder and CEO of Andina Minerals and Atacama Pacific Gold, successful Chilean-focused precious metals explorers which were acquired by Hochschild and RIO2, respectively. Thomas Pladsen, the Company's CFO, served as the CFO of Atacama Pacific Gold and Andina Minerals.

Members of management have made numerous trips to Chile and impart their experience, knowledge of the local business, culture and practices to the other members of the Board and management based in Canada. They are often in contact with employees, personnel, government officials and businesspersons and other locals in Chile.

Local Experts and Professionals. The Company hires and engages local experts and professionals to advise the Company with respect to current and new regulations in Chile in respect of mining, banking, financial and tax matters. The Company utilizes large, established and well-recognized financial institutions in both Canada and Chile. The Company uses local counsel and local consultants to assist it with its government relations as required.

INVESTMENT HIGHLIGHTS

The Company believes that there are a number of compelling reasons to purchase Units in the Additional Unit Offering:

- ***The Company has an experienced and established management team with a track record of exploration success***

The Company's management team and Board have an established track record of creating value with public resource companies. In addition to having extensive experience in the mining industry, including acquiring resource properties, exploring and developing resource stage properties, and operating producing resource projects, management has effectively raised capital through the public and private equity markets for other resource issuers. A number of members of the management team and Board have also previously worked together in establishing TSXV issuers, including Andina Minerals Inc. ("**Andina Minerals**"), Atacama Pacific Gold Corporation ("**Atacama Pacific Gold**") and ATEX Resources Inc. ("**ATEX Resources**").

Carl Hansen, the Company's Chief Executive Officer ("CEO"), is a Geologist with over 30 years of experience in the mining and exploration industry. Mr. Hansen was previously co-founder and CEO of Andina Minerals and Atacama Pacific Gold, successful Chilean-focused precious metals explorers which were acquired by Hochschild and RIO2, respectively. He has held senior operational and corporate positions with TVX Gold including: Chief Geologist, New Britannia Mine; Exploration Manager, Americas; Exploration Manager, Czech Republic.

Thomas Pladsen, the Company's Chief Financial Officer ("CFO"), has over 30 years' experience in the exploration and mining industry. Mr. Pladsen has held various financial positions with TSX-listed, TSXV-listed and private mining and technology companies. He has served as CFO of Katanga Mining Limited, Atacama Pacific Gold, Andina Minerals and Merc International Minerals. Mr. Pladsen has also consulted for a number of TSXV-listed junior mining companies.

The Company believes that the specialized skill and knowledge of its management team and directors will be invaluable in the exploration and development of the Projects and in pursuing other exploration and development opportunities by the Company in the future.

- ***The Agua Amarga Project and the GEMA Projects provide excellent potential for successful exploration for silver and other mineral resources***

These properties represent a portfolio of silver projects located in the Atacama Region (Region III) of Chile. The four properties each have small- to medium-scale historical mining of vein systems from surface. However, the four projects remain relatively unexplored by modern standards. The location of properties provides relatively easy access and minor preparation-exploration work is required prior to drilling activities to explore the potential of the properties.

- ***All of the Company's projects are located in Chile – a stable, mining and investor-friendly jurisdiction***

Chile has a long mining history, has a strong national policy encouraging foreign investment, and is Latin America's longest-standing democracy. Chile has benefited from sound governmental policies over more than two decades and has enjoyed growth rates well above the rest of Latin America over that period, while maintaining a low and stable rate of inflation. Foreign investment capital and profits may be remitted overseas at any time and Chile imposes no foreign exchange restrictions or other currency controls (although the Chilean Central Bank requires that most transactions relating to foreign investment be effected in a "formal" currency market, i.e., through commercial banks or financial institutions).

- ***The Company is debt-free, and has sufficient cash to complete the planned exploration programs***

Upon completion of the Additional Unit Offering, the Company will have cash in the amount of approximately \$[•] million and no debt.

MINERAL PROPERTIES

Chilean Mineral Laws

Legal and Regulatory Structure

The mining industry in Chile is regulated by the Political Constitution of Chile ("**Constitution**"), the Constitutional Organic Mining Law ("**COM**") and the Chilean Mining Code ("**MC**") along with other general and special regulations. Specifically, the Constitution provides that the national government is the owner of all mines, although any individual or company may apply for an Exploration Concession or Exploitation Concession to explore or mine mineral deposits. The COM regulates all concessions and claims and the MC elaborates on the provisions of the Constitution and the COM.

The civil courts receive applications for concessions, grant concessions, terminate and resolve issues arising with respect to concessions. The National Geology and Mining Service ("**NGMS**") within the Chilean Ministry of Mining is responsible for approving the technical requirements related to the form, boundary and location of concessions. The NGMS also maintains a public record of concessions and supervises technical compliance with mining regulations.

Exploration and Exploitation Concessions

The right to explore or exploit a designated area and apply for concessions is on a first-come first-served basis, subject to an Exploration Concession holder's exclusive right to file for an Exploitation Concession in respect of their concession area. Concessions can generally be freely assigned or transferred or mortgaged, subject to any legal contracts. The ownership rights of a concession can be enforced against the Government of Chile or any other party. Notably, the ownership rights of a concession holder differ from the ownership rights of a surface title holder in that a concession holder has the right to:

- (a) upon providing the agreed indemnity payment to the surface land holder, occupy as much of the surface land as is necessary for the exploration or exploitation works; and
- (b) impose an easement on an unwilling surface land holder through a simple and summary procedure before the relevant civil court. Certain restrictions will apply where surface land is covered by dwellings and/or is land where vineyards and fruit trees are planted. The respective surface land holder is entitled to compensation, fixed by mutual agreement or judicial resolution, as requested.

The significant differences between an Exploration Concession and an Exploitation Concession are summarized below:

An Exploration Concession (Concesion de Exploracion):

- is constituted by judicial resolution, which is dictated by a process which is not contentious and without intervention by anyone or any authority which requires decision making, for an initial period of two years with a right to apply to have the concession extended for a further two year period prior to expiry of the initial concession. Where such an extension is granted, the concession holder must relinquish half of the original designated area, although an application can be made to convert the exploration concession to an exploitation concession without a reduction in the concession size;
- requires annual payment;
- enables exploration over the concession area and provides an exclusive right to apply for an Exploitation Concession in respect of that concession area;
- must be greater than 100 ha and less than or equal to 5,000 ha in area;
- does not require an environmental authorization for exploration works but requires said authorization and closure plans for development and exploitation works;
- does not require work to be undertaken on the concession area in order to maintain an interest in that concession; and
- does not authorize its owner to exploit the minerals in that concession.

An Exploitation Concession (Pertenenencia or Concesion de Explotacion):

- is of unlimited duration;
- requires annual payment;
- involves a more onerous process for filing and higher costs for filing and compliance;
- does not require work to be undertaken on the concession in order to maintain an interest in that concession;
- must be greater than 1 ha and less than or equal to 10 ha in area;
- does not require an environmental authorization for exploration works but requires said authorization and closing plans for exploitation works;
- grants mining rights which prevail over third-party claims; and
- entitles the owner to exploit the minerals in that concession area.

Agua Amarga Project

Technical information in this section relating to the Agua Amarga Project is derived from and based upon, and in some instances is an extract from, the Technical Report prepared by Martín Pérez Villagrán having an effective date of November 10, 2020. Reference should be made to the full text of the Technical Report, which has been filed with Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review under the Company's profile on SEDAR at www.sedar.com.

Project Description and Location

The Agua Amarga property comprises 1,465 hectares located approximately 30 km south of the City of Vallenar and 80 km by road to the Huasco seaport, in the Atacama Region in northern Chile. Figure 1 shows the location of the Property along with significant mines / deposits in the immediately region. Topography is undulating with elevations less than 1,500 masl.

Approximate Universal Transverse Mercator ("UTM") coordinates of the center of the property are 333,000 E and 6,813,000 N (Datum PSAD 56, UTM zone 19S) which corresponds to latitude and longitude 28°48'S and 70°43'W respectively.

The property consists of five groups of exploitation mining tenements, shown in Figure 2 and listed in Table 1, registered to Aragonita, a private Chilean exploration company. All the claims are in good standing and the annual 2020 payments have been paid. The total area covered by the concessions is 1,465 ha. A two-hectare concession, named Fortuna-2, located in the southern part of the Maipú concessions is owned by a third party unrelated to either Cascada or Aragonita.

Table 1 Agua Amarga Mining Tenements

National ID Number	Name	Owner	Area	Survey Inscription ID			Registry
			ha	Folio	#	Yr	
0330117818	AMARGA 1/15	Aragonita	75	473	109	2016	Property
0330116706	ROSARIO 1/25	Aragonita	125	31	10	2008	Property
0330116714	SANTA INES 1/15	Aragonita	75	30	09	2008	Property
0330117850	MAIPU 1/220	Aragonita	1090	287	75	2012	Property
0330116692	LOURDES 1/50	Aragonita	100	334	90	2012	Property

Under the mining laws of Chile, exploitation concessions can be held in perpetuity provided that the appropriate annual payments have been made. There is no requirement that a property be put into production within a specified time frame, there are no minimum work requirements or investment commitments, and there is no requirement to reduce concession sizes over time.

Payments to maintain exploitation and exploration concessions are made annually in March. The property payments, as made to date, will maintain the Agua Amarga Project tenements in good standing until March 2021. The total cost to maintain the concessions in good standing is estimated to be Ch\$ 7,325,000 (approximately US\$10,000) annually. Prices are calculated using local tax (Unidad Tributaria Mensual) and inflation based (Unidad de Fomento) indices that vary daily and thus cannot be calculated exactly.

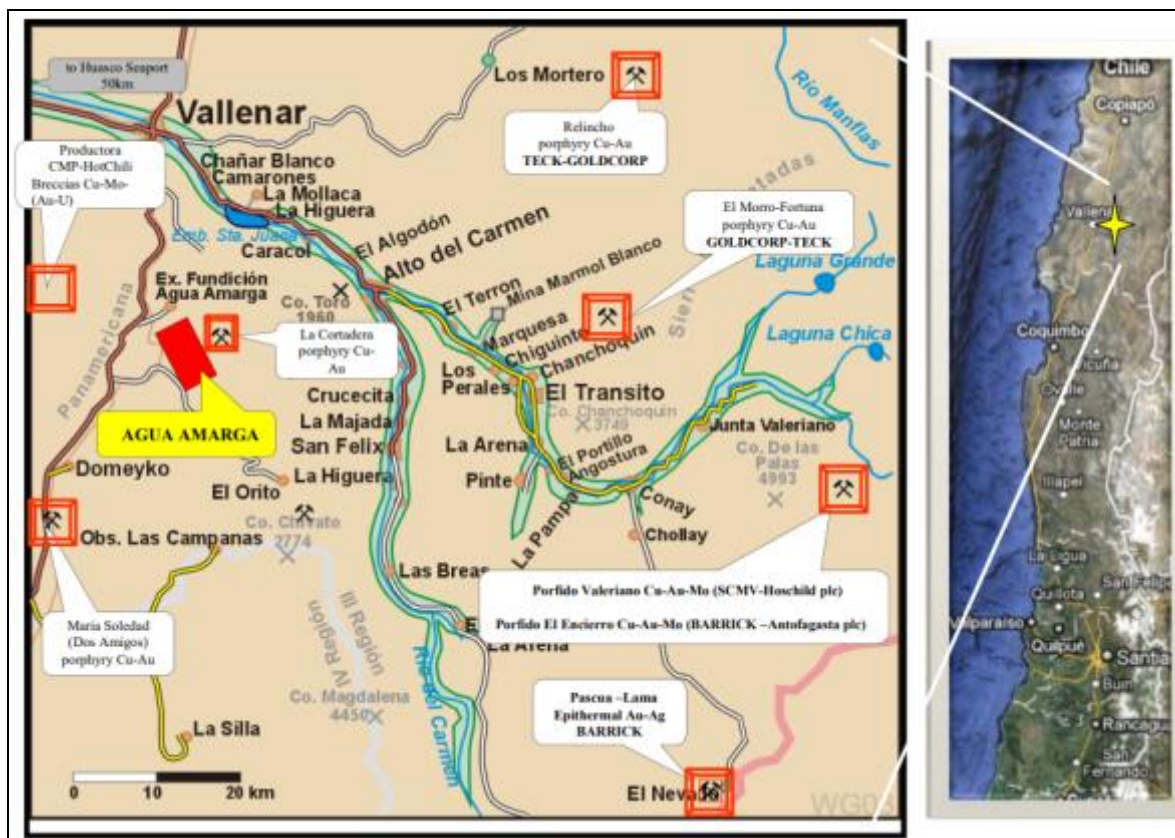


Figure 1 Location of Agua Amarga Property

The corners of exploitation concessions are marked in the field by cement monuments surveyed and erected by an authorized surveyor and appropriately inscribed.

Surface Rights

The property's topography is shown in Figure 3. The surface lands are considered public lands ("terreno fiscal", Ministerio de Bienes Nacionales) and therefore no land use agreements are required. The property is accessible by public roads C-506 and C-56 therefore access permissions are not required. There are no indigenous group claims in the area of the Agua Amarga Project.

Underlying Agreements

On September 30, 2020, Aragonita, as the vendor thereunder, and Atacama Silver, Cascada's Chilean subsidiary, entered into the Agua Amarga Option Agreement under which Atacama Silver can earn a 100% interest in the Agua Amarga property by paying a total of US\$ 2,500,000 in cash, undertaking work commitments comprising US\$ 250,000, drilling 12,500 metres and committing to specific royalties. Table 2 summarizes the payments and work commitment obligations under the Agua Amarga Option Agreement.

Table 2 Summary Terms of Agua Amarga Option Agreement

Dates	Payments (US\$)	Work Commitments
On signing (paid)	\$ 40,000	-
31-August-2021	80,000	\$250,000
31-August-2022	180,000	2,500 m drilling
31-August-2023	250,000	
31-August-2024	1,950,000	10,000 m drilling
Total payments	\$ 2,500,000	

Upon Atacama Silver earning a 100% interest in the Agua Amarga Project, the Company will inherit the obligation to future potential payments associated with a 1% NSR on any precious metals production and a 5% net profits interest on any base metal production payable to Barrick. The Barrick Royalties are payable on production from all Agua Amarga Project concessions with the exception of the Lourdes 1/50 concessions.

Upon Atacama Silver earning a 100% interest in the property, Aragonita will retain a 1% NSR on all metals production from concessions subject to the Barrick Royalties and a 2% NSR on any metals production from the Lourdes 1/50 concessions. The Company may repurchase 50% of the Aragonita NSRs for a total of US\$2,000,000 any time up to the first anniversary of the commencement of commercial production.

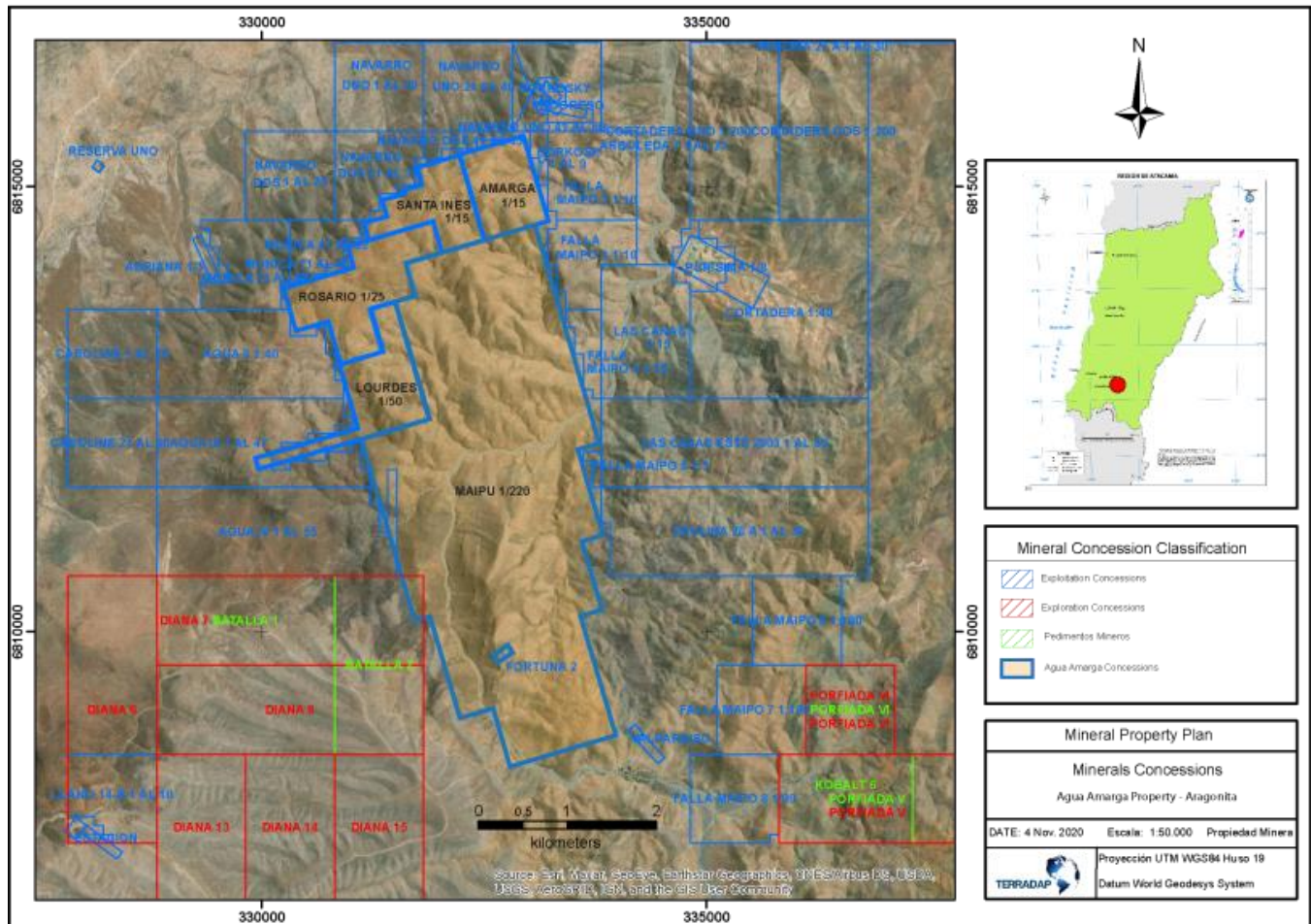


Figure 2 Agua Amarga Property Concession Map

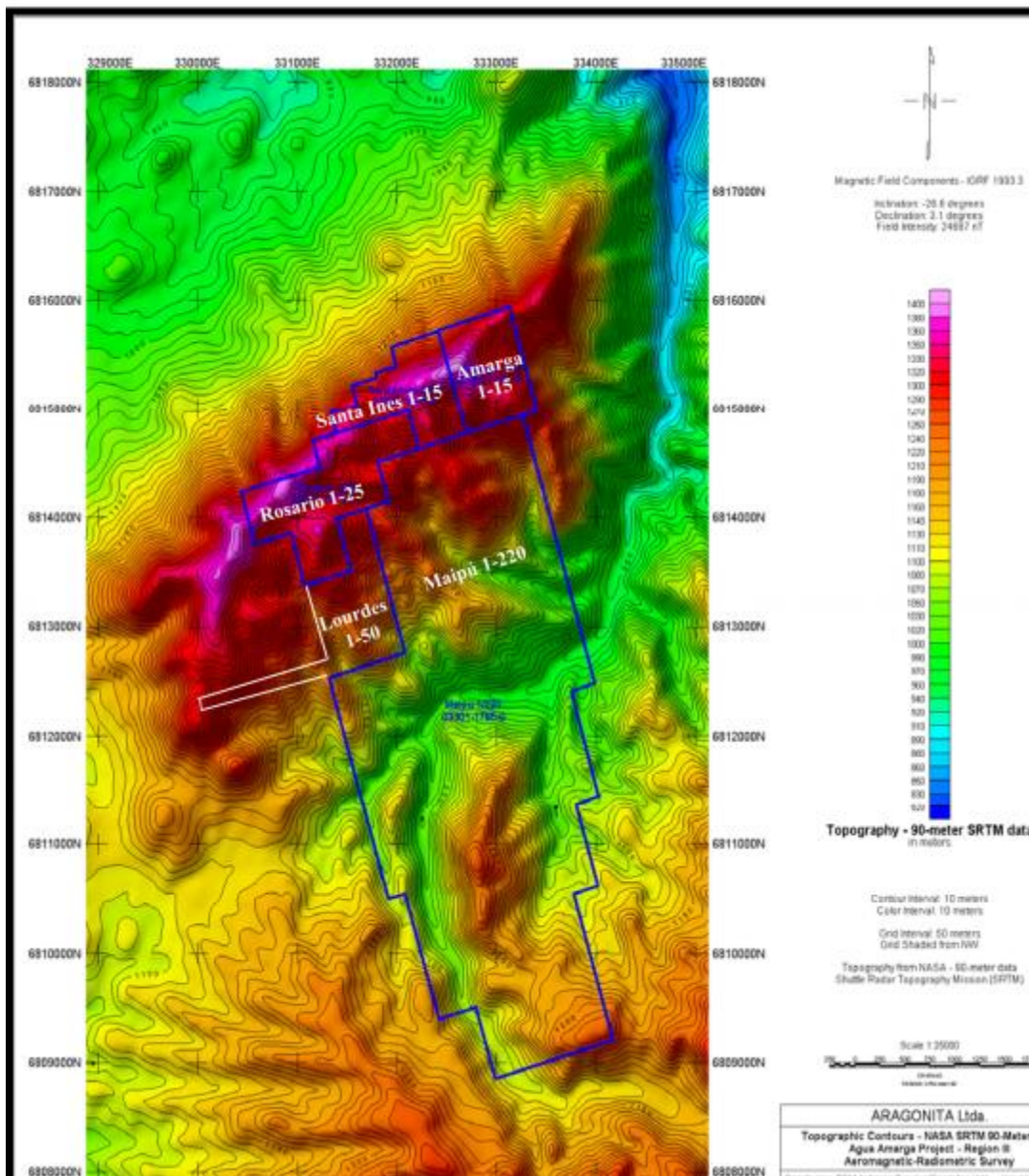


Figure 3 Topography in the Area of Agua Amarga (Araneda, 2017)

Accessibility

The nearest city to the Agua Amarga property is Vallenar, with a population of 52,000, located approximately 30 km by road to the north. La Serena, located 130 km south of the property is the closet major centre with population of 200,000. La Serena has daily air services from Chile's capital, Santiago, and other Chilean cities.

Access to the property takes about 2 hours from the La Serena airport driving along the Panamerican Highway (Ruta 5 Norte) for approximately 117 km, turning east (right) onto gravel road C-509, driving 5.1 km and then turning east again and driving along a gravel road for approximately 2 km to the southern portion of the property.

Climate and Physiography

The Agua Amarga Project area has a semi-arid climate, with scarce precipitation averaging 40 mm/year and moderate temperatures with lows of 0°C during the winter months and highs of 25°C during the summer months allowing for year around exploration and mining activities. Vegetation is scarce, mainly spiny shrubbery and a few cactus species. Only seasonal water courses are present in the area, of which the Quebrada Las Cañas gulch is the most significant. Wildlife is sparse and consists on small rodents, lizards and insects, although some foxes and guanacos may be occasionally encountered.

The Agua Amarga Project is located in the mountains of the Agua Amarga Range. This range is a NE-SW elongated chain characterized by an abrupt NW slope and a flatter SE slopes, being the latter dissected by EW gulches draining to the East towards Quebrada Las Cañas gulch. Altitudes in the area are under 1,500 masl reaching a maximum of 1,416 masl at Cerro Agua Amarga hill and 1,261 masl at Cerro Caña Norte hill.

Local Resources and Infrastructure

There are no inhabitants in close proximity to the Agua Amarga Project area. Experienced mining personnel are available in the cities of Vallenar, Copiapó and La Serena. Personnel can be housed in Vallenar, where all food and minor supplies can be acquired and transportation to the project site for the personnel could be rented. Water supply for drilling could be an important issue, but it can be brought in Vallenar or eventually from some of the local authorized extraction wells. High tension electrical supply lines run close to the Project, but availability of power supply for a mining operation must be investigated.

Project History

Information regarding the details of the historical exploration activities on the property is limited. Reports state that high grade silver veins were discovered on the Agua Amarga property during 1811 with exploitation of the silver veins continuing from 1811 sporadically through to 1881. After the reported termination mining activities in 1881, there are no records of exploration activities on the property until Compañía Minera San José initiated exploration in 1982. Table 3 summarizes the activities on the property.

Table 3 Summary of the History the Agua Amarga

Date	Company	Activities
1811	Guasco Party	Discovery of high-grade silver veins
1811-1881	Various	Mining activities occurred sporadically
1920-1923	Unknown	Mining stratabound Pb-Zn-Ag at the Fortuna-2, San Bartolo and Cañas Norte mines
1950-1953		
1982-2016	Compañía Minera San José ¹	Mapping, sampling, geophysics and 4 drill holes
2016-2020	Aragonita	Quickbird survey, mapping, sampling.
2020	Cascada	Geophysical services to commence shortly

From 1987 to 1994, various corporate transactions resulted in Compañía Minera San José¹ having a number of owners culminating in Barrick owning the Aragonita Property in 1994

1800s Mining Activities

The Agua Amarga property was the focus on high grade silver mining from the discovery of the vein system in 1811 through to 1881. An article in the "AURORA DE CHILE PERIODICO, MINISTERIAL, Y POLITICO, No. 14", dated May 14, 1812, reported the results of a site visit which was undertaken from January 7, 1812 through to February 25, 1812 The article discussed the "current status" of a new silver discovery made by the Guasco Party at Agua Amarga and summarizes the discovery as such: 'Veins....86; Course....N.S.; Sum of their widths....2 varas [1 vara = 0.84 m]; Sum of its depths....202 estados [1 estado = 3.3 m], Work....167'. Grades are reported as follows: 'grades varies random, that there are four [veins] the have 160 of grade [16,414 g/t Ag], two of 150 [15,388 g/t Ag], four of 200 [20,517 g/t Ag], two of 400 [41,035 g/t Ag], ten of 60 [6,155 g/t Ag], three of 50 [5,129 g/t Ag], twenty-nine of 40 [4,103 g/t Ag], two of 35 [3,591 g/t Ag], one of 45 [6,616 g/t Ag], two of 80 [8,207 g/t Ag], one of 35 [3,591 g/t Ag], one of 70 [7,181 g/t Ag], and the rest are 30 [3,078 g/t Ag] grade'. While the units of measure are not reported in the article, the standard at the time was marcos per cajon with 1 marcos per cajon equivalent to 160 grams per tonne. It is likely the impressive grades were the result of hand sorting of the silver ore.

Historical production data, estimated by Araneda (2020), totals 511 metric tons, or 16,434,000 Ag ounces produced during the period 1811 to 1881. Araneda suggests that most of the production was generated in the first 20 years, declining continuously afterward and production reported during the mines final years was low (approx. 100,000 Ag ounces, 1877).

R. Araneda (2020), in a report title "Agua Amarga, Historical Silver Production 1811-1881", notes that production records from the Agua Amarga mines are poor to non-existent. Statistical reporting, supported with more confident records, begins around 1850 but the records are still poor.

Mr. Araneda's report includes copies of pages from a number of reports regarding silver production from the Property. The Silver Book, published in 1882, reports production of \$20,000,000 Pesos from 1811 through 1881 which is equivalent to approximately 511 tonnes of silver or 16,434,000 ounces. Records from 1877, the last significant year of production from the Agua Amarga mines, was published by B. Vicuña Mackenna in a 'Statistical Yearbook 1878'. A photocopy from the book notes 14 veins with total production of 3,224,718 grams of silver.

Lead Zinc Silver Mining

Stratabound or mantos deposits of lead zinc $\pm$ silver were exploited at the closed Fortuna-2, San Bartolo and Cañas Norte high-grade mines in the Cerro Las Cañas hill during two periods, 1920-1923 and 1950-1953, coincident with periods of higher lead prices. The mantos were exploited by semi-mechanized basic room and pillar methods. No reliable statistics about production are available. Cummings (1946) reported 1,693,275 tons grading 25.05% Pb, 4.7% Zn and 92.7 g/t Ag from hand sorted mineral were sold from Fortuna-2 and Cañas Norte mines, but did not indicate the period of such production.

Compañía Minera San José

In 1982, Compañía Minera San José, owner of high-grade Chilean El Indio Gold Mine, acquired the property from CORFO, a Chilean government agency. As the result of a number of corporate transactions between 1987 and 1994, Barrick acquired control of the Compañía Minera San José.

Minera San José geologists initially took 20 grab samples from old dump and vein material, yielding assays up to 300 g/t Ag, with no significant Au or Cu values (Siddeley, 1982). No detailed assays are available. They followed this cursory sampling program with more extensive surface sampling, which includes dump material, totaling 171 samples. From this program, 14 samples yield ≥ 100 g/t Ag, one returning 1,237 g/t Ag from a waste dump. No information about QA/QC procedures was available to the author. The geologists also mapped and sampled accessible underground workings of Los Burros, La Culebra, Rosario and La Leona mines, at 1/100 scale.

During 1983, Minera San José mapped, at a scale of 1/2,000, a small area with abundant old workings and outcropping veins and veinlets. Following that program, 4 diamond drill holes were drilled to test the veins at depth. Finally, a 1/10,000 scale geologic map of the property and surrounding area, mainly to the East, was completed (Carmichael, 1983).

In 1986, Minera San José geologist, M. Gallardo, performed one stratigraphic profile at Cerro Agua Amarga hill together with 1m spacing chip sampling. From 331 samples taken, one sample yielded ≥ 100 g/t Ag and the average of all the samples was 1.8 g/t Ag, 0.01% Pb and 0.05% Zn. On another profile, at the calcareous sequence of Cerro Caña Norte hill hosting the stratabound Pb-Zn-Ag mineralization, 133 chip samples were taken with one sample yielding 39 g/t Ag, 6.48% Pb and 2.04% Zn from the mineralized 0.35 m thick stratabound unit. A regularly spaced sampling program (chip sampling?), along the strike of the mineralization, totaling 108 samples yielded the following high grades: 250 g/t Ag; 31.2% Pb and 7.25% Zn. No details on sample spacing, sampling method, total length of the sampled mantos and QA/QC procedures are available.

A small portion of an extensive airborne aeromagnetic-radiometric survey completed by WORLD GEOSCIENCE/GEODATOS was acquired by Minera San José and interpreted by company geophysicist C. Ludwig (1993) over an area including the entire Agua Amarga property. The results of this interpretation is discussed under the heading "Geophysics" below.

Aragonita Asesorías Limitada

Aragonita entered into an agreement to acquire the Agua Amarga Project from Barrick in 2012, completed the acquisition of the property in 2016 and currently owns a 100% interest in the property subject to a 1% NSR on future production of precious metals and a 5% NPI on future base metal production.

As a continuation of the 1993 geophysical interpretation completed by Minera San José, Ludwig (2009) completed a re-interpretation of the same survey's window for Aragonita as described under the heading "Geophysics" below.

In 2009, Aragonita contracted Dr. Ming-Ho Du to conduct a QuickBird image interpretation over the Agua Amarga property in order to assist in the exploration for bonanza-type silver veins. Dr. Du produced two images, false and true color, both a 60 cm resolution which should be useful for mapping geological units and possible structures. He also provided following overlays: a) fault-lineaments interpretation b) prominent faults traces or regional faults and c) working-trenches traces around old mines and mine-dumps polygons.

Aragonita has undertaken no significant exploration activities on the property to date.

Geophysics

On August 1993, Lac Minerals' geophysicist, C. Ludwig, performed an interpretation of a small portion of an extensive aeromagnetic-radiometric survey completed by WORLD GEOSCIENCE with assistance from GEODATOS, in a rectangular window of the survey comprising 6 km E-W by 10 km N-S, which includes the entire Agua Amarga property (Ludwig, 1993).

The geophysical data was acquired from a fixed-wing airborne survey flown in 1993 on N15°W-S15°E oriented lines separated 400 m apart at a nominal terrain clearance of 122 m. Ludwig delivered to Lac Minerals ten color plots: total field, pole-reduced, and vertical gradient magnetic contours; K, eTh, eU, and total count radiometric contours; K/eTh ratio and "anomalous" K contours, and a Ternary K-eTh-eU image. Ludwig's 1993 interpretation defined five geophysical targets or zones of interest plus one Landsat alteration target, not all

within the property boundaries. Only the hard copy of Ludwig's report was available to the author but none of the maps and target distribution plots.

On 2009, Aragonita contracted Ludwig to continue with the interpretation of the 1993 geophysical information. A number of geophysical targets were identified including one favorable silver vein environment. Figure 4 shows the geophysical targets outlined by Ludwig.

A summary of the Agua Amarga targets, modified from Ludwig (2009) follows:

- Target A and A` Potential Extension of Vein Environment: These target areas (Figure 4) were given a high priority by Ludwig (2009) given the historical silver production and can be considered as a generalized target. From the geophysical survey, it was noticed that much of the area, where silver mining activities were prevalent, is within a "shelf" of elevated pole-reduced magnetic response extending southeast and eastwards away from the prominent NE-trending strong linear magnetic high. The area of mapped veins is schematically shown by the yellow dotted line on Figure 5. This magnetic "shelf" extends southeast and east past the exposed area of historic silver mining. This extended area is schematically shown with a dotted orange outline (Figure 5) represents an area of potential extension of the silver vein environment. It is possible that the underlying (magnetic) intrusion and/or magnetite-rich contact horizon becomes deeper to the east and offering "blind" vein targets.
- Target B: This zone was assigned a medium-high priority. It is primarily a complex zone of high potassium. Magnetically, the area is very weak to weakly anomalous. There are two weak highs, one through the center of the target, and one near the eastern end, that have a NE trend, sub-parallel to the NE-trending Target C magnetic high. The zone also has some magnetic characteristics that are interpreted as perhaps being favorable for silver vein emplacement. This target also surrounds Target D and may potentially be related with mineralization events associated with porphyry intrusive.
- Target C: Target C was assigned a medium priority. It is primarily a well-defined weak magnetic anomaly, 1800 by 500 m, correlated with San Bartolo and Fortuna-2 mines. Weakly elevated potassium is present near the SW end, and the NE end overlaps with the good K anomaly of Target E.
- Target D: Partially located on the extreme eastern margin of the claim block, Target D was assigned a high priority rating. The target is a subdued magnetic low, 1100 m by 1500 m in extent, with an associated strong potassium response and has characteristics typical of magnetite-destructive (hydrothermal) alteration such as often seen over porphyry copper systems. The associated strong K response is the highest in the Agua Amarga survey window. Additionally, interpreted magnetic linears suggest structural complexity in the target area.
- Target E: The area was given a medium priority by Ludwig (2009). It consists in an elevated potassium anomaly, located near the NE end of a NE-trending weak magnetic high, which appears to be related to Fortuna-2 and San Bartolo Pb-Zn-Ag stratabound mines.

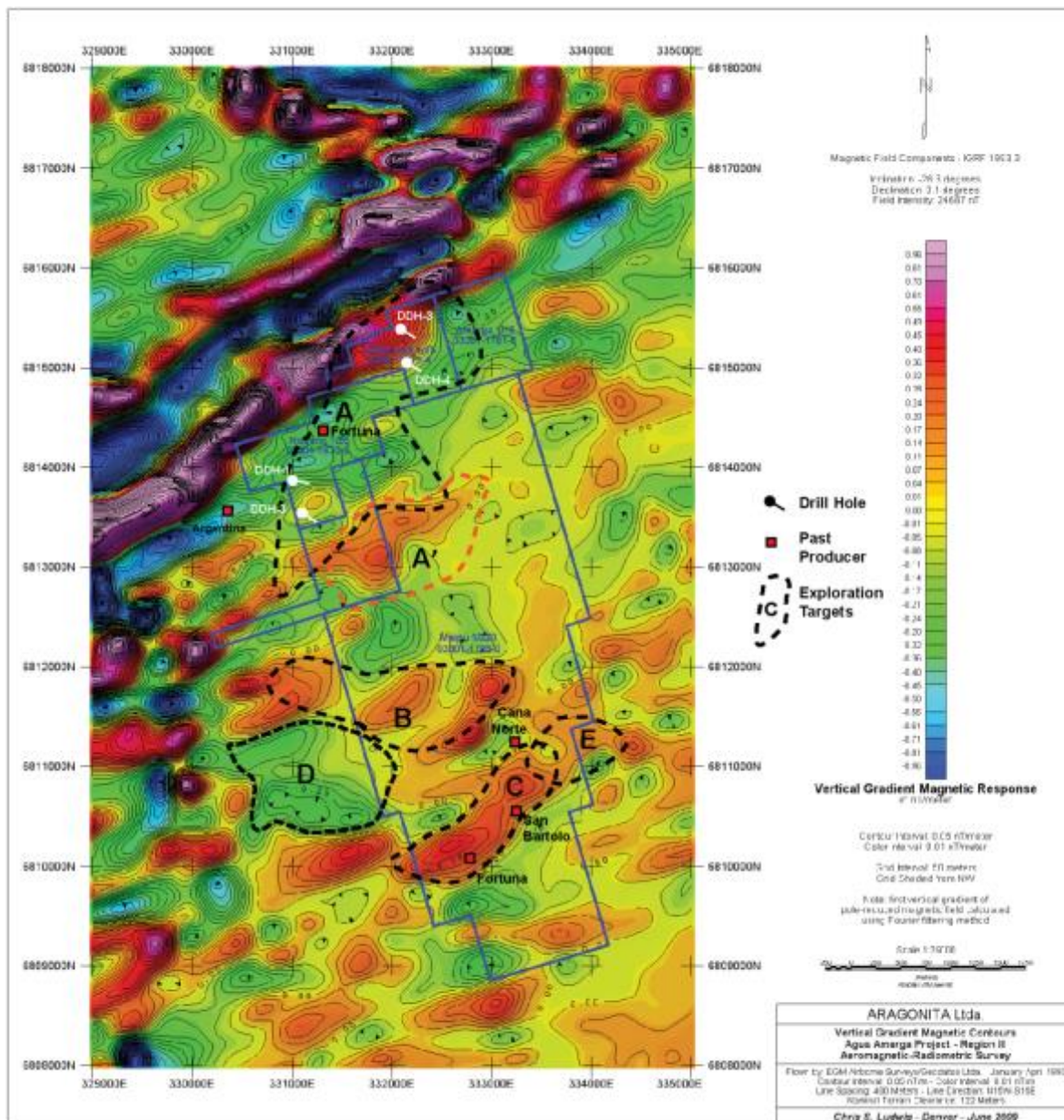


Figure 4 Exploration Targets (modified after Ludwig 2009)

General Comments

No historical resource or mineral reserve estimates are present on the property.

The geochemical sampling, geological mapping, geophysics and initial drilling that have been performed at Agua Amarga have served to define preliminarily the zones of interest and the styles of mineralization which endowed the property. This has provided Cascada with the basis for planned exploration efforts. It is the author's opinion that high grade silver veins and bulk tonnage potential associated with the vein systems, stratabound lead-zinc-silver mineralization and copper-gold porphyries are potential targets to be explored at Agua Amarga.

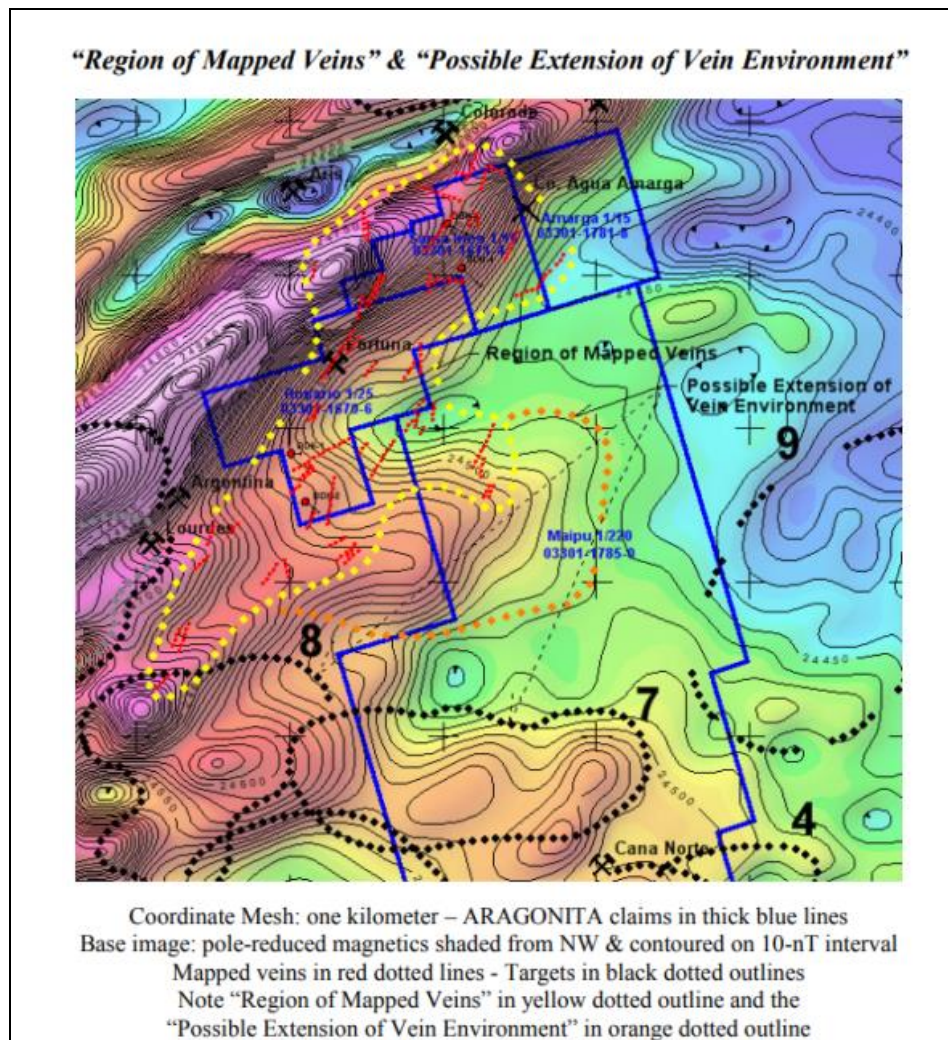


Figure 5 Possible Extension of Vein Environment Target (Ludwig 2009)

Regional Geology

The regional geological setting of Agua Amarga property has been compiled and described by Lieben et al. (1999) and more recent geologic cartography by Sernageomin (Arévalo et al, 2009) of the Vallenar-Domeyko region updates the geologic framework of Agua Amarga as shown in Figure 6.

The oldest rocks in the region are those of the Punta del Cobre Formation, from Upper Jurassic-Hauterivian. These rocks represent a volcanic arc sequence of continental to transitional origin. It is a volcanic and sedimentary heterogeneous sequence outcropping in the NW area of Vallenar-Domeyko region. Punta del Cobre Formation underlies the Nantoco Formation's limestones, and it is thought that overlies concordantly to lavas of La Negra Formation (Lower-Upper Jurassic). Punta del Cobre comprises three vertical sections: lower section: andesitic volcanics and volcanoclastics, with subordinate limestones; medium section: acid volcanics and clastic, with breccias and tuffs; upper section: volcanics with limestone intercalations.

To the east outcrops the Chañarcillo Group, a marine sequence from Upper Hauterivian-Aptian which consists of up to 2,000 m of shallow water marine carbonate rocks with volcanic and volcanoclastic intercalations and is composed of the Nantoco, Totoralillo, and Pabellón formations. The Chañarcillo Group represents a trans-arc or intra-arc association. Easterly, the Chañarcillo Group is overlain in small angular discordance by continental clastic sedimentary and volcanic rocks of Cerrillos Formation from Upper Cretaceous.

The Upper Jurassic-Lower Cretaceous rocks rest unconformably upon a folded Paleozoic and Triassic-Liassic basement. They have been affected by various stages of extensional and contractional tectonics. A main structural feature that affected the Chañarcillo Fm. rocks in the vicinity of the Cerro Las Cañas hill, the Agua de los Burros Fault System, consists of N-S to NNE-SSW folds and faults with a dominant western vergence.

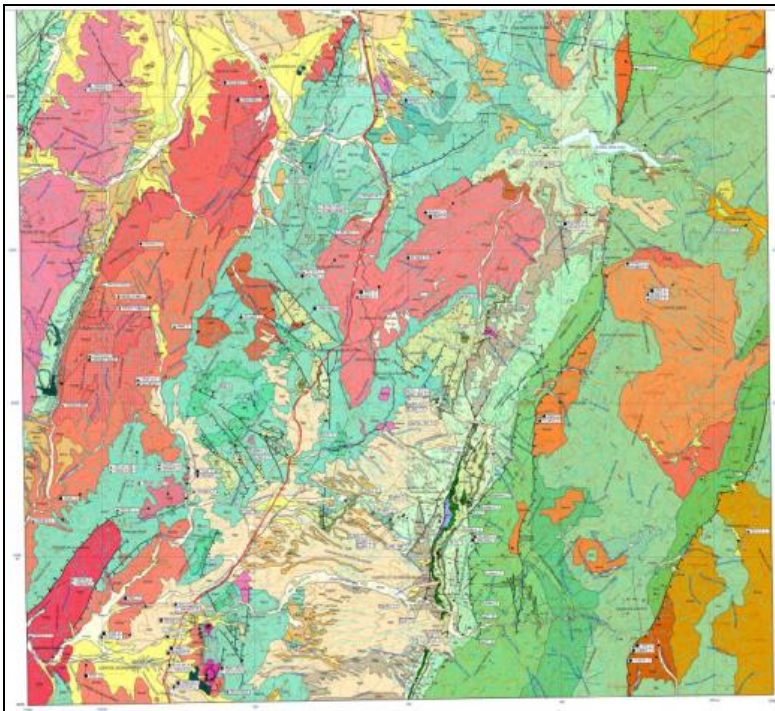


Figure 6 Regional Geological Setting (Arévalo et. al. 2009)



Legend for Figure 6 (Arévalo et. al. 2009)

Plutonic to hypabyssal intrusives of various composition are intruding the stratified sequences along progressively younger belts towards East, like following: Infiernillo Plutonic Complex, Retamilla Plutonic Complex, Camarones Plutonic Complex, Quebrada Vizcachitas Hypabyssal Intrusives, Pie de Gallo Plutonic Complex, etc. The age of the intrusives vary from Lower Cretaceous to Paleocene-Eocene.

Low-grade metamorphism affected parts of the Jurassic-Cretaceous volcano-sedimentary sequence, while higher-grade metamorphic rocks are restricted to the vicinity of large intrusions. An Upper Cretaceous granodioritic batholith, dated at 95-93 Ma, occurs 5 km NW of Cerro Las Cañas hill. To the east, a NNE trending magmatic belt consists of Paleocene to Lower Eocene granodiorite and granite.

Local and Property Geology

The local geology was mapped at 1/10,000 scale by Compañía Minera San José geologists (described by Carmichael, 1983; Gallardo, 1986) who mapped a 100 km² area which is presented on Figure 7. Note at the time this map was created, geologists did not identify the basal Punta del Cobre Jurassic-Hauterivian volcanic rocks in the NW and N surroundings of Agua Amarga. Instead, they mapped an andesitic fine grained greenish intrusive and a dioritic amphibole intrusive.

Sedimentary Rocks

Sedimentary rocks outcrop throughout the property and consist of a marine sedimentary sequence composed by limestones, muddy limestones, sandstones and conglomerates. This sequence appears as roof pendants over or intruded by dioritic and granodioritic rocks, being estimated at a maximum thickness of 250 m at Agua Amarga. The sedimentary rocks could be correlated to the Neocomian Nantoco Formation, of the Chañarcillo Group.

To the east of the property, the stratified sequence presents intercalation of andesitic lavas of presumable submarine origin.

The sedimentary sequence strikes NE and gently dipping SE. It is slightly folded and faulted with short displacements. Alteration of the limestones is mainly silicification, more intense at the proximity of intrusives. At the contact zones, the following alteration-metamorphism assemblages have been noted: calcite-epidote; calcite-epidote-garnet or calcite-quartz-epidote-garnet. To the west of Quebrada Las Cañas gulch, the limestones show weak to moderate dissemination of pyrite and local pyrrhotite.

Volcanic Rock

Volcanic rocks of andesitic composition are observed mainly in the eastern mapped area, as lava flows interbedded on sediments. The lavas show local "pillow" structures.

Intrusive Rocks

Intrusive Porphyritic Andesites

These intrusive andesites have a porphyritic texture with up to 2 cm plagioclase phenocrysts in an aphanitic to microgranular groundmass. Its outcrops show concordant to sub-concordant contacts with the stratified limestones, and thickness from few centimeters to 30 m. Initially, the intrusives were classified as volcanic rocks and named as "ocoítas".

At the contact with limestones, the intrusive andesites assimilate carbonate material and the limestones were silicified, denoting the intrusive nature of the andesites. At the proximity of dioritic or granodioritic intrusives, the andesites contain epidote with or without associated calcite.

Microdiorites and Diorites

These rocks intrude as dikes, sills or big irregular bodies into the sedimentary sequence and also to the intrusive andesites. They have amphibole phenocrysts in a groundmass composed by mafics and acicular plagioclase. Locally may contain epidote and calcite patches close to some granodioritic intrusives.

Granodiorites

These intrusive rocks predominate to the north and west of the property and at the Quebrada Cortadera gulch. Granodiorites are medium to coarse-grained with equigranular texture containing biotite. They intrude all other units and it is presumed to be the responsible for the hydrothermal alteration-mineralization zones of the area.

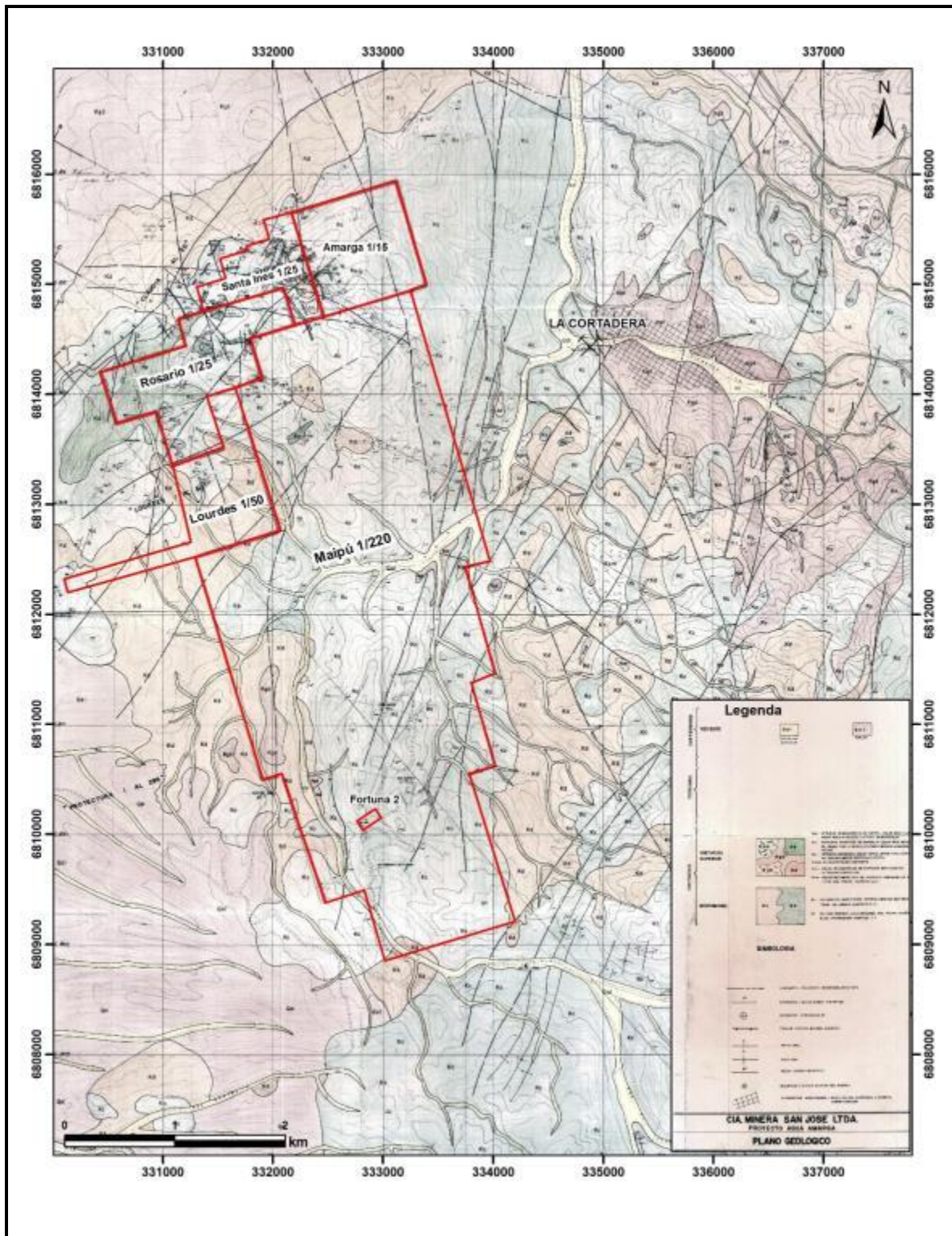


Figure 7 Geology of the Agua Amarga Property (Carmichael 1983)

Metamorphic Rocks

At the proximity of intrusive granodiorites or diorites, contact metamorphic rocks are developed. Protoliths may be sedimentary, volcanic and also intrusive. They are characterized by recrystallization, with epidote, calcite, garnet and variable silicification. Some marble levels are observed in the eastern portion of the area, occasionally with disseminated garnet.

Structure

The stratified sequence is characterized by its homoclinal attitude, generally striking NE and dipping lightly to the SE (15° -17°), locally folded and faulted.

The main fault system at Agua Amarga strikes NE-SW; it is sub-vertical with normal displacement; however, at the Cerro Caña Norte area the fault system strikes NW, dipping 60° to 90° to NE or SW. Stratigraphically measured displacement of this system reaches a maximum of 10 m vertically.

Mineralization

Two types of significant mineralization have been identified at the Agua Amarga property: epithermal silver vein and stratabound (manto) lead zinc silver.

Epithermal Silver

In the northern portion of the property, within the Rosario, Santa Inés, Amarga and the portion of Maipú concessions, located north of Quebrada Las Cañas, silver mineralization occurs as veins hosted in sub-vertical fault structures striking from N-S to N50°E and N60° to 80°W and with widths of up to 2 m. The veins have been traced by old workings up to 400-450 m along strike and to depths rarely exceeded 50 m. However, the true depths of the veins haven't been established because of lack of historical data and access to the workings.

The host rock for the silver veins is generally a fine grained, dark gray limestone and occasionally, porphyritic andesite or diorite as noted in the deeper parts of La Culebra Mine. The contact vein/host rock is sharp and in some places with thin clayish and limonitic gouge.

Observed mineralization consists of crystalline galena, pyrite, scarce chalcopyrite, pyrrhotite and sphalerite. In dump material, traces of proustite and native silver was found. The gangue mineralization associated with mineralization is white or brownish calcite, siderite with minor barite and quartz, occurring as stock-works, calcite-host rock breccias, calcite or barite veinlets, and quartz-limonite-calcite veinlets.

High-grade shoots of silver-bearing mineralization in the zone of oxidation and enrichment is not visible on surface or in accessible portion of the underground workings. Reported mineralogy of this zone consisted of silver halides (chlorargyrite, bromargyrite, iodargyrite). Acanthite, stephanite and dyscrasite, possibly related to secondary enrichment, have also been reported.

Surface sampling of vein material and waste dumps carried out by Minera San José averaged 49.3 g/t Ag (maximum value 1237 g/t Ag from dump material), 0.06% Cu, 0.67% Pb and 0.55% Zn from a total of 161 samples. No evidence of hypogene mineralization was reported from waste dumps suggesting that the historic mining may not reached the primary mineralization perhaps due to declining grades at depth, the nature of the artisanal method of mining in use at that time and/or ground water flooding.

Stratabound Lead Zinc Silver

Stratabound Pb-Zn-Ag mineralization outcrops at Cerro Caña Norte hill in the central-southern portion of Maipú concession and has been exploited at the Fortuna-2, Caña Norte, San Bartolo and other small mines on the eastern part of the hill where the mineralization is repeated by normal faults. It is represented by a Pb-Zn-Ag enriched layer intercalated concordantly in the west calcareous cornice of that hill

It has been described in detail by Lieben et. al. (1999) who states that the volcanoclastic layer hosting the main stratiform mineralization is a reversely graded vitric and lithic green tuff with a micritic matrix, bounded on both sides by finer grained strata.

The base of the volcanoclastic layer, in sharp contact with underlying greenish calcareous mudstone, is composed of a 10 cm thick well-sorted, clast-supported coarse tuff of 1 mm to 3 mm grain size, with less than 10% lapilli. The fragments consist of about 70% greenish shards and pumice fragments, 20% andesitic lithic clasts, and 10% crystals. It is overlain by a 20 cm thick well-sorted, clast- to matrix-supported lapilli tuff dominantly composed of 3 mm to 10 mm grains of essentially greenish pumice with minor lithic clasts and crystals in the matrix. The tuff has an andesitic composition with a relatively high Cr content of approximately 350 ppm. The layer extends regionally for 30 km to 40 km (Jurgan, 1977) and maintains a constant thickness and composition in the area of the old mines.

Locally, pumice fragments with strongly flattened vacuoles indicate some degree of welding, compaction or deformation. The distinct pigmentation of the greenish pumices and shards is due to the high abundance of chlorite and the presence of a greenish

K-bearing clay mineral (possibly celadonite) that probably replaces the originally glassy groundmass and fills the abundant fine vacuoles. Alteration of the glass groundmass produced quartz and alkali feldspar crystals, including mainly albite microlites. Calcite and lesser amounts of chalcedony, sericite, hematite, and barite also occur as secondary minerals in the tuffaceous unit mainly within clast vacuoles.

The main mineralized Pb Zn Ag unit, hosted by within the tuffaceous layer, striking N-S and dipping 15°-25° E, extends discontinuously for at least 2.0 km, and has a width (thickness) of 35 cm with the lower 24 cm reportedly returning the highest grades. A lateral extension of at least 500 m has been outlined by the underground (artisanal room and pillar) exploitation at the Fortuna-2 and Caña Norte mines. Historical sale records of material mined reported grades of 25% Pb, 4.7% Zn, 76 g/t Ag. The high grades are likely the result of hand sorting of the mineralization.

Mineralogy of the mined unit, as described by Lieben et al (op. cit.), includes abundant disseminated fine-grained galena, subordinate sphalerite, lead and zinc carbonates, minor chalcopryite, pyrite and hematite together with barite, quartz and potassic feldspar as intergranular cements within interconnected vacuoles of the clasts, and as fillings of sub-millimetric fractures.

A second style of stratabound Pb Zn mineralization, as described by Lieben et. al. and revised by the author after field examinations, outcrops near the lower adit of the Fortuna-2 mine. This is a silica-barite lens approximately 10 m long by 2 m thick that consists of mostly silica and barite, with up to 3% Pb and lesser Zn, hosted by a dark laminated limestone.

In the lens, silica, barite, galena and small amounts of sphalerite and pyrite occur as replacements and cavity-fillings, locally arranged as parallel millimeter-thick sheet cavities with bipolar grown crystals. Galena is generally associated with small amounts of silica, commonly expressed as chalcedony. Quartz-carbonate veinlets with large carbonate crystals cut the quartz-sulfide veinlets and vugs in some places.

Other Properties

GEMA Project Concessions

The GEMA Projects comprises 3 groups of concessions located northeast of Copiapo, Chile: the Marilin: El Gringo; and Guanaca concessions. The locations of the various concessions are shown in Figure 8. Historically, all have been exploited by small scale artisanal miners; however, there are no records of drilling activities on any of the concessions.

Cascada intends to commence exploration on the GEMA Projects concessions during the first quarter 2021 with the initial program comprising geophysics, geological surface and U/G mapping and sampling on the Marilin and El Gringo concessions. The total budget for the first phase of exploration on the GEMA Projects is US\$209,000. Depending upon the results of the initial mapping and sampling program, drilling may be undertaken during March/April 2021. Note, the GEMA Project concessions are located at elevation and exploration activities typically are undertaken during the late spring to earlier fall months (October through April).

Marilin Concessions

The Marlin property is underlain by extensive areas of intense & pervasive hydrothermal silicic-argillic alteration volcanics containing disseminated Au with samples of up to 1.2 g/t Au. Associated with the altered volcanics are numerous Au Ag Cu - bearing hydrothermal breccias and stockwork bodies which were exploited by artisanal miners in the past. Mineralized vein systems have been observed over a maximum strike length of 1.5 km and up to 4 m wide with vertical exposures of over 400 m. Sampling from historic mines developed on 1 to 2 m thick subvertical veins returned up to 1.8 m grading 223.1 g/t Au and 8.11 g/t Ag.

El Gringo Concessions

The El Gringo property hosts a well-known historic Ag mine located 5 km northeast of the Marilin Property which was mined by artisanal miners. Ag mineralization is associated with disseminated sulphides in quartz veins. Ag grades of up to 450 g/t and Cu grades of 1% were returned by surface sampling undertaken by SBX Asesorias. The main vein, "Principal Vein", extends over a strike length of 2 km with widths up to 6 m with old mining works developed using inclined tunnels cut into the side of a steep hill. Sampling of the vein returned 3 m grading 442.9 g/t Ag, 0.16 g/t Au and 0.4% Cu.

Guanaca Concessions

The Guanaca property is located 15 km southwest of Kinross Gold's La Coipa gold and silver mine & 18 km northwest of RIO2's Fenix Gold Project. The property hosts disseminated gold mineralization, with historical sampling returning 0.2 to 1.4 g/t Au, associated with a 2 by 2 km hydrothermal alteration system related to a volcanic dome. Adjacent to the volcanic dome, a small high-grade Cu Au hydrothermal breccia system was exploited by local small-scale miners with reported grades of 3% Cu and 1 g/t Au. The potential for additional high-grade Cu Au breccia mineralization is considered minimal.



Figure 8 Location of the GEMA Projects concessions (blue markers) along with significant mines / projects (yellow pins).

USE OF PROCEEDS

The net proceeds from the Special Warrant Offering were \$4,125,688 after deducting the Agent's Fee and the Agent's expenses, which totaled \$93,972 in the aggregate.

Under the Additional Unit Offering, the Company anticipates gross proceeds of up to \$[•], depending on whether the maximum number of Units are sold. Together with the working capital as at [•], 2021, the Company will have up to \$[•], which will be expended as detailed below. The total funds available to the Company following the Special Warrant Offering and the Additional Unit Offering are [•].

The Company had \$[•] working capital as at [•]. The estimated consolidated working capital (deficiency) as at December 31, 2020 is [•].

The Company intends to use available funds to execute exploration programs and other studies on the Projects with the goal of advancing the Projects to the preliminary economic assessment stage. Following the completion of the preliminary economic assessment and depending on the recommendations of the assessment, the Company's current intention would be to complete a preliminary feasibility study on each of the Projects. The time period to advance the Projects through these events is primarily dependent on the results of the initial exploration programs and any follow up exploration programs on each Project and the availability of equity financing on reasonable terms for further work on the Projects.

A summary of the planned use of proceeds is as follows:

	US\$	CDN\$
Agua Amarga Project - Initial Program		
Magnetics survey and geological mapping	70,000	93,333
Sampling (geological mapping and drilling)	150,000	200,000
Travel	50,000	66,667
RC drilling (2,000 m)	500,000	666,667
Subtotal	770,000	1,026,667
VAT 19%	146,300	195,067
Total	916,300	1,221,733
Other costs		28,267
		1,250,000
GEMA Projects - Initial Program		
Geophysics, mapping and sampling (incl. VAT)		250,000
Total		250,000
		2,000,000
Agua Amarga Project/GEMA Projects - Follow Up Programs		1,500,000
Share issue costs		448,641
General and Administrative		545,000
General Corporate Purposes and Working Capital		[•]
Total		\$[•]

(1) Based on an estimated US\$/Cdn\$ exchange rate of \$1.00 = US\$0.75.

These above-noted expenditures will be funded from total available funds following completion of the Additional Unit Offering.

While the Company intends to spend the funds as stated above, there may be circumstances where a re-allocation of funds may be necessary or advisable. In particular, exploration programs may be terminated or scaled back if interim results do not warrant completion of the entire program. See "Risk Factors". Any unallocated funds will be used for additional exploration, feasibility and related activities at the Projects and for general corporate purposes and working capital.

SELECTED FINANCIAL INFORMATION

Selected Financial Information of the Company

The following table sets out selected consolidated financial information for the Company for the period and as at the date indicated and is based on the audited consolidated financial statements and the related notes which appear elsewhere in this Prospectus and should be read in conjunction with "Management's Discussion and Analysis" included elsewhere in this Prospectus.

September 30, 2020	
Consolidated Statements of Financial Position	
Cash and assets	\$224,193
Current liabilities	\$50,182
Equity	\$174,011
Total equity and liabilities	\$224,193
Period from August 25, 2020 (incorporation) to September 30, 2020	
Consolidated Statements of Loss and Comprehensive Income (Loss)	
Net and comprehensive loss for the period	\$(10,990)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE PERIOD FROM AUGUST 25, 2020 (INCORPORATION) TO SEPTEMBER 30, 2020

Management's discussion and analysis ("MD&A") for the period from August 25, 2020 (incorporation) to September 30, 2020 is attached as Appendix A to this Prospectus. The MD&A should be read in conjunction with the audited consolidated financial statements for the period from August 25, 2020 (incorporation) to September 30, 2020 contained elsewhere in this Prospectus. The financial statements have been prepared in accordance with IFRS.

DESCRIPTION OF SECURITIES DISTRIBUTED

Common Shares

The Company is authorized to issue an unlimited number of Common Shares. All the issued Common Shares are fully paid and are not subject to any future call or assessment. All of the issued Common Shares rank equally as to voting rights, participation and a distribution of the Company's assets on liquidation, dissolution or winding-up and the entitlement to dividends. Holders of Common Shares are entitled to receive notice of, attend and vote at all meetings of shareholders of the Company. Each Common Share carries one vote at such meetings. Holders of Common Shares are entitled to dividends if and when declared by the directors and, upon liquidation, to receive such portion of the assets of the Company as may be distributable to such holders. There are currently no other series or class of shares which rank senior, in priority to, or *pari passu* with the Common Shares. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Purchase Warrants

Each whole SW Warrant, Unit Warrant and Compensation Warrant will entitle the holder to acquire one Common Share at the Warrant Exercise Price until the Warrant Expiry Time.

Special Warrants

The Special Warrants were issued pursuant to, and are governed by, the Special Warrant Indenture. The following summary of certain provisions of the Special Warrant Indenture does not purport to be complete and is qualified in its entirety by reference to the provisions of the Special Warrant Indenture. The Special Warrants are exercisable by the holders thereof at any time prior to the SW Expiry Time for a unit of securities (each, an "SW Unit") comprised of one Common Share and one SW Warrant. All Special Warrants not previously exercised will be exercised by the Warrant Agent on behalf of the holders thereof immediately prior to the SW Expiry Time.

The Special Warrant Indenture provides for customary anti-dilution provisions including provisions for the appropriate adjustment of the class, number and price of the SW Securities issuable upon exercise or deemed exercise of the Special Warrants upon the occurrence of certain events including any subdivision, consolidation or reclassification, payment of stock dividends, or a capital reorganization including a liquidation, dissolution, winding up, amalgamation, merger or arrangement or a transfer, sale or conveyance of the property or assets of the Company such that the holders of Special Warrants shall, upon exercise or deemed exercise, be entitled to receive the same number and kind of securities that they would have been entitled to receive had the Special Warrants been exercised prior to the occurrence of such events.

The Special Warrant Indenture further includes a penalty provision, which, provides that if the Qualification Date and the Listing Date do not occur by February 12, 2021, each unexercised Special Warrant will be adjusted such that each unexercised Special Warrant will thereafter entitle the holder thereof to receive upon the exercise thereof, for no additional consideration, one and one-tenth (1.1) SW Units. In addition, the penalty provision provides further that each Special Warrant will be exercisable for an additional 0.02 of an SW Unit for each whole additional thirty (30) day period following February 12, 2021 and prior to the Qualification Date and the Listing Date.

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

- (a) the holder is entitled to rescission of both the holder's exercise of the Special Warrants and the private placement transaction under which the special warrants were initially acquired;
- (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Company on the acquisition of the Special Warrants; and

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

Broker Special Warrants

Each Broker Special Warrant issued pursuant to the Special Warrant Offering is exercisable by the Agents to acquire one Compensation Option for no additional consideration until automatic exercise of the Broker Special Warrants, which automatic exercise, shall occur immediately prior to the SW Expiry Time. Each Compensation Option shall entitle the Agent to acquire one Compensation Share and one Compensation Warrant, subject to adjustment in certain circumstances, at an exercise price of \$0.10 per Compensation Option at any time until the Warrant Expiry Time. Each Compensation Warrant shall entitle the Agent to acquire one Compensation Warrant Share on the same terms as the SW Warrants.

DIVIDEND RECORD AND POLICY

The Company has not paid any dividends on the Common Shares since incorporation and currently intends to retain future earnings, if any, to finance further business development. The declaration of dividends on Common Shares remains within the discretion of the Board and will depend on a variety of factors, including future earnings, capital requirements, operating and financial condition and a number of other factors that the Board considers to be appropriate. There are no restrictions on the ability of the Company to pay dividends in the future.

CONSOLIDATED CAPITALIZATION

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

Description	Authorized	Outstanding as at September 30, 2020	Outstanding as at the date of this Prospectus	Outstanding after giving effect to the full Additional Unit Offering and after the deemed exercise of the Special Warrants
Common	Unlimited	100	15,000,100	[•]
Warrants		0	15,000,000	[•]
Special Warrants		0	44,890,000	0
Broker Special Warrants		0	3,591,200	0
Compensation Options		0	0	3,591,200

OPTIONS TO PURCHASE SECURITIES

Stock Option Plan

The Company has a stock option plan (the "**Option Plan**") that was adopted on January 6, 2021. The purpose of the Option Plan is to encourage, attract, retain and motivate directors, employees and consultants of the Company by granting such participants options to purchase Common Shares and thus giving them an on-going proprietary interest in the Company.

The Option Plan has the following key features:

- The maximum number of Common Shares that may be issued under options granted under the Option Plan is equal to 10% of the issued and outstanding Common Shares less the aggregate number of Common Shares reserved for issuance or issuable under any other security-based compensation arrangement of the Company.
- Unless the Company has received disinterested shareholder approval, the maximum number of Common Shares that may be issued to any individual in any 12-month period under the Option Plan may be no more than 5% of the issued and outstanding Common Shares less the aggregate number of shares reserved for issuance or issuable under any other security based compensation arrangement of the Company. The foregoing restriction is reduced to 2% in the case of consultants and individuals providing investor relations services.
- Options may be granted to eligible participants ("**Eligible Participants**") from time to time. Eligible Participants include directors and senior officers of the Company or its subsidiaries, present and future, and employees and consultants of the Company or its subsidiaries, present and future.

- The exercise price for each option is fixed by the Board at the time of the grant in compliance with the Option Plan, applicable law, and the policies of the CSE, which state that the exercise price will be no less than the Market Price, and if the options are granted within 90 days of a distribution by the Company by prospectus, the minimum exercise price per Common Share of those options will be the greater of the Market Price and the price per Common Share paid by the public investors for Common Shares pursuant to such distribution. The exercise price is denominated in Canadian dollars.
- Options will be exercisable in whole or in part, and from time to time, at any time following the date of grant and prior to the expiry of their term, but provided that if an option expires during a black-out period, then the option shall remain exercisable until the period ending two trading days after the end of such black-out period.
- Options cannot be granted for a term exceeding 10 years.
- Options granted shall vest, and become exercisable, according to the terms in the Option Plan and the discretion of the Board.
- Options granted pursuant to the Option Plan are non-transferable and non-assignable, other than by will or by the laws of descent and distribution or to a permitted assign.
- Options are subject to early termination in the event that an optionee ceases to be an Eligible Participant. Subject to the discretion of the Board to determine otherwise, if any Eligible Participant ceases to be an Eligible Participant of the Company for any reason, other than for cause or death, the option held by such person shall terminate on the earlier of (i) the expiry date of the option, and (ii) one year from the date such person ceases to be an Eligible Participant, or such other date as may be determined by the Board at the time that such Eligible Participant ceases to be eligible.
- In the event of termination for cause, unexercised options are immediately cancelled and thereafter are of no force or effect.
- In the event of the death or termination, without cause, of an Eligible Participant, options held by such Eligible Participant may continue to be exercised up to one year following the death, but not beyond the normal expiry of the term of the option.
- If (i) a bona fide offer to purchase all of the issued Common Shares of the Company is made by a third party, (ii) the Company proposes to sell all or substantially all of its assets, (iii) the Company, in certain circumstances, proposes to merge, amalgamate or be absorbed by or into any other corporation (save and except for a subsidiary), or (iv) the Company proposes an arrangement as a result of which all of the outstanding Common Shares would be acquired by a third party, then an option granted under the Option Plan may be exercised (whether or not such option has vested) at any time up to and including (but not after) the expiry date of the option and the Company may require the acceleration of the time for the exercise of the option and of the time for the fulfillment of any conditions or restrictions on such exercise.
- The Board may amend the Option Plan, or any option issued pursuant to the Option Plan, to: (i) reduce the number of Common Shares under option, (ii) to increase the exercise price of an option, or (iii) cancel any option. For any other amendments to the Option Plan or options granted pursuant to the Option Plan, the Company is required to obtain the approval of the CSE.

Outstanding Options

There are no options to purchase Common Shares outstanding as at the date of this Prospectus.

PRIOR SALES OF SECURITIES

The following table summarizes the sales of Common Shares and other securities convertible into Common Shares by the Company within the 12 months prior to the date of this Prospectus.

Date	Aggregate Number and Type of Securities Issue	Aggregate Proceeds	Price per Security
August 25, 2020	100 Common Shares ⁽¹⁾	\$1	\$0.01
October 13, 2020	15,000,000 Common Shares	\$150,000 ⁽²⁾	\$0.01 ⁽³⁾
October 13, 2020	15,000,000 Warrants	-	-
October 15, 2020	44,890,000 Special Warrants	\$4,489,000	\$0.10

(1) All 100 Common Shares were issued to Carl Hansen on formation of the Company.

(2) Carl Hansen subscribed for 3,000,000 Initial Units and Thomas Pladsen, through his wholly owned company 2195362 Ontario Inc., subscribed for 3,000,000 Initial Units. Each unit consisted of one Common Share and one warrant, with each warrant entitling the holder thereof to purchase one Common Share at an exercise price of \$0.15 at any time up to the earlier of (i) June 30, 2024; and (ii) the date that is 36 months following the date the Common Shares are listed and posted for trading on a recognized Canadian exchange.

(3) A \$0.01 price per Common Share was determined by the Board on the basis that Cascada was a shell company with nominal assets and limited financial resources.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Contractual Lock-Up Agreements

In connection with the Special Warrant Offering, Thomas Pladsen and Carl Hansen each entered into a agreement (the "**Lock-up Agreements**") pursuant to which each such holder will not, during the period which began on October 15, 2020 and ends on February 12, 2021, directly or indirectly, offer, sell, contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, or publicly announce any intention to offer, sell, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap, or enter into any agreement to transfer the economic consequences of, or otherwise dispose of or deal with, whether through the facilities of a stock exchange, by private placement or otherwise, any Common Shares or other securities of the Company convertible into, exchangeable for or exercisable to acquire, Common Shares, unless (i) the Company receives an offer, which has not been withdrawn, to enter into a transaction or arrangement, or proposed transaction or arrangement, pursuant to which, if entered into or completed substantially in accordance with its terms, a party could, directly or indirectly acquire an interest (including an economic interest) in, or become the holder of, all of the outstanding Common Shares, whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction, share buyback, securities issue, reverse takeover, dual-listed company structure or other synthetic merger, transaction or arrangement; (ii) in respect of sales to affiliates of such shareholder; (iii) as a result of the death of any individual shareholder; or (iv) with the written consent of the Agent, such consent not to be unreasonably withheld or delayed.

Escrow Agreements

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

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

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

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

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

As of the date of this Prospectus, the following table sets out the securities of the Company that, to the knowledge of the Company, will be held in escrow or are subject to contractual restrictions on transfer under the Escrow Agreement and the Lock-up Agreements, respectively:

Designation of Class	Number of Securities Held in Escrow or that are Subject to a Contractual Restriction on Transfer	Percentage of Class prior to giving effect to the full Additional Unit Offering and after the deemed exercise of the Special Warrants	Percentage of Class after giving effect to the full Additional Unit Offering and after the deemed exercise of the Special Warrants
Common Shares	10,850,100 ⁽¹⁾	72.3%	[•]%
Warrants	10,850,000 ⁽²⁾	72.3%	[•]%
Special Warrants	0	0%	0%

(1) These Common Shares are held under the Escrow Agreement in accordance with NP 46-201. The Escrow Agent is [•]. 6,000,100 of these Common Shares are also subject to contractual restrictions on transfer pursuant to the Lock-up Agreements.

(2) These Warrants are held under the Escrow Agreement in accordance with NP 46-201. The Escrow Agent is [•]. 6,000,100 of these Warrants are also subject to contractual restrictions on transfer pursuant to the Lock-up Agreements.

PRINCIPAL SECURITYHOLDERS

As of the date of this Prospectus, the following persons beneficially own, directly or indirectly, or exercise control or direction over, Common Shares carrying more than 10% of the outstanding voting rights attached to the Common Shares:

Name	Designation of Class	Type of Ownership	Number and Percentage of Outstanding Securities before giving effect to the full Additional Unit Offering and after the deemed exercise of the Special Warrants	Number and Percentage of Outstanding Securities after giving effect to the full Additional Unit Offering and after the deemed exercise of the Special Warrants⁽¹⁾
Thomas Pladsen	Common Shares	Beneficial	3,000,000 (20.0%)	3,000,000 (5.0%) ⁽²⁾
Carl Hansen	Common Shares	Of record and Beneficial	3,000,100 (20.0%)	3,000,100 (5.0%) ⁽³⁾
SBX Consultores Limitada	Common Shares	Of record and Beneficial	3,800,000 (25.3%)	[3,800,000 (6.3%)]⁽⁴⁾

(1) Total amounts and percentages do not include exercise of the Common Share purchase warrants held from the sale of Initial Units in the October 13, 2020 private placement and does not take into account the exercise of any Compensation Options or Compensation Warrants.

(2) Thomas Pladsen holds 3,000,000 Common Share purchase warrants through his wholly owned company 2195362 Ontario Inc. Under securities laws, he may be deemed to be the beneficial holder of the 3,000,000 Common Shares into which such warrants may be exercised bringing his actual and deemed beneficial ownership to 6,000,000 Common Shares.

(3) Carl Hansen also holds Common Share purchase warrants to purchase up to an additional 3,000,000 Common Shares. Under securities laws, he may be deemed to be the beneficial holder of the 3,000,000 Common Shares into which such warrants may be exercised bringing his actual and deemed beneficial ownership to 6,000,100 Common Shares.

(4) SBX Consultores Limitada also holds Common Share purchase warrants to purchase up to an additional 3,800,000 Common Shares. Under securities laws, it may be deemed to be the beneficial holder of the 3,800,000 Common Shares into which such warrants may be exercised bringing its actual and deemed beneficial ownership to 7,600,000 Common Shares.

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth the name, municipality of residence, position held with the Company, principal occupation and number of Common Shares beneficially owned by each person who is a director and/or an executive officer of the Company. All directors have been elected to serve until the next annual meeting of shareholders of the Company, subject to earlier resignation or removal.

Name and Municipality of Residence	Current Office with the Company	Since	Principal Occupations During Five Preceding Years	Number and Percentage of Common Shares Beneficially Owned or Controlled, Directly or Indirectly	
				Before giving effect to the full Additional Unit Offering and after the deemed exercise of the Special Warrants	After giving effect to the full Additional Unit Offering and after the deemed exercise of the Special Warrants ⁽⁴⁾
CARL HANSEN ⁽¹⁾⁽³⁾ <i>Ontario, Canada</i>	President and Chief Executive Officer and Director	August 25, 2020	CEO of Cascada since August 2020; previously CEO of ATEX Resources, a minerals exploration company, from May 2019 to June 2020, previously an independent businessman from July 2018 to May 2019 and prior thereto the CEO of Atacama Pacific Gold, a minerals exploration company. Also serves as a director of Antler Gold Inc., ATEX Resources, Carrie Arran Resources Inc. and Torrent Capital Ltd.	3,000,100 (20.0%)	[3,000,100 (5.0%)]
THOMAS PLADSEN ⁽²⁾ <i>Ontario, Canada</i>	Chief Financial Officer and Secretary	August 25, 2020	An independent businessman from July 2018 and prior thereto the CFO of Atacama Pacific Gold, a minerals exploration company. Also serves as a director of Northfield Capital Corporation, Carrie Arran Resources Inc., Neo Lithium Corp. and ATEX Resources.	3,000,000 (20.0%)	[3,000,000 (5.0%)]
ROBERT SUTTIE ⁽³⁾ <i>Ontario, Canada</i>	Director	January 5, 2021	President of Marrelli Support Services, offering management advisory, accounting and financial disclosure services to Canadian public issuers. Also serves as a director of Rupert Resources Ltd., BuzBuz Capital Corp. and BE Resources Inc.	Nil	Nil
BRENT PETERS ⁽³⁾ <i>Ontario, Canada</i>	Director	January 5, 2021	Independent businessman. Formerly Vice President, Finance and a Director of Northfield Capital Corporation, an investment holding company until September 2020. Also serves as a director of Copper Reef Mining Corporation.	Nil	Nil

(1) Carl Hansen was appointed as a director and the Chief Executive Officer and President of the Company on August 25, 2020.

(2) Thomas Pladsen was appointed as a director and the Chief Financial Officer and Secretary of the Company on August 25, 2020.

(3) Member of the Audit Committee.

(4) Excludes any Common Shares issuable upon exercise of Common Share purchase warrants.

Director and Management Biographies

The following are brief biographies of the executive officers and directors of the Company:

Carl Hansen (Age 58) – President and Chief Executive Officer and Director

Mr. Hansen is a geologist with over 30 years of experience in the exploration and mining industry. Mr. Hansen was appointed as the CEO of Cascada in August 2020. Previously, Mr. Hansen was the CEO of ATEX Resources, a mineral exploration company focused in Chile from May 2019 to June 2020. Prior to ATEX Resources, Mr. Hansen was CEO of Atacama Pacific Gold, a mineral exploration company focused in Chile from 2009 to June 2018, when Atacama Pacific Gold was sold to Rio2 Limited in July 2018. All of these companies are

still carrying on their business. Mr. Hansen was the co-founder and CEO of Andina Minerals from 2004 through 2009. Prior to 2004, Mr. Hansen held senior positions with TVX Gold and Kinross as well as exploration positions with what is now CVRD Inco. Mr. Hansen also serves as a director of Antler Gold Inc., ATEX Resources, Carrie Arran Resources Inc. and Torrent Capital Ltd.

Mr. Hansen's responsibilities include all duties typically performed by a CEO of a junior mineral exploration company, including overseeing the administration and management of the business and affairs of the Company. Mr. Hansen will devote approximately 66% of his time to the affairs of the Company. Mr. Hansen has not entered into a non-competition or non-disclosure agreement with the Company.

Mr. Hansen received an Honours Bachelor of Science, Geology, from Laurentian University in 1988.

Thomas Pladsen (Age 60) – Chief Financial Officer and Secretary

Mr. Pladsen has over 30 years' experience in the exploration and mining industry. Mr. Pladsen, who received his Chartered Accountant designation with KPMG LLP in Toronto in the mid 1980's, has since held various financial positions with TSX-listed, TSXV-listed and private mining and technology companies. Mr. Pladsen was appointed as the CFO of Cascada in August 2020. Mr. Pladsen has been an independent businessman since June 2018. Mr. Pladsen was the CFO of Atacama Pacific Gold, a mineral exploration company focused in Chile from 2009 to June 2018, when Atacama Pacific Gold was sold to Rio2 Limited in July 2018. All of these companies are still carrying on their business. Mr. Pladsen also serves as a director of Northfield Capital Corporation, Carrie Arran Resources Inc., Neo Lithium Corp. and ATEX Resources.

Mr. Pladsen's responsibilities will include managing the financial risks of the Company, as well as financial planning for the Company. Mr. Pladsen will devote approximately 50% of his time to the affairs of the Company. Mr. Pladsen has not entered into a non-competition or non-disclosure agreement with the Company.

Mr. Pladsen received his Bachelor of Business Administration from Wilfred Laurier University in 1983.

Robert Suttie (Age 50) – Director

Mr. Suttie is the President of Marrelli Support Services. He possesses over 20 years of financial reporting experience, 10 of which were in public accounting prior to his tenure with Marrelli Support Services. He specializes in management advisory services, accounting and the financial disclosure needs of Marrelli's public client base. In this capacity Mr. Suttie also serves as Chief Financial Officer for a number of TSXV- and CSE-listed companies. He also serves as a director of Rupert Resources Ltd., BuzBuz Capital Corp. and BE Resources Inc.

Mr. Suttie will devote approximately 5% of his time to the affairs of the Company

Mr. Suttie received his B.A. from the University of Western Ontario.

Brent Peters (Age 48) – Director

Mr. Peters is a finance executive with over 20 years of experience in the mineral exploration business. From 1996 to 2020, Mr. Peters was the Vice President, Finance and a Director of Northfield Capital Corporation, an investment holding company. In the past he has served as an officer and/or director of a number of different publicly listed companies, including; Gold Eagle Mines Ltd. (prior Southern Star Resources Ltd.), Geoglobal Resources Inc., INV Metals Inc., and Aranka Gold Inc, as well held the role as CFO and a member of the audit committee in various companies. Mr. Peters has held responsibility for financial statements in his roles as a director/officer at various public companies. Mr. Peters is also a director of Copper Reef Mining Corporation.

Mr. Peters will to devote approximately 5% of his time to the affairs of the Company

Mr. Peters received his B.B.A. from Brock University in 1996.

Corporate Cease Trade Orders or Bankruptcies

To the best of the Company's knowledge, information and belief, no current director or executive officer of the Company, or any director expected to be appointed immediately following the closing of the Offering, is, as at the date of this Prospectus, or within 10 years before the date of this Prospectus, a director, chief executive officer or chief financial officer of any company (including the Company), that:

- (a) was subject to an order 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 an order 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.

For the purposes of the above paragraph, "order" means 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, that was in effect for a period of more than 30 consecutive days.

Bankruptcies

To the best of the Company's knowledge, information and belief, no director or executive officer of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is, as at the date of this Prospectus, or has been within the 10 years before the date of this Prospectus, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, 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

To the best of the Company's knowledge, information and belief, no director or executive officer of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

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

Personal Bankruptcies

To the best of the Company's knowledge, information and belief, none of the Company's directors or officers has individually, within the 10 years prior to 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, officer or shareholder.

Conflicts of Interest

To the best of the Company's knowledge, information and belief, and other than disclosed herein, there are no known existing or potential conflicts of interest among the Company and its directors, officers or other members of management as a result of their outside business interests except that certain of the Company's directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies. As required by law, each of the directors of the Company is required to act honestly, in good faith and in the best interests of the Company. In the event of a conflict of interest, the Company will follow the requirements and procedures of applicable corporate and securities legislation and applicable exchange policies, including the relevant provisions of the BCBCA.

Indemnification and Insurance

The Company currently has a \$5 million director and officer insurance program in place. In addition, the Company has entered into indemnification agreements with its directors and officers. The indemnification agreements generally require that the Company indemnify and hold the indemnitees harmless to the greatest extent permitted by applicable law for liabilities arising out of the indemnitees' service to the Company as directors and officers, if the indemnitees acted honestly and in good faith with a view to the best interests of the Company and, with respect to criminal and administrative actions or proceedings, if the indemnitee had reasonable grounds for believing that his or her conduct was lawful. The indemnification agreements also provide that the Company advance defence expenses to the indemnitees.

EXECUTIVE COMPENSATION

Prior to obtaining the Final Receipt, the Company has not been a reporting issuer in any jurisdiction. Accordingly, and in accordance with Form 51-102F6 – *Statement of Executive Compensation* ("**Form 51-102F6**"), the following is a discussion of all significant elements of compensation to be awarded to, earned by, paid to or payable to "Named Executive Officers" (as that term is defined in Form 51-102F6), once the Company becomes a reporting issuer, to the extent this compensation has been determined. The Company expects that for the financial year ending June 30, 2021, its Named Executive Officers will be Carl Hansen and Thomas Pladsen.

Compensation Discussion and Analysis

The Company's executive compensation approach will be to provide suitable compensation for executives that is competitive to other junior mining issuers that are at a similar stage of development to that of the Company and that reflects the individual achievement of executives. This approach will be designed to attract and retain highly qualified individuals who are able to carry out the Company's business objectives.

The significant elements of compensation to be paid to executive officers will, in addition to a base salary, include compensation in the form of performance bonuses and benefits arising from the grant of stock options.

Equity-Based Awards

The Company adopted the Option Plan on January 6, 2021. The purpose of the Option Plan is to encourage, attract, retain and motivate directors, employees and consultants of the Company by granting such participants options to purchase Common Shares and thus giving them an on-going proprietary interest in the Company. In determining the number of options to be granted to executive officers, the Board takes into account the level of responsibility of the executive, his contribution to the long-term operating viability of the Company and the number of options, if any, previously granted. See "*Options to Purchase Securities – Stock Option Plan*".

Defined Benefit Plans

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

Termination and Change of Control Benefits

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

Director Compensation

The Company does not have any arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Company's directors or executive officers, or associates or affiliates of the foregoing persons is indebted to the Company or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

AUDIT COMMITTEE

The primary function of the audit committee of the Board (the "**Audit Committee**") is to assist the Board in fulfilling its financial reporting and controls responsibilities to the shareholders of the Company. In accordance with NI 52-110, information with respect to the Company's audit committee is contained below. The full text of the Audit Committee Charter, as passed unanimously by the Board, is attached to this Prospectus as Appendix B.

Composition of the Audit Committee

The Audit Committee is composed of Robert Suttie (Chair), Brent Peters and Carl Hansen, of whom Mr. Suttie and Mr. Peters are "independent" directors and all of whom are financially literate, within the meaning of NI 52-110.

Relevant Education and Experience

For details regarding the relevant education and experience of each member of the Audit Committee relevant to the performance of his duties as a member of the Audit Committee, see "Directors and Executive Officers".

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year did the Board decline to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

At no time has the Company relied on (a) the exemption in section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or (b) an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions). The Company is relying upon the exemption in Section 6.1 (Venture Issuers) of NI 52-110.

Pre-Approval Policies and Procedures for Non-Audit Services

As at the date of this Prospectus, the Audit Committee has not adopted any specific policies or procedures for the engagement of non-audit services.

External Auditor Service Fees

The following table sets out the aggregate fees billed by Clearhouse LLP from incorporation on August 25, 2020.

Financial Period	Audit Fees⁽¹⁾	Audit-Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
From Incorporation on August 25, 2020 to September 30, 2020	\$7,500	Nil	Nil	Nil

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

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

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

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

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate governance relates to the activities of the board of directors of the Company, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the board of directors and who are charged with the day to day management of the Company. The board of directors is committed to sound corporate governance practices which are both in the interest of its shareholders and contribute to effective and efficient decision-making. NP 58-201 establishes corporate governance guidelines which apply to all public companies. In light of these guidelines, the Company has instituted its own corporate governance practices.

Board of Directors

The Board is responsible for the stewardship and the general supervision of the management of the business and for acting in the best interests of the Company and its shareholders. The Board is composed of four directors being Carl Hansen, Thomas Pladsen, Robert Suttie and Brent Peters. Of these directors, Robert Suttie and Brent Peters are considered to be "independent" within the meaning of NI 58-101 as none of them will be an executive officer or employee of the Company or party to any material contract with the Company and none of them will receive remuneration from the Company in excess of directors' fees and grants of stock options. Mr. Hansen is not independent as he is the President and CEO of the Company. Mr. Pladsen is not independent as he is the Secretary and CFO of the Company.

Other Directorships

The following directors are currently directors of other reporting issuers (or the equivalent) in Canada or foreign jurisdictions:

Director	Name of Reporting Issuer(s)
Carl Hansen	Antler Gold Inc., ATEX Resources, Carrie Arran Resources Inc. and Torrent Capital Ltd.
Thomas Pladsen	Northfield Capital Corporation, Carrie Arran Resources Inc., Neo Lithium Corp. and ATEX Resources.
Robert Suttie	Rupert Resources Ltd., BuzBuz Capital Corp. and BE Resources Inc..
Brent Peters	Copper Reef Mining Corporation.

Orientation and Continuing Education

The Board does not have a formal orientation and education program for new directors. Upon joining the Board, each director is provided with an orientation program regarding the role of the Board, its committees and its directors, and the nature and operation of the Company's current and past business. New directors are also provided with a copy of the Audit Committee charter. The Board encourages directors to participate in continuing education opportunities in order to ensure that the directors may maintain or enhance their skills and abilities as directors, and maintain a current and thorough understanding of the Company's business.

Ethical Business Conduct

The Company has adopted a written Code of Business Conduct and Ethics (the "Code") for the Company's directors, officers and employees. Written copies of the Code may be obtained from the Company upon request. The Board promotes compliance by asking employees, officers and directors to verify, from time to time, their understanding and compliance with the Code and employees, officers and directors are required to inform the CEO of any changes in their holdings or matters that might be, or appear to be, in non-compliance with the Code. In the event that any potential conflict of interest arises, and the individual involved is an employee of the Company, the individual involved must immediately notify the CEO in writing and no further action may be taken unless authorized in writing by the CEO. If such individual is an officer or director of the Company, the Chairman of the Company as well as the CEO must be immediately notified, or if the conflict is concerning the Chairman, the CEO must be immediately notified in writing and no further action may be taken until authorized in writing by the Chairman and the CEO or the CEO, as the case may be.

Nomination of Directors

The Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board are consulted for possible candidates. In connection with its review of its corporate governance practices, the Board will consider whether it is appropriate for the Board to establish a formal nominating committee.

Compensation

The Company's executive compensation approach will be to provide suitable compensation for executives that is competitive to other junior mining issuers that are at a similar stage of development to that of the Company and which reflects the individual achievement of executives. This approach will be designed to attract and retain highly qualified individuals who are able to carry out the Company's business objectives. To date, no executive compensation has been paid.

While the Company does not have any formal objectives, criteria or analysis in assessing the compensation of its executive officers, compensation payable is currently determined by the independent members of the Board of Directors.

The significant elements of compensation to be paid to executive officers will, in addition to a base salary, include compensation in the form of performance bonuses and benefits arising from the grant of stock options.

Other Board Committees

The Company does not currently have any Board committees other than the Audit Committee.

Assessments

Due to the minimal size of the Board, no formal policy has been established to monitor the effectiveness of the directors, the Board and its committees. However, the effectiveness of the directors and the Board is reviewed informally on an ongoing basis as required.

PLAN OF DISTRIBUTION

The Company has applied to list its Common Shares (including the SW Shares, the SW Warrant Shares, the Unit Shares, the Unit Warrant Shares, the Compensation Shares and the Compensation Warrant Shares) on the CSE. Listing will be subject to fulfilling all of the requirements of the CSE.

The Additional Unit Offering

The Company is offering to the public up to [•] Units at a price of \$0.10 per Unit, to raise gross proceeds of up to \$[•] in order to meet the shareholder distribution requirements of the CSE. Each Unit consists of one Common Share and one Unit Warrant. Each Unit Warrant will entitle the holder to purchase one Common Share at a price of \$0.15 per share at any time before the Warrant Expiry Time. The Units will separate into Common Shares and Unit Warrants immediately upon issue. No commission is payable in respect of the Additional Unit Offering and the Additional Unit Offering is being undertaken on a non-brokered basis.

The Special Warrant Offering

This Prospectus qualifies the distribution of the SW Securities and the Compensation Options to be issued in each case, for no additional consideration, upon the exercise or automatic exercise, as the case may be, of the Special Warrants and the Broker Special Warrants.

RISK FACTORS

Investing in the securities of the Company involves a high degree of risk. The following risks, as well as the other information contained in this Prospectus, should be carefully considered. If any of the following risks actually occur, the Company's business could be materially harmed. The risks and uncertainties described below are not the only ones that the Company faces. Additional risks and uncertainties, including those of which the Company is currently unaware or that it deems immaterial, may also adversely affect the Company's business, prospects, financial condition, results of operations or cash flow.

Risks Related to the Company and the Mineral Exploration and Mining Industry

Cascada's exploration projects may not be successful, are highly speculative in nature, and may not ever result in the development of a producing mine.

There is no assurance given by Cascada that its exploration programs will result in the discovery, development or production of a commercially viable ore body. The business of exploration for precious minerals involves a high degree of risk and is highly speculative in nature. Few properties that are explored are ultimately developed into producing mines. Cascada's exploration activities involve many risks, and success in exploration is dependent upon a number of factors including, but not limited to, quality of management, quality and availability of geological expertise and the availability of exploration capital.

Cascada's mineral properties are in the exploration stage only and are without known mineral resources. The economics of exploring and developing mineral properties are affected by many factors including capital and operating costs, variations of the grades and tonnages of ore mined, fluctuating mineral market prices, costs of mining and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Development of the Projects will only follow upon obtaining satisfactory exploration results and the completion of feasibility or other economic studies. Whether developing a producing mine is economically feasible will depend upon numerous factors, most of which are beyond the control of Cascada, including: the availability and cost of required development capital, movement in the price of commodities, securing and maintaining title to mining tenements as well as obtaining all necessary consents, permits and approvals for the development of the mine. Should a producing mine be developed at the Projects, for which Cascada can provide no assurance, other factors will ultimately impact whether mineral extraction and processing can be conducted economically, including actual mineralization, consistency and reliability of ore grades and future commodity prices, as well as the effective design, construction and operation of processing facilities. Cascada's operating expenses and capital expenditures may increase in subsequent years as consultants, personnel and equipment associated with advancing exploration, development and commercial production of its properties are added.

Silver price volatility may adversely affect Cascada.

If Cascada commences production, profitability will be dependent upon the market price of silver and/or other metal prices. Silver prices historically have fluctuated and are affected by numerous external factors beyond Cascada's control, including industrial and retail demand, central bank lending, sales and purchases of silver, forward sales of silver by producers and speculators, levels of silver production, short-term changes in supply and demand because of speculative hedging activities, confidence in the global monetary system, expectations of the future rate of inflation, the strength of the United States dollar (the currency in which the price of silver is generally quoted), interest rates, terrorism and war, and other global or regional political or economic events.

Cascada has no estimated mineral resources.

The Projects are all in the exploration stage and do not contain a known body of economically extractable ore. There is no assurance given by Cascada that an economically viable body of ore will be discovered. Unless Cascada acquires additional property interests, any adverse developments affecting the Projects could have a material adverse effect upon Cascada and would materially and adversely affect the potential mineral resource production, profitability, financial performance and results of operations of Cascada.

Cascada will require additional capital in the future and no assurance can be given that such capital will be available at all or available on terms acceptable to Cascada.

Cascada will have further capital requirements and exploration expenditures as it proceeds to expand exploration activities at any of its properties, develop any such properties, or take advantage of opportunities for acquisitions, joint ventures or other business opportunities that may be presented to it. The continued exploration and future development of Cascada's properties may therefore depend on Cascada's ability to obtain additional required financing. In particular, any potential development of the Projects requires substantial capital commitments which Cascada cannot currently quantify and does not currently have in place. Cascada can provide no assurance that it will be able to obtain financing on favourable terms or at all. Where Cascada issues shares in the future, such issuance will result in the then existing shareholders of Cascada sustaining dilution to their relative proportion of the equity in Cascada. Cascada may incur substantial costs in pursuing future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance

fees, printing and distribution expenses and other costs. The ability to obtain needed financing may be impaired by such factors as the capital markets (both generally and in the silver industry in particular), Cascada's status as a new enterprise with a limited history, the location of the Projects in Chile and the price of silver on the commodities markets (which will impact the amount of asset-based financing available) and/or the loss of key management personnel. Further, if the price of silver on the commodities markets decreases, then potential revenues from the Projects will likely decrease and such decreased revenues may increase the requirements for capital. If Cascada is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, forfeit its interest in some or all of its properties, incur financial penalties or reduce or terminate its operations.

Cascada relies on its management team and outside contractors and the loss of one or more of these persons may adversely affect Cascada.

Cascada will be dependent upon the continued support and involvement of a number of key management personnel and outside contractors. Investors must be willing to rely to a significant extent on management's discretion and judgment, as well as the expertise and competence of outside contractors. Cascada does not have in place formal programs for succession and training of management. The loss of one or more of these key employees or contractors, if not replaced, could adversely affect Cascada's business, results of operations and financial condition.

Cascada may have difficulty recruiting and retaining employees.

Recruiting and retaining qualified personnel will be critical to Cascada's success. The number of persons skilled in acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As Cascada's business activity grows, Cascada will require additional key financial, administrative, geologic and mining personnel as well as additional operations staff. There is no assurance that Cascada will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increases. If Cascada is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on its results of operations and financial condition.

Certain directors and officers may have conflicts of interest.

Certain of the directors and officers of Cascada are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of Cascada may become subject to conflicts of interest. 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 under the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Cascada's operations are subject to operational risks and hazards inherent in the mining industry.

The ownership, exploration, development and operation of a mineral property involves many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks are inherent in the mineral exploitation and extraction industry, and include but are not limited to, variations in grade, unusual or unexpected formations, formation pressures, deposit size, density, and other geological problems, environmental hazards, earthquakes and other Acts of God, hydrological conditions (including a shortage of water), availability of power and hydroelectric sources, fires, power failures, flooding, cave-ins, landslides, metallurgical and other processing problems, mechanical equipment performance problems, industrial accidents, drill rig shortages, the unavailability of materials and equipment including fuel, labour force disruptions, unanticipated transportation costs, unanticipated regulatory changes, unanticipated or significant changes in the costs of supplies including, but not limited to, petroleum, labour, and adverse weather conditions and unexpected inflationary changes in Chile as a result of the development and operation of other mineral properties in the country. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may have a material adverse effect on Cascada's financial condition, results of operation and future cash flows.

Cascada has no history of mineral production.

Cascada currently has no advanced exploration or development projects other than the Projects. The Projects are early stage exploration projects that have no operating history upon which to base estimates of future operating costs, future capital spending requirements or future site remediation costs or asset retirement obligations. Cascada has no experience with development stage mining operations and Cascada can provide no assurance that the necessary expertise will be available if and when it seeks to place any of its mineral properties into development, including the Projects. Cascada has no experience in placing mineral properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with major mining companies that can provide such expertise. There can be no assurance that Cascada will have available to it the necessary expertise when and if it places any of its mineral properties into production, including the Projects.

There is no assurance that title to mineral properties will not be challenged.

Title to, and the area of, mineral concessions may be disputed. Cascada has diligently investigated and believes it has taken reasonable measures to ensure proper title to the mineral concessions and claims underlying the Projects, however, there is no guarantee that title to any such of its properties will not be challenged or impaired. While Cascada intends to take all reasonable steps to maintain title to its mineral properties, there can be no assurance that Cascada will be successful in extending or renewing mineral rights on or prior to expiration of their term or that the title to any such properties will not be affected by an unknown title defect.

Cascada is subject to a number of inherent exploration risks.

Cascada is engaged in mineral exploration and development, which is highly speculative in nature and involves many risks and is frequently not economically successful. Developing mineral resources depends on a number of factors including, among others, the quality of Cascada's management and their geological and technical expertise, and the quality of land available for exploration. Once mineralization is discovered, it may take several years of additional exploration and development until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling or drifting, to determine the optimal metallurgical process and to finance and construct mining and processing facilities. At each stage of exploration, development, construction and mine operation, various permits and authorizations are required. Applications for many permits require significant amounts of management time and the expenditure of substantial amounts for engineering, legal, environmental, social and other activities. At each stage of a project's life, delays may be encountered because of permitting difficulties. Such delays add to the overall cost of a project and may reduce its economic viability. The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond Cascada's control and which cannot be accurately foreseen or predicted, such as market fluctuations, the global marketing conditions for precious and base metals, the proximity and capacity of milling and smelting 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. As a result of these uncertainties, there can be no assurance that mineral exploration and development programs will ultimately result in the profitable commercial production of metals or minerals.

Government regulations may have an adverse effect on Cascada's exploration and development activities, and future operations.

The mineral exploration activities of Cascada are subject to various laws and regulations governing health and worker safety, labour standards, toxic substances, waste disposal, protection of the environment, use of water, mine development and protection of endangered and protected species, treatment of indigenous peoples and other matters. Each jurisdiction in which Cascada has properties regulates mining and mineral exploration activities. Although Cascada believes that its 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 or amended in a manner that could have a material and adverse effect on the business, financial condition and results of operations of Cascada. Where required, obtaining necessary permits can be a complex, time-consuming process and Cascada cannot provide assurance whether any necessary permits will be obtainable on acceptable terms, in a timely manner, or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict Cascada from proceeding with the development of an exploration project. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or material fines, penalties or other liabilities. In addition, Cascada is subject to changes to the royalty regimes in the jurisdictions in which it operates.

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. Cascada's inability to secure adequate water and power resources, as well as other events such as unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect Cascada's operations, financial condition and results of operations.

Cascada's insurance coverage does not cover all of its potential losses, liabilities and damage related to its business and certain risks are uninsured or uninsurable.

The mineral exploration and mining industry is subject to significant risks that could result in damage to, or destruction of, mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining, increased production costs, asset write downs and monetary losses and possible legal liability. Cascada will not carry insurance to protect against certain risks. Risks not insured against include environmental liability, earthquake damage, mine flooding or other hazards against which Cascada, and in general, mining exploration Companies, cannot insure or against which Cascada may elect not to insure because of high premium costs or other reasons. Failure to have insurance coverage for any one or more of such risks or hazards could have a material adverse effect on Cascada's business, financial condition and results of operations.

Environmental and other regulatory requirements may adversely affect Cascada.

All phases of Cascada's operations are subject to environmental regulation in the 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 existing or future environmental regulation will not materially adversely affect Cascada's business, financial condition and results of operations. Environmental hazards may exist on the properties on which Cascada holds interests which are unknown to Cascada at present and which have been caused by previous or existing owners or operators of the properties.

The exploration operations of Cascada and development and commencement of production on its properties, do and will require permits from various 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, treatment of indigenous groups and other matters.

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 exploration or mining operations may be required to compensate those suffering loss or damage by reason of the exploration or 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 Cascada and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties.

Cascada faces significant competition for attractive mineral properties.

There is significant competition in the precious metals mining industry for mineral rich properties that can be developed and produced economically, the technical expertise to find, develop, and operate such properties, the labour to operate the properties and the capital for the purpose of funding such properties. Many competitors not only explore for and mine precious metals, but conduct refining and marketing operations on a global basis. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than Cascada, Cascada may be unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop the Projects. Existing or future competition in the mining industry could materially adversely affect Cascada's prospects for mineral exploration and success in the future. Increased competition can result in increased costs and lower prices for metal and minerals produced and reduced profitability. Consequently, the revenues of Cascada, its operations and financial condition could be materially adversely affected.

Fluctuations in the value of the United States dollar or the Chilean Peso may adversely affect Cascada's financial position.

A significant portion of Cascada's current and proposed activities are carried on in currencies other than the United States dollar. Accordingly, such activities are subject to risks associated with fluctuations in the rate of exchange of the United States dollar and foreign currencies, particularly the Canadian dollar and the Chilean peso. Cascada does not currently hedge its currency exposure.

The Coronavirus (COVID-19) outbreak could persist for a prolonged period.

The global COVID-19 pandemic could result in adverse development results due to workforce reductions, supply and/or demand interruptions, travel restrictions and downturn in new equity and debt financings for mining projects. The Company's employees, contractors and suppliers could be affected by contagious diseases, including COVID-19, that could result in a reduction in our workforce due to illness or quarantine, critical supply disruptions, transportation and travel restrictions, and other factors beyond our control. These and other factors could negatively affect our business in complex ways, which are difficult or impossible to predict.

While the Company's operating activities have not been materially impacted by the COVID-19 pandemic to date, the pandemic continues to create uncertainty around the timing for project financing and the associated exploration activities at the Projects. The Company continues to closely monitor and assess the impact of COVID-19 on its planned project activities and available financing opportunities.

Risks Relating to the Political and Economic Climates of Countries in which Cascada Operates

Foreign investments and operations are subject to numerous risks associated with operating in foreign jurisdictions.

Cascada conducts exploration activities entirely in Chile. Although Chile has a mature and stable political system and enjoys one of the best country risk ratings of the region, there is always the potential for changes in mining policies or shifts in political attitude towards foreign investment in natural resources. Changes, even if minor in nature, may adversely affect Cascada's operations. Further, Cascada's Chilean mining investments are subject to the risks normally associated with the conduct of business in Chile. The occurrence of one or more of these risks could have a material and adverse effect on Cascada's cash flows, earnings, results of operations and financial condition. These risks and uncertainties vary from time to time and include, but are not limited to: labour disputes, invalidation of governmental orders and permits, uncertain political and economic environments, high risk of inflation, sovereign risk, war (including in neighbouring states), military repression, civil disturbances and terrorist actions, arbitrary changes in laws or policies of particular countries, the failure of foreign parties or governments to honour contractual relations, consents, rejections or waivers granted, corruption, arbitrary foreign taxation, delays in obtaining or the inability to obtain necessary governmental permits (including export and/or customs approvals), opposition to mining from environmental or other non-governmental organizations, limitations on foreign ownership, limitations on the repatriation of earnings, limitations on silver or other metals exports, difficulty obtaining key equipment and components for equipment and inadequate infrastructure. These risks may limit or disrupt Cascada's operations and exploration activities, restrict the movement of funds or result in the deprivation of contractual rights or the taking of property by nationalization or expropriation without fair compensation.

Risks Relating to the Qualifying Securities

Cascada has a limited operating history and no history of earnings, positive cash flow or dividend payments.

The Qualifying Securities should be considered highly speculative due to the nature of Cascada's business. Cascada has no history of earnings, it has not paid any dividends and it is unlikely to enjoy earnings or pay dividends in the immediate or foreseeable future. None of

the Projects have commenced commercial production or have identified mineral resources and Cascada has no history of earnings or cash flow from its operations. As a result of the foregoing, there can be no assurance that Cascada will be able to develop any of its Projects profitably or that its activities will generate positive cash flow. Payment of any future dividends will be at the discretion of the Board after taking into account many factors, including future earnings, capital requirements, operating and financial condition and a number of other factors that the Board considers to be appropriate. There are no restrictions on the ability of Cascada to pay dividends in the future.

The Qualifying Securities do not trade on any exchange and may experience substantial volatility.

The Qualifying Securities do not currently trade on any exchange or stock market and the Offering Price was negotiated with the Agent in connection with the Special Warrant Offering. Securities of small-cap companies such as Cascada may experience substantial volatility that is unrelated to Cascada's financial condition or operations. The price of the Qualifying Securities may also be significantly affected by short-term changes in the price of silver or other metals. The fact that no market currently exists for the Qualifying Securities may affect the pricing of the Qualifying Securities in the secondary market, the transparency and availability of trading prices and the liquidity of the Qualifying Securities. The market price of the Qualifying Securities is affected by many other variables which may be unrelated to Cascada's success and are, therefore, not within Cascada's control. These include other developments that affect the market for all resource sector-related securities, the breadth of the public market for the Qualifying Securities and the attractiveness of alternative investments. The effect of these and other factors on the market price of the Qualifying Securities is expected to make the price of the Common Shares volatile in the future, which may result in losses to investors.

Discretion in the use of proceeds.

Management will have discretion concerning the use of the proceeds of the Special Warrant Offering and the Unit Offering as well as the timing of their expenditures. As a result, an investor will be relying on the judgment of management for the application of such proceeds. Management may use such net proceeds of the Offering in ways that an investor may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, Cascada's results of operations may suffer.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

Income tax consequences in relation to the Qualifying Securities will vary according to circumstances of each investor. The Company encourages each potential investor to consult with its own tax or professional advisor to understand the tax considerations generally applicable with purchasing or owning the Qualifying Securities.

PROMOTERS

Carl Hansen may be considered to be the promoter of the Company within the meaning of applicable securities legislation by reason of his initiative and involvement in the formation and establishment of the Company.

As of the date of this Prospectus, Mr. Hansen beneficially owns 3,500,000 Common Shares, being 23.3% percent of the total outstanding Common Shares on a non-diluted basis.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the best of the Company's knowledge, information and belief, the Company has not been subject to any material legal proceedings since incorporation, nor is the Company or any of its properties a party to or the subject of any such proceedings, and no such proceedings are known to be contemplated. The Company may be involved in routine, non-material litigation arising in the ordinary course of business, from time to time.

To the best of the Company's knowledge, there have not been any penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority since its incorporation, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Company, and the Company has not entered into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Prospectus, none of the Company's directors or senior officers or any shareholder holding, on record or beneficially, directly or indirectly, more than 10% of the issued Common Shares, or any of their respective associates or affiliates, had any material interest, directly or indirectly, in any material transaction with the Company within the three years preceding the date of this Prospectus or in any proposed transaction which has materially affected, or would materially affect, the Company or Atacama Silver.

AUDITORS

The auditors of the Company are Clearhouse LLP, at 2560 Matheson Blvd. E, Suite 527, Mississauga, Ontario L4W 4Y9.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent of the Common Shares is Computershare Investor Services Inc. at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3B9.

ENFORCEMENT OF JUDGEMENTS AGAINST FOREIGN PERSONS

None of the directors and officers of the Company reside outside of Canada.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following (each of which has been filed on SEDAR) are the only material contracts entered into by the Company from incorporation to the date of this Prospectus that are currently in effect and considered to be currently material:

- (a) the Agency Agreement; and
- (b) the Agua Amarga Option Agreement.

For more information on the Agua Amarga Option Agreement, see "*Mineral Properties – Agua Amarga Project*".

INTEREST OF EXPERTS

The following are the names of each person or company who has prepared or certified a report, valuation, statement or opinion in this Prospectus, either directly or in a document incorporated by reference, and whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company:

- (a) Stikeman Elliott LLP is the Company's counsel with respect to Canadian legal matters herein;
- (b) McCarthy Tétrault LLP is the Agent's counsel with respect to Canadian legal matters herein; and
- (c) the Technical Report was prepared by Martín Pérez Villagrán, Prof. Reg. Geologist. Mr. Villagrán has no interest in the Company, the Company's securities or the Agua Amarga Project.

To the Company's knowledge, each of the aforementioned firms held less than 1% of the outstanding securities of the Company or of any associate or affiliate of the Company as of the date of this Prospectus. None of the aforementioned firms received any direct or indirect interest in any securities of the Company or of any associate or affiliate of the Company in connection with the preparation of such reports. Based on information provided by the relevant persons, none of the aforementioned firms, nor any directors, officers or employees of such firms, are currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

Clearhouse LLP, independent auditor of the Company, has informed the Company that it is independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

OTHER MATERIAL FACTS

There are no other material facts about the Company or the Qualifying Securities that are not otherwise disclosed herein.

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 with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed

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

The SW Warrants and the Unit Warrants are exercisable into other securities (Common Shares) and investors are cautioned that the statutory right of action for damages for a misrepresentation contained in this Prospectus is limited, in certain provincial securities legislation, to the price at which the securities were offered under the Special Warrant Offering and the Additional Unit Offering, which are the Unit Shares and Unit Warrants. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon exercise of the SW Warrants and the Unit Warrants, those amounts may not be recoverable under the statutory right of action for damages that applies in such provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

CONTRACTUAL RIGHT OF ACTION FOR RESCISSION

In the event that a holder of a Special Warrant, who acquires SW Securities upon exercise of the Special Warrant is or becomes entitled under applicable Canadian securities laws to the remedy of rescission by reason of this Prospectus or any amendment thereto containing a misrepresentation, such holder shall be entitled to rescission not only of the holder's exercise of their Special Warrant for SW Securities but also of the private placement transaction under which the Special Warrant was initially acquired, and shall be entitled in connection with such rescission to a full refund of all consideration paid to the Company on the acquisition of the Special Warrant. In the event such holder is a permitted assignee of the interest of the original subscriber, such permitted assignee will be entitled to exercise the rights of rescission and refund granted thereunder as if such permitted assignee were the original subscriber. The foregoing is in addition to any other right or remedy available to a holder of the Special Warrant under applicable law, including but not limited to Section 130 of the *Securities Act* (Ontario).

LIST OF EXEMPTIONS FROM INSTRUMENT

The Company is relying upon the exemption in Section 6.1 (Venture Issuers) of NI 52-110.

FINANCIAL STATEMENTS

Audited financial statements of the Company for the period from August 25, 2020 (incorporation) until September 30, 2020 are included in this Prospectus as Appendix C.

APPENDIX A
MANAGEMENT'S DISCUSSION AND ANALYSIS

See attached.

Cascada Silver Corp.

Management Discussion & Analysis

For the Period from August 25, 2020 (Incorporation) to September 30, 2020

Introduction

This management discussion and analysis ("MD&A") has been prepared based on information available to Cascanada Silver Corp. (the "Company") as at December 11, 2020. This MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. The MD&A of the operating results and financial condition of the Company for the period from August 25, 2020 (Incorporation) to September 30, 2020 should be read in conjunction with the audited consolidated financial statements of the Company, including the notes thereto, for the August 25, 2020 (Incorporation) to September 30, 2020 which were prepared in accordance with International Financial Reporting Standards ("IFRS") for audited financial statements.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from the offices of the Company or from www.sedar.com.

Caution Regarding Forward Looking Statements

This MD&A contains forward-looking statements. Forward-looking statements are projections of events, revenues, income, future economic performance or management's plans and objectives for future operations. In some cases, you can identify forward-looking statements by the use of terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. Examples of forward-looking statements made in this MD&A include statements about the Company's business plans; the costs and timing of its developments; its future investments and allocation of capital resources; success of acquiring an asset or business; requirements for additional capital. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including: general economic and business conditions, our lack of operating history; conclusions or economic evaluations; changes in project parameters as plans continue to be refined; failure of any asset or business acquired to operate as anticipated; delays in financing or incompleteness of business or asset acquisition, any of which may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

While these forward-looking statements and any assumptions upon which they are based are made in good faith and reflect our current judgment regarding the direction of the Company's business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Except as required by applicable law, including the securities laws of Canada, the Company does not intend to update any of the forward-looking statements to conform these statements to actual results.

Description of Business

The Company was incorporated under the Ontario Business Corporations Act on August 25, 2020. On October 2, 2020, the Company continued its incorporation to the province of British Columbia.

The Company is in the business of exploration and evaluation of mineral properties in South America. The address of the Company's corporate office and principal place of business is 25 Adelaide Street East, Suite 1900, Toronto, Ontario, Canada.

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Overall Performance

The Company is an exploration stage issuer engaged in the business of acquisition, exploration and, if warranted, development of mineral properties. As such, the Company has not had any revenues since inception. The Company does not expect to generate any revenues in the foreseeable future. The Company expects to continue to incur expenses as work is performed to explore and develop its mineral property.

The Company is in the process of exploring its mineral properties and has not yet determined whether the mineral property contain reserves that are economically recoverable. The Company's future performance is largely tied to the outcome of future exploration and the overall financial markets.

The recoverability of minerals from the Company's mineral property is dependent upon, among other things, the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to continue to explore and develop its property, and upon future profitable production. Uncertainty in credit markets has led to increased difficulties in raising and borrowing funds. As a result, the Company may have difficulties raising equity financing for the purposes of exploration and development of the Company's mineral property, without diluting the interests of current shareholders of the Company.

Exploration and Evaluation Assets

During the period from August 25, 2020 (incorporation) to September 30, 2020, the Company's exploration and evaluation asset activities were as follows:

	Agua Amarga Project (\$)	Gema Properties (\$)	Total (\$)
Balance, August 25, 2020	-	-	-
Legal	12,492	-	12,492
Balance, September 30, 2020	12,492	-	12,492

Agua Amarga Project

On September 30, 2020, the Company, through its wholly-owned Chilean subsidiary, entered into an option agreement with Aragonita Asesorias Ltda. ("Aragonita"), a private Chilean company, to acquire a 100% interest in the Agua Amarga Project, covering a total area of 1,465 hectares located in Region III, Chile. The Agua Amarga Project includes the Barrick Claims and the Lourdes Claims.

Pursuant to the terms of the option agreement, the Company is required to:

- Make a cash payment of US\$40,000 on signing (paid subsequent to September 30, 2020);
- Make a cash payment of US\$80,000 and incur US\$250,000 of exploration expenditures by August 31, 2021;
- Make a cash payment of US\$180,000 and complete 2,500 metre of drilling by August 31, 2022;
- Make a cash payment of US\$250,000 by August 31, 2023; and
- Make a cash payment of US\$1,950,000 and complete 10,000 metre of drilling by August 31, 2024.

The Agua Amarga Project is subject to:

- Net Smelting Return ("NSR") of 1% over precious metals and 5% of base metal NPI on the Barrick Claims by Barrick Chile Limitada; and

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- 1% NSR on the Barrick Claims and 2% NSR on the Lourdes Claims by Aragonita. The Company can buy back 0.5% of Barrick Claims NSR and 1% of Lourdes Claims NSR for US\$2,000,000 until one year after the start of commercial production.

Gema Properties

On September 30, 2020, the Company, through its wholly-owned Chilean subsidiary, entered into an assignment agreement with SBX Asesorías e Inversiones Limitada, a private Chilean company ("SBX"), to acquire a 100% interest in the Gema properties, located in Region III, Chile. The Gema properties include three projects, Marilin, El Gringo and Guanaca, that were originally optioned to SBX by third party Chile optionors.

Pursuant to the terms of the assignment agreement, the Company is required to:

- Make a cash payment of US\$15,000 by March 15, 2021;
- Make a cash payment of US\$60,000 by June 15, 2021;
- Make a cash payment of US\$90,000 by September 15, 2021;
- Make a cash payment of US\$45,000 by January 15, 2022;
- Make a cash payment of US\$300,000 by September 15, 2022;
- Make a cash payment of US\$825,000 by July 15, 2023;
- Make a cash payment of US\$1,290,000 by May 15, 2024; and
- Make a cash payment of US\$1,154,000 by March 15, 2025.

The Gema properties are subject to 1% NSR on the Marilin project, 1.5% NSR on the El Gringo project, and 1.5% NSR on the Guanaca project. The Company can buy back 0.5% NSR on all projects for US\$1,000,000.

Selected Financial Information

Selected Annual Financial Information

The following is selected financial data derived from the audited financial statements of the Company as at September 30, 2020 and for the period from August 25, 2020 (incorporation) to September 30, 2020.

	September 30, 2020
	(\$)
Total assets	224,193
Exploration and evaluation assets	12,492
Working capital	161,519
	For the period from
	August 25, 2020
	(Incorporation) to
	September 30, 2020
	(\$)
Total revenue	-
Net and comprehensive loss	(10,990)
Net loss per share	(109.90)

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Summary of Quarterly Information

	For the period from August 25, 2020 (Incorporation) to September 30, 2020 (\$)
Total revenue	-
Net and comprehensive loss	(10,990)
Net loss per share	(109.90)

Results of Operations

The Company's net loss total \$10,990 for period from August 25, 2020 (Incorporation) to September 30, 2020, which included \$11,000 of professional fees.

Liquidity and Capital Resources

As at September 30, 2020, the Company had working capital of \$161,519.

The Company was incorporated issuing 100 common shares for \$1.

As at September 30, 2020, the Company received \$185,000 of proceeds related to special warrants issued subsequent on October 15, 2020.

Related Party Transactions

Key management personnel are persons responsible for the planning, directing and controlling activities of the entity. The Company's key management personnel include directors and officers. The Company's key management has not received any compensation.

There were no related party transactions during the period from August 25, 2020 (Incorporation) to September 30, 2020.

Subsequent Events

On October 13, 2020, the Company issued 15,000,000 units ("Units") at \$0.01 per Unit for gross proceeds of \$150,000. Each Unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.15 per common share at any time up to the earlier of (a) June 30, 2024; or (b) the date that is 36 months following the date the common shares are listed and posted for trading on a recognized Canadian exchange. The Company's key management subscribed for 3,550,000 units in the Company's initial financing on October 13, 2020.

On October 15, 2020 the Company issued 44,890,000 special warrants ("Special Warrants") at \$0.10 per Special Warrant for gross proceeds of \$4,489,000. Each Special Warrant will be exercisable for one unit ("SW Unit") consisting of one common share and one common share purchase warrant ("SW Warrant"). Each SW Warrant entitles the holder to purchase one common share at an exercise price of \$0.15 per common share at any time up to the earlier of: (a) June 30, 2024; or (b) the date that is 36 months following the date the common shares are listed and posted for trading on a recognized Canadian exchange. In the event that such listing and posting for trading have not been completed by February 12, 2021, each Special Warrant will be entitled to receive, at no additional consideration, one-and-one-tenth SW Units (instead of one SW Unit) and thereafter at the end of each additional thirty day period prior to the completion of the listing and posting for trading of the common shares each Special Warrant will be exercisable for an additional 0.02 of a SW Unit. The Company incurred \$448,641 of cash share issuance cost and issued 3,591,200 broker warrants. Each broker warrant will entitle the agent to purchase one SW Unit at a price

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\$0.10 per SW Unit until the earlier of June 30, 2024 and the date that is 18 months following listing and posting for trading of the common shares. As at September 30, 2020, the Company received \$185,000 of proceeds.

Off-Balance Sheet Arrangements

The Company did not enter into any off-balance sheet arrangements as at September 30, 2020 or as of the date of this MD&A.

Proposed Transactions

As of the date of this MD&A, there were no proposed transactions.

Economic Conditions

Due to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- Global commodity prices;
- Demand for gold and the ability to carry out mineral exploration;
- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labour availability and supply lines;
- Availability of government supplies, such as water and electricity;
- Purchasing power of the Canadian dollar; and
- Ability to obtain funding.

At the date of this MD&A, the Canadian federal government and the provincial governments have not introduced measures that have directly impeded the operational activities of the Company. Management believes the current situation has not impacted management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Risk Factors

The Company is engaged in mineral exploration and related activities which, by their nature, are speculative due to the high-risk nature of the business and the present stage of its properties. The Company's operations and financial performance are subject to the normal risks of mineral exploration and are subject to various factors which are beyond the control of the Company. The Company is engaged in mineral exploration activities which, by their nature, are speculative due to the high-risk nature of the Company's business. Consequently, the Company's common shares should be considered a highly speculative investment due to the nature of the Company's business. Such risk factors could materially affect the Company's future financial results and could cause actual results and events to differ materially from those described in forward-looking statements and forward-looking information relating to the Company or the business, property or financial results, any of which could cause investors to lose part or all of their investment in the Company.

The risks described below are not the only ones facing the Company. Additional risks not currently known to the Company, or that the Company currently considers immaterial, may also adversely impact the Company's business, operations, financial results or prospects, should any such other events occur.

The Company may not have sufficient funds to develop its mineral properties or to complete further exploration programs

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The exploration and development of mineral deposits involves significant financial risks over a prolonged period of time, which even if there is a combination of careful evaluation, experience and knowledge may not be eliminated. Mineral exploration is expensive and major expenditures may be required to establish reserves by drilling and to construct mining and processing facilities.

The Company has limited financial resources from which to satisfy expenditures and its business strategy will likely require additional substantial capital investment. The Company currently generates no operating revenue, and must finance exploration activity and the development of its mineral properties by other means. The sources of external financing that the Company may use for these purposes include public or private offerings of equity or debt. Financing for the Company's activities may not be available on acceptable terms, or at all.

In the future, the Company's ability to continue exploration and development activities, if any, will depend on its ability to obtain additional external financing. Any unexpected costs, problems or delays could severely impact the Company's ability to continue exploration and development activities, and obtain additional financing.

Negative Cash Flow from Operations

Since inception, the Company had negative cash flow from operating activities. The Company expects negative cash flow for future periods.

The Company will incur losses for the foreseeable future

The Company expects to incur losses unless and until such time as its mineral projects generate sufficient revenues to fund continuing operations. The exploration and development of the Company's mineral properties will require the commitment of substantial financial resources that may not be available. The amount and timing of expenditures will depend on a number of factors, including the progress of ongoing exploration and development, the results of consultants' analysis and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners and the acquisition of additional property interests, some of which are beyond the control of the Company. The Company cannot provide assurance that it will ever achieve profitability.

The Company's mining and exploration activities and future mining operations are, and will be, subject to operational risks and hazards inherent in the mining industry

The Company's business is subject to a number of inherent risks and hazards, including: environmental hazards; industrial accidents; labour disputes; catastrophic accidents; fires; blockades or other acts of social activism; changes in the regulatory environment; impact of non-compliance with laws and regulations or the implementation of new laws and regulations; natural phenomena, such as inclement weather conditions, above or under-ground floods, earthquakes, pit wall failures, ground movements, tailings pipeline and dam failures and cave-ins; and unusual or unexpected geological conditions and technological failure of mining methods. The Company may also contract for the transport of mineral products which will expose the Company to risks inherent in transportation, including loss or damage of transportation equipment and spills of cargo. There is no assurance that the foregoing risks and hazards will not occur or, should they occur, that they will not result in damage to, or destruction of, the properties and assets of the Company, personal injury or death, environmental damage, delays in or interruption of or cessation of production from the properties or impairment of the Company's exploration or development activities, which could result in unforeseen costs, monetary losses, potential legal liability and adverse governmental action, all of which could have a material and adverse impact on the Company's cash flows, earnings, results of operations, financial condition and prospects.

The Company cannot guarantee that its projects will become a commercially viable mine, or that it will discover any commercially viable mineral deposits

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Mineral exploration and development projects are highly speculative and are characterized by a number of significant inherent risks, which even a combination of careful evaluation, experience and knowledge may not eliminate and may result in the inability to develop a project. These risks include, among other things, unprofitable efforts resulting not only from the failure to discover mineral resources, but also from finding mineral resources that are insufficient in quantity and quality to return a profit from production. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, flooding, fires, power outages, lack of water, labour disruptions, civil instability and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in mining operations and the conduct of exploration and development programs, as well as the inability to obtain required capital. There is no assurance that the foregoing risks will not occur and inhibit, delay or cease the development of the Company's exploration or development activities, all of which could have an adverse impact on the Company's business, results of operations, financial condition and prospects.

The Company has no mineral properties in production or under development

The Company does not currently have mineral properties under development. If the development of the Company's properties is found to be economically feasible, the Company will be required to engage in the construction and operation of mines, processing plants and related infrastructure. As a result, the Company will continue to be subject to all of the risks associated with establishing new mining operations, including:

- unexpected variations in grade and material mined and processed;
- unexpected variation in plant performance;
- potential unrest and other hostilities in the area where the Company's mineral properties are located which may delay or prevent development activities;
- uncertainty regarding the timing and cost of the construction of mining and processing facilities;
- the inability to establish and build the necessary infrastructure, particularly adequate water and power supply;
- the inability to source skilled labour and mining equipment;
- the inability to obtain necessary environmental and other governmental approvals and permits and the timing of the receipt of those approvals and permits;
- the unavailability of funds to finance development and construction activities;
- opposition from non-governmental organizations, environmental groups or local groups which may delay or prevent development activities; and
- potential increases in operating costs due to changes in the cost of fuel, power, water materials and supplies and changes in capital costs due to changing operational plans and supply inputs.

Cost estimates to develop a project may increase as more detailed engineering work is completed on a project. It is common in new mining operations to experience unexpected costs, problems and delays during construction, development and mine start-up. In addition, delays in the early stages of mineral production often occur. Accordingly, the Company cannot provide assurance that its activities will result in mining operations at its mineral properties.

The mineral deposits on the Company's properties may not be commercially viable

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which depend on the particular attributes of the deposit (such as its size and grade), proximity to infrastructure, financing costs and governmental regulations (including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of minerals and environmental protection). The effect of these factors cannot be accurately predicted, but a combination of these factors may result in the Company not receiving an adequate or any return on invested capital.

Limited infrastructure and mining supplies could adversely affect future operations

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Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, power sources and particularly water supply are important determinants that affect capital and operating costs. Process reagents, such as sulphuric acid, as well as fuel, will need to be imported. An inability to create or access such infrastructure due to weather phenomena, sabotage, government or other interference could adversely affect the operations, profitability, financial condition, results of operations and prospects of the Company.

The Company's operations are subject to environmental regulation which may impose costs on the Company and restrict the Company's operations

The Company's operations are subject to environmental regulation including regular environmental impact assessments and the requirement to obtain and maintain certain permits. Such regulation covers a wide variety of matters, including, without limitation, prevention of waste, pollution and protection of the environment, labour regulations and health and safety. The Company may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. Environmental legislation and permitting requirements are likely to evolve 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 directors and employees.

Resignations by key personnel would materially impact the Company

The Company believes that its growth and success depends in significant part on the continued employment of the Company's executive officers and key technical personnel. The Company must also continue to attract and retain key management, technical, finance and operating personnel. Experienced management and other highly skilled personnel are in great demand. If the Company is unable to attract or retain key personnel, it could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

The Company requires further licences to exploit resources

The Company's exploration activities are dependent upon the grant of appropriate authorizations, licences, permits and consents, as well as continuation of the authorizations, licences, permits and consents already granted, which may be granted for a defined period of time, or may not be granted or may be withdrawn or made subject to limitations. While the Company believes that it has all of the appropriate authorizations, licenses, permits and consents that it requires to run its current business, any expansion of the Company's activities could require the granting of additional authorizations, licenses, permits and consents. Furthermore, obtaining a licence could take a significant period of time. There can be no assurance that all necessary authorizations, licences, permits and consents will be granted to the Company on a timely basis or at all, or that authorizations, licences, permits and consents already granted will not be withdrawn or made subject to limitations, which could, in turn, have a material adverse effect on the Company's business, financial condition and results of operations.

The Company may become subject to litigation

All industries, including the mining industry, may be made subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of litigation process, the resolution of any particular legal proceeding could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

Additional Information

Additional information related to the Company is available on SEDAR at www.sedar.com.

APPENDIX B
AUDIT COMMITTEE CHARTER

See attached.

AUDIT COMMITTEE CHARTER

This charter (the “**Charter**”) sets forth the purpose, composition, responsibilities and authority of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Cascada Silver Corp. (the “**Company**”).

1.0 Purpose

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- financial reporting and disclosure requirements;
- ensuring that an effective risk management and financial control framework has been implemented and tested by management of the Company; and
- external and internal audit processes.

2.0 Composition and Membership

- (a) The Board will appoint the members (“**Members**”) of the Committee. The Members will be appointed to hold office until the next annual general meeting of shareholders of the Company or until their successors are appointed. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will automatically cease to be a Member upon ceasing to be a Director.
- (b) The Committee will consist of at least three Directors. Members will meet the criteria for independence and financial literacy established by applicable laws and the rules of any stock exchanges upon which the Company's securities are listed, including National Instrument 52-110 — Audit Committees. In addition, each Director will be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member's independent judgment.
- (c) The Board will appoint one of the Members to act as the chairman of the Committee (the “**Chairman**”). The secretary of the Company (the “**Secretary**”) will be the secretary of all meetings and will maintain minutes of all meetings and deliberations of the Committee. If the Secretary is not in attendance at any meeting, the Committee will appoint another person who may, but need not, be a Member to act as the secretary of that meeting.

3.0 Meetings

- (a) Meetings of the Committee will be held at such times and places as the Chairman may determine, but in any event not less than four times per year. Twenty-four hours advance notice of each meeting will be given to each Member orally, by telephone, or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by telephone.
- (b) At the request of the external auditors of the Company, the Chief Executive Officer or the Chief Financial Officer of the Company or any Member, the Chairman will convene a meeting of the Committee. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested.
- (c) The Chairman, if present, will act as the chairman of meetings of the Committee. If the Chairman is not present at a meeting of the Committee the Members in attendance may select one of their number to act as chairman of the meeting.

- (d) A majority of Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chairman will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolutions signed by all Members.
- (e) The Committee may invite from time to time such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee. The Committee may meet in camera without members of management in attendance for a portion of each meeting of the Committee.
- (f) In advance of every regular meeting of the Committee, the Chairman, with the assistance of the Secretary, will prepare and distribute to the Members and others as deemed appropriate by the Chairman, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of the Company to produce such information and reports as the Committee may deem appropriate in order for it to fulfill its duties.

4.0 Duties and Responsibilities

The duties and responsibilities of the Committee as they relate to the following matters, are as follows:

4.1 *Financial Reporting and Disclosure*

- (a) review and recommend to the Board for approval, the audited annual financial statements, including the auditors' report thereon, the quarterly financial statements, management discussion and analysis and financial reports prior to the public disclosure of such information, with such documents to indicate whether such information has been reviewed by the Board or the Committee;
- (b) review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms, annual report to shareholders, management proxy circular, material change disclosures of a financial nature and similar disclosure documents prior to the public disclosure of such information;
- (c) review with management of the Company, and with external auditors, significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards ("IFRS"), with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly the Company's financial position and the results of its operations in accordance with IFRS, as applicable; and
- (d) seek to ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, periodically assess the adequacy of those procedures and recommend any proposed changes to the Board for consideration;

4.2 *Internal Controls and Audit*

- (a) review the adequacy and effectiveness of the Company's system of internal control and management information systems through discussions with management and the external auditor to ensure that the Company maintains: (i) the necessary books, records and accounts in sufficient detail to accurately and fairly reflect the Company's transactions; (ii) effective internal control systems; and (iii) adequate processes for

assessing the risk of material misstatement of the financial statement and for detecting control weaknesses or fraud. From time to time the Committee may assess whether it is necessary or desirable to establish a formal internal audit department having regard to the size and stage of development of the Company at any particular time;

- (b) satisfy itself that management has established adequate procedures for the review of the Company's disclosure of financial information extracted or derived directly from the Company's financial statements;
- (c) satisfy itself, through discussions with management, that the adequacy of internal controls, systems and procedures has been periodically assessed in order to ensure compliance with regulatory requirements and recommendations;
- (d) review and discuss the Company's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities; and
- (e) review, and in the Committee's discretion make recommendations to the Board regarding, the adequacy of the Company's risk management policies and procedures with regard to identification of the Company's principal risks and implementation of appropriate systems to manage such risks including an assessment of the adequacy of insurance coverage maintained by the Company.

4.3 External Audit

- (a) recommend to the Board a firm of external auditors to be nominated for appointment as the external auditor of the Company;
- (b) ensure the external auditors report directly to the Committee on a regular basis;
- (c) review the independence of the external auditors, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards;
- (d) review and recommend to the Board the fee, scope and timing of the audit and other related services rendered by the external auditors;
- (e) review the audit plan of the external auditors prior to the commencement of the audit;
- (f) establish and maintain a direct line of communication with the Company's external and internal auditors;
- (g) meet in camera with only the auditors, with only management, and with only the members of the Committee at every Committee meeting where, and to the extent that, such parties are present;
- (h) oversee the performance of the external auditors who are accountable to the Committee and the Board as representatives of the shareholders, including the lead partner of the independent auditor's team;
- (i) oversee the work of the external auditors appointed by the shareholders of the Company with respect to preparing and issuing an audit report or performing other audit, review or attest services for the Company, including the resolution of issues between management of the Company and the external auditors regarding financial disclosure;

- (j) review the results of the external audit and the report thereon including, without limitation, a discussion with the external auditors as to the quality of accounting principles used, any alternative treatments of financial information that have been discussed with management of the Company, the ramifications of their use as well as any other material changes. Review a report describing all material written communication between management and the auditors such as management letters and schedule of unadjusted differences;
- (k) discuss with the external auditors their perception of the Company's financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of their review and availability of records, data and other requested information and any recommendations with respect thereto;
- (l) discuss with the external auditors their perception of the Company's identification and management of risks, including the adequacy or effectiveness of policies and procedures implemented to mitigate such risks;
- (m) review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board; and
- (n) review annually a report from the external auditors in respect of their internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues.

4.4 Associated Responsibilities

- (a) monitor and periodically review the Company's procedures for: (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; (ii) the confidential, anonymous submission by Directors, officers and employees of the Company of concerns regarding questionable accounting or auditing matters; (iii) any violations of any applicable law, rule or regulation that relates to corporate reporting and disclosure, or violations of the Company's Code of Business Conduct & Ethics; and
- (b) review and approve the Company's hiring policies regarding employees and partners, and former employees and partners, of the present and former external auditors of the Company.

4.5 Non-Audit Services

- (a) pre-approve all non-audit services to be provided to the Company or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its members the authority to pre-approve non-audit services but pre-approval by such member or members so delegated shall be presented to the full Committee at its first scheduled meeting following such pre-approval.

5.0 Oversight Function

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are

complete and accurate or comply with IFRS and other applicable requirements. These are the responsibilities of Management and the external auditors. The Committee, the Chairman and any Members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Company, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of the Company's financial information or public disclosure.

6.0 Reporting

The Chairman will report to the Board at each Board meeting on the Committee's activities since the last Board meeting. The Committee will annually review and approve the Committee's report for inclusion in the Annual Information Form. The Secretary will circulate the minutes of each meeting of the Committee to the members of the Board.

7.0 Access to Information and Authority

The Committee will be granted unrestricted access to all information regarding the Company that is necessary or desirable to fulfill its duties and all Directors, officers and employees will be directed to cooperate as requested by Members. The Committee has the authority to retain, at the Company's expense, independent legal, financial and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve any such firm's fees and other retention terms without prior approval of the Board. The Committee also has the authority to communicate directly with internal and external auditors.

8.0 Review of Charter

The Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.

Dated: January 6, 2021
Approved by: Audit Committee
Board of Directors

APPENDIX C
FINANCIAL STATEMENTS

See attached.

CASCADA SILVER CORP.
CONSOLIDATED FINANCIAL STATEMENTS
PERIOD FROM AUGUST 25, 2020 (INCORPORATION)
TO SEPTEMBER 30, 2020
(EXPRESSED IN CANADIAN DOLLARS)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Cascada Silver Corp.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Cascada Silver Corp. (the Company), which comprise the consolidated statement of financial position as at September 30, 2020 and the consolidated statements of loss and comprehensive loss, consolidated statements of cash flows and consolidated statements of changes in equity for the period from August 25, 2020 (date of incorporation) to September 30, 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2020, and its financial performance and its cash flows for the period from August 25, 2020 (date of incorporation) to September 30, 2020, in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Relating to Going Concern

We draw your attention to Note 2 in the consolidated financial statements, which indicates that the Company incurred a comprehensive loss of \$10,990 during the period from August 25, 2020 (date of incorporation) to September 30, 2020. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the annual management's discussion and analysis but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

The engagement partner on the audit resulting in this independent auditor's report is Pat Kenney.

Clearhouse LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
December 11, 2020

Cascada Silver Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	As at September 30, 2020
ASSETS	
Current assets	
Cash	\$ 185,011
Prepaid expenses	26,690
Total current assets	211,701
Non-current assets	
Exploration and evaluation assets (note 7)	12,492
Total assets	\$ 224,193
EQUITY AND LIABILITIES	
Current liabilities	
Accounts payable and accrued liabilities	\$ 50,182
Total liabilities	50,182
Equity	
Share capital (note 8)	1
Special warrants to be issued (note 11)	185,000
Deficit	(10,990)
Total equity	174,011
Total equity and liabilities	\$ 224,193

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

Nature of operations (note 1)

Going concern (note 2)

Subsequent events (note 11)

Approved on behalf of the Board:

(Signed) "Thomas Pladsen" Director

(Signed) "Carl Hansen" Director

Cascada Silver Corp.**Consolidated Statements of Loss and Comprehensive Loss**
(Expressed in Canadian Dollars)

	Period from August 25, 2020 (incorporation) to September 30, 2020
Expenses	
Professional fees	\$ 11,000
Foreign exchange gain	(10)
Net and comprehensive loss for the period	\$ (10,990)
Basic and diluted net loss per share	\$ (109.90)
Weighted average number of common shares outstanding	100

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

Cascada Silver Corp.**Consolidated Statements of Changes in Equity**
(Expressed in Canadian Dollars)

	<u>Share capital</u>				
	Number of shares	Share capital	Special warrants to be issued	Deficit	Total
Balance, August 25, 2020 (incorporation)	-	-	-	-	-
Common shares issued for cash	100	1	-	-	1
Special warrants to be issued	-	-	185,000	-	185,000
Net loss for the period	-	-	-	(10,990)	(10,990)
Balance, September 30, 2020	100	\$ 1	\$ 185,000	\$ (10,990)	\$ 174,011

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

Cascada Silver Corp.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Period from August 25, 2020 (incorporation) to September 30, 2020
Operating activities	
Net loss for the period	\$ (10,990)
Changes in non-cash working capital items:	
Prepaid expenses	(26,690)
Accounts payable and accrued liabilities	50,182
Net cash provided by operating activities	12,502
Investing activities	
Exploration and evaluation assets	(12,492)
Net cash used in investing activities	(12,492)
Financing activities	
Issuance of common shares for cash	1
Special warrants to be issued	185,000
Net cash provided by financing activities	185,001
Net change in cash	185,011
Cash, beginning of period	-
Cash, end of period	\$ 185,011

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

Cascada Silver Corp.

Notes to Consolidated Financial Statements

Period from August 25, 2020 (Incorporation) to September 30, 2020

(Expressed in Canadian Dollars)

1. Corporate information and nature of operations

Cascada Silver Corp. (the "Company") was incorporated under the Ontario Business Corporations Act on August 25, 2020. On October 2, 2020, the Company continued its incorporation to the province of British Columbia. The Company is in the business of exploration and evaluation of mineral properties in South America. The address of the Company's corporate office and principal place of business is 25 Adelaide Street East, Suite 1900, Toronto, Ontario, Canada.

2. Going concern

These financial statements have been prepared on a going concern basis, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of operations in the foreseeable future. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

The Company will require additional financing in order to further develop its exploration properties, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. The Company intends to raise operating cash flow from equity financings in the near term and have the Company's common shares listed on a recognized Canadian exchange. While the Company has been successful in securing equity financings in the past, there is no assurance that it will be able to do so in the future and on terms acceptable to management. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

In March 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy, capital markets and the Company's financial position cannot be reasonably estimated at this time. The Company is monitoring developments and will adapt its business plans accordingly. The actual and threatened spread of COVID-19 globally could adversely impact the Company's ability to carry out its plans and raise capital.

3. Basis of presentation and statement of compliance

Statement of compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). These financial statements have been prepared in compliance with IFRS and in accordance with the accounting policies described in note 4, Summary of Significant Accounting Policies. The policies set out below have been consistently applied to all the periods presented, unless otherwise noted.

The financial statements for the period from August 25, 2020 (incorporation) to September 30, 2020 were reviewed and authorized for issue by the Board of Directors on December 11, 2020.

Basis of measurement

The financial statements have been prepared on a historical cost basis, except for certain financial instruments measured at fair value. The financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency.

The preparation of these financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Cascada Silver Corp.

Notes to Consolidated Financial Statements

Period from August 25, 2020 (Incorporation) to September 30, 2020

(Expressed in Canadian Dollars)

4. Summary of significant accounting policies

The accounting policies set out below have been applied in preparing the consolidated financial statements for the period from August 25, 2020 (incorporation) to September 30, 2020.

Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its wholly-owned Chilean subsidiary, Atacama Silver SpA.

The subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtained control, and continues to be consolidated until the date that such control ceases. Control is achieved when an investor has power over an investee to direct its activities, exposure to variable returns from an investee, and the ability to use the power to affect the investor's returns.

The results of subsidiaries acquired or disposed of during the years presented are included in the consolidated statements of comprehensive loss from the effective date of control and up to the effect date of disposal or loss of control, as appropriate. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

Exploration and evaluation expenditures

Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred.

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activities.

Acquisition costs and exploration and evaluation expenditures are capitalized until the technical feasibility and commercial viability of the exploration properties is determined. The Company capitalizes costs to specific blocks of claims or areas of geological interest.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

After technical feasibility and commercial viability of the extraction of mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset.

Cascada Silver Corp.

Notes to Consolidated Financial Statements

Period from August 25, 2020 (Incorporation) to September 30, 2020

(Expressed in Canadian Dollars)

4. Summary of significant accounting policies (continued)

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, in the countries where the Company operates and generates taxable income.

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 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 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 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 tax assets and deferred 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.

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period in which options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Cascade Silver Corp.

Notes to Consolidated Financial Statements

Period from August 25, 2020 (Incorporation) to September 30, 2020

(Expressed in Canadian Dollars)

4. Summary of significant accounting policies (continued)

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company classifies its financial instruments as follows:

Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of net loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net loss in the period in which they arise.

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Cascada Silver Corp.

Notes to Consolidated Financial Statements

Period from August 25, 2020 (Incorporation) to September 30, 2020

(Expressed in Canadian Dollars)

4. Summary of significant accounting policies (continued)

Financial instrument (continued)

Derecognition

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. Gains and losses on derecognition are generally recognized in the consolidated statements of loss.

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.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period.

Accounting standards issued but not yet effective

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

Accounting estimates and judgments

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there are significant risk of material adjustments to assets and liabilities in future accounting periods include:

- recoverability and measurement of deferred tax assets;
- recoverable amount of its evaluation and exploration assets; and
- fair value of stock-based transactions.

Significant judgments:

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgment in the Company's financial statements is the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

Cascada Silver Corp.

Notes to Consolidated Financial Statements

Period from August 25, 2020 (Incorporation) to September 30, 2020

(Expressed in Canadian Dollars)

5. Capital risk management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company's ability to continue to carry out its planned exploration activities is uncertain and dependent upon securing additional financing.

The Company considers its capital to be equity which at September 30, 2020, totaled \$174,011. The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. The Company's capital management objectives, policies and processes have remained unchanged during the period from August 25, 2020 (incorporation) to September 30, 2020. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

6. Financial risk management

Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency risk and price risk).

Risk management is carried out by the Company's management team with guidance from the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's exposure to credit risk is limited to its cash. The Company limits its exposure to credit risk by holding its cash in deposits with high credit quality Canadian financial institutions.

(ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2020, the Company had cash of \$185,011, to settle current liabilities of \$50,182. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Cascada Silver Corp.

Notes to Consolidated Financial Statements

Period from August 25, 2020 (Incorporation) to September 30, 2020

(Expressed in Canadian Dollars)

6. Financial risk management (continued)

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and quoted prices.

(a) Interest rate risk

The Company has \$185,011 cash balances and no interest-bearing debt and was not exposed to interest rate risk. As a result, the Company's exposure to interest rate risk is minimal.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company does not have any significant assets in currency other than the functional currency of the Company, nor has significant foreign currency denominated liabilities, therefore any changes in foreign exchange rates will not give rise to significant changes to the loss.

(c) Price risk

The ability of the Company to acquire new properties and the future profitability of the Company is directly related to the market price of certain minerals. The Company's risk management objectives are to ensure that business and financial exposures to risk that have been identified and measured are minimized using the most effective and efficient methods to reduce, transfer and, when possible, eliminate such exposures. Operating decisions contemplate associated risks and management strives to structure proposed transactions to avoid or reduce risk whenever possible.

7. Exploration and evaluation assets

During the period from August 25, 2020 (incorporation) to September 30, 2020, the Company's exploration and evaluation asset activities were as follows:

	Agua Amarga Project	Gema Properties	Total
Balance, August 25, 2020	\$ -	\$ -	\$ -
Legal	12,492	-	12,492
Balance, September 30, 2020	\$ 12,492	\$ -	\$ 12,492

Cascada Silver Corp.

Notes to Consolidated Financial Statements

Period from August 25, 2020 (Incorporation) to September 30, 2020

(Expressed in Canadian Dollars)

7. Exploration and evaluation assets (continued)

Agua Amarga Project

On September 30, 2020, the Company, through its wholly-owned Chilean subsidiary, entered into an option agreement with Aragonita Asesorias Ltda. ("Aragonita"), a private Chilean company, to acquire a 100% interest in the Agua Amarga Project, covering a total area of 1,465 hectares located in Region III, Chile. The Agua Amarga Project includes the Barrick Claims and the Lourdes Claims.

Pursuant to the terms of the option agreement, the Company is required to:

- Make a cash payment of US\$40,000 on signing (paid subsequent to September 30, 2020);
- Make a cash payment of US\$80,000 and incur US\$250,000 of exploration expenditures by August 31, 2021;
- Make a cash payment of US\$180,000 and complete 2,500 metre of drilling by August 31, 2022;
- Make a cash payment of US\$250,000 by August 31, 2023; and
- Make a cash payment of US\$1,950,000 and complete 10,000 metre of drilling by August 31, 2024.

The Agua Amarga Project is subject to:

- Net Smelting Return ("NSR") of 1% over precious metals and 5% of base metal NPI on the Barrick Claims by Barrick Chile Limitada; and
- 1% NSR on the Barrick Claims and 2% NSR on the Lourdes Claims by Aragonita. The Company can buy back 0.5% of Barrick Claims NSR and 1% of Lourdes Claims NSR for US\$2,000,000 until one year after the start of commercial production.

Gema Properties

On September 30, 2020, the Company, through its wholly-owned Chilean subsidiary, entered into an assignment agreement with SBX Asesorías e Inversiones Limitada, a private Chilean company ("SBX"), to acquire a 100% interest in the Gema properties, located in Region III, Chile. The Gema properties include three projects, Marilin, El Gringo and Guanaca, that were originally optioned to SBX by third party Chile optionors.

Pursuant to the terms of the assignment agreement, the Company is required to:

- Make a cash payment of US\$15,000 by March 15, 2021;
- Make a cash payment of US\$60,000 by June 15, 2021;
- Make a cash payment of US\$90,000 by September 15, 2021;
- Make a cash payment of US\$45,000 by January 15, 2022;
- Make a cash payment of US\$300,000 by September 15, 2022;
- Make a cash payment of US\$825,000 by July 15, 2023;
- Make a cash payment of US\$1,290,000 by May 15, 2024; and
- Make a cash payment of US\$1,154,000 by March 15, 2025.

The Gema properties are subject to 1% NSR on the Marilin project, 1.5% NSR on the El Gringo project, and 1.5% NSR on the Guanaca project. The Company can buy back 0.5% NSR on all projects for US\$1,000,000.

Cascada Silver Corp.

Notes to Consolidated Financial Statements

Period from August 25, 2020 (Incorporation) to September 30, 2020

(Expressed in Canadian Dollars)

8. Share capital

(a) Authorized share capital

Unlimited number of common shares without par value.

(b) Issued

	Number of shares	Share capital
Balance, August 25, 2020	-	\$ -
Common shares issued for cash (i)	100	1
Balance, September 30, 2020	100	\$ 1

(i) The Company was incorporated issuing 100 common shares for \$1.

9. Related party transactions

Key management personnel are persons responsible for the planning, directing and controlling activities of the entity. The Company's key management personnel include directors and officers. The Company's key management has not received any compensation.

There were no related party transactions during the period from August 25, 2020 (incorporation) to September 30, 2020.

Cascada Silver Corp.**Notes to Consolidated Financial Statements****Period from August 25, 2020 (Incorporation) to September 30, 2020****(Expressed in Canadian Dollars)**

10. Income taxes

A reconciliation of income taxes calculated at the combined statutory tax rate to the income tax expense is as follows:

	Period from August 25, 2020 (incorporation) to September 30, 2020
Loss before income taxes	\$ (10,990)
Expected tax (recovery) expense at 26.5%	(2,900)
Adjustments for the following items:	
Change in unrecognized deferred tax asset	2,900
Total income tax expense	-

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

	September 30, 2020
Non-capital losses	\$ 2,900
Valuation allowance	(2,900)
Net deferred tax asset	\$ -

As at September 30, 2020, the Company has estimated non-capital losses totalling \$10,990 in Canada, expiring in 2040, that may be carried forward to reduce taxable income derived in future years.

Cascada Silver Corp.

Notes to Consolidated Financial Statements

Period from August 25, 2020 (Incorporation) to September 30, 2020

(Expressed in Canadian Dollars)

11. Subsequent events

On October 13, 2020, the Company issued 15,000,000 units ("Units") at \$0.01 per Unit for gross proceeds of \$150,000. Each Unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.15 per common share at any time up to the earlier of (a) June 30, 2024; or (b) the date that is 36 months following the date the common shares are listed and posted for trading on a recognized Canadian exchange. The Company's key management subscribed for 3,550,000 units in the Company's initial financing on October 13, 2020.

On October 15, 2020 the Company issued 44,890,000 special warrants ("Special Warrants") at \$0.10 per Special Warrant for gross proceeds of \$4,489,000. Each Special Warrant will be exercisable for one unit ("SW Unit") consisting of one common share and one common share purchase warrant ("SW Warrant"). Each SW Warrant entitles the holder to purchase one common share at an exercise price of \$0.15 per common share at any time up to the earlier of: (a) June 30, 2024; or (b) the date that is 36 months following the date the common shares are listed and posted for trading on a recognized Canadian exchange. In the event that such listing and posting for trading have not been completed by February 12, 2021, each Special Warrant will be entitled to receive, at no additional consideration, one-and-one-tenth SW Units (instead of one SW Unit) and thereafter at the end of each additional thirty day period prior to the completion of the listing and posting for trading of the common shares each Special Warrant will be exercisable for an additional 0.02 of a SW Unit. The Company incurred \$448,641 of cash share issuance cost and issued 3,591,200 broker warrants. Each broker warrant will entitle the agent to purchase one SW Unit at a price \$0.10 per SW Unit until the earlier of June 30, 2024 and the date that is 18 months following listing and posting for trading of the common shares. As at September 30, 2020, the Company received \$185,000 of proceeds.

APPENDIX D
CERTIFICATE OF THE COMPANY

January 7, 2021

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required under the securities legislation of each of the Provinces of Canada, other than the Province of Québec.

(Signed) **CARL HANSEN**
President & Chief Executive Officer

(Signed) **THOMAS PLADSEN**
Chief Financial Officer & Secretary

On behalf of the Board of Directors

(Signed) **ROBERT SUTTIE**
Director

(Signed) **BRENT PETERS**
Director

CERTIFICATE OF THE PROMOTER

January 7, 2021

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required under the securities legislation of each of the Provinces of Canada, other than the Province of Québec.

(Signed) **CARL HANSEN**

CERTIFICATE OF THE AGENT

January 7, 2021

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 each of the Provinces of Canada, other than the Province of Québec.

MACKIE RESEARCH CAPITAL CORPORATION

(Signed) **DAVID GREIFENBERGER**

Managing Director, Investment Banking