

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

*This amended and restated prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

**AMENDED AND RESTATED PRELIMINARY PROSPECTUS  
(amending and restating the preliminary prospectus dated April 8, 2021)**

New Issue

July 7, 2021

**TRACTION EXPLORATION INC.**

915 – 700 West Pender Street  
Vancouver, BC V6C 1G8

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**2,160,000 Common Shares and 2,160,000 Warrants on Exercise of 2,160,000 Outstanding Special Warrants**

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This amended and restated prospectus (the “**Prospectus**”) qualifies the distribution of 2,160,000 common shares (“**SW Shares**”) and 2,160,000 common share purchase warrants (“**SW Warrants**”) of Traction Exploration Inc. (the “**Company**” or “**Traction**”) to be distributed, without additional payment, upon the exercise or deemed exercise of 2,160,000 issued and outstanding special warrants (each, a “**Special Warrant**”) of the Company.

**The Special Warrants are not available for purchase pursuant to this Prospectus and no additional funds are to be received by the Company from the distribution of the securities under this Prospectus upon the exercise or deemed exercise of the Special Warrants.**

The Special Warrants were issued by the Company on a private placement basis (the “**Special Warrant Private Placement**”) on February 22, 2021 (the “**Closing Date**”). The Company issued an aggregate of 2,160,000 Special Warrants at a price of \$0.10 per Special Warrant and received gross proceeds of \$2,160,000 from the sale of the Special Warrants. Each Special Warrant entitles the holder to acquire, without further payment, one unit, each to be composed of one (1) SW Share and one (1) SW Warrant, each SW Warrant exercisable into one common share (a “**Warrant Share**”) of the Company at an exercise price of \$0.20 for two (2) years from the date the Company’s shares commence trading on the Canadian Securities Exchange. Each Special Warrant will automatically convert at 5:00 p.m. (Vancouver time) on the date that is the earlier of: (a) the third business day after the date on which a receipt (the “**Receipt**”) for a final prospectus to qualify the distribution of the SW Shares and SW Warrants is received by the Company from the British Columbia Securities Commission; and (b) one year from the Closing Date. Upon exercise or deemed exercise of the Special Warrants, and without additional payment therefor, the Company will issue 2,160,000 SW Shares and 2,160,000 SW Warrants.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted on any stock exchange or quotation service.

Concurrently with the filing of this Prospectus, the Company has applied to list its issued and outstanding common shares (the “**Common Shares**”), the SW Shares and Warrant Shares qualified under this Prospectus and all other Common Shares issuable as described in this Prospectus on the Canadian Securities Exchange (the “**Exchange**”).

**There is currently no market through which any of the securities being distributed under this Prospectus, may be sold, and purchasers may not be able to resell such securities acquired hereunder. 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” and “Cautionary Statement Regarding Forward-Looking Statements”.**

**An investment in securities of the Company involves a high degree of risk and must be considered speculative due to the nature of the Company’s business and the present stage of exploration of its mineral property. The risks outlined in this Prospectus and in the documents incorporated by reference herein should be carefully reviewed and considered by investors in connection with an investment in the Company’s securities. See “Risk Factors”.**

**No underwriter has been involved in the preparation of the Prospectus or performed any review or independent due diligence of the contents of the 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, Aequis 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 all securities issuable upon the exercise or deemed exercise of the Special Warrants, in the event that a holder of Special Warrants exercises such securities prior to the date that the Receipt is received by the Company, the securities issued upon exercise of such Special Warrants will be subject to statutory hold periods under applicable securities legislation and shall bear such legends as required by applicable securities laws.

Investors should rely only on the information contained in this Prospectus and the documents incorporated by reference herein. The Company has not authorized anyone to provide investors with information different from that contained in this Prospectus. The information contained in this Prospectus is accurate only as of the date of this Prospectus.

The Company’s head office is located at 915 – 700 West Pender Street, Vancouver, BC V6C 1G8. The Company’s registered office is located at 6<sup>th</sup> Floor, 905 West Pender Street, Vancouver, BC, V6C 1L6.

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## GLOSSARY

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


“**Author**” means Muzaffer Sultan, Ph.D., P.Geo., the author of the Technical Report.

“**Board**” means the Board of Directors of the Company.

“**Closing Date**” means February 22, 2021.

“**Common Shares**” means the common shares in the capital of the Company and “**Common Share**” means any one of them.

“**Company**” or “**Traction**” means Traction Exploration Inc.

“**Escrow Agreement**” means the NP 46-201 escrow agreement dated  among the Transfer Agent, the Company and various Principals and shareholders of the Company.

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

“**Founders’ Placement**” means, collectively, the non-brokered private placement financing by the Company completed on July 20, 2020, August 10, 2020, and August 26, 2020 and consisting of an aggregate of 2,300,000 Common Shares at a price of \$0.005 per share for gross proceeds of \$11,500.

“**Listing Date**” means the date on which the Common Shares of the Company are listed for trading on the Exchange.

“**Net Smelter Return**” or “**NSR**” means a 3% net smelter royalty interest in the Property granted to the Optionor upon the commencement of commercial production from the Property, as more particularly described in the Property Agreement.

“**NI 41-101**” means National Instrument 41-101 *General Prospectus Requirements* of the Canadian Securities Administrators.

“**NI 43-101**” means National Instrument 43-101 *Standards of Disclosure for Mineral Properties* of the Canadian Securities Administrators.

“**NI 52-110**” means National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators.

“**NI 58-101**” means National Instrument 58-101 *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators.

“**NP 46-201**” means National Policy 46-201 *Escrow for Initial Public Offerings* of the Canadian Securities Administrators.

“**NP 58-201**” means National Policy 58-201 *Corporate Governance Guidelines* of the Canadian Securities Administrators.

“**Option**” means the Company’s sole and exclusive right and option to acquire a 100% interest in the Property free and clear of any encumbrance in accordance with the terms and conditions of the Property Agreement;

“**Optionor**” means Afzaal Pirzada, the optionor in the Property Agreement.

“**Principal**” of an issuer means:

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



- (b) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the prospectus;
- (c) a 20% holder – a person or company that holds securities carrying more than 20% of the voting rights attached to the issuer’s outstanding securities immediately before and immediately after the issuer’s initial public offering; or
- (d) a 10% holder – a person or company that:
  - (i) holds securities carrying more than 10% of the voting rights attached to the issuer’s outstanding securities immediately before and immediately after the issuer’s initial public offering, and
  - (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the issuer or any of its material operating subsidiaries;

“**Private Placements**” means the Founders’ Placement, the Second Private Placement, the Third Private Placement, and the Special Warrant Private Placement, collectively.

“**Property**” or “**Whitewater Property**” means the six claims comprising the Whitewater Property located in the Slocan Mining Division, Kaslo, British Columbia, Canada.

“**Property Agreement**” means the mineral property option agreement between the Company and Afzaal Pirzada, dated August 6, 2020 and amended September 3, 2020, pursuant to which the Company has the sole and exclusive right to acquire up to a 100% interest in the Property.

“**Prospectus**” means the preliminary, amended and restated, or final prospectus with respect to the qualification of the distribution of Units, as the case may be.

“**Qualified Person**” means an individual who:

- (a) is an engineer or geoscientist with a university degree, or equivalent accreditation, in an area of geoscience, or engineering, relating to mineral exploration or mining;
- (b) has at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these, that is relevant to his or her professional degree or area of practice;
- (c) has experience relevant to the subject matter of the Property and of the Technical Report; and
- (d) is in good standing with a professional association and, in the case of a foreign association listed in Appendix A of NI 43-101, has the corresponding designation in Appendix A of NI 43-101.

“**Receipt**” means a receipt for the final Prospectus to qualify the distribution of the Units received by the Company from the British Columbia Securities Commission.

“**Second Private Placement**” means the non-brokered private placement financing by the Company completed on September 16, 2020, and consisting of an aggregate of 10,000,000 Common Shares at \$0.02 per Common Share, with 3,500,000 of the Common Shares issued on a “flow-through” basis and 6,500,000 of the Common Shares being “hard dollar” shares.

“**Special Warrant**” means a special warrant issued by the Company entitling the holder the right to acquire, without additional payment, one Unit for each Special Warrant held.

**“Special Warrant Private Placement”** means the private placement closed by the Company on the Closing Date of 2,160,000 Special Warrants at a price of \$0.10 per Special Warrant for total gross proceeds of \$216,000. Each Special Warrant is convertible into a unit composed of one SW Share and one SW Warrant.

**“SW Shares”** means the 2,160,000 Common Shares of the Company to be issued on exercise or deemed exercise of the Special Warrants.

**“SW Warrants”** means the 2,160,000 share purchase warrants to be issued on exercise or deemed exercise of the Special Warrants, each SW Warrant to be exercisable into one Warrant Share at an exercise price of \$0.20 for two (2) years from the Listing Date.

**“Technical Report”** means the report on the Property prepared for the Company by the Author, dated April 24, 2021, prepared in accordance with NI 43-101.

**“Third Private Placement”** means the non-brokered private placement financing by the Company completed on November 23, 2020 and consisting of an aggregate of 4,000,000 units of the Company’s securities (**“Units”**) at a price of \$0.05 per Unit, with each Unit comprised of one Common Share and one transferable share purchase warrant (a **“Warrant”**), with each Warrant exercisable into one Common Share at a price of \$0.10 per share for a period of three years following the issuance date.

**“Transfer Agent”** means Odyssey Trust Company, at 350 – 409 Granville Street, Vancouver, BC V6C 1T2.

**“Warrant Share”** means a Common Share into which a Warrant or SW Warrant is exercisable.

## CURRENCY

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

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Except for statements of historical fact relating to the Company, certain statements in this Prospectus may constitute forward-looking information, future oriented financial information, or financial outlooks (collectively, “forward looking information”) within the meaning of Canadian securities laws. Forward-looking information may relate to this Prospectus, the Company’s future outlook and anticipated events or results and, in some cases, can be identified by terminology such as “may”, “could”, “should”, “expect”, “plan”, “anticipate”, “believe”, “intend”, “estimate”, “projects”, “predict”, “potential”, “targeted”, “possible”, “continue” or other similar expressions concerning matters that are not historical facts and include, but are not limited in any manner to, those with respect to: expectations, strategies and plans, including the Company’s proposed expenditures for exploration work, and general and administrative expenses (see “Property Description and Location” and “Use of Available Funds” for further details); the results of future exploration work and the estimated timelines for same; the timing, receipt and maintenance of approvals, licenses and permits from applicable government, regulator or administrative bodies; expectations generally about the Company’s business plan and its ability to raise further capital for corporate purposes and further exploration; future financial or operating performance and condition of the Company and its business, operations and properties; environmental, health and safety regulations affecting the mineral exploration industry; competitive conditions; expectations respecting executive compensation; involvement and impact of First Nations land claims and NGOs; staffing of exploration activities and access to services and supplies at the Property; the impact of the COVID-19 public health crisis; capital and operating expenditures; and any and all other timing, development, operational, financial, economic, legal, regulatory and political factors that may influence future events or conditions, as such matters may be applicable.

Such forward-looking statements are based on a number of material factors and assumptions regarding, among other things: the Company’s ability to carry on exploration and development activities, the availability and final receipt of required approvals, licenses and permits for exploration, the Company’s ability to operate in a safe, efficient and effective manner, the Company’s ability to obtain financing and maintain sufficient working capital to explore and operate, the Company’s access to adequate services and supplies and a qualified workforce as and when required and

on reasonable terms, economic conditions and commodity prices. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in this Prospectus. See “Risk Factors”. Forward-looking statements are based upon management’s beliefs, estimates and opinions on the date the statements are made and, other than as required by law, the Company does not intend, and undertakes no obligation to update any forward-looking information to reflect, among other things, new information or future events.

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

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

## PROSPECTUS SUMMARY

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

**Principal Business of the Company:** The Company is currently engaged in the business of exploration of mineral properties in Canada. Upon the performance of each of the Company's obligations under the Property Agreement, the Company will acquire the 100% right, title, and interest in and to the Property. The Company's objective is to explore and, if warranted, develop the Property. It is the intention of the Company to remain in the mineral exploration business. Should the Property not be deemed viable, the Company shall explore opportunities to acquire interests in other properties. See "*Description of the Business*".

**Management, Directors & Officers:**

Michael Malana      President, Chief Executive Officer, and Director  
David Bowen          Director  
Faizaan Lalani       Director  
Afzaal Pirzada       Director  
Ranbir (Reena) Sall      Chief Financial Officer and corporate secretary  
See "*Directors and Executive Officers*".

**The Property:** The Property is an exploration stage property that consists of six claims totaling approximately 2,281.72 hectares land in two claim blocks, referred to as the Whitewater North block and Whitewater South block, located in Slocan Mining Division, Kaslo, British Columbia, Canada. See "*The Whitewater Property*".

**Special Warrants:** This Prospectus is being filed to qualify the distribution in the Province of British Columbia of 2,160,000 Special Warrants, and the underlying SW Shares and SW Warrants, issuable to the holders of a total of 2,160,000 Special Warrants, upon the exercise of those Special Warrants. All unexercised Special Warrants will automatically convert at 5:00 p.m. on the date that is the earlier of: (a) the third business day after the date on which the Receipt is granted by the British Columbia Securities Commission; and (b) one year from the Closing Date.

The Special Warrants were issued on February 22, 2021 at a price of \$0.10 per Special Warrant and there will be no additional proceeds to the Company from the exercise of the Special Warrants.

**Listing:** The Company intends to apply to have its Common Shares listed on the Exchange. Listing is subject to the Company fulfilling all the requirements of the Exchange, including minimum public distribution requirements. See "*Plan of Distribution*".

**Use of Available Funds:** The Company's estimated working capital as of June 30, 2021, the most recent month end, is approximately \$441,674. The expected principal purposes for which the available funds will be used are described below:

To pay for the Phase I exploration program expenditures on the Property <sup>(1)</sup>	\$123,365
Initial Listing Fees <sup>(2)</sup>	\$60,000
To pay for general and administrative costs for next 12 months	\$85,000
Unallocated working capital	\$173,309

**TOTAL: \$441,674**

**Notes:**

1. See “*The Whitewater Property – Recommendations*”.
2. Including legal, audit, securities commissions, and Exchange fees.

**Summary of Financial Information:**

The following selected financial information has been derived from and is qualified in its entirety by the audited financial statements of the Company for the period ended September 30, 2020 and the notes thereto included in this Prospectus and should be read in conjunction with those financial statements and related notes thereto, along with the Management’s Discussion and Analysis included in this Prospectus. All financial statements are prepared in accordance with IFRS. The Company’s financial year end is September 30.

	<b>As at and for the six months ended March 31, 2021 (\$) (unaudited)</b>	<b>As at and for the period ended September 30, 2020 (\$) (audited)</b>
Revenue	Nil	Nil
Total Expenses	160,050	9,140
Net loss and comprehensive loss for the period	160,050	9,140
Loss per share (basic and diluted)	0.01	Nil
Current Assets	468,463	241,958
Total Assets	468,463	241,958
Current Liabilities	20,985	14,509
Long Term Debt	Nil	Nil
Shareholders’ Equity (Deficit)	447,478	227,449

See “Management’s Discussion and Analysis”.

**Risk Factors:**

An investment in the securities of the Company should be considered highly speculative and investors may incur a loss on their investment. The Company only has an option to acquire an interest in the Property. There is no guarantee that the Company will be able to meet its obligations under the Property Agreement. The risks, uncertainties and other factors, many of which are beyond the control of the Company, that could influence actual results include, but are not limited to: insufficient capital; limited operating history; lack of operating cash flow; lack of an active market for the Common Shares; the future price of the Common Shares will vary depending on factors unrelated to the Company’s performance or intrinsic fair value; the Company’s ability to discover, market and develop commercial quantities of ore is uncertain; some aspects of the Company’s operations entail risk that cannot be insured against or may not be covered by insurance; the calculation of the economic value of ore is subject to a high degree of variability and uncertainty; if the Company cannot raise additional equity financing, then it may lose some or all of its interest in the Property; risks related to the COVID-19 outbreak, the Company is an early stage Company; the Company operates at a loss and may never generate a profit; the Company operates in a highly competitive environment; the Company operates in a highly regulated environment that is subject to changes, some unforeseen, to government policy; unasserted aboriginal title claims and risks related to First Nations land use; the Company operates in an environment with significant environmental and safety regulations and risks; regulatory requirements; the impact of non-governmental organizations, public interest groups and reporting organizations on the Company’s operations and on mining exploration as a whole; volatility of mineral prices; some of the Company’s directors have involvement in other companies in the same sector; and price volatility of publicly traded securities. See the section entitled “*Risk Factors*” for details of these and other risks relating to the Company’s business.

## CORPORATE STRUCTURE

### Name and Incorporation

Traction Exploration Inc. was incorporated under the *Business Corporations Act* (British Columbia) on July 20, 2020. The Company's registered and records office is located at 6<sup>th</sup> Floor, 905 West Pender Street, Vancouver, BC, V6C 1L6. The Company's head office is located at 915 – 700 West Pender Street, Vancouver, BC V6C 1G8.

### Inter-corporate Relationships

The Company has no subsidiaries.

## DESCRIPTION OF THE BUSINESS

The Company is engaged in the business of mineral exploration in Canada and its objective is to locate and, if warranted, develop economic mineral properties.

Upon completing its obligations under the Property Agreement, the Company will hold a 100% interest in the 6 mining claims, totalling approximately 2,281.72 hectares, comprising the Property. The Property Agreement was negotiated on an arm's length basis, as the Optionor was not a director when the Property Agreement was entered into on August 6, 2020 or when it was amended on September 3, 2020. The Optionor is now a director of the Company, having been appointed to the Board on March 19, 2021.

Under the terms of the Property Agreement in order to exercise the Option, the Company is required to pay to the Optionor a total of \$80,000 and incur a minimum of \$515,000 in aggregate exploration expenditures on or before the third anniversary of the Listing Date. Upon the completion of the foregoing, the Company will acquire a 100% interest in the Property, subject a 3% net smelter royalty in favour of the Optionor payable upon the commencement of commercial production from the Property.

As of the date of this Prospectus, the Company has incurred \$83,363 in exploration expenditures on the Property under the Property Agreement. The Company will be deemed to have exercised the Option upon occurrence of all of the following: (i) the Company incurring minimum exploration expenditures of \$75,000 within three months of the date of the Property Agreement (completed); incurring an additional minimum of \$110,000 of exploration expenditures on or before the first anniversary of the Listing Date; paying the Optionor \$30,000 and incurring an additional minimum of \$130,000 of exploration expenditures on or before the second anniversary of the Listing Date; and paying the Optionor an additional \$50,000 and incurring an additional minimum of \$200,000 of exploration expenditures on or before the third anniversary of the Listing Date. The Company has the right to carry over excess expenditures incurred in one period to a subsequent period, and may accelerate cash and expenditure obligations in order to acquire its interest in the Property in a shorter period of time than as set out in the Property Agreement and may at any time accelerate the exercise of the Option by paying to the Optionor an amount of funds equal to the remaining amount of expenditures and cash to exercise the Option at the time of such payments. See "*The Whitewater Property*".

### Stated Business Objectives

The Property is in the exploration stage. The Company intends to use its available funds to carry out the recommended Phase 1 exploration program for the Property, with an estimated budget of \$123,365. See "*The Whitewater Property - Recommendations*" and "*Use of Available Funds*".

The exploration, and if warranted, development of the Property may depend on specialized skills and knowledge that are applicable to the mining industry. As of the date of this Prospectus, the Company has four (4) consultants. The Company's leadership team is composed of the following: (i) Michael Malana – President, Chief Executive Officer, and director; (ii) David Bowen – director; (iii) Faizaan Lalani – director; (iv) Afzaal Pirzada – director; and (v) Ranbir (Reena) Sall – CFO and corporate secretary.

The mineral exploration and development industry is very competitive. As an emerging issuer, the Company is subject to numerous competitive conditions such as need for additional capital and commercial viability of the Property.

## **History**

Following incorporation, the Company was capitalized by completing the following Private Placements:

- (i) the Founders' Placement, which raised \$11,500 through the issuance of 2,300,000 Common Shares. The Founders' Placement was completed in three tranches respectively on July 20, 2020 (in respect of 1,000,000 Common Shares), August 10, 2020 (in respect of 300,000 Common Shares), and August 26, 2020 (in respect of 1,000,000 Common Shares);
- (ii) the Second Private Placement, completed on September 16, 2020, which raised \$200,000 through the issuance of 10,000,000 Common Shares;
- (iii) the Third Private Placement, completed on November 23, 2020, which raised \$200,000 through the issuance of 4,000,000 Units; and
- (iv) the Special Warrant Private Placement, completed on February 22, 2021, which raised \$216,000 through the issuance of 2,160,000 Special Warrants.

To date, funds raised from the Private Placements have been used to identify and enter into an agreement to acquire a mineral project, specifically, the Property Agreement, to carry out initial work on the Property in August 2020, for filing fees, professional expenses, regulatory expenses, and for general working capital.

## **THE WHITEWATER PROPERTY**

The technical information in this Prospectus with respect to the Property is derived from the Technical Report dated April 24, 2021, prepared for the Company in accordance with NI 43-101 by the Author. The Author is an independent Qualified Person for the purposes of NI 43-101. The full text of the Technical Report is available for review at the registered office of the Company at 6th Floor, 905 West Pender Street, Vancouver, BC V6C 1L6 and is available online under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

### ***Property Description, Location, and Access***

The Property consists of six mining claims totaling approximately 2,281.72 hectares in two claim blocks referred as Whitewater Property North Block and Whitewater Property South Block. Each block consists of three contiguous claims, located in Slocan Mining Division (BCGS Map 082K005, NTS Map 082K03E), Kaslo, British Columbia, Canada. The area is located about 26 kilometers northeast of Kaslo which in turn is 70 kilometers to the north of Nelson on Highway 31.

Pursuant to the Property Agreement, Traction holds an option to acquire a 100% interest in the Property by incurring aggregate exploration expenditures of \$515,000 and making aggregate cash payments of \$80,000, as follows:

- incurring a minimum of \$75,000 of exploration expenditures of the Property within three months of the signing of the Property Agreement, which has been done as of the date of this Prospectus;
- incurring minimum additional exploration expenditures of \$110,000 on or before the first anniversary of the Listing Date;
- making a \$30,000 payment in cash to the Optionor, and incurring minimum additional exploration expenditures of \$130,000 on the Property on or before the second anniversary of the Listing Date; and
- making a \$50,000 payment in cash to the Optionor and incurring minimum additional exploration expenditures of \$200,000 on the Property Listing Date.

The Property is also subject to a royalty in the Optionor's favour equal to a 3% Net Smelter Return on the Property.

The Property mineral claims were staked using the British Columbia Mineral Titles Online computer internet system (“MTO”). With the British Columbia mineral claim staking system there can be no internal fractions or open ground. In response to COVID 19 pandemic situation all mineral and placer claims in British Columbia that have a good to /expiry date before December 31, 2021 have been given extra time to register work or payment instead of work. Enough work or payment in lieu of work must be registered on or before December 31, 2021 to bring the good to/expiry date of the claim into good standing. Any claim that has not been brought into good standing by December 31, 2021 will forfeit, as its good to/expiry date will be in the past.

The Author undertook a search of the tenure data on the MTO website which confirms the geospatial locations of the claims boundaries title information provided by Traction. There were no historical Mineral Resource and Mineral Reserve estimates given.

The Mineral Tenure Act Regulation in British Columbia describe registering exploration and development for a mineral claim. The value of exploration and development required to maintain a mineral claim for one year is provided below:

Mineral Claim - Work Requirement:

- \$5 per hectare for anniversary years 1 and 2;
- \$10 per hectare for anniversary years 3 and 4;
- \$15 per hectare for anniversary years 5 and 6; and
- \$20 per hectare for subsequent anniversary years

The other option is payment in lieu of work which is double the amount mentioned in the above schedule. The claims are good until December 31, 2021, thereafter, annual work of \$11,409 will be required to for year 1 and 2 to keep these claims in good standing. Mineral rights in British Columbia do not include surface rights. The surface rights on the Property are held by the Crown and a “Notice of Work and Reclamation Program” permit is required for drilling, trenching, setting up a camp and other intrusive work.

There are no known environmental liabilities and no permits have been applied for or acquired for the Property. There is no indian reserve or First Nations treaty land on the Property, however the Property is regionally in a broad consultative area of several First Nations from Okanagan Valley to the Kootenays. The Company may be required to consult with the First Nations communities when drilling, trenching or other intrusive exploration work permit is applied. In the Province of British Columbia uranium and thorium exploration is not allowed.

Claim data is summarized in the Table 1, while maps showing the claims are presented in Figures 2, 3 and 4.

**Table 1: Claim Data**

Title Number	Claim Name	Owner	Title Type	Map Number	Issue Date	Good to Date	Status	Area (ha)
1075878	WHITEWATER GOLD	260370 (100%)	Mineral Claim	082K	2020/APR/24	2023/DEC/31	PROTECTED	248.83
1076510	WHITEWATER 2	260370 (100%)	Mineral Claim	082K	2020/MAY/30	2023/DEC/31	PROTECTED	475.91
1077955	WHITEWATER 4	260370 (100%)	Mineral Claim	082K	2020/AUG/11	2023/DEC/31	PROTECTED	414.74
1078108	WHITEWATER 5	260370 (100%)	Mineral Claim	082F	2020/AUG/19	2025/DEC/31	PROTECTED	415.26
1078135	WHITEWATER 6	260370 (100%)	Mineral Claim	082F	2020/AUG/22	2025/DEC/31	PROTECTED	394.58
1078152	WHITEWATER 7	260370 (100%)	Mineral Claim	082F	2020/AUG/24	2025/DEC/31	PROTECTED	332.40
								2,281.72



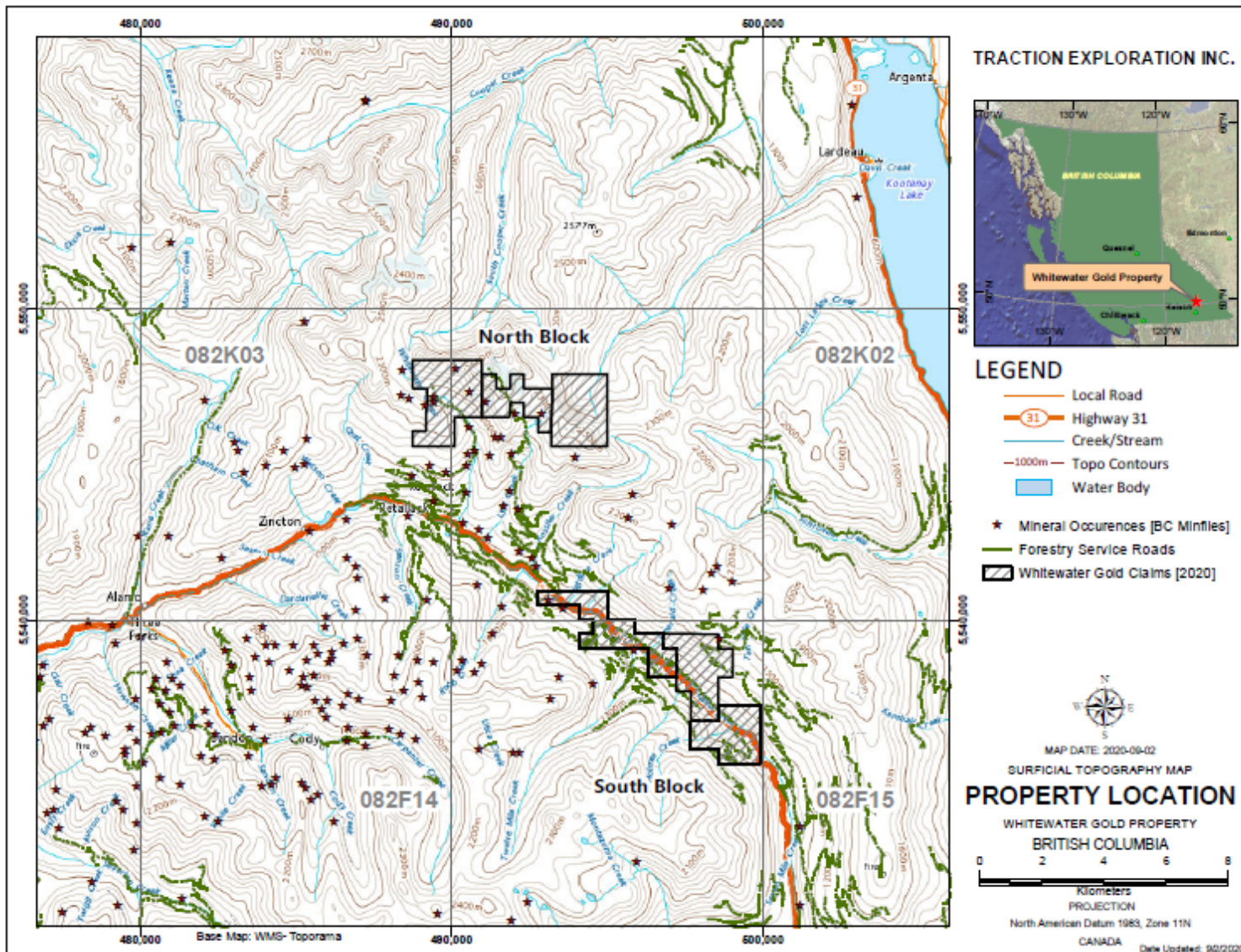


Figure 2: Claim and Physiography Map



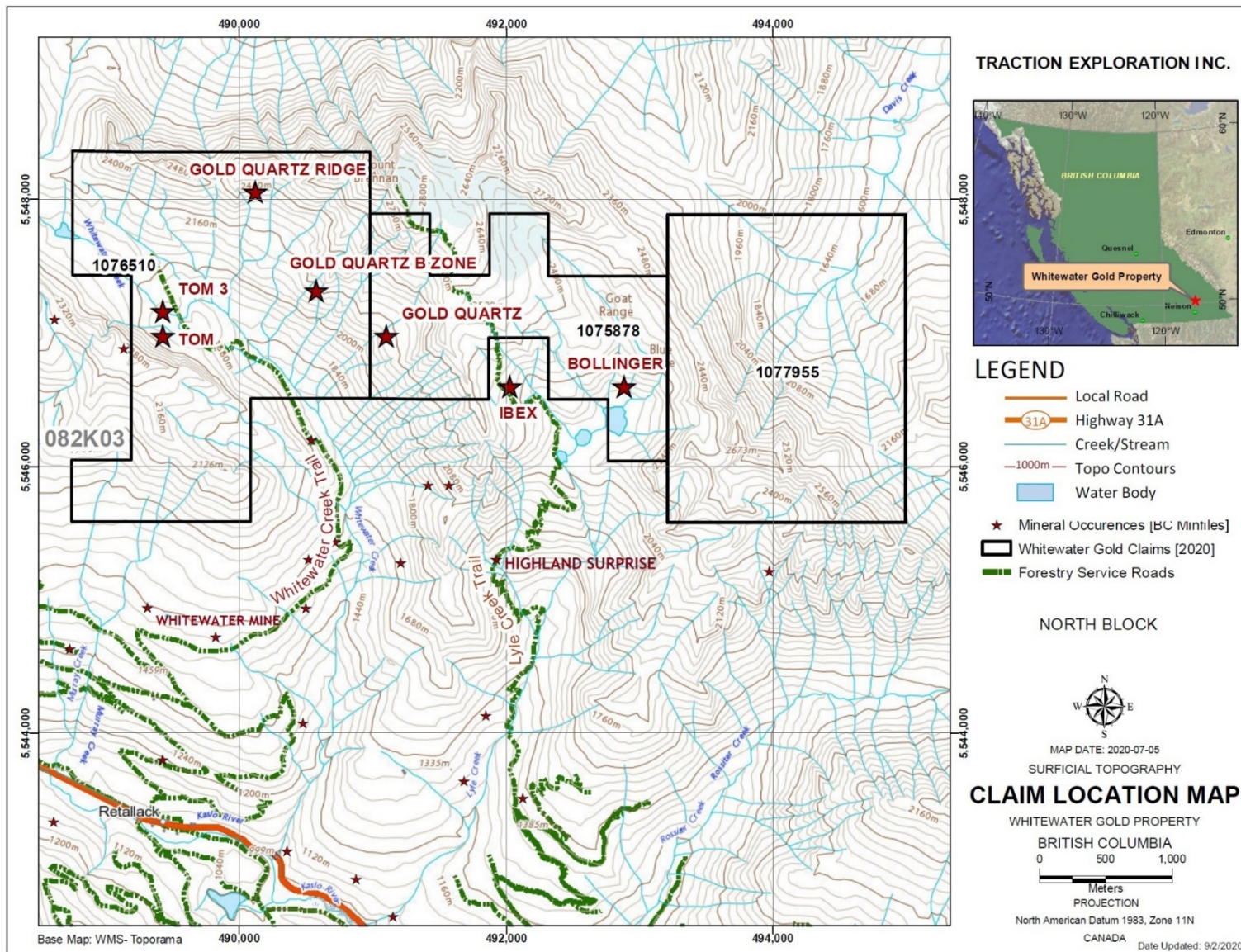


Figure 3: Whitewater Property North Block



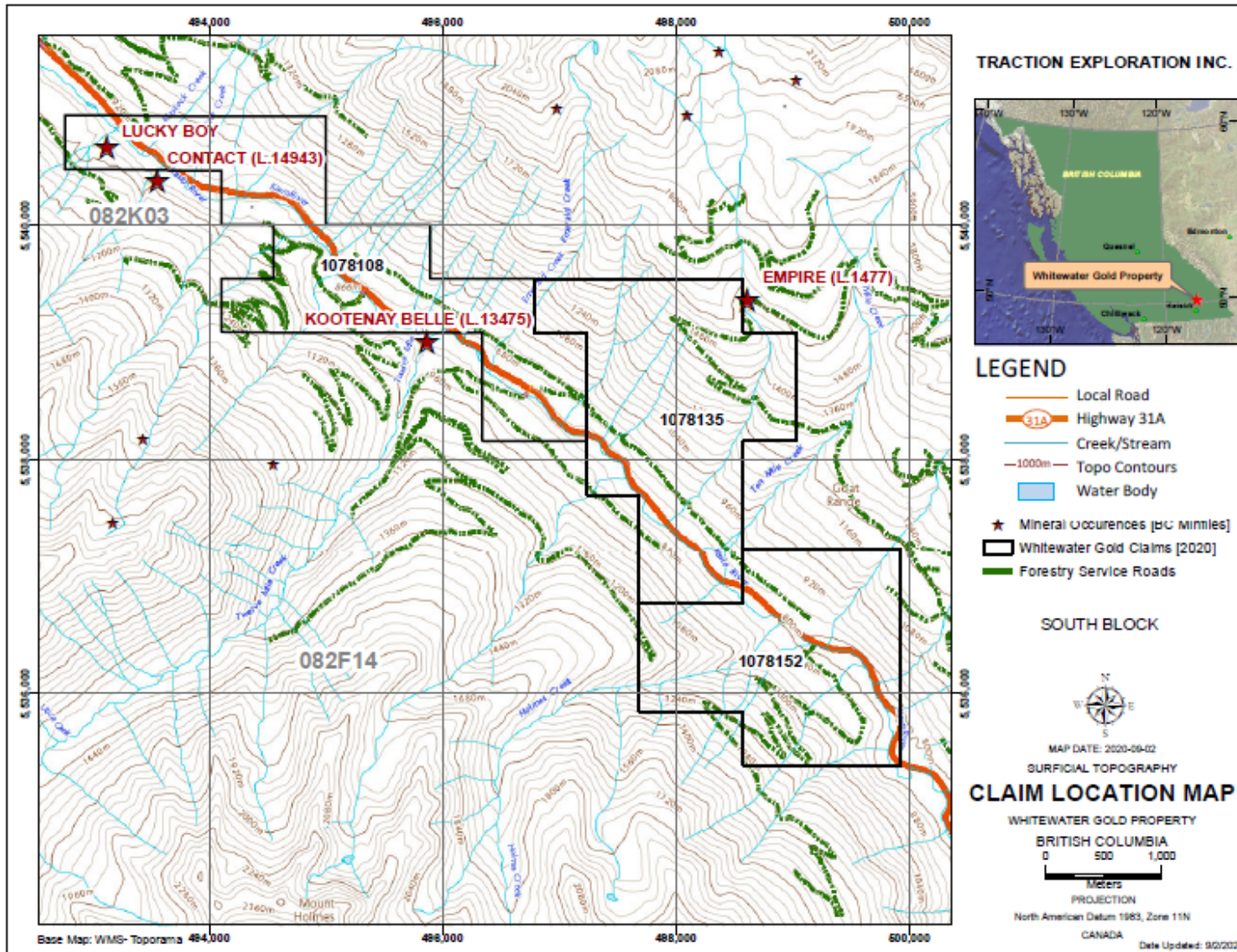


Figure 4: Whitewater Gold Property South Block Claim Location Map

## Access

The property consists of two claim blocks, a North block and a South block located at the south end of the Goat Range in the Selkirk Mountains. It is located at Retallack which is a mining ghost town on highway 31A between towns of Kaslo and New Denver located 26km and 20km respectively from the Property (Figure 3). The town of Kaslo is located to the southeast of the Property on Kootenay Lake in the West Kootenay region of British Columbia. Kaslo is 69km (43 miles) from Nelson, following Highway BC-31 to the south. Highway 31A crosses the South Claim Block of the Property.

At KM 25 from Kaslo on Highway 31A-W, the North Block of the property is approximately 4 km to the north of the highway. The northern edge of the South Block is 4 km south of Retallack on Highway 31A. The access to North block is generally on a four-wheel vehicle and then on foot (1.5-2 km) by following either of the two trails, the Whitewater Creek Trail, or the Lyle Creek Trail. Lower reaches of both trails can be accessed by four-wheel vehicles and the upper reaches near the Property claim boundary is reachable on foot or using an all terrain vehicle (ATV). Drilling operations in the Southern Claim Block can be readily done due to good road access whereas in the Northern Claim Block will need helicopter supported drill program.

## *History*

### General history

The history of exploration in the Slocan mining dates to early twenties of eighteenth century with the discovery of a lead mineralization outcropping on the east shore of the Kootenay Lake (Blue Bell mine, Riondel). A small-scale mining operation was also conducted by Indians and Hudson's Bay Company. However, the active exploration in the area began after 1865 when gold was discovered in the Big Bend country of Columbia river. This discovery attracted many prospectors into the Kootenays. In 1868, an American prospector, Henry Doane, rediscovered and did some more work on the Blue Bell mine. He also made crude attempts to smelt the Blue Bell mineralized rocks but failed. Following the collapse of this effort, exploration activity was suspended in Slocan for years (AR19475).

In the year 1891, two prospectors, Eli Carpenter and John L. (Jack) Seaton discovered outcroppings of the Payne vein in Payne mountain and staked a claim on it. Vast amounts of galena were discovered in the Sandon area. From Kaslo, the common route into Sandon was through Kaslo and Montezuma creeks. This gave a big boost to Kaslo and changed its population from one house in 1891 to 4-5 thousand in 1892. After the galena discovery, several additional discoveries were made in and around Sandon area.

### Property history

Exploration of the property area dates to the late 1800s when polymetallic silver-lead-zinc veins, such as the Gold Quartz showing (082KSW032) were first discovered (Figure 3). The major discovery of gold was made in Kaslo formation at Highland Surprise Mine. The mine produced 1,617 oz gold from 5,151 tons of ore grading 0.314 oz per ton, during the period 1937 to 1941 (Maconachie, 1940). Other nearby mineral occurrences discovered during this period include: the Gold Quartz showings, the Eureka and the Solo. More recent exploration (1970 to present) efforts have been focused on the gold potential of the area.

In 1978 and 1979, Semco Mining Corp. completed programs of geological mapping, trenching and geochemical sampling on the area. In 1989, Northern Crown Mines Ltd. and Doron Explorations Inc. conducted sampling and trenching. In 1991, Minnova examined the area (<https://minfile.gov.bc.ca/Summary.aspx?minfilno=082KSW033>). Several companies were involved in exploration activities in the claim area from time to time.

R.J. Trimble and R.J. Macneill prepared a geological and geophysical report for Hi-Ridge Resources Ltd. in the year 1972. The exploration program involving geological mapping, prospecting, magnetometer surveying and diamond drilling. One diamond drill hole of 374 feet was completed on the main asbestos showing. Diamond drilling of the main showings indicates that the zone of asbestos-bearing serpentinized peridotite is extremely narrow. The asbestos appears to be concentrated near a narrow pyroxenite dyke. These studies were conducted in Kaslo group.

R.J. Macneill explored the area (117-degree 09' west and 50-degree 03' north) for Pan Ocean Oil Limited in the year 1973. Geological mapping of the property shows that the claim is located on the favorable ultrabasic belt but there is no obvious sign of economic nickel or copper mineralization within the property.

Paul Brown conducted soil geochemistry for Amoco Canada Petroleum Company Limited in 1979. A total of 368 soil samples were collected. The results indicate the presence of several anomalous concentrations of gold. The strongest soil anomaly is underlain by chloritized meta-andesite which are host to infrequent visible quartz veins, and adjacent to the contact with ultramafic rocks.

D.A. Visagie prepared a soil geochemistry report for Amoco Canada Petroleum Company in 1980. A total of 135 soil samples were taken. The results indicate the presence of several anomalous concentrations of gold. The major soil anomaly is underlain by chloritized meta-andesites. In addition to the major anomaly, several smaller anomalies were noted, which may be related to quartz veins in the chloritized mafic volcanics.

Minfile is a database of BC Ministry of Energy and Mines which contains geological, location and economic information on over 13,000 metallic, industrial mineral and coal mines, deposits, and occurrences in B.C. The BC Geological Survey (BCGS) has the mandate to compile Minfile information by reviewing mineral assessment reports, recent publications, press releases, property file and company websites. There are six Minfile occurrences reported on the Property which are listed on Table 3, shown on Figures 2 and 3, and are discussed in the following Sections.

Table 3: List of Minfile occurrences on the Property

Minfile Name	Location NAD 83 Zone 11		Commodity Sought
	Easting	Northing	
GOLD QUARTZ, GOLD QUARTZ NO. 1-9, COTTON TAIL, COTTON TAIL FR. NO. 1-2, WHITEWATER, WHITEWATER 1-3	491095	5546977	Silver, Gold, Lead, Zinc, Copper
BOLLINGER, WHITEWATER 1-3, PAISLEY (L.5612), WHISTLER (L.5614), CUBA (L.5609), GARNETT (L.2842), RUBY FR. (L.5820), EMERALD FR. (L.5821)	492884	5546604	Gold, Copper, Lead
GOLD QUARTZ RIDGE	490123	5548060	Gold, Silver, Copper
GOLD QUARTZ B ZONE	490579	5547318	Gold, Silver, Copper, Lead
TOM, TOM 3, TIM, TIP, TAM, CHRIS, OLYMPUS	489426	5546980	Copper
LUCKY BOY, FOURTH OF JULY, JOCKER	493115	5540674	Polymetallic veins Ag-Pb-Zn+/-Au

### *Gold Quartz Occurrence*

The Gold Quartz prospect is situated 1 kilometre south of Mount Brennan and 1.75 kilometres northwest along strike of the Highland Surprise occurrence (082KSW037) (Figure 3). Veins are exposed in greenstone on the northeast side of a serpentinite body of the Permian Kaslo Group. The greenstones are generally more massive in character than at the nearby Highland Surprise occurrence. Near veins, the greenstone is intruded by diorite and feldspar porphyry dikes. The veins that have been the target of development strike northwesterly. Differing from the Highland Surprise occurrence, veins here contain conspicuous amounts of galena and sphalerite with pyrite and chalcopyrite. There are several veins having a northeast or easterly strike as well.

Development has occurred in two general areas. Southeast at roughly 1920 metres elevation, surface stripping exposed a quartz vein system striking 335 to 340 degrees and dipping 60 to 70 degrees east. One or two regular quartz bands vary in width from 15 to 60 centimetres, with irregular quartz stringers in between. Sulphides are disseminated in quartz veins and greenstone, with total lode width ranging from 60 to 210 centimetres. Wider quartz bands have longitudinal openings. Immediately southeast, a short adit has intersected quartz stringers with a general strike of 330 degrees. Greenstone on the footwall and hanging wall is highly sheared. The best assay from in situ sampling across 70 centimetres of narrow bands of massive pyrite and chalcopyrite with lesser galena and sphalerite yielded 3.43 grams per tonne gold and 24 grams per tonne silver (Bulletin 7, page 45). A second vein is exposed 200 metres to the northeast. This vein strikes 325 degrees and dips 75 degrees and is traceable over 180 metres. The vein occurs in diorite for part of its length and is bordered by a feldspar porphyry dike on the hanging wall side for most of its length.

Vein width varies from 10 to 120 centimetres and hosts a sulphide mineralogy consisting of pyrite, chalcopyrite, sphalerite, and galena. Albite alteration occurs locally within the vein. Samples yielded poorer gold and silver contents than the previous vein.

About 600 metres to the northwest, a series of quartz veins and stringers are hosted in massive and sheared greenstones. Shears strike 130 degrees and dip 60 degrees southwest. The greenstone is highly chlorite altered. Total width of the zone is as much as 9 metres. An adit was driven on the westernmost of these veins. North of the adit, a series of open cuts exposes quartz in schistose greenstone. Shears strike 340 degrees and dip steeply southeast. There is a diorite body immediately to the east. Open cuts expose weakly pyrite-bearing quartz. Calcite is also locally present in veins. The best sample yielded 6.8 grams per tonne gold and trace silver over 145 centimetres (Bulletin 7, page 47). At this location, a feldspar porphyry dike lies in the diorite and is well exposed for over 60 metres.

Property exploration covering the Gold Quartz occurrence area has been conducted intermittently from the 1960s to 1980s. Numerous trenches and pits have explored the surface exposure of the shear known to host mineralization of the Gold Quartz occurrence. Several rock samples were taken from near the portal to the main adit of the southeast group in 1987. Sample MR-54 yielded 0.37 gram per tonne gold and 3.10 grams per tonne silver (Assessment Report 19475). The chip sample was taken across 1.6 metres of semi-massive andesite with 40 per cent quartz stringers, hosting 4 per cent fine-grained sulphides. Similarly, Sample SH-61 taken across 1 metre of outcrop beside the adit yielded 0.73 gram per tonne gold and 8.10 grams per tonne silver (Assessment Report 19475).

#### *Bollinger Occurrence*

The Bollinger occurrence is located 1.25 kilometres northeast of the Highland Surprise (082KSW037), some 29 kilometres northwest of Kaslo, British Columbia (Figure 3). The main lithologies of the area are assigned to the Permian Kaslo Group, consisting of andesite flows, pyroclastics and tuffaceous sediments. The volcanics and sediments are generally oriented 320 degrees and the contact between these two units has a strike of 350 degrees. Serpentinite is the most extensive rock type exposed in this area, forming northwesterly trending bands with steep southwest dips, and extending up to 750 metres in width. Talc and asbestos are common alteration minerals associated with this serpentinite unit. The contact between the serpentinite and surrounding lithologies is faulted. This faulted contact has a strike of 350 degrees and a steep westerly dip. The surface trace of this fault can be traced for several kilometres. Underground, this fault is marked by a heavy talc gouge. Dikes and sills in the area are dioritic and feldspar porphyry. Quartz veins are common throughout, and the showing is reported to consist of gold, copper, and lead mineralization in a quartz vein (Minister of Mines Annual Report 1901 and Geological Survey of Canada Open File 464).

#### *Gold Quartz Ridge Occurrence*

The Gold Quartz Ridge prospect is located 1 kilometre west of Mount Brennan and 1.5 kilometres northwest of the historic Gold Quartz showing (082KSW032) (Figure 3). The Gold Quartz Ridge prospect is also underlain by andesite flows, breccias and pillow andesite of the Permian Kaslo Group. The andesites are porphyritic with up to 5 per cent hornblende phenocrysts and locally feldspar phenocrysts in a fine grained chloritic groundmass.

The Gold Quartz Ridge prospect is crisscrossed with numerous felsic dikes and shear zones with associated quartz veins. Felsic dikes range from 1 to 2 metres width with trace to 4 per cent disseminated pyrite. Quartz stringers are also common. Shears range from 10 centimetres up to 4 metres wide. The shears generally envelop a sinuous quartz vein or stringers. Gold mineralization is restricted to quartz veining. The best assay results occur where shears intersect felsic dikes where quartz flooding and sulphide content increase.

Sample SH-28, a 30-centimetre chip sample, was taken across the intersection of a shear with a quartz vein and a felsic dike. The vein contained 1 per cent disseminated pyrite and chalcopyrite. The strike of the vein was 060 degrees. Assay results yielded 1.74 grams per tonne gold and 43.0 grams per tonne silver (Assessment Report 19475). Another sample, Sample SH-25, taken 200 metres to the east-northeast along the same shear yielded 1.05 grams per tonne gold and 14.3 grams per tonne silver (Assessment Report 19475). A third sample, Sample SH-35, yielded 1.70 grams per tonne gold and 21.0 grams per tonne silver (Assessment Report 19475).

#### *Gold Quartz B Zone*

The Gold Quartz B Zone prospect is located 1 kilometre southwest of Mount Brennan and 60 metres northwest of the historic Gold Quartz showing (082KSW032) (Figure 3). The Gold Quartz B Zone prospect is underlain by andesite

flows, breccias and pillow andesite of the Permian Kaslo Group. The prospect consists of a weakly sinuous shear-alteration zone up to 5 metres wide, with associated quartz veining. Massive quartz veins and quartz stockworks pinch and swell from 0.4 to 2.0 metres wide within the central part of the shear. Mineralization consists of up to 5 per cent pyrite, chalcopyrite, and galena, generally concentrated along vein walls. Feldspar porphyry dikes are occasionally found adjacent to the shear zone. The shear zone strikes 160 degrees and dips steeply to the southwest. Surface trace of the shear zone extends to 300 metres.

Trenching and sampling has been conducted across this shear zone with the following assay results. Sample MR-18, from Trench 2, yielded 7.92 grams per tonne gold and 83.0 grams per tonne silver (Assessment Report 19475). The sample was a 0.4-metre chip sample across the most mineralized part of the vein. Mineralization consisted of 2 to 3 per cent pyrite and minor chalcopyrite in quartz, minor carbonate, and chlorite. The strike of the vein is 160 degrees and dips 76 degrees southwest. Sample SH-12, taken immediately to the south, yielded 3.52 grams per tonne gold and 1.54 grams per tonne silver (Assessment Report 19475). A third sample, Sample SH-23, taken 250 metres to the south yielded 5.84 grams per tonne and 81.0 grams per tonne silver (Assessment Report 19475).

### *Tom 3 Occurrence*

The Tom 3 showing is located near the headwaters of Whitewater Creek, approximately 3 kilometres southwest of Whitewater Mountain (Figure 3). Copper is known to occur in chlorite biotite schist, restricted to areas where shears or faults intersect the serpentinite. The Tom 3 showing comprises one such occurrence. A 33-metre chip sample of this material along strike of the copper zone yielded assay values of 1.86 per cent copper (Assessment Report 3926).

### *Lucky Boy Occurrence*

The Lucky Boy occurrence is a past producer, located 4 kilometres southwest of Retallack, British Columbia on the south side of Kaslo Creek (Figure 4). Production for 1938 and 1948 totaled 150 tonnes, resulting in 9455 grams of silver, 43 kilograms of cadmium, 2440 kilograms of lead and 14,059 kilograms of zinc. Three drillholes in 1950 failed to reveal further mineralization and further property work was abandoned.

Silver-lead-zinc mineralization occurs in the Triassic Slocan Group, locally consisting primarily of black fissile phyllites with interbedded limestone, calcareous phyllites and brown gritty quartzites. The general structural trend is 310 degrees, dipping generally southwesterly. Greenstones and ultramafic rocks of the Permian Kaslo Group unconformably underlie the Slocan Group to the east, also hosting silver-lead-zinc mineralization. Satellite stocks, dikes and sills are generally correlative with the Nelson batholith to the immediate south. Late stage lamprophyre dikes are also common.

Little geological information is available for this occurrence. Country rocks consist of limestone, argillite, quartzite, and slate of the Slocan Group. Property work in 1935 consisted of surface workings and an adit, 23 metres long, driven along a contact between limestone and thin-bedded argillite. Massive galena and sphalerite mineralization were noted in fissures crosscutting the limestone. Further details of property development can be found in National Mineral Inventory 083K3 Zn1 (Source: <https://minfile.gov.bc.ca/Summary.aspx?minfilno=082KSW042>).

## ***Geological Setting and Mineralization***

### Regional Geology

The southeast British Columbia comprises four structural-tectonic domains which from east to west are (refer to Figure 6)

- The Rocky Mountain-Foreland Fold and Thrust Belt
- Purcell Anticlinorium
- The Kootenay Arc
- The Shuswap Metamorphic complex



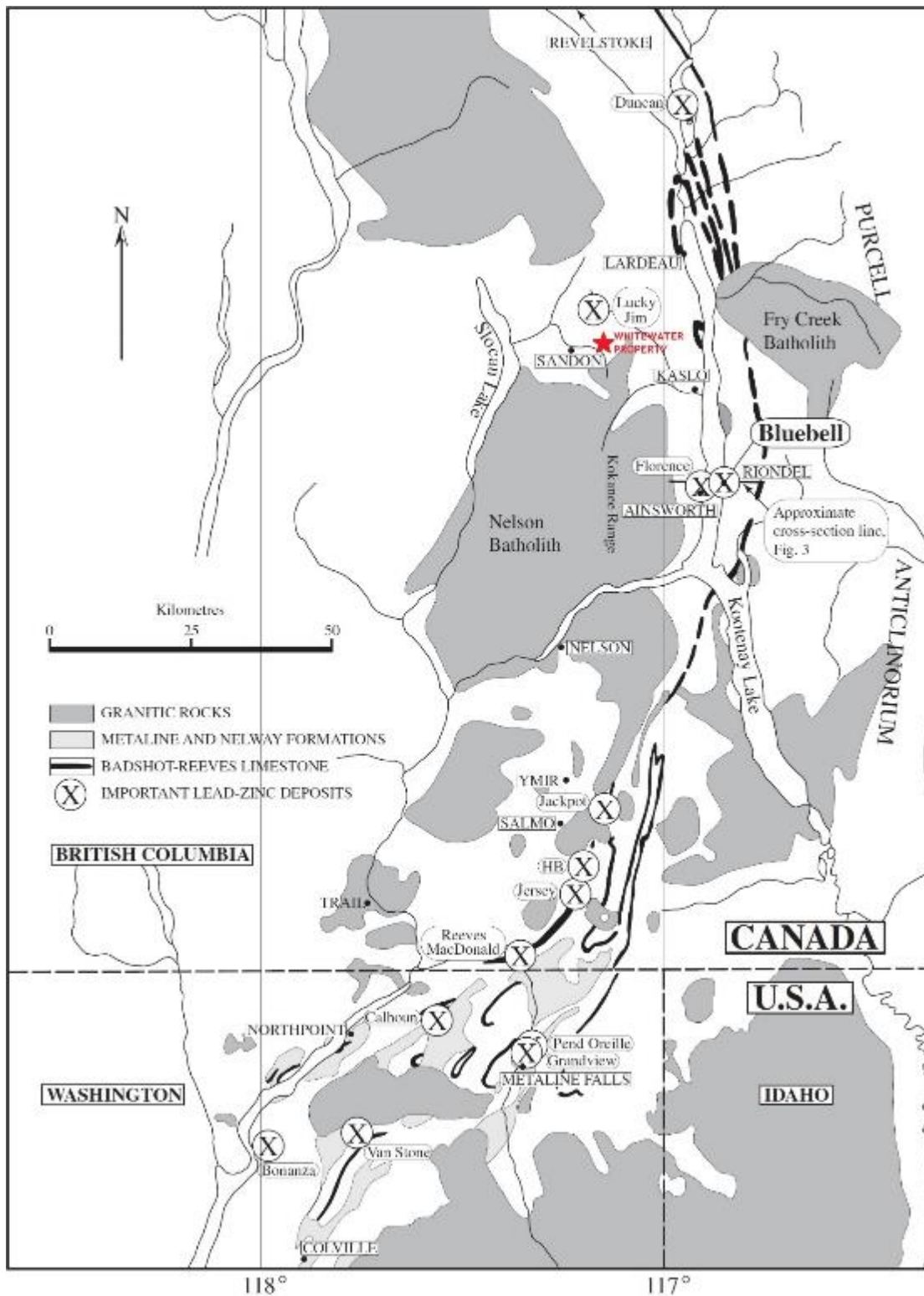


Figure 6: Regional Geological Map of Kootenay Arc British Columbia (After Fyles 1970)

The claim area occurs in the southern part of the Goat Range of eastern Selkirk Mountains which lies within the Kootenay Arc terrane, considered as a part of the North American continental margin, at least by Late Mississippian time. The Kootenay Arc lies to the west of the Purcell Anticlinorium and is characterized by an increase in metamorphic grade and complexity of deformation, and a decrease in stratigraphic age (Warren, 1997). It is a curving belt of complexly deformed sedimentary, volcanic, and metamorphic rocks. It extends southeasterly from Revelstoke,



to Kootenay Lake and then southerly into the United States. It consists of lower Paleozoic and Mesozoic rocks on the west flank of the Purcell Anticlinorium. The limestone, dolomite, clastic sedimentary rocks and volcanic rocks of Paleozoic and early Mesozoic age in the arc were intensely deformed during early Paleozoic and Middle Jurassic time (Read and Wheeler, 1976; Parrish and Wheeler, 1983; Archibald et al., 1983).

The stratigraphic sequence in Kootenay Arc include Purcell Supergroup (1500 Ma to 1350 Ma), Windermere Supergroup (Upper Proterozoic, 827-918 Ma) of clastic sedimentary and volcanic rocks, Hamil Group (Cambrian), Reeves Limestone and Badshot Formation (Lower Cambrian), Lardeau Group (Lower Cambrian), Milford Group (Upper Mississippian to Lower Pennsylvanian), Kaslo Group (Permian age), Slocan and Ymir groups ( Upper Triassic) and Rossland Group (Lower Jurassic) (Figure 7).

The best account of the stratigraphy of the Goat Range is given by D.W. Klepacki in his dissertation and published papers (see reference section in the Report). The Groups, Formations and Members with their ages and brief lithologies are shown in Figure 7.

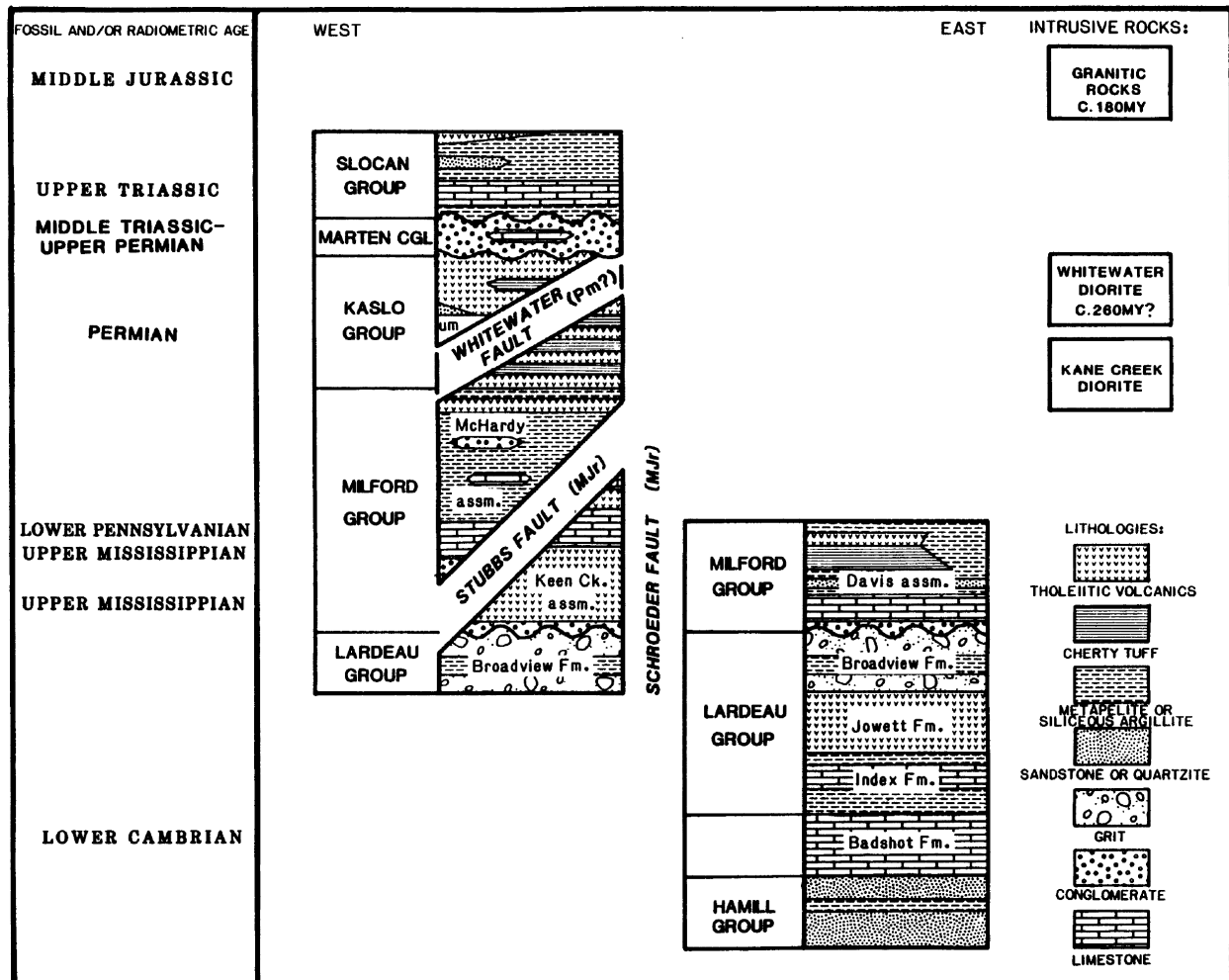


Figure 7: Generalized stratigraphy of the Goat Range (Klepacki,1985)

A brief description of these units is provided below.

*Hammil Group*

The lowest part of the stratigraphic section in the area is represented by Hammil Group which crops out in the southeastern part of Goat mountain. This group consists of medium to fine grained white and gray micaceous quartzite and quartz pebble conglomerate. Greenstone, mafic volcanic rocks, muscovite-biotite quartzofelspathic gneiss also occur in places. The sediments in the group were deposited in the continental margin environments whereas mafic

volcanics are interpreted as rift-related volcanic. The group is of Lower Cambrian age and disconformably overlies Windermere strata.

#### Badshot-Mohican Formation

The outcrops of Badshot-Mohican Formation were mapped as one unit in Goat Range and occur along the shoreline of Kootenay Lake, three kilometers north of Kaslo. The formation comprises grey and white crystalline marble interlayered with calcite-plagioclase-diopside-amphibole-quartz gneiss and quartz-plagioclase-muscovite-biotite gneiss. These carbonate rocks are interpreted as shallow water, subtidal carbonate deposits with local archeocyathid-bearing bioherms. The upper contact with Lardeau Group is conformable. A Lower Cambrian age is assigned to the Formation.

#### *Lardeau Group*

The group is divided into three formations which, from oldest to youngest are Index Formation, Jowett Formation and Broadview Formation.

#### Index Formation

It crops out on the eastern side of the Blue Ridge and consists of basal green to grey calc-silicate gneiss and schist interlayered with mica schist and gneiss commonly containing garnet. Reddish brown weathering impure marble pods are common in basal part which is overlain by rusty weathering dark gray mica schist and gneiss that also commonly contain garnet. The upper contact of Index Formation is gradational. The age of the Index Formation is lower Paleozoic and likely Lower Cambrian.

#### Jowett Formation

The Jowett Formation in Goat Range is mapped in the south of Schroeder Creek, headwaters of Shuttly Creek and south slope of Mount Buchanan. The formation consists of quartz-chlorite-plagioclase schist, phyllite, amphibole-quartz-plagioclase greenstone, pillow lavas, and interbedded chlorite phyllite, grey mica phyllite and pyritic quartzite. The composition of pillow lava is a quartz-normative tholeiite. The upper contact with Broadview Formation is gradational. The age of the formation is lower Paleozoic and probably Cambrian to Ordovician.

#### Broadview Formation

This formation is mapped in the north of Milford Peak, west of the spyglass and Schroeder faults and in the core of the northern segment of the Dryden anticline. The formation consists of grey to slightly rusty weathering quartz-muscovite-biotite garnet schist, calcareous schist, quartzite and grit with secondary chlorite and muscovite, and rare plagioclase, quartz pebble conglomerate and quartz-muscovite-chlorite phyllites. The lower contact is gradational and the upper contact with Milford Group is an angular unconformity. Lower to Middle Ordovician age is assigned to this formation.

#### *Milford Group*

The group is exposed along the eastern slope of the Goat Range and in general, consist of a basal limestone and argillaceous limestone sequence overlain by siliceous argillites, meta sandstones, cherty tuff, and volcanic rocks. Three assemblages are identified in Milford Group.

#### Davis Assemblage

This assemblage consists, in ascending stratigraphic order, of: rare basal quartz-pebble conglomerate, blue-grey and light to dark grey fine-grained, thin bedded limestone, interbedded silvery grey phyllite, grey limestone and, thin bedded metasandstone, quartz rich cherty tuff and local phyllitic greenstone, overlain by grey siliceous argillite. The Davis assemblage is Late Mississippian (Early Namurian) in age. The limestone member unconformably overlies the Lardeau Group although the contact in most places is a fault.

#### Keen Creek Assemblage

Rusty-weathering, matrix-supported, quartz-pebble conglomerate form the basal member of Keen Creek assemblage. It is followed by Tholeiitic pillow basalt, massive greenstone, and amphibolite with epidote-quartz veinlets of Lower Volcanic Member, which in turn are overlain by light and dark grey banded limestone of Banded Limestone Member. Tholeiitic pillow lava, grey and green phyllite, and green amphibolite of the upper volcanic member overlies the banded limestone member. A heterogeneous unit of quartz-biotite-plagioclase-amphibole schist, calc-schist, amphibole- and biotite-rich metasandstone, metaconglomerate and pillowed amphibolite are interbedded with limestone in the upper part of the assemblage.

The assemblage rests unconformably on the Broadview Formation and is Upper Mississippian (Early Namurian) to Lower Pennsylvanian (Late Namurian) in age.

#### McHardy Assemblage

The McHardy assemblage, consists of, in ascending stratigraphic order, calcareous phyllite and argillaceous marble (dark grey tremolitic limestone, dark grey siliceous phyllite and grey quartz-plagioclase-carbonate-mineral-mica schist), tuffaceous metasandstone, (pink to light grey, sandy weathering, bedded), conglomerate (metamorphosed with granule- to boulder-sized clasts and grey metasandstone), limestone and marble (White to grey marble, fossiliferous limestone, black and grey), and siliceous argillite with lenses of volcanic rock (dark to medium grey and green, dense). Siliceous argillite is the dominant lithology in the outcrops. Hardy assemblage is also distinguished by numerous dykes and sills of hornblende diorite porphyry which feed overlying volcanic rocks. The assemblage is Late Mississippian or older in age and conformably overlies the Kaslo Group.

#### *Kaslo Group*

The Kaslo Group is best developed along the Blue Ridge from Mount Dryden south to Mount Jardine. This group is described in the Property Geology.

#### *Slocan Group*

The Slocan Group is the youngest sedimentary sequence in the Goat Range and crops out in Poplar Creek area, Mount Cooper to Kemball Creek and along both sides of highway 31A in the Property Area. This group is described in the Property Geology.

#### Intrusive Rocks

Intrusive rocks are common in the Goat Range and include dykes, sills and stocks of diorite, gabbro, granitic rocks, and rare lamprophyre. The major intrusive rocks in the area are: synvolcanic diorite, syntectonic diorite, and granitic rocks. The basic intrusive rocks occur throughout the Goat Range whereas large discordant bodies of granitic rocks are present in the northwestern part of the area. The oldest intrusive rocks are reported from the Lardeau group but are very thin and discontinuous. Younger dioritic rocks are related to three plutonic events: 1) Intrusion of the Early to Middle Permian and Carboniferous Kane Creek Diorite (synvolcanic), 2) Intrusion of the Late Permian to Middle Triassic Whitewater Diorite (syntectonic diorite), and 3) Intrusion of the younger early Mesozoic Davis Ridge Diorite. All these diorites are hornblende bearing and have a chemical composition of gabbro (contains less than 50 percent silica and its normative plagioclase is greater than 50 percent anorthite). Granitic rocks are Jurassic and (?) older in age and comprise the Kaslo River, Kuskanax and Blue Ridge Intrusive rocks. Lamprophyre dykes are possibly Eocene in age.

#### Kane Creek Diorite

It is extensively exposed in the headwaters of Kane Creek. Large bodies occur at Mount Cooper and southeast of Mount McHardy. It consists of greenish grey, medium- to fine grained foliated hornblende diorite porphyry, microdiorite greenstone and plagioclase-porphyroblastic chlorite schist dykes. It commonly contains ductile shear zones, mineralized quartz epidote  $\pm$  carbonate veins, and breccia with mineralized fractures. Glomerophytic hornblende is common but not ubiquitous. The Kane Creek Diorite consists of actinolite hornblende (30-50 percent) and altered plagioclase (20-35 percent) phenocrysts set in a matrix of amphibole-albitic plagioclase-epidote-chlorite-sphene. Dykes of Kane Creek diorite can be traced into tholeiitic volcanics of the McHardy assemblage and the Kaslo Group. It is considered, therefore, to be of Permian and (?) Carboniferous age. The Kane Creek Diorite is distinguished from the similar Whitewater Diorite by its ophitic texture and distinctly greater color index (35-60 percent) and "dusty" appearance of its hornblende porphyry phase).

#### Whitewater Diorite

The unit is best exposed at Whitewater Mountain in the Northern Property Claim Block where it is cutting the Whitewater Fault and overlying Kaslo volcanics. The other mappable locations include Three Grizzlies Stock, southeastern slope of Mount Brennan and Mount Jardin area. Whitewater Diorite is difficult to distinguish from Kane Creek Diorite where crosscutting relationships or glomerophytic textures characteristic of the Kane Creek Diorite are lacking. Whitewater diorite is medium- to coarse-grained, equigranular, and exhibits a lower color index than Kane Creek Diorite. Locally Whitewater diorite is intensely sheared with fine grained, mylonite-like ductile shear zones which suggest syntectonic emplacement. In general, the Whitewater Diorite consists of phenocrysts of coarse-grained actinolitic hornblende with fine-grained (0.1 mm) plagioclase inclusions and phenocrysts of coarse-grained plagioclase altered to albite-epidote-white mica and rare amphibole. North of Marten Mountain, it includes large

xenoliths of serpentinite and volcanics, including a body with the serpentinite-volcanic contact, interpreted as representing the Whitewater Fault. Because the Whitewater diorite intrudes the Kaslo Group of Lower Permian and (?)Carboniferous age and is unconformably overlain by the Marten conglomerate of Lower Permian age, the age of the diorite is Early Permian. The Whitewater diorite is restricted to the McHardy assemblage and the Kaslo Group.

#### Davis Ridge Diorite

Several large mafic sills and dykes are present on the southern ridge of Mount Davis and are called the Davis Ridge Diorite. It consists of coarse-grained phenocrysts of altered pyroxene and plagioclase set in a fine-grained matrix. The Davis Ridge Diorite intrudes rocks as young as the Upper Triassic Slovan Group.

#### Kaslo River Intrusive Rocks, Blue Ridge Intrusive Rocks and Kuskanax Batholith

These are the other intrusive units identified in the region. The Granitic rocks in these intrusions generally consist of hornblende and/or biotite granite and leucogranite, aegerine granite, and feldspar porphyry plugs and dykes. The age of these granites is Middle Jurassic.

The Kaslo River Intrusive Rocks consist of blocky, medium-grained light brown to light grey rocks that are generally rusty. Oligoclase or andesine plagioclase and slightly less microcline constitute 75 percent of the rock. Mafic components form less than 10 percent of the rock and consist of hornblende and minor biotite.

Blue Ridge intrusives are Light colored felsite dykes and leucogranite and occur along the southeast of Kane Creek.

Kuskanax Batholith is characterized by fine- to medium-grained light-coloured to pinkish, mainly equigranular leucogranite, leucocratic quartz monzonite and syenite with characteristic lens-shaped mafic clots.

#### Lamprophyre Dykes

The lamprophyre dykes are reported from near headwaters of Kane Creek as well as 5km north of Wilson and Keen Creeks junction. Several dykes were observed within the Property area and Hedley (1945, p. 15) noted these dykes in white water mine too. The unfoliated dyke consists of medium-grained augite phenocrysts set in a dark grey, fine-grained matrix that contains biotite and feldspar. In thin section the rock from Kane Creek consists of phenocrysts of zoned biotite (50 percent), slightly perthitic potash feldspar (10 percent) and euhedral apatite (15 percent) set in a matrix of carbonate and opaque minerals (25 percent). The dykes are correlated with the Eocene lamprophyre dykes farther west.

#### Structural Geology

Regional Structural geology of Goat Range is described in detail by Klepacki, D. W. and Wheeler, J.O in their publication "Klepacki, D. W. and Wheeler, J.O., Stratigraphic and structural relations of the Milford, Kaslo and Slovan groups, Goat Range, Lardeau and Nelson map areas, British Columbia; in Current Research, Part A, Geological Survey of Canada, Paper 85-1A, p. 277-286,198.5)". This section is taken from the publication.

#### *Major structures and deformation*

The distribution of Mississippian and younger rocks in the area is controlled by four major structures: Whitewater Fault, Stubbs Fault, Dryden Anticline, and Schroeder Fault. Pre-Mississippian rocks experienced additional deformation not associated with these structures. This earlier deformation is manifested as thrust faults and a pre-Mississippian foliation probably associated with folding. Northwest of Mount Cooper, two foliations are present in Broadview Formation of Lardeau Group, whereas only one occurs in the overlying Keen Creek assemblage of Milford Group. Pebbles of quartzite in basal conglomerate of Keen Creek assemblage are stretched along the foliation associated with the Dryden Anticline. This foliation is present as crenulation cleavage in the underlying Broadview Formation. Southeast and east of Mount Buchanan, structurally upright marble, and overlying Jowett Formation volcanics lie structurally on top of Broadview Formation in apparent thrust contact. The thrust fault is interpreted to lie at the base of the marble and volcanics and is locally truncated by the overlying Milford Group indicating pre-Upper Mississippian thrusting.

#### Whitewater Fault

The Whitewater Fault occurs at the base of Kaslo Group ultramafic unit and repeats the volcanic stratigraphy. Where exposed, the Whitewater Fault is a shear zone that is folded by folds associated with the Dryden Anticline. The Whitewater Fault cuts the Kaslo Group lower plate units, requiring the age of displacement to be younger than those Lower Permian and Carboniferous strata. The Whitewater Fault is plugged by the Whitewater diorite, which not only truncates the fault but has a large xenolith containing part of the Whitewater Fault. Northwest of Marten Mountain,

Whitewater diorite is overlain unconformably by the Lower Permian Marten conglomerate indicating an Early Permian age of movement along the fault.

#### Dryden Anticline

The first folding episode recognized in rocks younger than Mississippian generated the Dryden Anticline. The axial surface of Dryden Anticline is cut off by McKian Creek Stock, and can be traced south to the Mount Buchanan area where it is apparently truncated by a thrust fault in the McHardy assemblage (Fig. 8, section F-G). These truncations and regional considerations (Read and Wheeler, 1976) suggest the Dryden Anticline was generated during the Middle Jurassic Columbian Orogeny.

The axial surface of Dryden Anticline is mostly steeply to moderately inclined to the southwest although it locally dips northeast due to interference of younger structures. In the northwest the fold plunges southeast at 15 degrees and in the southeast, it plunges northwest at approximately 8 degrees. The Dryden Anticline thus forms a saddle-shaped structure with the depression occurring near the "elbow" bend of structural trends northwest of Mount Buchanan.

#### Stubbs Fault

The McHardy assemblage and Kaslo and Slocan groups have apparently been thrust onto the Keen Creek assemblage along the Stubbs Fault. The fault is well exposed on the northern flank of Mount Stubbs where the underlying upright, east-dipping limestone of Keen Creek assemblage becomes overturned to the east, suggesting east-directed movement along the fault. The Stubbs Fault, as well as the Whitewater Fault, is folded by the Dryden Anticline (Fig. 8 section A-B-C). However, the Stubbs Fault also cuts folds associated with the Dryden Anticline, suggesting synchronism of folding and faulting. The Stubbs Fault is plugged by Middle Jurassic granites of Kuskanax Batholith affinity.

#### Schroeder Fault

The Schroeder Fault juxtaposes the east limb of the Dryden Anticline against the west facing Lardeau Group and Davis assemblage. The Schroeder Fault has significant normal movement as it places Upper Triassic Slocan Group against Upper Mississippian Davis assemblage of Milford Group. Because the Schroeder Fault cuts Dryden Anticline structures, which apparently formed during the height of regional metamorphism, the faulting is post metamorphic, similar to faults in the Ainsworth area. South of Mount Buchanan, the Schroeder Fault splays into the Josephine and Lakeshore faults of the Ainsworth area. Northeast of Mount Cooper, the Schroeder Fault is plugged by a leucogranite stock of Kuskanax batholith affinity, thus reflecting pre- Middle Jurassic normal faulting northwest of Kootenay Lake.

#### Other fold phases

Two additional fold phases postdate the Dryden Anticline. Both phases are southerly plunging, westerly verging, and locally conjugate. The earlier phase has southeasterly striking axial surfaces and moderately plunging axes. The Whitewater drag fold, near Retallack, is of this relative age. The absolute age of this event is uncertain.

The later phase is only locally well developed. Axial surfaces strike south to southwesterly and folds plunge moderately to steeply south and verge to the west. Slip-cleavage surfaces forming secondary foliation are locally developed, especially along Wilson Creek southwest of Marten Mountain and near the bend in regional structural trends north of Mount Buchanan where later folds are associated with southwesterly trending faults (Fig. 9). The age of this event is also uncertain except that the faults near the bend in structural trends postdate the Schroeder Fault and are possibly younger than Middle Jurassic. Interference relationships of these two later fold phases are exposed in outcrops of Slocan Group grey phyllite about 13 km along highway 31 A, west of Kaslo village.

#### Late faulting

Moderately to steeply dipping faults with clay gouge zones are exposed along the eastern margin of the study area. Displacement along these faults is unknown but cannot be significant because the overall sequence of major rock units is not interrupted by these features. Granitic dykes are broken and warped in drag folds suggesting right-lateral movement along a fault in Davis assemblage 4.5 km east of Mount Cooper. These dykes are correlated with the Middle Jurassic granitic plutonism, so these faults are post-Middle Jurassic

#### Property Geology

This section describes the property geology including some adjacent areas. The geological information in this section is based on data compiled from different sources and the field investigations conducted by the Author on August 14-28, 2020 for Traction Exploration Inc. The property is underlain by the rocks of Kaslo group and Slocan Group (Fig-10). Other formations referred in this section and surrounding the claim area described in detail in regional geology section.

### *Kaslo Group*

The Kaslo Group is widely exposed and covers a major portion in the northern block of the property. It consists of Mafic volcanic rocks, serpentinite, intrusives, and associated sedimentary rocks. The Whitewater Fault occurs at the base of the ultramafic unit and divide the Kaslo Group into upper and lower plates. The Kaslo Group is Permian in age and conformably overlies the siliceous argillite member of the McHardy assemblage.

#### Lower Plate Sequence (PKv)

It comprises three members which in ascending order are Lower Volcanic Member, Sedimentary Members and Upper Volcanic Member. Lower Volcanic Member consists of dark green pillow lava, massive flows, flow and pillow breccia and tuffaceous greenstone. Feldspar porphyry dykes cutting the volcanic stratigraphy, ranging from 1-5 metres in thickness are noted in Highland Surprise Mine. Green, grey, and white laminated cherty tuff, purplish-grey siliceous argillite, quartz veins and greywacke and conglomerate constitute the sedimentary Member in the lower plate sequence. Tholeiitic pyroxene-plagioclase porphyritic pillow lava and breccia, greenstone, and chlorite phyllite constitute the Upper Volcanic Member. The volcanic members appear as a regionally homogeneous and is generally described as massive greenstone sequence. Localized alteration of the greenstone has produced a chlorite-biotite schist assemblage. Foliation is parallel to the nearby contact with mafic rocks suggesting movement during or after intrusion.

#### Upper Plate Sequence (Pkub)

The sequence is floored by the ultramafic unit, consisting of orange- dark green or white-weathering olive-green to black and mottled dark green serpentinite, and light green talc-carbonate schist. Serpentinite breccia, with angular to rounded clasts of serpentinite is common. The sedimentary Member overlies ultramafic member and comprises green, white, and dark grey cherty tuff, brown and grey wacke, and conglomerate with clasts of volcanic rocks, diorite, serpentinite, and chert. The upper volcanic Member comprises tholeiitic basalt flows and pillow lava, pillow, and greenstone breccias and green tuff. The most pronounced alteration of the peridotite is serpentinization. The degree of serpentinization varies from the footwall to the hanging wall. Localized, intense alteration, including the formation of talc-carbonate schist, is attributed to the thermal metamorphism related to shear zones transecting the ultramafic. Near the contact the serpentinization grades from moderate to intense.

### *Slocan Group*

The Slocan Group is the youngest sedimentary sequence in the Property area and crops out on both sides of highway 31A in the Whitewater South Block. In the north, the Schroeder fault places phyllite of the Slocan Group against siliceous argillite member of the Davis assemblage. The Slocan Group consists of thick sequence of grey to dark grey phyllite and slate which constitute most of the Slocan Group in the Goat Range area. The phyllite and slate is mostly massive, but bedding is locally present and defined by dark colour bands, sandy and calcareous layers, and bands that weather into differential relief because of slight compositional variations. Bedding varies from a few millimeters to about 4 meters (13 ft) thick and beds 2-8 cm (0.8-3.1 in) thick are most common. It is locally rhythmically bedded with grey to black microcrystalline limestone, limestone arenite, and minor grey quartzite and white quartz veins. Limestone beds are up to 20 meters thick, although most are only a few centimeters thick. Porphyritic mica lamprophyre is encountered in the Whitewater mine (Hedley, 1945).

The Slocan Group rests with slight angular unconformity on the Marten conglomerate. The age of the Slocan Group is Late Triassic (Carnian-Norian).

### *Intrusive Rocks*

The intrusive rocks in the area include diorite and granite. Two major types of diorites occur in the area: synvolcanic, fine grained hornblende diorite (Keen Creek Diorite) and syntectonic, coarse grained hornblende diorite (White water Diorite). Synvolcanic diorite is generally found in the Kaslo Group and appear to be feeders to the volcanic pile. The syntectonic Whitewater diorite is medium to coarse grained equi granular diorite with a lower colour index than the feeder diorite. It often displays glomerophytic texture. These intrusives are Early Permian or older in age (Klepacki, 1983; Klepacki et al, 1985).

Granitic rocks consist of hornblende-feldspar and feldspar (albite) porphyry dykes. The dykes post-date the major folding event and appear to have been emplaced along the axial plane fabric of the Dryden Anticline.

## Metamorphism

All rock units exposed on the property have undergone some degree of regional metamorphism. The most extensive metamorphism, locally to amphibolite grade, is tentatively correlated with the second deformation event which is responsible for northwesterly oriented folds.

The Kaslo Group has been subjected to two periods of low-grade metamorphism. The first is an early spilitic alteration which albited the Kaslo volcanic rocks. The second period is a regional event where the Kaslo volcanics are subjected to low grade greenschist metamorphism during the Jurassic. The common mineral assemblage developed in these volcanic rocks is albite-epidote- actinolite+ chlorite. Additional alteration is evident on the Property, but it is thought to be of a hydrothermal origin related to the mineralizing process. This assemblage includes quartz, albite, iron carbonate and biotite and is commonly spatially associated with felsic dyking.

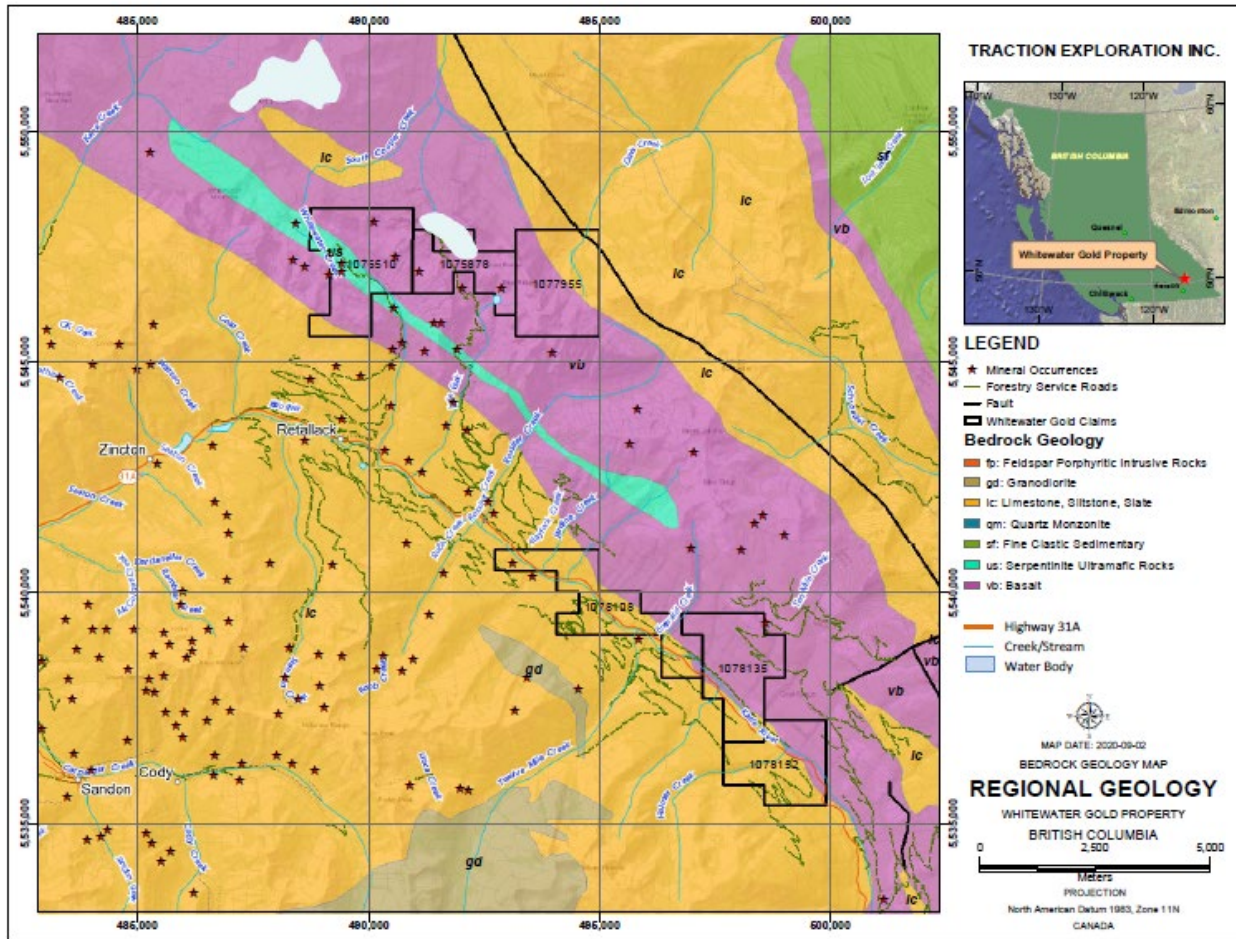


Figure 10: Geological map of Property area

## Mineralization

The area is known for silver, lead, zinc, and gold mineralization. Mineralization occur in the rocks of Slocan group and Kaslo group. Slocan group host most of the sulphide mineralization within and in the adjacent areas of the Property. These areas were extensively mined in the past, particularly in the Slocan group. The lode in Slocan group is hosted by carbonaceous slates, slaty argillites, impure limestones, and a few quartzite beds. Most of the Slocan camp mineralization is of the vein type with few of the deposits displaying replacement of the wall rock. Mineralization consists of galena and sphalerite with minor tetrahedrite and trace pyrite and chalcopyrite. The southern block of the property comprises sediments of Slocan Group. Mineralization at few locations are reported within the property includes Lucky Boy occurrence.

Mineralization in the rocks of Kaslo group is generally reported from the areas, north of Retallack. Quartz veins within the volcanic member of Kaslo Group commonly host mineralization. The veins are composed of quartz and calcite gangue which contains gold-bearing sulphides. The sulphides are principally pyrite and chalcopyrite. Highland Surprise Mine located near the North block of property produced gold from Kaslo Group. Several other prospects are identified in North block in the past. These include Gold Quartz Ridge, Gold Quartz B-zone, Gold Quartz, Tom, Tom 3, and Bollinger (Fig. 3)., Geophysical studies, trenching and geochemical sampling were conducted on some of these prospects.

### ***Deposit Types***

Slocan Mining district is known, mainly for silver bearing deposits, although lead and, zinc is also of primary importance. High gold values occur in few localities. These deposits are referred to as "dry ore deposits" whereas mineralization with silver, lead and zinc constitute the "wet ore deposits". The principal valuable minerals are argentiferous galena, argentiferous grey copper (silver-bearing tetrahedrite and freibergite), and sphalerite (zinc blende).

The economic mineralization, so far, seems to be mainly limited to Slocan Group, since all major mineable deposits of the silver-lead and zinc were found in this Group. The Slocan series comprising slates, argillites, limestones, quartzites, conglomerates, and tuffaceous beds, widely occurs in and around the Property area.

The Kaslo group is known for several mineral showings but few of them have economic importance (Cairnes, 1934). Prospects in Kaslo group are shown at Eureka, Beaver, Emerald Hill, Voyageur, Highland Surprise, and gold quartz areas. Most of these areas are along Lyle Creek and west and east of Rossiter Creek. The record of past active mining was found only from Highland Surprise Mine. Gold was discovered at this location and mined from 1937-1941 (Maconachie, 1940).

Four types of deposits are recognized in Slocan Group.

- Barren to nearly barren quartz veins in the form of stringers with sparsely disseminated pyrite, and occurring in all formations;
- Widely scattered mineral deposits containing values in gold, quartz and silicified wall-rocks carrying two or more of such minerals as pyrite, pyrrhotite, chalcopyrite, arsenopyrite, and gold;
- "Wet Ore Deposits" silver-lead-zinc deposits, occurring typically in the Slocan series, all three metals are equally important; and,
- "Dry Ore Deposits" silver main mineral, also significant values in lead or zinc or in both; abundant quartz as gangue mineral.

Mineralization has chiefly taken the form of fissure vein deposits. Replacement of the wall-rock is a common feature, its degree depending on the character of the enclosing rocks. Based on Field and laboratory evidence, it is concluded that Slocan mineral deposits formed during one, probably long, period of mineralization.

According to the geological model, regional faults and major structural discontinuities that have great strike lengths and extend deep in the crust are important mineralization controls because they provide conduits for the movement of mineralized fluids. Historically Slocan camp mineralization had been genetically linked to the cooling of the granitic batholith and differentiation of magma processes that resulted in generation of late magmatic mineralized fluids. Nowadays oxygen isotope studies concluded that lithostatically pressured aqueous fluids moved through an oblique-sinistral transfer zone between the southern terminus of the Columbia River detachment fault and the northern terminus of the Slocan Lake detachment fault. These fluids were responsible for the formation of the Slocan Sandon camp's silver-lead-zinc deposits (Hoik et al., 2007).



## Classification

The mineral deposits in Slocan mining district are classified into four classes. These are vein deposits, replacement deposits, spring deposits, and detrital deposits. Fissuring, fissure-filling, and replacement were the main processes involved. Only vein and replacement deposits are reported in the area.

### *Vein Deposits*

Vein deposits are the major producer of minerals in Slocan Group. The vein deposits are formed by filling a fracture space, replacing the rock walls along a fracture or by both processes. The veins continue either as a single vein or become composite by joining other fractures. Where wall-rock is easily replaceable, as in the case of limestone, replacement processes extending outwards from a single fracture may give rise to the formation of important ore bodies as they do, in part, at the Lucky Jim and Whitewater Deep mines. Two types of vein deposits are identified in the area, these are single vein and composite vein (Cairnes, 1934)

#### Single vein Deposits

The single vein deposits generally occur along fault-fissures. These veins are more persistent in dry ores than wet ore. Pinching and swelling and splitting are also common in dry ores. The single vein of "dry ore" generally contains quartz, albite, and carbonate as gangue material along with pyrite, chalcopyrite and locally zinc or lead sulphides and argentite. Gold occurs as the native variety plus electrum.

The chief gangue material in "wet ores" is quartz, siderite, calcite, or more than one of these minerals. The abundant ore minerals are galena and (or) zinc blende, but argentiferous grey copper is generally present in important amounts. Economic single vein deposits occur at Hartney, Payne (in part), U.S., and Reco (in part) mines of the Slocan series, and the Beaver and Eureka of the Kaslo series. The Payne vein was the most profitable of this type discovered in the area.

The Straight fault-fissure lodes of Beaver and Eureka properties of the Kaslo series are discontinuous and lie in narrow zone.

#### Composite Vein Deposits

In composite type, veins branches to follow more than one fracture. Composite veins are termed linked- veins, (two or more roughly parallel fissures that locally merge), breccia vein (breccia partly or completely replaced by vein deposit), and shear veins (intensely sheared zone replacement).

Linked veins are common in formations with abrupt changes in physical properties. Breccia-veins occur characteristically in the more resistant rocks and form substantial orebodies within limestone beds or other limy beds. Shear veins are more common in fissile or slaty rocks or relatively incompetent strata. Composite vein-lodes are from a foot or so to 150 feet or more in width. The mineral suite in Composite veins ore and gangue is like single vein mineral composition. Single vein lodes generally are almost entirely composed of vein minerals, whereas very considerable parts of composite vein-lodes may be fragments and include masses of wall-rocks.

Composite vein deposits, commonly sheared type, are reported from Silversmith Rubh-Hope, Slocan King, Richmond Euteka, Whitewater, Wellington, Ivanhoe, Lucky Thought, Mammoth, Mohawk, Silver Bear, and Black Grouse properties.

Mineralization in Highland Surprise Trend is also considered composite vein deposit. It is in lower plate of the Kaslo Group. The quartz veins are up to 0.30 meters wide but usually occur in "vein zones" up to 2.0 meters wide. It typically contains quartz, albite, and carbonate as gangue material along with up to 10% pyrite, chalcopyrite and rarely zinc or lead sulphides. Gold occurs as the native variety plus electrum Silver is also present. The Property is considered suitable for this type of deposits.

### *Replacement Deposits*

Replacement deposits are best developed in Lucky Jim property where limestone bed and limy strata have been locally extensively replaced by vein minerals. At this location, sequence from a few feet to over 100 feet thick comprises straight, persistent, and nearly parallel fractured. The widths of the fissure or fissures providing access for mineralizing solutions are insignificant as compared with the widths of replaced limestone on either or both sides are intersected. In the Whitewater Deep workings small fissures running out from the hanging-wall of the main Whitewater vein passed through a heavy limestone formation, which was extensively replaced to form large orebodies. At the Cork-Province mine the principal mineralization formed where the main vein crosses a series of limestone beds. Many other properties have replacement deposits, but on a smaller scale. The most important ore mineral of the limestone replacement deposits is sphalerite. It is commonly associated with some galena and locally galena maybe more abundant. Pyrite was noted in the

lower workings on the main 'ore'-bodies at the Lucky Jim mine. Other sulphides, such as, pyrrhotite, arsenopyrite (rare), and high-grade, silver bearing minerals may also be present, though replacement bodies 'as a whole carry low silver value. Gangue minerals may not be important constituents. At the Lucky Jim there is little gangue of any sort, but at the Whitewater Deep and Cork-Province siderite is abundant. Some quartz and calcite are generally present but are subordinate to the iron carbonate. Replacement deposits in other than limestone rocks contain the same minerals as the associated vein deposit and in much the same proportions.

#### *Mineralization shoots*

Mineralization shoots vary in size from few tons to thousands of tons and are lens-shaped or tabular. They are commonly part of vein deposits, but few also occur in replacement deposits. Large size shoots commonly occur in single veins of silver-lead and silver-lead- zinc. In general, they are thin, but in special circumstances, they may form thick ellipsoidal masses. Some ore shoots are composed almost entirely ore minerals whereas others contain various proportions of ore and gangue minerals. The silver-lead ore shoots in single veins may consist almost entirely of galena. Shoots containing silver or silver and gold are composed mainly of quartz.

These shoots of the larger silver-lead and silver-lead-zinc deposits are composed in part of nearly solid sulphides and in part, of sulphides, gangue minerals, and, in many cases, abundant fragments of wall-rock.

The largest and most valuable shoots in the Standard mine extended for, a vertical depth of about 400 feet (122m), with a maximum length of about 400 feet (122m) and a maximum thickness of about 50 feet (15m).

#### *Detrital Deposits*

Erosion and transportation have locally concentrated ore minerals. Such deposits include a little placer gold in Enterprise creek which is not economic. Concentrations of boulders of galena in several properties near Sandon are probably the most important detrital deposits. These boulders of galena have provided tonnages of high-grade silver-lead ore.

#### ***Exploration***

##### August 2020 Exploration Work Program

Geomap Exploration Inc. was contracted to complete an exploration programme in the area from August 14 to August-28, 2020. A team of three geologists and a part time prospector worked in the north and south blocks of the Property. The focus of the field work was to collect rock samples along with the geological and structural observations from Kaslo group and Slocan group sequence. The sampling program was designed to represent all prospective geological units and formations.

The claim area never had a detailed mapping and sampling work. Regional geological and exploration work was intermittently carried out until the late eighties of the last century. For the last four decades, it appears that no significant exploration or development work took place in the area. Although, the property does not host any major previous or present underground or surface mine, it is surrounded by many major past silver, lead, zinc, and gold mines. The data collected from these mines and exploration work and research work conducted in these areas provide a good understanding of the geology and mineralization.

The property is separated in two blocks. The North Block is underlain dominantly by Kaslo Group sequence whereas south Block comprises Slocan group and Kaslo Group. Both geological units have past producing mines in the surrounding areas of the Property. The mineralization in Slocan group occurs in quartz veins, carbonaceous slates, slaty argillites, and a few quartzite beds. Quartz veins within the volcanic member of Kaslo Group commonly host mineralization. Few mineral showings (Figure 3) are reported in the north and south blocks of the claim areas and are discussed under “*The Whitewater Property – History.*”

A total of 121 outcrop grab samples from outcrops, floats and fault related broken rubble material were collected during this campaign. Out of 121 samples collected, 62 samples were taken from the rocks of the Slocan Group, 46 from the Kaslo Group, 3 from intrusives and 10 samples were field duplicates. All the sampling work was completed by the geologists of Geomap Exploration Inc. Table 4 is the field description of these samples, Table 5 is the summary of samples, and Table 6 assay highlights.

Table 4: Whitewater Property Exploration August 14-28, 2020 Rock Samples Details

Sample Number	Location NAD 83 Zone 11		Elevation m	Exploration Area	Sample Type	Description	Structure and Other Comments
	Easting	Northing					
WWS-20-01R	497245	5538467	898	WW SOUTH BLOCK	Grab rock sample from outcrop	Dark gray Phyllite, rust brown weathering along bedding, thin bedded, splintery, with quartz veins and fillings along fractures, 1-2% sulphides, py, pyrrhotite, galena, and cpy along bedding planes and fractures.	Strike 310, dip 45 NE
WWS-20-02R	497134	5538583	910	WW SOUTH BLOCK	Grab rock sample from outcrop	Same as above, less oxidized and more sulphides with malachite staining along bedding plane, thin quartz veining cm size.	
WWS-20-03R	497040	5538650	919	WW SOUTH BLOCK	Grab rock sample from outcrop	Dark gray Phyllite, rust brown weathering along bedding, thin bedded, splintery, with quartz veins and fillings along fractures, 1-2% sulphides, py, pyrrhotite, galena, and cpy along bedding planes and fractures.	
WWS-20-04R	497010	5538671	921	WW SOUTH BLOCK	Grab rock sample from outcrop	Same as above with interlayered qtz/ calcite	
WWS-20-05R	496491	5538994	918	WW SOUTH BLOCK	Grab rock sample from outcrop	Light brown quartz vein (5-10 cm thick) in dark grey phyllite, hematitic alteration, sample of quartz with wallrock.	
WWS-20-06R	496400	5539064	916	WW SOUTH BLOCK	Grab rock sample from outcrop	Dark gray Phyllite, rust brown weathering along bedding, thin bedded, splintery, with quartz veins and fillings along fractures, 1-2% sulphides, py, pyrrhotite, galena, and cpy along bedding planes and fractures.	
WWS-20-07R	495516	5539632	939	WW SOUTH BLOCK	Grab rock sample from a series of quartz floats	Quartz veining with hematitic alteration and fracture filling of dark grey phyllitic material.	

Sample Number	Location NAD 83 Zone 11		Elevation m	Exploration Area	Sample Type	Description	Structure and Other Comments
	Easting	Northing					
WWS-20-08R	492941	5540451	1060	WW SOUTH BLOCK	Grab rock sample from outcrop	Light brown quartz vein (5-30 cm thick) in dark grey phyllite, hematitic alteration, sample of quartz with wallrock, medium bedded.	
WWS-20-09R	492842	5540499	1049	WW SOUTH BLOCK	Grab rock sample from outcrop	Brownish grey siltstone / argillites, micaceous, 2-5% sulphides, py, pyrrhotite, galena, and cpy along bedding planes and fractures.	
WWS-20-10R	492857	5540506	1054	WW SOUTH BLOCK	Grab rock sample from outcrop	Light brown quartz vein (10 cm thick) in dark grey phyllite, hematitic alteration, sample of quartz with wallrock, medium bedded.	
WWS-20-11R	492857	5540506	1054	WW SOUTH BLOCK	Grab rock sample from outcrop	Duplicate of WWS-20-10R	
WWS-20-12R	493620	5540524	892	WW SOUTH BLOCK	Grab rock sample from outcrop	Light brown quartz vein sinuous pattern in dark grey phyllite, hematitic alteration, sample of quartz with wallrock, thin bedded.	
WWS-20-13R	493623	5540548	897	WW SOUTH BLOCK	Grab rock sample from outcrop	Same as above with more oxidized.	
WWS-20-14R	493604	5540559	898	WW SOUTH BLOCK	Grab rock sample from outcrop	Light brown quartz vein (60 cm thick) in dark grey phyllite, hematitic alteration, sample of quartz with wallrock, medium bedded.	
WWS-20-15R	493545	5540620	906	WW SOUTH BLOCK	Grab rock sample from outcrop	Quartz veining with hematitic alteration and fracture filling of dark grey phyllitic material. Shear zone with phyllites also has sulphides	
WWS-20-16R	493297	5540809	901	WW SOUTH BLOCK	Grab rock sample from outcrop	Dark gray Phyllite, rust brown weathering along bedding, thin bedded, splintery, with quartz veins and fillings along fractures, 1-2% sulphides, py, pyrrhotite, galena, and cpy along bedding planes and fractures.	

Sample Number	Location NAD 83 Zone 11		Elevation m	Exploration Area	Sample Type	Description	Structure and Other Comments
	Easting	Northing					
WWN-20-17R	493582	5545451	2224	WW N BLOCK	Grab rock sample from rubble broken due to glacier	Quartz (10 cm thick) vein in ultramafic dunnite, fine grained.	
WWN-20-18R	493192	5545069	2237	WW N BLOCK	Grab rock sample from outcrop	Quartz vein, light brown to pink.	
WWN-20-19R	493548	5545476	2231	WW N BLOCK	Grab rock sample from outcrop	Quartz vein, light brown to pink in granitic rock altered.	
WWN-20-20R	493616	5545412	2218	WW N BLOCK	Grab rock sample from outcrop	Same as above.	
WWN-20-21R	497836	5537941	899	WW SOUTH BLOCK	Grab rock sample from outcrop	Light brown quartz vein in dark grey phyllite, hematitic alteration, sample of quartz with wallrock, medium bedded, vuggy, rusty patches in vugs, 2-3% sulphides.	Strike NW 315, dip 45 NE
WWS-20-22R	497836	5537941	899	WW SOUTH BLOCK	Grab rock sample from outcrop	Duplicate of WWS-20-21R	
WWS-20-23R	497843	5537927	899	WW SOUTH BLOCK	Grab rock sample from outcrop	Light brown quartz vein in dark grey phyllite, hematitic alteration, sample of quartz with wallrock, medium bedded, vuggy, rusty patches in vugs, 1-2% sulphides.	
WWS-20-24R	498016	5537730	893	WW SOUTH BLOCK	Grab rock sample from outcrop	Light brown quartz vein (15 cm thick) in dark grey phyllite, hematitic alteration, sample of quartz with wallrock, medium bedded, 1-2% sulphides (VG?)	
WWS-20-25R	498015	5537722	889	WW SOUTH BLOCK	Grab rock sample from float/subcrop	Light brown quartz vein (15 cm thick) in dark grey phyllite, hematitic alteration, sample of quartz with wallrock, medium bedded, 1-2% sulphides.	

Sample Number	Location NAD 83 Zone 11		Elevation m	Exploration Area	Sample Type	Description	Structure and Other Comments
	Easting	Northing					
WWS-20-26R	497044	5538567	883	WW SOUTH BLOCK	Grab rock sample from outcrop	Light brown quartz vein (10 cm thick) with microveining in dark grey phyllite, hematitic alteration, sample of quartz with wallrock, medium bedded, 1-2% sulphides.	
WWS-20-27R	497044	5538567	883	WW SOUTH BLOCK	Grab rock sample from outcrop	Light brown quartz vein in dark grey phyllite, hematitic alteration, sample of quartz with wallrock, medium bedded, 1-2% sulphides.	
WWS-20-28R	497100	5538561	898	WW SOUTH BLOCK	Grab rock sample from a float near outcrop	Light brown quartz hematitic alteration filled voids.	
WWS-20-29R	496882	5538607	854	WW SOUTH BLOCK	Grab rock sample from outcrop	Light brown quartz microveining in dark gray phyllite.	
WWS-20-30R	496847	5538623	847	WW SOUTH BLOCK	Grab rock sample from outcrop	Dark gray Phyllite, rust brown weathering along bedding, thin bedded, splintery, with quartz veins and fillings along fractures, 1-2% sulphides, py, pyrrhotite, galena, and cpy along bedding planes and fractures, intense folding.	Strike NW, dip 10 NE
WWS-20-31R	496847	5538623	847	WW SOUTH BLOCK	Grab rock sample from outcrop	Duplicate of WWS-20-30R	
WWS-20-32R	496792	5538640	844	WW SOUTH BLOCK	Grab rock sample from outcrop	Dark gray Phyllite/ slate, rust brown weathering along bedding, thin bedded, splintery, with quartz veins and fillings along fractures, 1-2% sulphides, py, pyrrhotite, galena, and cpy along bedding planes and fractures, intense folding.	
WWS-20-33R	494800	5540130	874	WW SOUTH BLOCK	Grab rock sample from outcrop	Greenish grey to brown phyllite, thin bedded, 1-2% sulphides, cpy, py.	

Sample Number	Location NAD 83 Zone 11		Elevation m	Exploration Area	Sample Type	Description	Structure and Other Comments
	Easting	Northing					
WWS-20-34R	494785	5540158	877	WW SOUTH BLOCK	Grab rock sample from outcrop	Light gray to brown phyllite/chlorite schist, 1-2% sulphides, cpy, py.	
WWS-20-35R	494785	5540158	877	WW SOUTH BLOCK	Grab rock sample from outcrop	Dark reddish-brown quartzite in phyllite bedding, 2-3% sulphides.	
WWS-20-36R	494770	5540178	880	WW SOUTH BLOCK	Grab rock sample from outcrop	Same as above, with dark reddish-brown quartzite.	
WWS-20-37R	495370	5539444	866	WW SOUTH BLOCK	Grab rock sample from outcrop	Dark gray Phyllite/ slate, rust brown weathering along bedding, thin bedded, splintery, with quartz veins and fillings along fractures, 1-2% sulphides, py, pyrrhotite, galena, and cpy along bedding planes and fractures, intense folding.	
WWS-20-38R	495339	5539457	872	WW SOUTH BLOCK	Grab rock sample from outcrop	Light brown quartz vein (mm to a few cm size) with microveining in dark grey phyllite, hematitic alteration, thin bedded.	
WWS-20-39R	495145	5539594	866	WW SOUTH BLOCK	Grab rock sample from outcrop	Light brown quartz vein (10 cm thick) with microveining in dark grey phyllite, hematitic alteration, sample of quartz with wallrock, medium bedded, 1-2% sulphides (py, cpy).	
WWS-20-40R	495115	5539630	865	WW SOUTH BLOCK	Grab rock sample from outcrop	Light brown quartz vein (20 cm thick) in dark grey phyllite, hematitic alteration, sample of quartz vein, trace sulphides.	
WWS-20-41R	495115	5539630	865	WW SOUTH BLOCK	Grab rock sample from outcrop	Duplicate of WWS-20-40R	
WWS-20-42R	495105	5539660	868	WW SOUTH BLOCK	Grab rock sample from outcrop	Dark grey phyllite, thin bedded hematitic alteration, trace sulphides.	

Sample Number	Location NAD 83 Zone 11		Elevation m	Exploration Area	Sample Type	Description	Structure and Other Comments
	Easting	Northing					
WWS-20-43R	497577	5537980	836	WW SOUTH BLOCK	Grab rock sample from outcrop	Light brown quartz vein (20 cm thick) vuggy, in dark grey phyllite, hematitic alteration, sample of quartz with wallrock, medium bedded, 1-2% sulphides.	
WWS-20-44R	497591	5537958	826	WW SOUTH BLOCK	Grab rock sample from 1m x0.5m boulder	Light brown quartz vein (50 cm thick) near dark grey phyllite outcrop, hematitic alteration, sample of quartz with wallrock, medium bedded, 1-2% sulphides.	
WWS-20-45R	497591	5537940	833	WW SOUTH BLOCK	Grab rock sample from outcrop	Light brown quartz vein (30 cm thick) in dark grey phyllite, hematitic alteration, sample of quartz with wallrock, thin to medium bedded, 2-3% sulphides (galena, cpy).	
WWS-20-46R	497594	5537925	824	WW SOUTH BLOCK	Grab rock sample from outcrop	Light brown quartz vein (20 cm thick) in dark grey phyllite, hematitic alteration, sample of quartz with wallrock, thin to medium bedded, 1-2% sulphides.	
WWS-20-47R	497599	5537918	827	WW SOUTH BLOCK	Grab rock sample from outcrop	Light greyish, dense quartz vein (15 cm thick) with in dark grey phyllite, hematitic alteration, thin to medium bedded, 1-2% sulphides (galena, Pb).	A series of quartz veins in this section which need a follow up prospecting work.
WWS-20-48R	497599	5537879	821	WW SOUTH BLOCK	Grab rock sample from outcrop	Light brown quartz vein (20 cm thick) in dark grey phyllite, hematitic alteration, sample of quartz with wallrock, thin to medium bedded, 2-3% sulphides.	
WWS-20-49R	497598	553867	826	WW SOUTH BLOCK	Grab rock sample from outcrop	Light brown quartz vein (20 cm thick) in dark grey phyllite, hematitic alteration, sample of quartz with wallrock, thin to medium bedded, trace sulphides.	
WWS-20-50R	497596	5537861	825	WW SOUTH BLOCK	Grab rock sample from outcrop	Light brown quartz vein (10 cm thick) with microveining in dark grey phyllite, hematitic alteration, sample of quartz with wallrock, medium bedded, trace to 1% sulphides.	



Sample Number	Location NAD 83 Zone 11		Elevation m	Exploration Area	Sample Type	Description	Structure and Other Comments
	Easting	Northing					
WWS-20-51R	497596	5537861	825	WW SOUTH BLOCK	Grab rock sample from outcrop	Duplicate of WWS-20-50R	
WWS-20-52R	497623	5537812	819	WW SOUTH BLOCK	Grab rock sample from outcrop	Light brown quartz vein (5-30 cm thick) with wavy pattern in dark grey phyllite, hematitic alteration, sample of quartz with wallrock, thin to medium bedded, 1-2% sulphides.	Quartz vein runs along the bedding
WWS-20-53R	496091	5539114	856	WW SOUTH BLOCK	Grab rock sample from outcrop	Dark grey slate/phyllite, smooth surface, thin bedded, hematitic alteration, 2-3% sulphides.	
WWS-20-54R	496132	5539074	856	WW SOUTH BLOCK	Grab rock sample from outcrop	Light brown quartz vein (2 -40 cm thick multiple veins) with microveining in dark grey slate/phyllite, hematitic alteration, sample of quartz with wallrock, medium bedded, 1-2% sulphides.	Strike NW-SE, Dip 70N
WWS-20-55R	499167	5536380	808	WW SOUTH BLOCK	Grab rock sample from outcrop	Light brown quartz vein (20 cm thick) with multiple veins in dark grey phyllite, hematitic alteration, thin to medium bedded, 1-2% sulphides, the quartz veins are continuous in this section for a width of 50 m.	Strike NW 315, dip V
WWS-20-56R	499167	5536380	808	WW SOUTH BLOCK	Grab rock sample from outcrop	Light brown quartz vein (40 cm thick) with microveining in dark grey phyllite, hematitic alteration, sample of quartz with wallrock, medium bedded, 1-2% sulphides (5 m from sample WWS-20-55R).	
WWS-20-57R	499156	5536368	804	WW SOUTH BLOCK	Grab rock sample from outcrop	Light brown quartz vein (30 cm thick) in dark grey phyllite, hematitic alteration, sample of quartz with wallrock, medium bedded, 2-3% sulphides (galena, cpy).	
WWS-20-58R	499169	5536370	799	WW SOUTH BLOCK	Grab rock sample from outcrop	A series of light brown quartz veins (15 cm thick) in dark grey phyllite, hematitic alteration, medium bedded, 1-2% sulphides.	

Sample Number	Location NAD 83 Zone 11		Elevation m	Exploration Area	Sample Type	Description	Structure and Other Comments
	Easting	Northing					
WWS-20-59R	499169	5536370	799	WW SOUTH BLOCK	Grab rock sample from outcrop	Light brown quartz vein (10 cm thick) across bedding of dark grey phyllite, hematitic alteration, sample of quartz with wallrock, medium bedded, 1-2% sulphides.	
WWS-20-60R	499163	5536362	809	WW SOUTH BLOCK	Grab rock sample from outcrop	Light brown quartz vein (10 cm thick) in dark grey phyllite, hematitic alteration, sample of quartz with wallrock, medium bedded, 1-2% sulphides.	Sample taken 20 to the southeast of WWS-20-55R
WWS-20-61R	489945	5496209	973	WW SOUTH BLOCK	Grab rock sample from outcrop	Duplicate of WWS-20-60R	
WWN-20-62R	489974	5546712	1864	WW N BLOCK	Grab rock sample from outcrop / rubble	Brown to dark brown, altered basalt, coarse pegmatitic texture, magnetic,	WP250: 490607E/5545475/1635m; Geological terrain changes for Slocan Group graphitic metapelites in the S to greenstone facies of Kaslo Group in the N, but quartz veining remains in both facies, indicating a coeval introduction of quartz in the system.
WWN-20-63R	489855	5546826	1905	WW N BLOCK	Grab rock sample from outcrop / rubble	Brown to dark brown, altered basalt, coarse pegmatitic / porphyritic texture, magnetic,	Rocks are broken and formed a huge pile of rubble probably along a fault zone. Kaslo Group volcanics have been intruded by syntectonic coarse grained hornblende diorite and post-tectonic hornblende feldspar and feldspar porphyry dikes.

Sample Number	Location NAD 83 Zone 11		Elevation m	Exploration Area	Sample Type	Description	Structure and Other Comments
	Eastings	Northing					
WWN-20-64R	489855	5546816	1901	WW N BLOCK	Grab rock sample from outcrop / rubble	White to brownish quartz vein in dunnite ultra mafic rock fine grained, hematitic.	Serpentinized dunnite is the most extensive rock type exposed in this area, forming northwesterly trending bands with steep southwest dips, and extending up to 750 metres in width.
WWN-20-65R	489855	5546816	1901	WW N BLOCK	Grab rock sample from outcrop / rubble	Brown / d brown altered dunnite, 2-3% sulphides, fine grained greenish grey original colour, py, cpy, pentlandite.	
WWN-20-66R	489854	5546806	1895	WW N BLOCK	Grab rock sample from outcrop / rubble	Brown / d brown altered dunnite, 2-3% sulphides, fine grained greenish grey original colour, py, cpy, pentlandite.	
WWN-20-67R	489868	5546798	1888	WW N BLOCK	Grab rock sample from outcrop / rubble	Same as above	
WWN-20-68R	489870	5546792	1896	WW N BLOCK	Grab rock sample from outcrop / rubble	White to brownish quartz vein in dunnite ultra mafic rock fine grained, hematitic.	
WWN-20-69R	489879	5546786	1887	WW N BLOCK	Grab rock sample from outcrop / rubble	Brown / d brown altered dunnite, 1-2% sulphides, fine grained greenish grey original colour, py, cpy, pentlandite.	
WWN-20-70R	489889	5546780	1885	WW N BLOCK	Grab rock sample from outcrop / rubble	Brown / d brown altered dunnite, 2-3% sulphides, fine grained greenish grey original colour, py, cpy, pentlandite.	
WWN-20-71R	489889	5546780	1885	WW N BLOCK	Grab rock sample from outcrop	Duplicate of WWN-20-70R	

Sample Number	Location NAD 83 Zone 11		Elevation m	Exploration Area	Sample Type	Description	Structure and Other Comments
	Easting	Northing					
WWS-20-72R	499132	5536473	805	WW SOUTH BLOCK	Grab rock sample from outcrop	Phyllite; grey, thin bedded, 10 cm thick qtz vein parallel to bedding plane, rusty, 1-2 % sulphides. Strike: NW Dip: 45-50 deg NE	
WWS-20-73R	499126	5536474	803	WW SOUTH BLOCK	Grab rock sample from outcrop	Phyllite; grey, thin bedded, up to 5 cm thick qtz vein parallel to bedding plane, 1-2 % sulphides.	
WWS-20-74R	499111	5536475	807	WW SOUTH BLOCK	Grab rock sample from outcrop	Phyllite; grey, thin bedded, up to 10 cm thick qtz vein parallel to bedding plane, rusty, 1-2 % sulphides. Strike: NW Dip: 70 deg NE	
WWS-20-75R	499098	5536473	810	WW SOUTH BLOCK	Grab rock sample from outcrop	Phyllite; same as before, up to 1 ft thick qtz vein cutting across bedding, rusty, pinches and disappears, 1-2 % sulphides.	
WWS-20-76R	499103	5536486	793	WW SOUTH BLOCK	Grab rock sample from outcrop	Phyllite; same as before, 5-10cm thick qtz vein cutting across bedding, rusty, highly oxidized at places, 1-2 % sulphides.	
WWS-20-77R	499003	5536566	819	WW SOUTH BLOCK	Grab rock sample from outcrop	Phyllite; grey, thin bedded, 4-10 cm thick qtz vein parallel to bedding plane, rusty, 1-2 % sulphides.	
WWS-20-78R	498995	5536593	804	WW SOUTH BLOCK	Grab rock sample from outcrop	Phyllite; same as before, 20-60 cm thick qtz vein along bedding planes, rusty, iron stained, oxidized, 1 % sulphides.	
WWS-20-79R	498985	5536597	807	WW SOUTH BLOCK	Grab rock sample from outcrop	Phyllite; same as before, 15-30 cm thick qtz vein along bedding planes, rusty, oxidized, thickening due to faulting/folding, 1-2 % sulphides.	

Sample Number	Location NAD 83 Zone 11		Elevation m	Exploration Area	Sample Type	Description	Structure and Other Comments
	Easting	Northing					
WWS-20-80R	498872	5536677	806	WW SOUTH BLOCK	Grab rock sample from outcrop	Phyllite; light to med grey, thin bedded, occasionally rusted, 1-2 cm thick qtz veins cutting across the bedding planes, rusty, trace to 1 % sulphides.	
WWS-20-81R	498013	5539226	1480	WW SOUTH BLOCK	Grab rock sample from outcrop	Green coloured serpentized rock, fine grained, rusted at places, hard, rare thin qtz veins, trace sulphides.	
WWS-20-82R	498013	5539226	1480	WW SOUTH BLOCK	Grab rock sample from outcrop	Green coloured serpentized rock, fine grained, rusted at places, hard, rare thin qtz veins, trace sulphides.	Duplicate of WWS-20-81R
WWS-20-83R	498237	5538919	1439	WW SOUTH BLOCK	Grab rock sample from outcrop	Green coloured serpentized rock, fine grained, iron stained, hard, trace-1 % sulphides, occasionally cube shaped.	
WWS-20-84R	498380	5538762	1406	WW SOUTH BLOCK	Grab rock sample from outcrop	Green coloured serpentized rock, fine grained, hard, rare thin qtz veins, 1-2 % sulphides.	
WWS-20-85R	498403	5387475	1404	WW SOUTH BLOCK	Grab rock sample from outcrop	Green coloured serpentized rock, fine grained, rusted at places, hard, trace sulphides.	
WWN-20-86R	489858	5546809	1895	WW NORTH BLOCK	Grab rock sample from outcrop / rubble	Green serpentized rock, 1-2 cm thick qtz veins, oxidized, iron stained, 4-10 cm thick high sulphide band.	
WWN-20-87R	489394	5547066	1943	WW NORTH BLOCK	Grab rock sample from outcrop / rubble	Green serpentized rock, 2-3 cm thick qtz veins, massive, v. hard, occasionally oxidized, iron stained, 1-2 % sulphides.	
WWN-20-88R	489391	5547056	1946	WW NORTH BLOCK	Grab rock sample from outcrop / rubble	Green serpentized rock, up to 5 cm thick qtz vein, highly oxidized, trace-1 % sulphides.	

Sample Number	Location NAD 83 Zone 11		Elevation m	Exploration Area	Sample Type	Description	Structure and Other Comments
	Easting	Northing					
WWN-20-89R	489395	5547036	1951	WW NORTH BLOCK	Grab rock sample from outcrop / rubble	Green serpentinized rock, up to 5 cm thick qtz vein, trace sulphides.	
WWN-20-90R	489399	5547028	1942	WW NORTH BLOCK	Grab rock sample from outcrop / rubble	Green serpentinized rock, up to 10 cm thick qtz vein, 1-2 % sulphides.	
WWN-20-91R	489399	5547028	1942	WW NORTH BLOCK	Grab rock sample from outcrop / rubble	Green serpentinized rock, up to 10 cm thick qtz vein, 1-2 % sulphides.	Duplicate of WWN-20-90R
WWN-20-92R	489405	5547034	1945	WW NORTH BLOCK	Grab rock sample from outcrop / rubble	25 cm thick qtz vein, trace sulphides.	
WWN-20-93R	489411	5547027	1945	WW NORTH BLOCK	Grab rock sample from outcrop / rubble	15 cm thick qtz vein, trace sulphides.	
WWN-20-94R	489415	5547020	1942	WW NORTH BLOCK	Grab rock sample from outcrop / rubble	Green serpentinized rock, up to 5 cm thick qtz vein, iron stained, trace sulphides.	
WWN-20-95R	489418	5547009	1947	WW NORTH BLOCK	Grab rock sample from outcrop / rubble	Green serpentinized rock, mm size qtz veins, oxidized, trace sulphides.	
WWN-20-96R	489425	5547008	1943	WW NORTH BLOCK	Grab rock sample from outcrop / rubble	Green serpentinized rock, highly oxidized, ferruginous, trace sulphides.	
WWN-20-97R	489424	5547001	1945	WW NORTH BLOCK	Grab rock sample from outcrop / rubble	Up to 45 cm thick qtz vein with thin green wall rock layers, trace sulphides.	

Sample Number	Location NAD 83 Zone 11		Elevation m	Exploration Area	Sample Type	Description	Structure and Other Comments
	Easting	Northing					
WWN-20-98R	489440	5547002	1942	WW NORTH BLOCK	Grab rock sample from outcrop / rubble	Up to 45 cm thick qtz vein with thin green wall rock layers, trace sulphides.	
WWN-20-99R	489448	5547001	1943	WW NORTH BLOCK	Grab rock sample from outcrop / rubble	Two 15-20 cm thick qtz veins at 1.5 ft interval in green coloured very hard rock, oxidized at places, 1-2 % sulphides.	
WWN-20-100R	489448	5547001	1943	WW NORTH BLOCK	Grab rock sample from outcrop / rubble	10 cm thick qtz vein, trace sulphides.	
WWN-20-101R	489467	5546993	1930	WW NORTH BLOCK	Grab rock sample from outcrop / rubble	Green serpentized rock, highly oxidized, ferruginous, trace-1 % sulphides.	
WWN-20-102R	489467	5546993	1930	WW NORTH BLOCK	Grab rock sample from outcrop / rubble	Green serpentized rock, highly oxidized, ferruginous, trace-1 % sulphides.	Duplicate of WWN-20-101R
WWN-20-103R	489462	5546983	1935	WW NORTH BLOCK	Grab rock sample from outcrop / rubble	10 cm thick qtz vein, trace sulphides.	
WWS-20-104R	498528	5538654	1392	WW SOUTH BLOCK	Grab rock sample from outcrop	Green coloured serpentized rock, med bedded, occasional thin qtz veins (mm scale), oxidized at places, trace sulphides.	
WWS-20-105R	498518	5538665	1395	WW SOUTH BLOCK	Grab rock sample from outcrop	Green coloured serpentized rock, med bedded, occasional thin qtz veins (mm scale), oxidized at places, trace sulphides.	

Sample Number	Location NAD 83 Zone 11		Elevation m	Exploration Area	Sample Type	Description	Structure and Other Comments
	Easting	Northing					
WWS-20-106R	498534	5538624	1376	WW SOUTH BLOCK	Grab rock sample from outcrop	Green coloured serpentinitized rock, oxidized, trace-1 % sulphides (localized cubes).	
WWS-20-107R	498509	5538634	1376	WW SOUTH BLOCK	Grab rock sample from outcrop	Green coloured serpentinitized rock, trace sulphides.	
WWS-20-108R	498473	5538643	1371	WW SOUTH BLOCK	Grab rock sample from outcrop	Green coloured serpentinitized rock, trace sulphides.	
WWS-20-109R	498440	5538652	1370	WW SOUTH BLOCK	Grab rock sample from outcrop	Green coloured serpentinitized rock, trace sulphides.	
WWS-20-110R	498317	5538970	1367	WW SOUTH BLOCK	Grab rock sample from outcrop	Green coloured serpentinitized rock, med bedded, oxidized at places, trace sulphides.	
WWS-20-111R	498298	5538721	1363	WW SOUTH BLOCK	Grab rock sample from outcrop	Green coloured serpentinitized rock, trace sulphides.	
WWS-20-112R	498298	5538721	1363	WW SOUTH BLOCK	Grab rock sample from outcrop	Green coloured serpentinitized rock, trace sulphides.	Duplicate of WWS-20-111R
WWS-20-113R	498297	5538681	1359	WW SOUTH BLOCK	Grab rock sample from outcrop	Green coloured serpentinitized rock, trace sulphides.	
WWS-20-114R	498309	5538670	1358	WW SOUTH BLOCK	Grab rock sample from outcrop	Green coloured serpentinitized rock, trace sulphides.	



Sample Number	Location NAD 83 Zone 11		Elevation m	Exploration Area	Sample Type	Description	Structure and Other Comments
	Eastings	Northing					
WWS-20-115R	498325	5538655	1353	WW SOUTH BLOCK	Grab rock sample from outcrop	Green coloured serpentized rock, trace sulphides.	
WWS-20-116R	498336	5538644	1358	WW SOUTH BLOCK	Grab rock sample from outcrop	Sandstone/quartzite; light brown, med to c grained, quartzose, silica cemented, iron stained at places, hard, few mm -2 cm thick qtz veins, trace sulphides.	
WWS-20-117R	498356	5538631	1353	WW SOUTH BLOCK	Grab rock sample from outcrop	Sandstone/quartzite; light brown, med to c grained, quartzose, silica cemented, iron stained at places, hard, 10 cm thick qtz vein, trace sulphides.	
WWS-20-118R	498382	5538609	1348	WW SOUTH BLOCK	Grab rock sample from outcrop	Sandstone/quartzite; light brown, med to c grained, quartzose, silica cemented, iron stained at places, hard, 5-6 cm thick qtz veins, trace sulphides.	
WWS-20-119R	498406	5538606	1346	WW SOUTH BLOCK	Grab rock sample from outcrop	Green coloured serpentized rock, trace sulphides.	
WWS-20-120R	498426	5538590	1344	WW SOUTH BLOCK	Grab rock sample from outcrop	Green coloured serpentized rock, trace sulphides.	
WWS-20-121R	498426	5538590	1344	WW SOUTH BLOCK	Grab rock sample from outcrop	Duplicate of WWS-20-120R	

Table 5: Summary of the Samples taken from each geological unit

Block	Slocan Group	Lower Plate	Upper Plate Volcanic Group	Intrusive	Duplicate	Total
North		26		3	3	32
South	62		20		7	89

Table 6: Exploration work assays highlights

Lab Sample Id	Field Sample ID	Method	FA-ICP-OES*	(201-071) 4 Acid Digest - Metals Package, ICP/ICP-MS finish									
		Analyte:	Au	Ag	As	Cr	Cu	Fe	Mn	Ni	Pb	V	Zn
		Unit:	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm
		RDL:	0.001	0.01	0.2	0.5	0.5	0.01	1	0.5	0.1	0.5	0.5
1431855	WWS-20-01R	South Block	0.017	1.77	15.4	63.7	28.7	5.28	1050	34.5	54.8	84.7	78.2
1431856	WWS-20-02R	South Block	0.005	0.89	7.1	71.1	22.1	4.52	224	32	26	175	68.9
1431857	WWS-20-03R	South Block	0.105	0.47	5.4	113	135	8.5	353	86.7	33.9	383	235
1431858	WWS-20-04R	South Block	0.004	0.31	4.9	112	28.7	4.47	130	31.2	35.6	156	69.2
1431859	WWS-20-05R	South Block	0.005	0.63	1.6	120	9.7	1.87	698	16.6	58	28.3	44.4
1431860	WWS-20-06R	South Block	0.004	0.62	19.6	57.3	19.5	5.18	328	35.2	14.1	133	80.2
1431861	WWS-20-07R	South Block	0.003	5.09	2.4	81.9	2.9	1.14	661	23.6	34.9	9.3	16.1
1431862	WWS-20-08R	South Block	0.002	0.15	1.1	126	16.8	2.93	1540	19.4	17.8	46.8	40.2
1431863	WWS-20-09R	South Block	0.002	0.32	0.8	90.8	7.3	1.87	622	9.3	44.5	13.6	19.3
1431864	WWS-20-10R	South Block	0.002	0.32	0.6	107	14.5	2.33	2060	13.6	63.4	23.3	17.6
1431865	WWS-20-11R	South Block	0.006	0.45	0.6	126	21.6	3.26	2620	16.7	107	29.7	28.3
1431866	WWS-20-12R	South Block	0.002	0.62	4	126	<0.5	2.2	467	11.4	9.3	10	29.2
1431867	WWS-20-13R	South Block	0.003	0.5	15.4	63.6	1.3	1.04	243	11.8	12.4	5.4	13.1
1431868	WWS-20-14R	South Block	0.002	0.81	4.8	55.1	1.8	0.39	65	5.9	2.1	5.1	7.5
1431869	WWS-20-15R	South Block	0.005	0.42	26	223	6.1	1.48	93	12.1	9.7	13.1	34.1
1431870	WWS-20-16R	South Block	0.026	0.76	108	140	6.6	2.19	25	7.8	20.6	93.8	33
1431871	WWS-20-17R	South Block	0.011	0.93	5.2	129	246	7.59	1200	37.5	23.2	75	40.6
1431872	WWS-20-18R	South Block	0.001	0.51	2.2	55.5	3.5	0.71	108	7.3	1.3	14	8.4

Lab Sample Id	Field Sample ID	Method	FA-ICP-OES*	(201-071) 4 Acid Digest - Metals Package, ICP/ICP-MS finish									
		Analyte:	Au	Ag	As	Cr	Cu	Fe	Mn	Ni	Pb	V	Zn
		Unit:	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm
		RDL:	0.001	0.01	0.2	0.5	0.5	0.01	1	0.5	0.1	0.5	0.5
1431873	WWS-20-19R	South Block	0.004	1.03	3.5	41.6	5.4	0.82	48	2.3	5.2	9.2	14
1431874	WWS-20-20R	South Block	0.005	1.94	11.5	59.1	8.7	1.9	51	3.2	20.3	17	48.7
1431875	WWS-20-21R	South Block	0.002	0.33	0.4	40.4	2.1	0.25	34	4.1	1.1	3.2	3.2
1431876	WWS-20-22R	South Block	<0.001	0.05	0.4	30.7	1.1	0.24	42	3.7	0.7	2.8	1.4
1431877	WWS-20-23R	South Block	0.002	0.1	0.9	59	4.3	0.45	192	6.5	11.1	4.2	4.3
1431878	WWS-20-24R	South Block	0.002	0.26	2	116	3.3	1.26	386	8.2	23.4	8.5	18.8
1431879	WWS-20-25R	South Block	<0.001	0.07	0.7	65.7	3.8	0.73	356	6.7	7.7	12.4	9
1431880	WWS-20-26R	South Block	0.001	0.45	2.4	85.9	102	6.24	591	36.5	31.9	92.3	107
1431881	WWS-20-27R	South Block	0.002	1.33	1	100	39.4	3.38	923	24.8	69.8	37.7	62.3
1431882	WWS-20-28R	South Block	0.002	0.84	0.5	75.3	4.3	0.62	187	5.6	4.2	5.2	9.2
1431883	WWS-20-29R	South Block	0.001	1.19	9.2	110	21.9	4.7	646	38.8	12.9	105	91.3
1431884	WWS-20-30R	South Block	0.002	0.63	3.1	78.9	13.9	5.12	447	31.5	14.6	108	81.3
1431885	WWS-20-31R	South Block	0.003	0.32	3.7	75.7	17.4	4.42	395	29.9	22.8	110	63.3
1431886	WWS-20-32R	South Block	0.002	0.23	9.3	60.9	19.2	4.59	506	38.4	12.1	101	87.2
1431887	WWS-20-33R	South Block	0.001	0.99	2.9	116	60.7	7.13	1610	39.1	1.5	311	86.9
1431888	WWS-20-34R	South Block	0.002	0.13	0.8	149	50.8	7.1	1180	41.2	1.3	261	84.6
1431889	WWS-20-35R	South Block	0.002	0.11	1.1	131	54.3	7.24	1490	41.5	2.4	264	84.1
1431890	WWS-20-36R	South Block	0.005	0.31	0.9	107	33.2	7.12	1490	15.3	1.7	344	80.5
1431891	WWS-20-37R	South Block	0.005	0.36	7.8	70.7	37.5	5.42	224	26.9	14.8	103	81.9
1431892	WWS-20-38R	South Block	0.009	0.46	8.3	90.4	21.7	4.54	528	33.9	27.2	106	81
1431893	WWS-20-39R	South Block	0.002	0.57	1.1	253	5.7	1.47	512	10.6	90.1	13.6	21
1431894	WWS-20-40R	South Block	0.003	0.52	1.6	249	11.5	1.77	234	15.9	10.2	18.5	24.2
1431895	WWS-20-41R	South Block	0.006	0.12	0.6	97.6	6.3	1.62	269	13	13.7	18.3	25.7
1431896	WWS-20-42R	South Block	0.003	0.29	15	50.3	26.1	4.31	444	33.1	16.9	99.8	78.7
1431897	WWS-20-43R	South Block	0.56	0.8	0.6	58.1	1.3	0.48	118	4.4	12.2	1.6	6.8
1431898	WWS-20-44R	South Block	242*	135**	2.5	69.5	5.8	1.05	100	6.5	125	6.1	10.9
1431899	WWS-20-45R	South Block	0.088	0.75	1.1	69.8	4.2	0.58	345	6.6	36.9	7.1	11.4
1431900	WWS-20-46R	South Block	0.488	0.51	3.1	63.8	5.7	0.84	670	7	53.5	8.5	9
1431901	WWS-20-47R	South Block	0.016	0.28	8.2	98	12.4	1.54	443	18.2	25.6	12.4	26.8
1431902	WWS-20-48R	South Block	0.05	1.25	0.9	76.3	12.4	1	386	9.6	21.2	12.4	15.5
1431903	WWS-20-49R	South Block	0.015	0.09	2	54.3	6.4	0.78	707	7.1	25.3	11.5	15.9

Lab Sample Id	Field Sample ID	Method	FA-ICP-OES*	(201-071) 4 Acid Digest - Metals Package, ICP/ICP-MS finish									
		Analyte:	Au	Ag	As	Cr	Cu	Fe	Mn	Ni	Pb	V	Zn
		Unit:	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm
		RDL:	0.001	0.01	0.2	0.5	0.5	0.01	1	0.5	0.1	0.5	0.5
1431904	WWS-20-50R	South Block	0.03	0.38	1.8	106	7.3	1.04	899	6.9	94.1	5.7	16.5
1431905	WWS-20-51R	South Block	0.019	0.32	2.3	86.2	30.8	0.85	737	8.1	66.1	5.6	13.1
1431906	WWS-20-52R	South Block	0.014	0.46	2.4	73.9	7.4	0.73	280	6.7	10.9	10.2	10.2
1431907	WWS-20-53R	South Block	0.056	0.28	2.5	55.2	38.4	4.34	246	27.3	20.7	137	77.6
1431908	WWS-20-54R	South Block	0.009	0.41	1.2	121	22	4.45	696	45.9	52	105	102
1431909	WWS-20-55R	South Block	0.009	0.52	3.9	105	30.4	1.43	191	17.5	13.1	13.4	17.2
1431910	WWS-20-56R	South Block	0.008	0.06	1.2	80.8	3.5	0.52	255	6.9	8.9	6.4	5.8
1431911	WWS-20-57R	South Block	0.008	0.44	2.1	73.3	59.5	0.61	271	8.5	60.8	9.1	7.9
1431912	WWS-20-58R	South Block	0.008	0.05	0.4	41.9	2.3	0.37	243	5.6	3.6	3.6	3.7
1431913	WWS-20-59R	South Block	0.007	0.08	1.2	63.6	6.6	0.72	534	7.8	12.3	4.4	5.3
1431914	WWS-20-60R	South Block	0.019	0.77	1.7	83.8	9	0.93	838	8.4	35.9	8.1	16.1
1431915	WWS-20-61R	South Block	0.007	0.59	1	64.4	11.9	0.72	468	6.8	47	4.7	16.6
1431916	WWN-20-62R	North Block	0.006	0.28	3.4	1350	11	4.37	687	1860	3.2	39	53.3
1431917	WWN-20-63R	North Block	0.006	0.36	21.7	1780	7.9	5.31	1350	1890	5.1	42.2	49.5
1431918	WWN-20-64R	North Block	0.006	0.31	1.4	166	320	3.29	683	49.6	2.1	132	143
1431919	WWN-20-65R	North Block	0.006	0.4	1.4	246	251	6.39	745	58.2	1.8	186	71
1431920	WWN-20-66R	North Block	0.014	0.61	0.8	213	1030	7.65	1250	38	5.1	293	90.5
1431921	WWN-20-67R	North Block	0.006	0.47	11.2	102	159	10.2	1590	36.6	2.3	446	114
1431922	WWN-20-68R	North Block	0.006	0.17	0.9	103	95.5	1.4	238	12.2	2.7	42.7	22.2
1431923	WWN-20-69R	North Block	0.005	1.82	1.3	256	723	6.4	1160	49.1	2.4	247	111
1431924	WWN-20-70R	North Block	0.61	0.76	1	65.6	469	6.69	1420	21.6	3.9	318	90.9
1431925	WWN-20-71R	North Block	0.006	0.76	0.8	50.1	425	6.34	1350	23.2	2.9	276	98.5
1431926	WWS-20-72R	South Block	0.013	0.27	1.9	96.3	6.9	0.92	168	9.9	10.1	14.6	15.2
1431927	WWS-20-73R	South Block	0.006	0.18	1.4	57.1	8.1	0.77	387	5.9	116	4.6	9.4
1431928	WWS-20-74R	South Block	0.004	0.17	0.6	69.4	1.6	1.04	727	6.7	96.3	3.9	9.9
1431929	WWS-20-75R	South Block	0.006	0.31	1.5	81.1	2.5	1.14	504	6	229	5.2	176
1431930	WWS-20-76R	South Block	0.004	0.61	3.4	128	4.7	2.37	789	11	11.3	7.6	38.5
1431931	WWS-20-77R	South Block	0.004	0.21	0.7	83.3	0.6	0.99	671	6.1	5	5.6	7.5
1431932	WWS-20-78R	South Block	0.004	0.1	3.3	328	21.1	1.01	306	8.1	8.3	8.5	10
1431933	WWS-20-79R	South Block	0.006	1.41	1.6	178	16.9	4.39	2090	10.7	613	10.4	3800
1431934	WWS-20-80R	South Block	0.004	1.12	10.6	93.3	9.5	2.68	391	23.8	217	71.2	59.2

Lab Sample Id	Field Sample ID	Method	FA-ICP-OES*	(201-071) 4 Acid Digest - Metals Package, ICP/ICP-MS finish									
		Analyte:	Au	Ag	As	Cr	Cu	Fe	Mn	Ni	Pb	V	Zn
		Unit:	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm
		RDL:	0.001	0.01	0.2	0.5	0.5	0.01	1	0.5	0.1	0.5	0.5
1431935	WWS-20-81R	South Block	0.006	0.15	2	185	72.7	7.26	1270	69.4	19.4	303	86.8
1431936	WWS-20-82R	South Block	0.006	0.3	1.4	168	61.3	6.52	1120	63	5	275	62.6
1431937	WWS-20-83R	South Block	0.009	0.41	6.2	101	31.2	6.97	1210	58.2	3	302	80.5
1431938	WWS-20-84R	South Block	0.008	1.19	2.1	92.1	54.5	8.47	1720	38.2	3.4	333	90.4
1431939	WWS-20-85R	South Block	0.004	0.35	2.6	147	76.8	7.21	1210	69.4	2.5	298	78.4
1431940	WWN-20-86R	North Block	0.003	0.1	5	142	65	7.51	1300	195	2.2	238	137
1431941	WWN-20-87R	North Block	0.004	0.94	1.6	224	215	5.58	858	40	4.5	226	103
1431942	WWN-20-88R	North Block	0.004	0.21	2	84.6	117	4.03	670	25.1	2.6	178	56.9
1431943	WWN-20-89R	North Block	0.004	0.13	0.8	116	25.2	2.4	406	13	2.3	78.3	21.3
1431944	WWN-20-90R	North Block	0.004	0.16	0.9	189	31.8	3.47	758	25.4	3.1	193	58.5
1431945	WWN-20-91R	North Block	0.008	0.39	0.8	170	31.8	3.45	719	27.7	2.8	185	55.3
1431946	WWN-20-92R	North Block	0.004	0.07	0.4	65	15.2	0.64	47	3.9	3	10	4.5
1431947	WWN-20-93R	North Block	0.004	0.06	0.5	72.1	13.4	0.5	75	11.6	1.3	12.1	10.7
1431948	WWN-20-94R	North Block	0.003	0.35	1.2	77.1	13.7	1.96	289	9	2.3	54	29.6
1431949	WWN-20-95R	North Block	0.004	0.64	1.3	110	88.1	7.84	1440	43.2	2.8	365	130
1431950	WWN-20-96R	North Block	0.003	0.44	1	96.3	157	8.5	1530	38.5	2.3	390	135
1431951	WWN-20-97R	North Block	0.003	0.1	0.9	123	73.1	1.8	249	12.1	2	42.8	14.4
1431952	WWN-20-98R	North Block	0.003	0.17	0.9	142	60.8	2.79	322	9.4	2	55.7	19.1
1431953	WWN-20-99R	North Block	0.005	0.24	1	150	218	4.44	668	15.6	2.2	200	59.7
1431954	WWN-20-100R	North Block	0.002	0.68	1.7	185	29.7	2.65	577	27.6	1.7	126	44.7
1431955	WWN-20-101R	North Block	0.004	1.08	1.2	75.7	953	8.74	1640	33.7	5.5	445	282
1431956	WWN-20-102R	North Block	0.004	0.65	1	77.9	536	8.78	1650	32.7	5.4	449	288
1431957	WWN-20-103R	North Block	0.002	0.26	0.6	227	72.6	5.28	886	53.8	2.3	190	130
1431958	WWS-20-104R	South Block	0.003	0.31	2	120	66.1	7.54	1360	60.9	3.6	321	77.4
1431959	WWS-20-105R	South Block	0.003	0.14	1.7	106	50.1	7.09	1410	49.5	3.9	335	66.7
1431960	WWS-20-106R	South Block	0.003	0.28	3.6	172	65.4	7.2	1330	85.4	4	293	74.8
1431961	WWS-20-107R	South Block	0.003	0.09	1.7	178	29.5	7.94	1490	91.6	5	311	84.6
1431962	WWS-20-108R	South Block	0.004	0.14	1	150	67.2	7.3	1280	80	1.6	307	72.3
1431963	WWS-20-109R	South Block	0.003	0.2	2.3	163	51.7	7.52	1320	79.1	1.6	323	73.4
1431964	WWS-20-110R	South Block	0.006	0.39	2.7	147	72.3	7.09	1320	74	2.1	324	68.1
1431965	WWS-20-111R	South Block	0.002	0.65	2.1	185	47.1	7.8	1320	81.4	1.8	311	75.7

Lab Sample Id	Field Sample ID	Method	FA-ICP-OES*	(201-071) 4 Acid Digest - Metals Package, ICP/ICP-MS finish									
		Analyte:	Au	Ag	As	Cr	Cu	Fe	Mn	Ni	Pb	V	Zn
		Unit:	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm
		RDL:	0.001	0.01	0.2	0.5	0.5	0.01	1	0.5	0.1	0.5	0.5
1431966	WWS-20-112R	South Block	0.002	0.35	2.4	185	51.9	7.78	1300	87	1.8	327	77.7
1431967	WWS-20-113R	South Block	0.002	0.2	1.3	100	62.6	7.71	1320	56.1	3.3	318	77.8
1431968	WWS-20-114R	South Block	0.003	0.22	1.2	112	59.3	7.59	1380	50.1	5.3	325	78
1431969	WWS-20-115R	South Block	0.004	0.06	1.8	101	70.6	8.44	1390	55.3	3.3	335	84
1431970	WWS-20-116R	South Block	0.008	0.66	3	29.5	13.6	1.22	225	3.5	48.7	18.9	59.9
1431971	WWS-20-117R	South Block	0.004	0.45	1.4	37.1	4.2	0.96	364	4.9	11.9	14.8	37.7
1431972	WWS-20-118R	South Block	0.008	1.8	4	45.5	9.7	0.8	177	3.1	13	11.6	14.8
1431973	WWS-20-119R	South Block	0.005	0.15	1.1	118	85	8.61	1360	53.5	2.4	338	84.7
1431974	WWS-20-120R	South Block	0.012	0.11	1.4	110	50	6.73	1180	59.1	2.3	324	67.4
1431975	WWS-20-121R	South Block	0.006	0.25	1.5	94.9	57.8	7.46	1290	53.8	2.2	329	76

**Comments:**

*RDL - Reported Detection Limit*

*\*(202-564) Fire Assay - Au Ore Grade, Gravimetric finish (50g charge)*

*\*\* (201-116) Multi-Acid Digest, ICP-OES finish*

*As, Sb values may be low due to digestion losses.*

*Analysis performed at AGAT 5623 McAdam Rd., Mississauga, ON*

### *Mapping and Sampling in the Lower Plate Sequence*

20 samples from the South property are gathered from the Lower plate sequence of Kaslo Group. The volcanic members of this sequence appear regionally homogeneous and is generally described as massive greenstone sequence. The volcanics are greenish to greenish grey, chloritized, slightly serpentinized. Quartz veins are generally few millimeters thick. Sulphide mineralization where occurs, is commonly less than 1%. Light brown sandstone/quartzite noted at one location. It is medium to coarse grained, hard, silica cemented, iron stained, quartz veins up to 10cm thick, and trace sulphides.

### *Mapping and Sampling in the Upper Plate Sequence*

26 samples were collected from broken rocks which formed a huge pile of rubble probably along the Whitewater fault zone. The volcanics have been intruded by syntectonic coarse grained hornblende diorite and post-tectonic hornblende feldspar and feldspar porphyry dikes. Serpentinized dunnite is the most extensive rock type exposed in this area, forming northwesterly trending bands with steep southwest dips, and extending up to 750 metres in width.

The serpentinite and dunnite are the common rock types. These are generally green to dark green but at places altered to brown or dark brown. Quartz veins are common and range in thickness from mm size to 45 cm. These are generally oxidized to highly oxidized, massive, extremely hard, and contain trace to 2 % sulphides, commonly pyrite, chalcopyrite and pentlandite.

Brown to dark brown, altered basalt, with coarse pegmatitic / porphyritic texture, and magnetic characteristic occur in places, with 2-3% sulphides including pyrite, chalcopyrite, pentlandite noted in places.

This upper Plate sequence is characterized by orange- dark green or white-weathering olive-green to black and mottled dark green serpentinite. Extensive occurrence of Serpentinite in these 26 samples suggest that sequence is part of upper plate sequence.

### *Mapping and Sampling in Intrusive Rocks*

Three samples were collected from intrusives and altered granitic rock. It is light brown to pink, medium to coarse grained, equigranular with Quartz veins in places.

### Exploration Work Results

The results of 121 samples analytical results indicate that silver is the main target element for further exploration. Anomalous values of gold, copper, manganese, and nickel are also found in a few samples (Table 6 and Figures 11 to 20).

- Silver values are in the range of 0.05 parts per million (ppm) to 135 ppm (4.32 ounces per tonne), 14 samples are over one ppm, 30 samples have values between 0.5 ppm to one ppm, and nine samples are below 0.1 ppm silver. Sample WWS-20-07R has silver 5.09 ppm and sample WWS-20-44R has 135 ppm silver. Both these samples were taken from floats near outcrops indicating a nearby source of mineralized quartz veins in phyllites of Slocan Group.
- Gold in three samples is over 0.5 grams per tonne (g/t), out of which one sample WWS-20-44R assayed 242 g/t (7.74 ounces per tonne). Two other samples WWS-20-03R WWS-20-46R assayed 0.105 g/t and 0.488 g/t gold.
- Copper values are in the range of 4.2 ppm to 1030 ppm, the higher values are in the northern claim block found in rocks of the upper plate in Kaslo Group. Similarly, nickel (Ni) assayed in the range of 2.3 ppm to 1890 ppm.
- Manganese (Mn) is from 25 ppm to 2090 ppm, zinc (Zn) is from 3.7 ppm to 3800 ppm, vanadium (V) is 3.9 ppm to 446 ppm, lead (Pb) is 0.7 ppm to 613 ppm, chromium (Cr) is 29.5 ppm to 1780 ppm.

As the Northern Block is dominantly represented by mafic and ultramafic rock complex, a total of 28 samples from the upper plate sequence of Kaslo Group belonging to Northern Block were also tested for platinum and palladium, but all samples returned values below the laboratories method detection limits of 0.01 ppm for palladium and 0.005 ppm for platinum. Only two samples (WWN-20-62R and WWN-20-63R assayed 0.004 ppm palladium, both these samples have 1860 and 1890 ppm nickel, respectively.

Figure 11: Sampling Location and Assays South Block – Map A

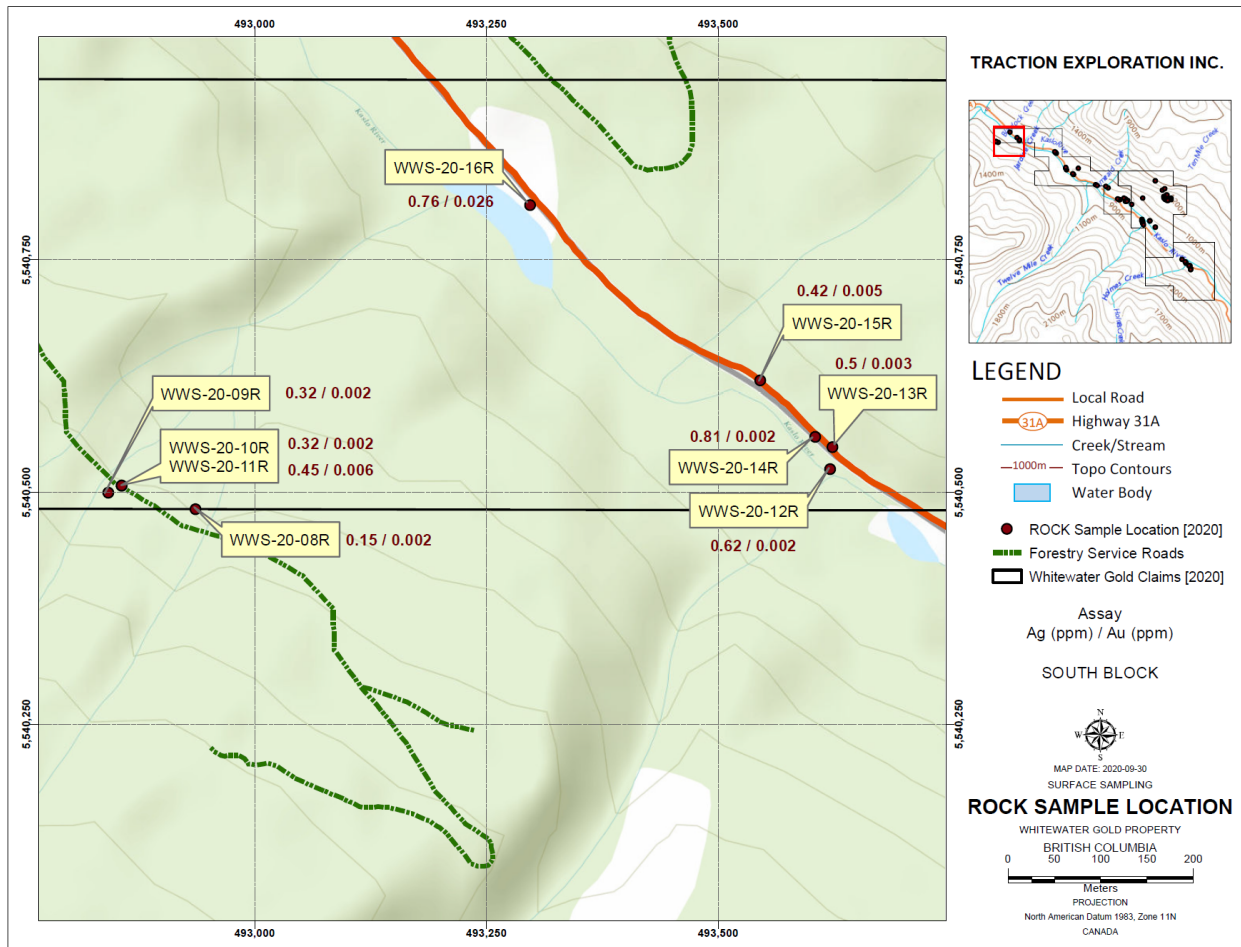




Figure 12: Sampling Location and Assays South Block – Map B

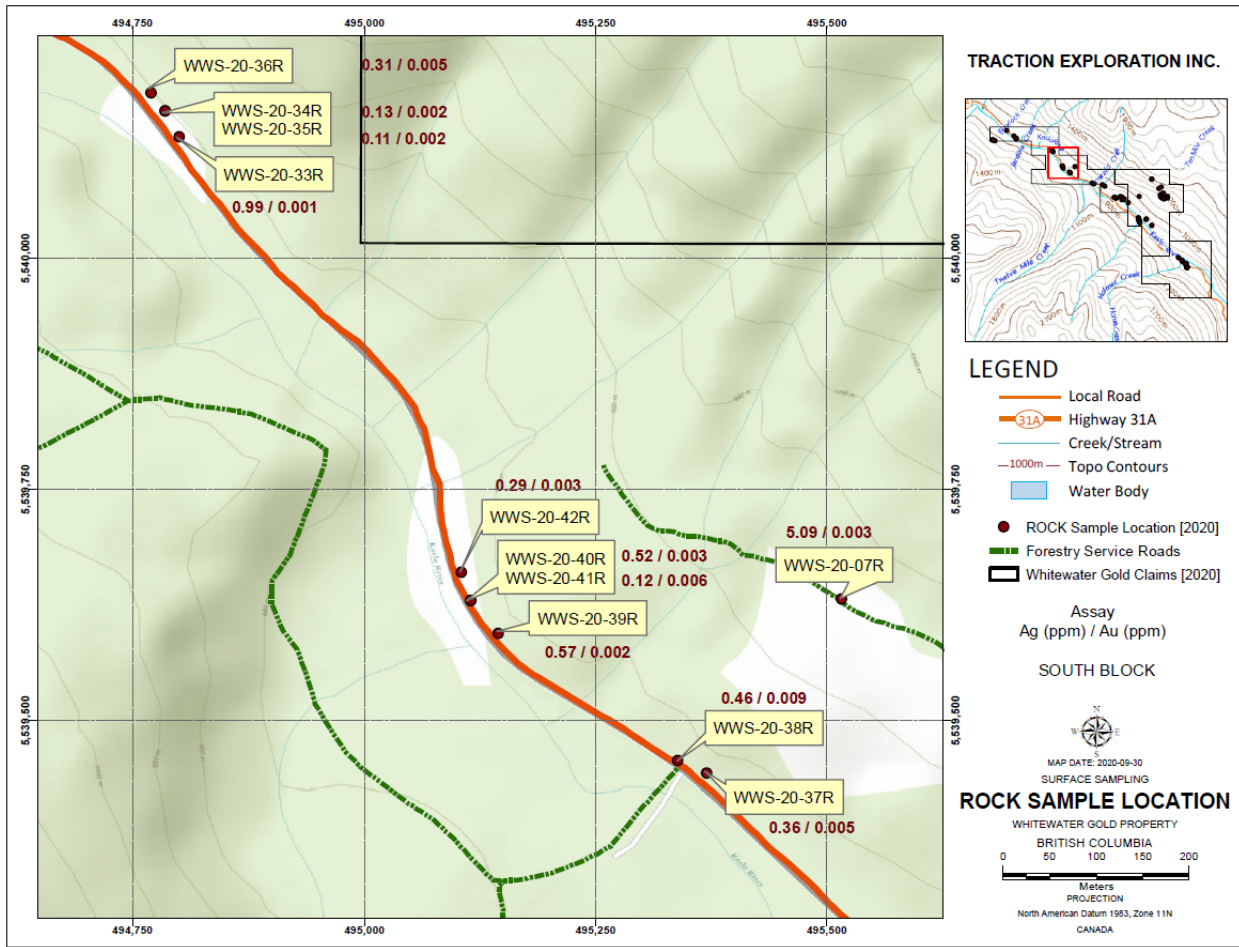


Figure 13: Sampling Location and Assays South Block – Map C

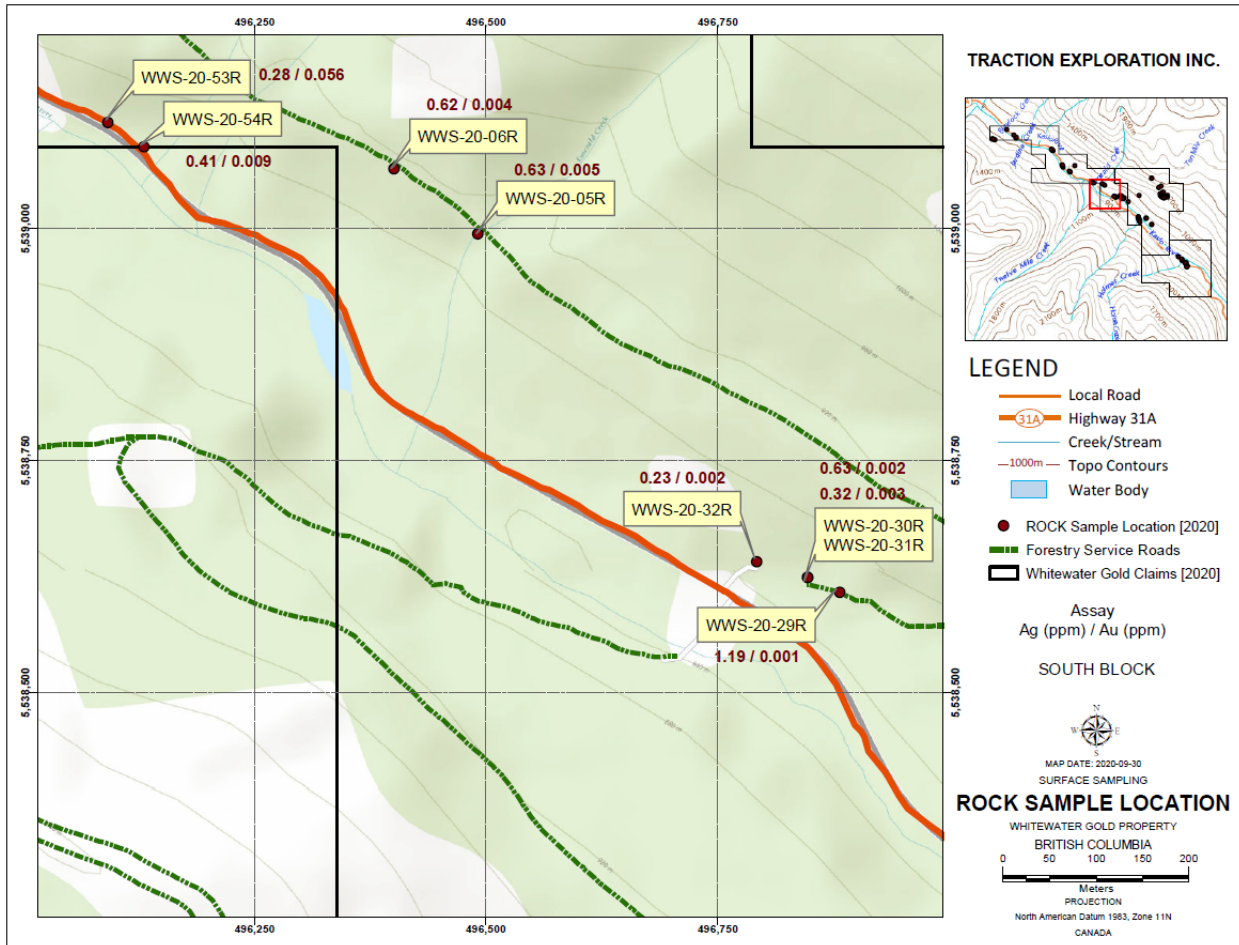


Figure 14: Sampling Location and Assays South Block – Map D

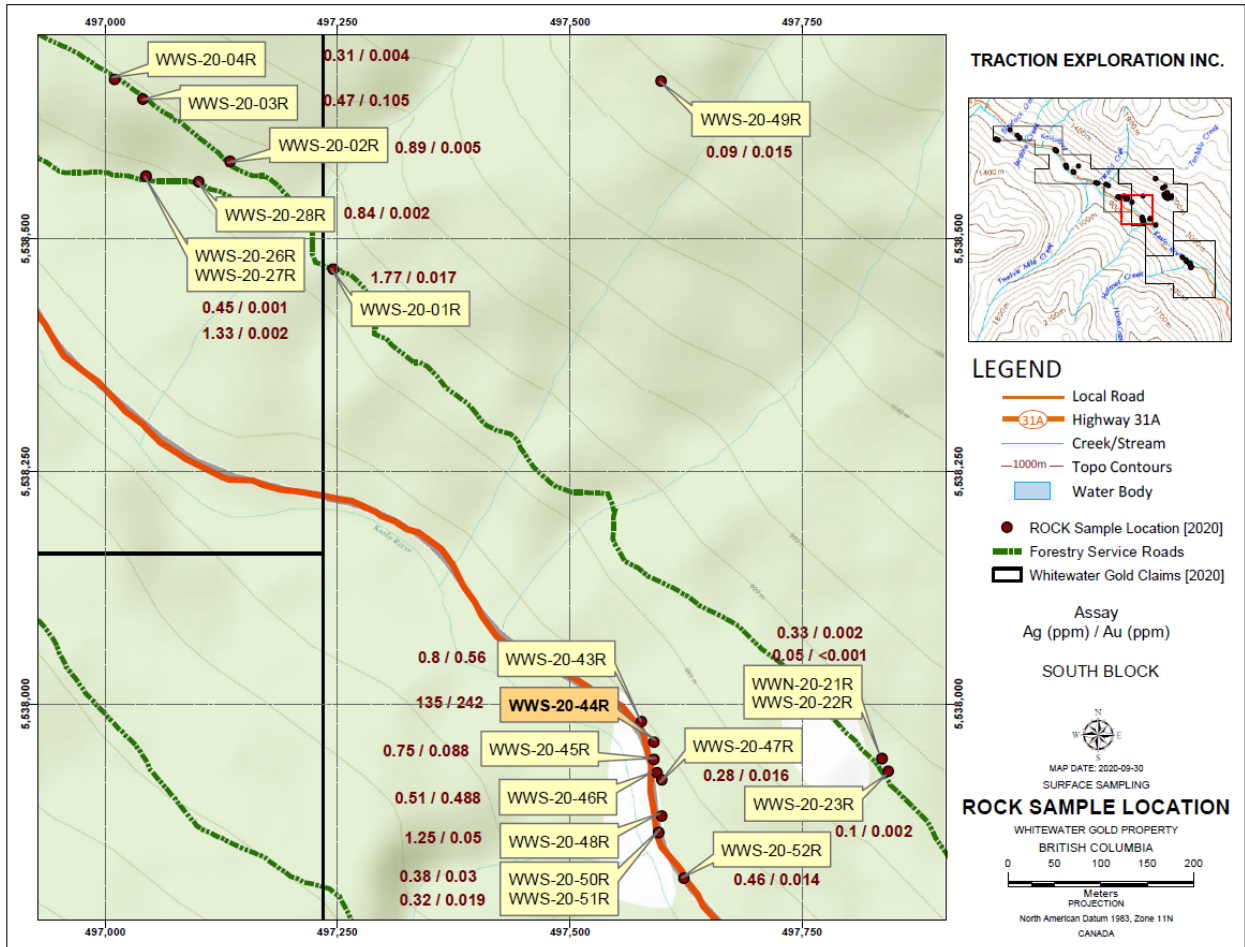


Figure 15: Sampling Location and Assays South Block – Map E

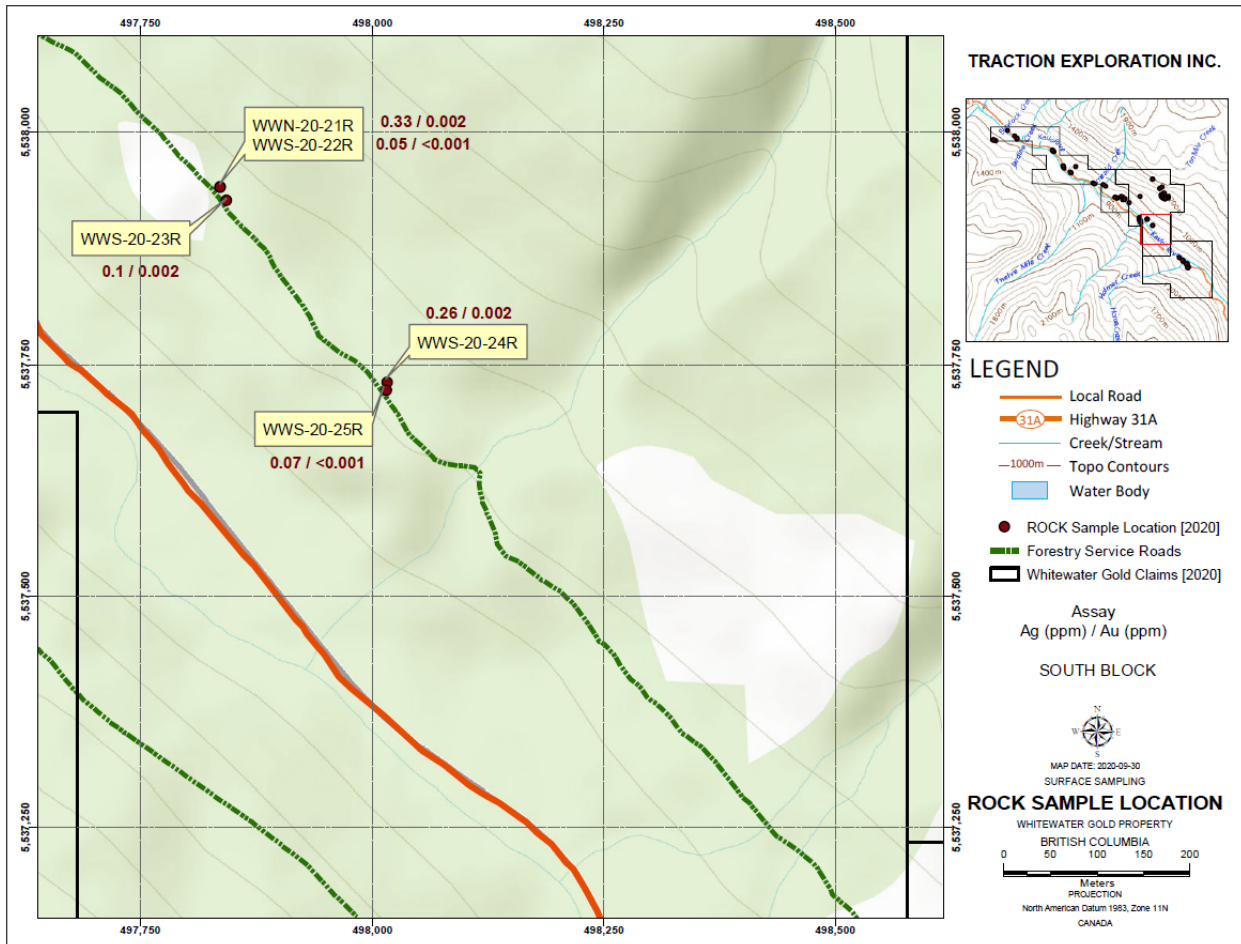


Figure 16: Sampling Location and Assays South Block – Map F

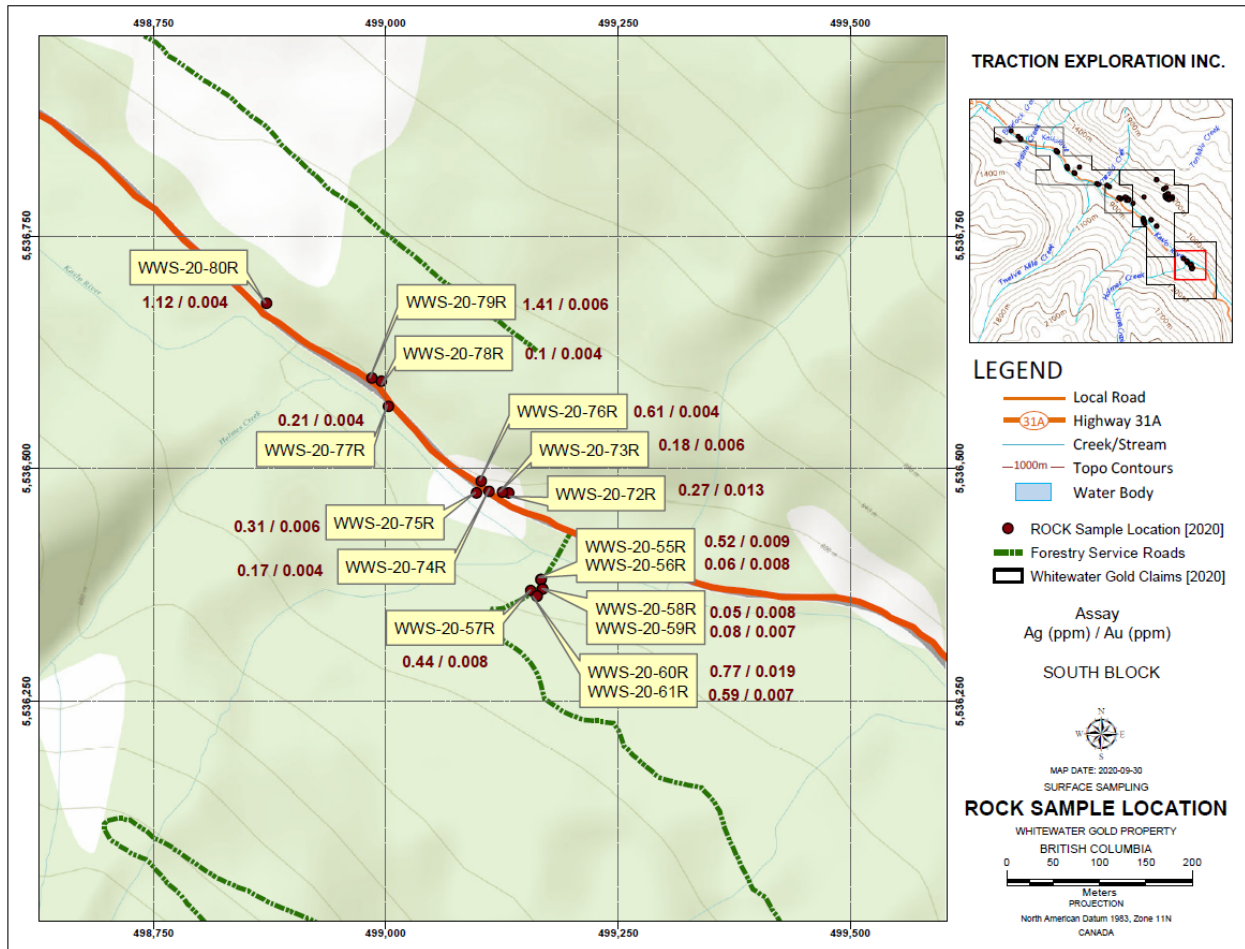




Figure 17: Sampling Location and Assays South Block – Map G

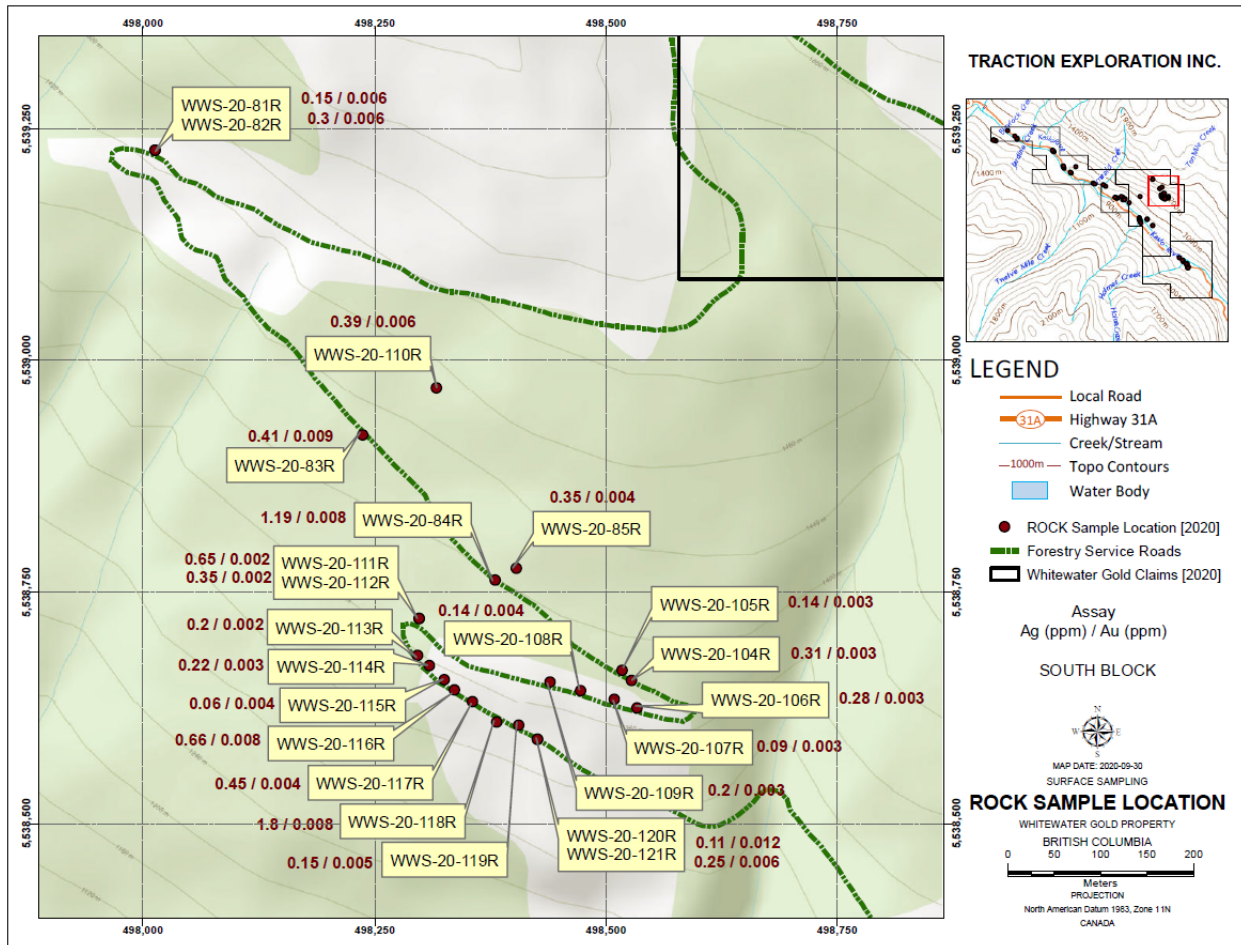


Figure 18: Sampling Location and Assays North Block – Map A

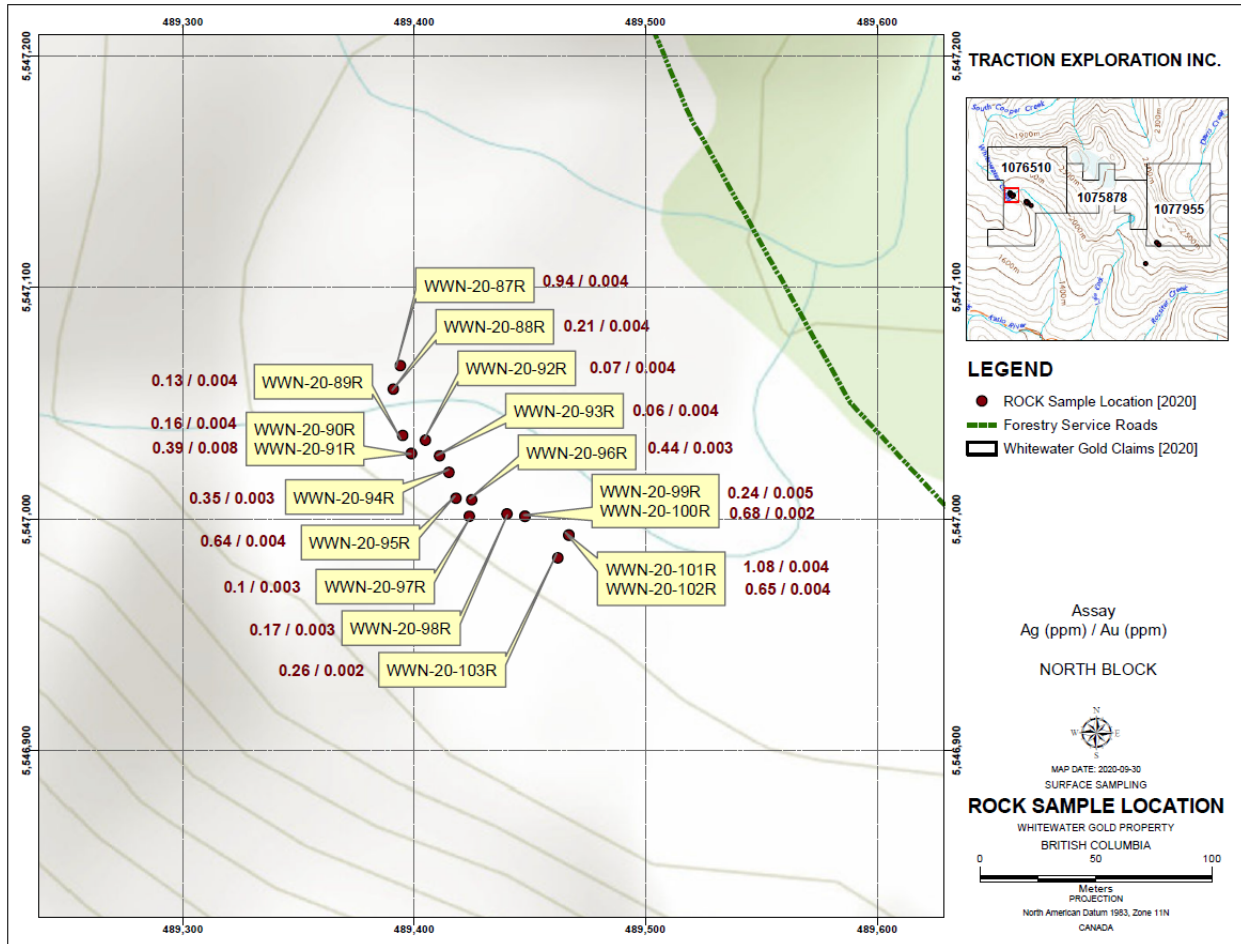


Figure 19: Sampling Location and Assays North Block – Map B

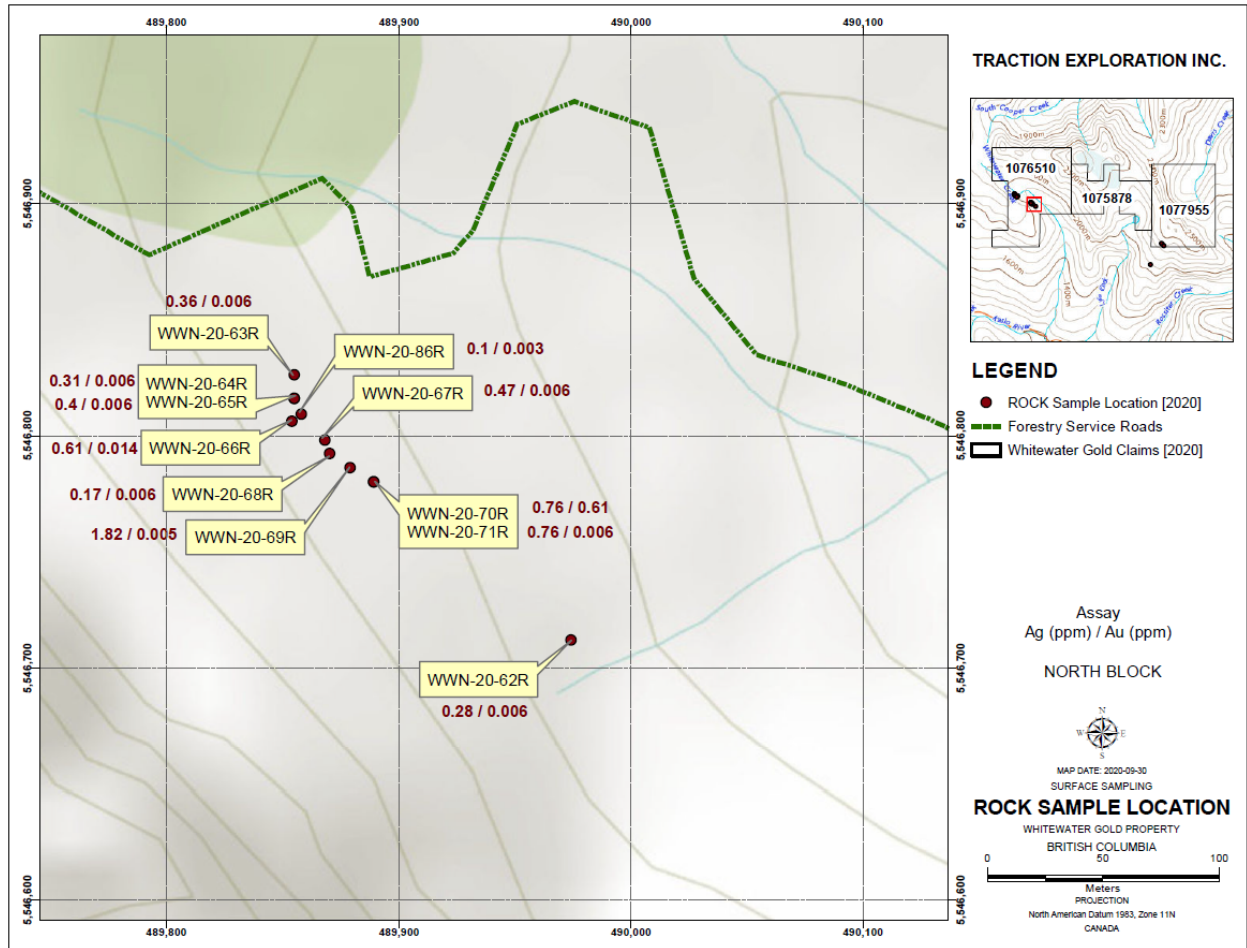
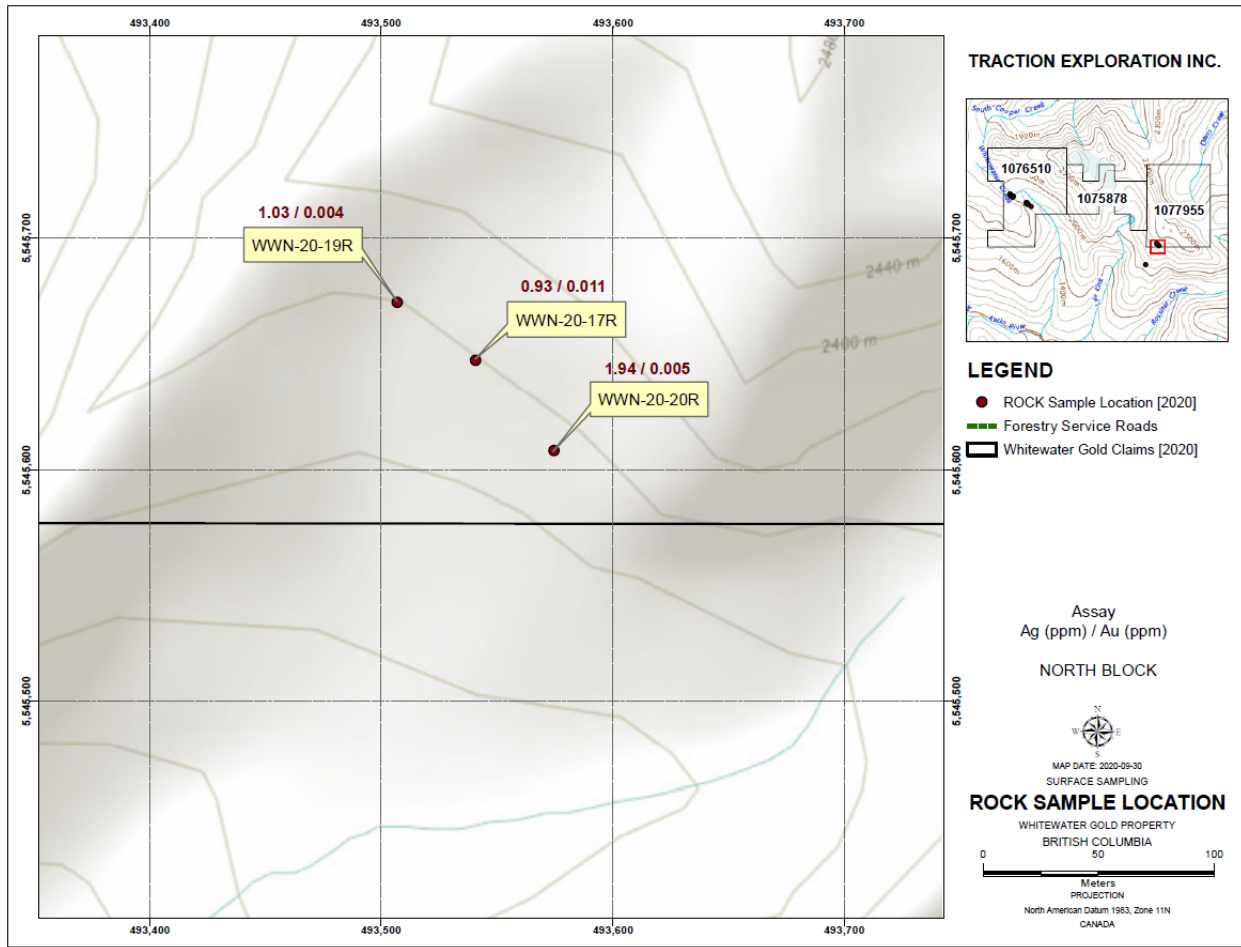




Figure 20: Sampling Location and Assays North Block – Map C



### ***Drilling***

No drilling has been done on the Property by Traction to date.

### ***Sample Preparation, Analysis and Security***

The Author visited the property from August 24-28, 2020 to supervise the ongoing exploration work program, to take geological observations and to review sample collection procedures. For the 2020 exploration program, rock samples were collected in the field by placing 0.3-2 kg of material in a heavy grade plastic sample bag with the sample number written with permanent marker. Each sample bag was then sealed with a plastic cable tie and samples were transported back to New Denver base station at the end of each day. Rock samples were recorded as to location (UTM -NAD 83), sample type (grab, composite grab, chip, etc.), exposure type (outcrop, rubblecrop, float, etc.), lithology, colour, texture and grain size were described. Sample locations were determined by hand-held GPS set to report locations in UTM coordinates using the North American Datum established in 1983 (NAD 83) Zone 11N (Table 4). The author confirms that a total of 111 grab rock samples were collected for silver, gold, and other elements analysis. Additionally, 10 duplicate samples were included for Quality Control and Quality Assurance. Seven duplicate samples were taken from South Block and three from three from the North Block. Laboratory also uses its own quality control and quality assurance protocols for sample analysis. The samples were bagged and tagged using best practices, and delivered to the Agate Laboratories in Burnaby, BC.

Agate Lab is an independent group of laboratories accredited under both ISO 17025 with CAN-P-1579 for specific registered tests. Agate is a commercial, ISO Certified Laboratory independent of Traction Exploration Inc. and Geomap Exploration Inc. Sample analysis packages used for sample preparation and analysis are shown in Table 7 below.

Table 7: Agat Laboratories Sample Preparation and Analysis

Sample Type	Package Name	Number of Samples
Rock	(200-) Sample Login Weight	121
Rock	(201-071) 4 Acid Digest - Metals Package, ICP/ICP-MS finish	121
Rock	(201-116) Multi-Acid Digest, ICP-OES finish	121
Rock	(202-052) Fire Assay - Trace Au, ICP-OES finish (ppm)	93
Rock	(202-055) Fire Assay - Au, Pt, Pd Trace Levels, ICP-OES finish	28
Rock	(202-564) Fire Assay - Au Ore Grade, Gravimetric finish (50g charge)	1
Rock	Sieving - % Passing (Crushing)	121
Rock	Sieving - % Passing (Pulverizing)	121

The analytical results of the QA/QC samples provided by Agate Lab did not identify any significant analytical issues. The duplicate had almost same percentages as original. For the present study, the sample preparation, security, and analytical procedures used by the laboratory are considered adequate and the data is valid and of sufficient quality to be used for further investigations.

#### ***Data Verification***

The Author visited the Property from August 24-28, 2020, to verify the exploration work, to examine mineralized outcrops and to collect necessary geological data and samples. The exploration work was directly supervised by the author during the visit of the Property. GPS coordinates using NAD 83 datum were used to mark sample locations and rock outcrops. Another purpose of the visit was to verify data collection methods, sample collection and sample preparation procedures. The data collected during the present study is considered reliable. The previously collected data reported in the historical information was also confirmed during this study.

QA/QC sampling was conducted to verify the quality and assure the accuracy of results obtained from the grab sampling of the North and South blocks. A total of ten QA/QC samples (Table 5) were inserted and sent to the laboratory for analyses. Seven of these samples were taken from South Block and three from North Block. The samples include duplicates. For every twelve samples, one duplicate was inserted. Agat Laboratories also have its data QA/QC procedures which did not find any significant issue with the sample preparation, analysis, and security.

The Author is unaware of any environmental liabilities associated on the Whitewater Property.

#### ***Mineral Processing and Metallurgical Testing***

No metallurgical testing was done on the Property by Traction.

#### ***Mineral Resource Estimates***

There are no current mineral resource estimates on the Property.

#### ***Exploration, Development, and Production***

##### **Recommendations**

Based on its past exploration history, favourable geological and tectonic setting, presence of surface mineralization, and the results of the present study, the Author concluded that the Property is a property of merit and possesses a good potential for discovery of silver, gold, and other sulphide mineralization. Good road access together with availability of exploration and mining services in the vicinity makes it a worthy mineral exploration target. The historical exploration data collected by previous operators on the Property provides the basis for a follow-up work program.

The Author concluded that the character of the Property is sufficient to merit a follow-up work program from the 2020 exploration program conducted by Traction and proposed a two-phase exploration and development program, where each phase is contingent upon the results of the previous phase.

Using the Available Funds, the Company intends to undertake the Phase 1 work program between July 2021 and October 2021.

*Phase 1 – Prospecting, Sampling and Geological Mapping*

The 2020 exploration work identified several areas with quartz veins showing over 1 ppm silver and a few areas with over 0.5 g/t gold values. It is recommended to follow up these quartz veins through detailed mapping, prospecting, and sampling work. Due to large size of the property, the 2020 work program was not able to cover a large part of the claim areas of the North Block. The Norther Block has a difficult access as 1.5 to 2 hours one-way uphill walk slows down the work progress. It is recommended to cover the areas with difficult access more efficiently using a helicopter. The following areas are recommended for detailed prospecting and sampling work:

South Claim Block

- North-eastern and Southwestern portions of claim 1078135 as a follow up of higher gold and silver values shown in quartz veins and quartz boulders / floats (Figures 14 and 17).
- North-eastern portion of claim 1078152, particularly the area at the contact of Slocan Group Phyllites and Kaslo Group Lower Plate mafic rocks.
- Sample WWS-20 07R taken from series of quartz floats assayed 5.09 ppm silver (Figure 12) need further prospecting on claim 1078108.

North Block

- Three samples collected from southwestern part of claim 1077955 have shown silver values in the range of 0.94 ppm – 1.94 ppm (Figure 20). The whole claim area needs detailed prospecting and mapping.
- Samples collected from claim (1076510) also show anomalous values of silver (over 1 ppm in two samples) and gold (0.61g/t in one sample) (Figures 18 and 19). The north-eastern part of this claim needs detailed checking in the area across Whitewater Creek, particularly historical Minfile Occurrences (Gold Quartz B Zone and Gold Quartz Ridge) (Figure 3).
- Two Minfile occurrences (Gold Quartz and Bollinger) on Claim 1075878 need detailed prospecting and mapping.

Total estimated budget for this work is \$123,365 and it can take about four months’ time to complete.

**Phase 1 Budget**

Item	Unit	Rate (\$)	Number of Units	Total
Project preparation / logistic arrangement	Day	\$700	3	\$2,100
<b>Field Crew:</b>		-	-	
Project Manager	Day	\$700	7	\$4,900
Project Geologist 1	Day	\$650	15	\$9,750
Project Geologist 2	Day	\$650	15	\$9,750
Prospector 1	Day	\$450	15	\$6,750
Prospector 2	Day	\$450	15	\$6,750
<b>Field Costs:</b>				
Food & Accommodation	Day	\$250	60	\$15,000
Communications	Day	\$100	15	\$1,500
Shipping	Lump Sum	\$0	1	\$0

Helicopter	Hrs	\$2,000	10	\$20,000
Supplies and rentals	Lump Sum	\$2,500	1	\$2,500
Vehicle Rental with gas	Day	\$200	18	\$3,600
Transportation with mileage	km	\$0.55	2000	\$1,100
<b>Assays &amp; Analyses:</b>		-	-	
Rock/Soil Samples	Sample	\$75	150	\$11,250
<b>Report:</b>				
Data Compilation	Day	\$700	10	\$7,000
GIS Work	Hrs	\$60	30	\$1,800
Report Preparation	Day	\$700	12	\$8,400
<b>Total Phase 1 Budget</b>				<b>\$112,150</b>
Contingency 10%				\$11,215
<b>Total Estimated budget</b>				<b>\$123,365</b>

### *Phase 2 – Drilling and Geophysical Surveys*

Contingent on the results of the Phase 1 program, a drilling program is recommended to be executed on the targets, if identified, for further work on the Property. Detailed scope of work and location of drill holes for Phase 2 will be prepared after reviewing the results of Phase 1 program. Another recommendation for this phase of work is to carryout airborne geophysical surveys (Time Domain Electromagnetic – TDEM and Magnetic) on the North Block.

Total estimated budget for the Phase 2 work is \$396,550 for 1,500 meters NQ size core drilling and airborne geophysical survey. The program can take about four months' time to complete

### **Phase 2 Budget**

<b>Item</b>	<b>Unit</b>	<b>Unit Rate (\$)</b>	<b>Number of Units</b>	<b>Total</b>
Exploration work plan and permitting	days	\$750	5	\$3,750
Airborne geophysical survey (TDEM)	1-km	\$150	200	\$30,000
Exploratory Drilling	m	\$100	1,500	\$150,000
Drill mob and demob	mob	\$1,500	2	\$3,000
Core Logging	days	\$700	20	\$14,000
Permitting bond	ls	\$30,000	1	\$30,000
Drill supervision	days	\$700	30	\$21,000
Drill Pads	Pads	\$1,000	10	\$10,000
Core Shack rentals	ls	\$5,000	1	\$5,000
Core Cutting and Packing	m	\$25	500	\$12,500
Accommodations and Meals	day	\$300	60	\$18,000
Supplies	ls	\$15,000	1	\$15,000
Metallurgical testing	ls	\$50,000	1	\$50,000
Transportation Road	km	\$1	10,000	\$6,000
Data Compilation	days	\$650	10	\$6,500
Report Writing	days	\$650	15	\$9,750
Project Management	days	\$650	15	\$9,750

<b>Sub Total</b>				<b>\$360,500</b>
<b>Contingency 10%</b>				<b>\$36,050</b>
<b>Total Phase 2 Budget</b>				<b>\$396,550</b>

### USE OF AVAILABLE FUNDS

The Company is not raising any funds in conjunction with this prospectus. Accordingly, there are no proceeds.

**The Company has historically generated negative cash flows and there is no assurance that the Company will not experience negative cash flow from operations in the future. For the period commencing July 20, 2020 and ended September 30, 2020, and for the six months ended March 31, 2021, the Company sustained net losses from operations and had negative cash flow from operating activities of \$35,283 and \$141,508, respectively. All funds available to the Company will be used to fund future and anticipated negative cash flow from its operating activities.**

#### Funds Available and Principal Purposes

The Company had working capital of \$441,674 as of June 30, 2021, its most recent month end. As at June 30, 2021, of the aggregate \$627,500 raised from the Private Placements, \$102,463 had been spent on operating expenditures, and \$83,363 had been spent on the August 2020 exploration work on the Property. As of March 31, 2021, the Company had net accounts payable of \$20,985. The gross proceeds of the Company under the Special Warrant Private Placement were \$216,000.

The approximate working capital of the Company as of June 30, 2021 is \$441,674, which will be used for the purposes described below:

<b>Use of Available Funds</b>	<b>(\$)</b>
Complete recommended Phase 1 exploration program on the Property <sup>(1)</sup>	123,365
Initial Listing Fees <sup>(2)</sup>	60,000
General and administrative costs for next 12 months <sup>(3)</sup>	85,000
Unallocated working capital	173,309
<b>TOTAL:</b>	<b>441,674</b>

**Notes:**

- (1) See "The Whitewater Property – Recommendations."
- (2) Including legal, audit, securities commissions, and Exchange fees.
- (3) See the table below for a description of the estimated administrative costs of the Company for the next 12-month period.

Upon Listing Date, the Company estimates that its working capital will be sufficient to meet its administrative costs and exploration expenditures for the 12-month period following the Listing Date, which exploration expenditures are expected to be sufficient to cover the cost of the Phase 1 program at the Property.

Administrative costs for the 12-month period following the Listing Date are comprised of the following:

<b>General and Administrative Costs for 12-Month Period Following the Listing Date</b>	<b>(\$)</b>
Transfer Agent, Listing, Filing and Legal Fees	50,000
Accounting and Auditing	10,000
Office and Miscellaneous	10,000
Travel	2,000
Management Compensation	12,000
<b>TOTAL:</b>	<b>85,000</b>

The use to which the \$173,309 of unallocated working capital will be put has not yet been determined by the Company, as the nature of the Company's future expenditures is contingent on the results of the Phase 1 exploration program. The Company retains a sizeable unallocated working capital to account for future contingencies, including the

possibility of commencing work on the Phase 2 exploration program if warranted, or failing positive results of Phase 1, the possibility of pursuing opportunities to acquire interests in other properties.

If the Company determines to retain the Option after the first year following the Listing Date, the Company will be obligated to (i) make further cash payments to the Optionor of \$30,000 (within the second anniversary of the Listing) and \$50,000 (within the third anniversary of the Listing Date) and (ii) incur additional exploration expenditures on the Property of \$130,000 (within the second anniversary of the Listing Date) and \$200,000 (within the third anniversary of the Listing Date). The Company's unallocated working capital will likely not be sufficient to fund such expenditures, so if the Company determines to retain the Option after the first year following the Listing Date and continue exploration on the Property, the Company will require additional financing. See "*The Whitewater Property - Property Description, Location, and Access*". The Optionor is Afzaal Pirzada, a director of the Company.

### **Business Objectives and Milestones**

The Company's current business objective and sole current milestone is to complete the Phase 1 exploration program on the Property, as described herein. Based upon the recommendations of the Author in the Technical Report, the Company intends to carry out the Phase 1 exploration program in 2021, and the Company expects to complete the field work for Phase 1 by the end of August 2021. The proposed budget for Phase 1 in the Technical Report is based on a four-month work program, but the exact timeline is subject to change. If the results of the Phase 1 exploration program are positive, the Company will look towards carrying out the recommended Phase 2 exploration program.

The Company's unallocated working capital will likely not be sufficient to fund the recommended Phase 2 exploration program on the Property. Therefore, in the event the results of the Phase 1 exploration program warrant conducting further exploration on the Property, the Company will require additional financing to complete the Phase 2 exploration program. The availability of such financing cannot be guaranteed.

Although the Company intends to expend the funds available to it as set out above, the amount actually expended for the purposes described above could vary significantly depending on, among other things, mineral prices, unforeseen events, and the Company's future operating and capital needs from time to time. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary.

The Company expects the coronavirus will render corporate and exploration activities less efficient than if such activities were carried out under normal circumstances. Notwithstanding, the Company expects to be able to commence the exploration program in July 2021 and complete it by October 2021. This timeline reflects the facts that (i) materials, personnel and machinery may be more difficult to source than under normal circumstances, (ii) certain personnel may be required to self isolate on their arrival in Kaslo, British Columbia, and (iii) the Company's two executive officers are currently working from home. See "*Risk Factors - COVID-19 Public Health Crisis*" for further detail.

Due to the nature of the business of mineral exploration, budgets are regularly reviewed with respect to both the success of the exploration program and other opportunities which may become available to the Company. Accordingly, if the results of the Phase 1 exploration program are not supportive of proceeding with Phase 2, or if continuing with the Phase 1 exploration program becomes inadvisable for any reason, the Company may abandon in whole or in part its interest in the Property or may, as work progresses, alter the recommended work program, or may make arrangements for the performance of all or any portion of such work by other persons or companies and may use any funds so diverted for the purpose of conducting work or examining other properties acquired by the Company, although the Company has no present plans in this respect. Subscribers to the Special Warrant Private Placement must rely on the experience, good faith, and expertise of management of the Company with respect to future acquisitions and activities.

## **DIVIDENDS OR DISTRIBUTIONS**

### **Dividends**

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

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

The Company's Management's Discussion and Analysis provides an analysis of the Company's financial results for the period commencing July 20, 2020 and ended September 30, 2020 and the six months ended March 31, 2021 and should be read in conjunction with the financial statements of the Company for such periods and the notes thereto. The Company's Management's Discussion and Analysis for the period commencing July 20, 2020 and ended September 30, 2020 is attached to this Prospectus as Schedule "D" and the Company's Management's Discussion and Analysis for the six months ended March 31, 2021 is attached to this Prospectus as Schedule "E".

Certain information included in the Company's Management's Discussion and Analysis is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "Cautionary Statement Regarding Forward-Looking Statements" for further detail.

### **Disclosure of Outstanding Security Data**

#### *Common Shares*

As at the date of this Prospectus, the Company has 16,300,000 Common Shares issued and outstanding, and the Company will have 18,460,000 Common Shares issued and outstanding following the exercise or deemed exercise of all the Special Warrants.

#### *Stock Options*

The Company has not granted any stock options as at the date of this Prospectus.

#### *Special Warrants*

As at the date of this Prospectus, the Company had 2,160,000 Special Warrants outstanding, issued as part of the Special Warrant Private Placement. Each Special Warrant entitles the holder to acquire, without further payment, one unit. Each unit will be comprised of one SW Share and one SW Warrant, each Warrant exercisable into one Warrant Share at an exercise price of \$0.20 for two (2) years from the Listing Date. Each Special Warrant will automatically convert at 5:00 p.m. (Vancouver time) on the date that is the earlier of: (a) the third business day after the Receipt; and (b) one year from the Closing Date. Following the exercise or deemed exercise of all the Special Warrants, the Company will have no Special Warrants outstanding.

Other than Ranbir (Reena) Sall, who holds 1,000 Special Warrants, none of the Company's Principals hold Special Warrants.

### **Additional Disclosure for Junior Issuers**

The Company anticipates that its estimated working capital of \$441,674 as of June 30, 2021, being the most recent month end, will fund operations for the next 12-month period. Management estimates that the Company will require \$123,365 to pay for the Phase 1 exploration program expenditures on the Property, \$60,000 for initial listing fees and \$85,000 for general and administrative expenses. Other than the costs stated above, the Company does not anticipate incurring any other material capital expenditures during the next 12-month period.

## DESCRIPTION OF SECURITIES DISTRIBUTED

### Common Shares

The Company's authorized capital consists of an unlimited number of Common Shares, of which 16,300,000 are issued and outstanding as at the date of this Prospectus as fully paid and non-assessable. Following the exercise or deemed exercise of all the Special Warrants, there will be 18,460,000 Common Shares issued and outstanding. Holders of the Common Shares are entitled to vote at all meetings of the holders of the Common Shares and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Common Shares, to participate rateably in any distribution of the Company's property or assets upon liquidation or wind-up.

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

### Special Warrants

The Company closed the Special Warrant Private Placement on February 22, 2021 and issued an aggregate of 2,160,000 Special Warrants. Each Special Warrant entitles the holder to acquire, without further payment, one Unit. Each Unit will be comprised of one SW Share and one SW Warrant, each Warrant exercisable into one Warrant Share at an exercise price of \$0.20 for two (2) years from the Listing Date. Each Special Warrant will automatically convert at 5:00 p.m. (Vancouver time) on the date that is the earlier of: (a) the third business day after the Receipt; and (b) one year from the Closing Date.

The Company has provided to each Special Warrant holder 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 Special Warrant holder who acquires another of the Company's securities 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 the Prospectus or an amendment to the Prospectus containing a misrepresentation, then:

1. the holder is entitled to rescission of both the holder's exercise of its Special Warrant and the private placement transaction under which the Special Warrant was initially acquired;
2. the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Company on the acquisition of the Special Warrant; and
3. 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 were the original subscriber.

Upon conversion of the Special Warrants into SW Shares and upon conversion of the Warrants into Warrant Shares, holders of such Common Shares shall be entitled to vote at all meetings of the holders of Common Shares and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Common Shares, to participate rateably in any distribution of the Company's property or assets upon liquidation or winding-up.

## 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 March 31, 2021	Outstanding as at the date of this Prospectus <sup>(1)(2)</sup>	Outstanding following the exercise of all the Special Warrants <sup>(2)</sup>
Common Shares	Unlimited	12,300,000	16,300,000	16,300,000	18,460,000

Notes:



- (1) See “Prior Sales”.  
(2) On an undiluted basis.

### Fully Diluted Share Capitalization

<b>Common Shares</b>	<b>Amount of Securities</b>	<b>Percentage of Total</b>
Issued and outstanding as at the date of this Prospectus	16,300,000	66.2%
Common Shares reserved for issuance upon the exercise of the Special Warrants	2,160,000	8.8%
Common Shares reserved for issuance upon exercise of the Warrants and SW Warrants	6,160,000	25.0%
Common Shares reserved for issuance upon exercise of options	0	0%
<b>Total Fully Diluted Share Capitalization after the Listing Date</b>	<b>24,620,000</b>	<b>100%</b>

### OPTIONS TO PURCHASE SECURITIES

#### Outstanding Options

The Company has not granted any stock options as at the date of this Prospectus.

#### Stock Option Plan

The Company does not have a stock option plan.

### PRIOR SALES

The following table summarizes all sales of securities of the Company since the date of incorporation:

<b>Date of Issue</b>	<b>Price per Security<sup>(1)</sup></b>	<b>Number of Securities</b>
July 20, 2020	\$0.005	1 Common Share (repurchased by Company on same date)
July 20, 2020	\$0.005	1,000,000 Common Shares
August 10, 2020	\$0.005	300,000 Common Shares
August 26, 2020	\$0.005	1,000,000 Common Shares
September 16, 2020	\$0.02	10,000,000 Common Shares
November 23, 2020	\$0.05	4,000,000 Units (one Common Share and one Warrant)
February 22, 2021	\$0.10	2,160,000 Special Warrants

**Note:**

- (1) All prior sales have been for cash.

## ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Pursuant to the Escrow Agreement, the Common Shares subject to contractual restriction and escrow are as shown in the following table:

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Common Shares	2,300,000 <sup>(1)</sup>	12.5% <sup>(2)</sup>

**Notes:**

- (1) These Common Shares are held under the Escrow Agreement in accordance with NP 46-201. The Escrow Agent is Odyssey Trust Company.
- (2) Based on 18,460,000 Common Shares issued and outstanding following the exercise of all the Special Warrants on an undiluted basis.

### Escrow Agreement

NP 46-201 provides that all shares of an issuer owned or controlled by its Principals will be escrowed at the time of the issuer’s initial public offering.

At the time of its initial public offering, an issuer will be classified for the purposes of escrow as either an “exempt issuer”, an “established issuer” or an “emerging issuer” as those terms are defined in NP 46-201.

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

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

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

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

Pursuant to the terms of the Escrow Agreement, 2,300,000 Common Shares will be held in escrow on the Listing Date.

## PRINCIPAL SECURITYHOLDERS

To the knowledge of the directors and officers of the Company, as of the date of this Prospectus, (i) no person beneficially owns or exercises control or direction over Common Shares carrying more than 10% of the votes attached to the currently outstanding Common Shares and (ii) assuming the exercise of the Special Warrants, no person beneficially will own or exercise control or direction over Common Shares carrying more than 10% of the votes attached to then outstanding Common Shares.

## DIRECTORS AND EXECUTIVE OFFICERS

### Name, Occupation and Security Holdings

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

Name and Municipality of Residence and Position with the Company	Director/Officer Since	Principal Occupation	Number and Percentage of Common Shares Beneficially Owned or Controlled, Directly or Indirectly	
			As at the Date of this Prospectus <sup>(1)</sup>	Following the exercise of the Special Warrants <sup>(2)</sup>
Michael Malana <sup>(3)</sup> Richmond, BC  <i>Chief Executive Officer, President and Director</i>	July 20, 2020	Mr. Malana is a self-employed public company entrepreneur. Over the past five years, Mr. Malana has served as CFO of Orca Touchscreen Technologies Inc., from August 2015 to August 2016, as CFO of Patriot One Technologies Inc., from February 2016 to February 2017, as Corporate Secretary of Tesoro Minerals Corp. from June 2018 to June 2020 and as CFO of Karam Minerals Inc., from April 2018 to June 2020, Nortec Minerals Corp. since February 2017, First Responder Technologies Inc. since April 2018, Growmax Resources Corp. since April 2019 and WPD Pharmaceuticals Inc. since July 2020.	1,000,000 (6.1%)	1,000,000 (5.4%)
David Bowen <sup>(3)(4)</sup> Delta, BC <i>Director</i>	July 27, 2020	Mr. Bowen is a self-employed corporate finance consultant. From February 2018 to October 2019, he served as a research analyst with Capstone Asset Management. With over 20 years of investment experience, Mr. Bowen has held roles as an Investment Advisor, Portfolio Manager, Quant Trader and programmer of related financial applications.	100,000 (0.1%)	100,000 (0.1%)

Name and Municipality of Residence and Position with the Company	Director/Officer Since	Principal Occupation	Number and Percentage of Common Shares Beneficially Owned or Controlled, Directly or Indirectly	
			As at the Date of this Prospectus <sup>(1)</sup>	Following the exercise of the Special Warrants <sup>(2)</sup>
Faizaan Lalani <sup>(3)(4)</sup> Vancouver, BC  <i>Director</i>	August 26, 2020	Mr. Lalani served as Senior Project Accountant at <i>PortLiving</i> from May 2016 to July 2019, and Senior Project Accountant at <i>Century Group</i> from June 2014 to April 2016. Mr. Lalani is also the founder and owner of <i>Encima Clothing</i> from 2015 to 2018. Mr. Lalani served as a director of GreenStar Biosciences Corp. from May 2019 to April 2020 and as a director and Chief Financial Officer of Infuzed Brands Inc. from January 2019 to December 2020. Mr. Lalani has served as a director of IMC International Mining Corp. since November 2019 and as a director and Chief Financial Officer of United Lithium Corp. since October 2019, AmmPower Corp. since December 2019 and Medaro Mining Corp since June 2020.	1,000,000 (6.1%)	1,000,000 (5.4%)
Afzaal Pirzada <sup>(4)</sup> Surrey, BC  <i>Director</i>	March 19, 2021	Since 2007, Mr. Pirzada has served as the principal of Geomap Exploration Inc.	100,000 (0.1%)	100,000 (0.1%)
Ranbir (Reena) Sall Pitt Meadows, BC  <i>CFO and Corporate Secretary</i>	July 20, 2020	Ms. Sall is a chartered professional accountant with experience working with manufacturing and mineral exploration companies. Ms. Sall previously served as the CFO of Naturally Splendid Enterprises Ltd. from July 2019 to December 2019 and as a senior accountant with Seaboard Services Corp. from July 2007 to January 2018.	100,000 (0.1%)	101,000 (0.1%)

**Notes:**

- (1) Percentage is based on 16,300,000 Common Shares issued and outstanding as of the date of this Prospectus.
- (2) Percentage is based on 18,460,000 Common Shares issued and outstanding following the exercise of all the Special Warrants on an undiluted basis.
- (3) Denotes a member of the Audit Committee of the Company.
- (4) Denotes an independent director.

The term of office of the directors expires annually at the time of the Company's annual general meeting. The term of office of the executive officers expires at the discretion of the Company's directors. None of the Company's directors or executive officers have entered into non-competition or non-disclosure agreements with the Company.

As at the date of this Prospectus, the directors and executive officers of the Company as a group beneficially own, directly or indirectly, or exercised control or discretion over an aggregate of 2,300,000 Common Shares, which is equal to 14.1% of the Common Shares issued and outstanding as at the date hereof.

Following the exercise of all the Special Warrants, the directors and executive officers of the Company as a group beneficially own, directly or indirectly, or exercised control or discretion over an aggregate of 2,300,000 Common Shares of the Company, which is equal to 12.5% of the Common Shares issued and outstanding following the exercise of all the Special Warrants.

## **Background**

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

*Michael Malana – Director, President, and Chief Executive Officer, 56 years old*

Mr. Malana is a self-employed public company entrepreneur. Over the past five years, Mr. Malana has served as CFO of Orca Touchscreen Technologies Inc., from August 2015 to August 2016, as CFO of Patriot One Technologies Inc., from February 2016 to February 2017, as Corporate Secretary of Tesoro Minerals Corp. from June 2018 to June 2020 and as CFO of Karam Minerals Inc., from April 2018 to June 2020, Nortec Minerals Corp. since February 2017, First Responder Technologies Inc. since April 2018, Growmax Resources Corp. since April 2019 and WPD Pharmaceuticals Inc. since July 2020.

As the Chief Executive Officer of the Company, Mr. Malana is responsible for the day-to-day operations, outside contractors and service providers, acquisitions and project development, and of the financial operations of the Company in conjunction with the Chief Financial Officer and with outside accounting, tax and auditor support. Mr. Malana expects to devote approximately 25% of his time to the Company's activities, but will at all times devote sufficient time to the Company's activities as is reasonably necessary to discharge his responsibilities as CEO. Mr. Malana is not an employee of the Company but is an independent consultant of the Company. Mr. Malana has not entered into a non-competition or non-disclosure agreement with the Company.

*David Bowen – Director, 49 years old*

Mr. Bowen is a self-employed corporate finance consultant. From February 2018 to October 2019, he served as a research analyst with Capstone Asset Management. With over 20 years of investment experience, Mr. Bowen has held roles as an Investment Advisor, Portfolio Manager, Quant Trader and programmer of related financial applications. Mr. Bowen holds a B. Sc. from the University of British Columbia.

Mr. Bowen expects to devote approximately 10% of his time to the Company's activities, but will at all times devote sufficient time to the Company's activities as is reasonably necessary to discharge his responsibilities as a Director. Mr. Bowen is neither an employee nor an independent consultant of the Company. Mr. Bowen has not entered into a non-competition or non-disclosure agreement with the Company.

*Faizaan Lalani – Director, 34 years old*

Mr. Lalani is an accounting and finance professional with over 9 years of experience covering audit, financial reporting, corporate finance, and operations management. Mr. Lalani previously worked in the audit and assurance group at PricewaterhouseCoopers LLP, Canada, where he obtained his CPA, CA designation, gaining vast experience in accounting practices in both the public and private sectors during his tenure. Mr. Lalani served as a director of GreenStar Biosciences Corp. from May 2019 to April 2020, as a director and Chief Financial Officer of Infuzed Brands Inc. from January 2019 to December 2020, as a Senior Accountant for PortLiving, a Vancouver based real estate development company, from 2016 to 2019, and as a Senior Accountant with Century Group, a Vancouver real estate development company, from 2014 to 2016. Mr. Lalani currently serves as chief financial officer and as a director of United Lithium Corp, AmmPower Corp., Medaro Mining Corp and as a director of IMC International Mining Corp.

Mr. Lalani expects to devote approximately 10% of his time to the Company's activities, but will at all times devote sufficient time to the Company's activities as is reasonably necessary to discharge his responsibilities as a Director.

Mr. Lalani is neither an employee nor an independent consultant of the Company. Mr. Lalani has not entered into a non-competition or non-disclosure agreement with the Company.

*Afzaal Pirzada – Director, 65 years old.*

Afzaal Pirzada is a professional geoscientist with over 30 years' experience in mineral exploration and mining with expertise in gold, lithium, rare metals, graphite, platinum group elements and uranium. Throughout his career, he has managed multiple exploration projects in various jurisdictions across Canada, USA and internationally. He has previously served as a director at Graphite Energy Corp., Rock Tech Lithium and various other mining companies. Mr. Pirzada has discovered one graphite deposit in Quebec, and successfully developed a lithium project in Ontario from early stage exploration to advanced exploration. He is registered as a professional geoscientist with the Association of Professional Engineers and Geoscientists of British Columbia, Canada, authored several NI 43-101 technical and exploration work assessment reports, and has worked as a "Qualified Person" on several mineral exploration projects

Mr. Pirzada expects to devote approximately 10% of his time to the Company's activities, but will at all times devote sufficient time to the Company's activities as is reasonably necessary to discharge his responsibilities as a director. Mr. Pirzada is neither an employee nor an independent consultant of the Company. Except pursuant to the Property Agreement, Mr. Pirzada has not entered into a non-competition or non-disclosure agreement with the Company.

*Ranbir (Reena) Sall – Chief Financial Officer and Corporate Secretary, 42 years old*

Ms. Sall is a chartered professional accountant with experience working with manufacturing and mineral exploration companies. Ms. Sall previously served as the CFO of Naturally Splendid Enterprises Ltd. from July 2019 to December 2019 and as a senior accountant with Seabord Services Corp. from July 2007 to January 2018.

As the Chief Financial Officer of the Company, Ms. Sall is responsible for coordination of the financial operations of the Company in conjunction with the Chief Executive Officer and with outside accounting, tax and auditing firms. Ms. Sall expects to devote approximately 25% of her time to the Company's activities, but will at all times devote sufficient time to the Company's activities as is reasonably necessary to discharge her responsibilities as a CFO and Corporate Secretary. Ms. Sall is not an employee of the Company but is an independent consultant of the Company. Ms. Sall has not entered into a non-competition or non-disclosure agreement with the Company.

### **Corporate Cease Trade Orders or Bankruptcies**

Except as disclosed herein, no director or executive officer of the Company is, as at the date of this Prospectus, or was within ten years before the date hereof, a director, Chief Executive Officer or Chief Financial Officer of any company, including the Company, that:

- (i) was subject to a cease trade order, an order similar to cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period for more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer; or
- (ii) was subject to an a cease trade order, an order similar to cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period for more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, 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.

### **Penalties or Sanctions**

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:

- (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement with a regulatory authority; or
- (ii) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

### **Bankruptcies**

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

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

### **Conflicts of Interest**

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

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

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

## **EXECUTIVE COMPENSATION**

The Company was not a reporting issuer at any time during the fiscal period commencing July 20, 2020 and ended September 30, 2020, the Company's most recently completed financial year. 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 of the Company, once the Company becomes a reporting issuer, to the extent this compensation has been determined.

For the purposes hereof, the term Named Executive Officer, or NEO, means each Chief Executive Officer, each Chief Financial Officer and the Company's most highly compensated executive officer, other than the Chief Executive Officer and the Chief Financial Officer, who was serving as an executive officer as at the end of the Corporation's most recently completed financial year and whose total compensation exceeds \$150,000 and any additional individuals for whom disclosure would have been provided except that the individual was not serving as an officer of the Company at the end of the Company's most recently completed financial year. For the fiscal year ended September 30, 2020, the Company's NEOs were Michael Malana and Ranbir (Reena) Sall.

### **Compensation Discussion and Analysis**

At its present stage of development, the Company does not have any formal objectives, criteria and analysis for determining the compensation of its Named Executive Officers and primarily relies on the discussions and determinations of the board of directors.

The Company pays Ms. Sall a monthly fee of \$1,000 in connection with her duties as CFO and Corporate Secretary of the Company.

With a view to minimizing its cash expenditures not directed at the exploration of the Property, the Company does not intend to pay a material amount of compensation to management for the next 12 months. However, this policy will be re-evaluated periodically. The Company expects to grant incentive stock options to the Named Executive Officers and its non-executive directors, under a stock option plan to be adopted subsequent to listing on the Exchange in the amounts and on terms to be determined by the Board at that time.

### **Option Based Awards**

The Company does not have a stock option plan and has not granted any stock options to its NEOs.

### **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 NEOs 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 an NEOs 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. As with the Named Executive Officers, the Board intends to compensate directors primarily through the grant of stock options, under a stock option plan to be adopted subsequent to listing on the Exchange, and reimbursement of expenses incurred by such persons acting as directors of the Company.

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

### **Aggregate Indebtedness**

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



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

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

## AUDIT COMMITTEE AND CORPORATE GOVERNANCE

### Audit Committee

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

### Audit Committee Charter

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

### Composition of Audit Committee

The members of the Company's Audit Committee are:

Faizaan Lalani (Chair)	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Michael Malana	Not Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
David Bowen	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>

#### Notes:

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. Mr. Malana is not independent, as Mr. Malana is the Chief Executive Officer and President of the Company.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

### Relevant Education and Experience

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

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

See "Directors and Executive Officers" for further details of each audit committee member's relevant education and experience.

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4, 6.1(4), (5), or (6) of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

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

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

### **External Auditor Service Fees**

The fees billed by the Company's external auditors in each of the last two fiscal years for audit and non-audit related services provided to the Company or its subsidiaries (if any) are as follows:

<b>Financial Year End</b>	<b>Audit Fees</b>	<b>Audit Related Fees<sup>(1)</sup></b>	<b>Tax Fees<sup>(2)</sup></b>	<b>All other Fees<sup>(3)</sup></b>
September 30, 2020	\$6,000	\$Nil	\$Nil	\$Nil

**Notes:**

- (1) Fees charged for assurance and related services that are reasonably related to the performance of an audit, and not included under Audit Fees.
- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other column.

### **Exemption**

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

## **CORPORATE GOVERNANCE**

### **General**

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

### **Board of Directors**

The Board facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board. The Board is comprised of four directors: Michael Malana, David Bowen, Faizaan Lalani, and Afzaal Pirzada. As the size of the Board is small, the Board has no formal procedures designed to facilitate the exercise

of independent supervision over management, relying instead on the integrity of the individual members of its management team to act in the best interests of the Company.

Mr. Malana is not independent, as he is the Chief Executive Officer and President of the Company, and Mr. Pirzada is not independent, as he is the Optionor. Messrs. Bowen and Lalani are independent.

### **Directorships**

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

Michael Malana	First Responder Technologies Inc. (CSE) Nortec Minerals Corp. (TSXV) Beyond Medical Technologies Inc. (CSE)
Faizaan Lalani	IMC International Exploration Inc. (CSE) United Lithium Corp. (CSE) AmmPower Corp. (CSE) Medaro Mining Corp (unlisted)
Afzaal Pirzada	TWX Group Holding Limited (CSE) Nothern Silicon International Inc. (unlisted)

### **Orientation and Continuing Education**

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

### **Ethical Business Conduct**

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

### **Nomination of Directors**

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

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

### **Compensation**

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

### **Other Board Committees**

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

## **Assessments**

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

## **PLAN OF DISTRIBUTION**

This Prospectus qualifies the distribution of 2,160,000 Special Warrants, and the SW Shares and SW Warrants underlying the Special Warrants, to be issued, without additional payment, upon the exercise or deemed exercise of 2,160,000 Special Warrants.

No securities are being offered or sold pursuant to this Prospectus. This Prospectus is being filed by the Company with its overseeing regulators. Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised and no agent or underwriter is involved.

## **Listing of Common Shares**

The Company intends to apply to list its issued and outstanding Common Shares and all other Common Shares issuable by the Company as described in this Prospectus, on the Exchange. Listing of the Common Shares will be subject to the Company fulfilling all the listing requirements of the Exchange. The Special Warrants will not be listed on the Exchange.

## **IPO Venture Issuer**

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside 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). See “*Risk Factors*”.

## **RISK FACTORS**

### **General**

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

### **Limited Operating History**

The Company has no history of earnings. There are no known commercial quantities of mineral reserves on any properties in which the Company has an interest. The purpose of the Special Warrants Private Placement was to raise funds to carry out exploration and, if thought appropriate, development with the objective of establishing economic quantities of mineral reserves. There is no guarantee that economic quantities of minerals will be discovered on any properties in which the Company has an interest in the near future or at all. If the Company does not generate revenue or is unable to raise further funds, it may be unable to sustain its operations in which case it may become insolvent and investors may lose their investment.

## **Speculative Nature of Mineral Exploration**

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

## **Financing Risks**

The Company has no history of earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable. The Company has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is through the sale of its securities. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists on the properties owned by the Company. The Company's unallocated working capital is not sufficient to fund a follow-on Phase 2 exploration program on the Property and there is no assurance that the Company can successfully obtain additional financing to fund a Phase 2 program.

While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of the Property, there is no assurance that any such funds will be available. If available, future equity financing may result in substantial dilution to purchasers under the Special Warrants Private Placement. At present it is impossible to determine what amounts of additional funds, if any, may be required.

## **Property Interests**

If the Company loses or abandons its interest in the Property, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange. There is also no guarantee that the Exchange will approve the acquisition of any additional properties by the Company, whether by way of option or otherwise, should the Company wish to acquire any additional properties. Unless the Company acquires additional property interests, any adverse developments affecting the Property could have a material adverse effect upon the Company and would materially and adversely affect any profitability, financial performance and results of operations of the Company.

## **If the Company cannot raise additional equity financing, then it may not earn its interest in the Property**

The Company is required to make cash payments to the Optionor, and to incur work expenditures in order to maintain its interest in the Property. The Company's ability to maintain an interest in the Property may be dependent on its ability to raise additional funds by equity financing. Failure to obtain additional financing may result in the Company being unable to make periodic payments or expenditures required for the maintenance of the Company's interest in

the Property and could result in a delay or postponement of further exploration and the inability to earn its interest in the Property.

### **Commercial Ore Deposits**

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

### **Uninsurable Risks**

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

### **Permits and Government Regulations**

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

### **Environmental and Safety Regulations and Risks**

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

### **Management**

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business. In addition, the Company's ability to keep on personnel may be challenged as a result of potential COVID-19 outbreaks or quarantines.

### **Key Person Insurance**

The Company does not maintain key person insurance on any of its directors or officers, and as result the Company would bear the full loss and expense of hiring and replacing any director or officer in the event the loss of any such

persons by their resignation, retirement, incapacity, or death, as well as any loss of business opportunity or other costs suffered by the Company from such loss of any director or officer.

### **Mineral Titles**

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

### **Aboriginal Title**

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

On June 26, 2014, the Supreme Court of Canada (the "SCC") released a decision in *Tsilhqot'in Nation v. British Columbia* (the "**William Decision**"), pursuant to which the SCC upheld the First Nations' claim to Aboriginal title and rights over a large area of land in central British Columbia, including rights to decide how the land will be used, occupancy and economic benefits. The court ruling held that while the provincial government had the constitutional authority to regulate certain activity on aboriginal title lands, it had not adequately consulted with the Tsilhqot'in. The SCC also held that provincial laws of general application apply to land held under Aboriginal title if the laws are not unreasonable, impose no undue hardship, and do not deny the Aboriginal title holders their preferred means of exercising their rights. The Company will continue to manage its operations within the existing legal framework while paying close attention to the direction provided by the Courts regarding the application of this ruling.

### **COVID-19 Public Health Crisis**

The Company's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. To date, there have been many temporary business closures, quarantines, and a general reduction in consumer activity in Canada. The outbreak has caused companies and various governmental bodies to impose travel, gathering and other public health restrictions. The overall effects of COVID-19 related matters on the Company's business and operations and projects will depend on the Company's ability to carry out its exploration activities, and on the duration of impacts on the Company's suppliers, which are unknown at this time. Returning to normal operating activities is highly dependent on the progression of the pandemic and the success of measures taken to prevent transmission, which will influence when health and government authorities remove various restrictions on business activities. COVID-19 has resulted in volatility and disruptions in the supply and demand for gold and other metals and minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect mineral prices, interest rates, credit ratings, credit risk, share prices and inflation. The risks to the Company of such public health crises also include slowdowns or temporary suspensions of operations in locations impacted by an outbreak, interruptions to supply chains and supplies upon which the Company relies, restrictions that the Company and its contractors and subcontractors impose to ensure the safety of employees and others, increased labor costs, regulatory changes, political or economic instabilities or civil unrest.

As of the date hereof, the British Columbia provincial government has designated businesses engaged in mineral exploration and development as an "essential service". Provided the Company's exploration activities continue to be so designated and the current availability of labour and supplies is not materially affected by new developments respecting COVID-19 or responses thereto, the Company expects that its personnel and/or consultants will be able to carry out surveying and drilling activities respecting any exploration activities without significant delays or increases

in cost.

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

### **Fluctuating Mineral Prices**

The Company's revenues in the future, if any, are expected to be in large part derived from the extraction and sale of precious and base minerals and metals, which in turn depend on the results of the Company's exploration on these properties and whether development will be commercially viable or even possible. Factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years, including as a result of the significant market reaction to COVID-19. Consequently, the economic viability of any of the Company's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices.

### **Competition**

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

### **Negative Cash Flows From Operations**

For the year ended September 30, 2020, the Company sustained net losses from operations and had negative cash flow from operating activities of \$35,283. The Company continues to have negative operating cash flow. It is possible the Company may have negative cash flow in any future period and as a result, the Company may need to use available cash, including proceeds from the Private Placements and any future financings to fund any such negative cash flow.

### **Resale of Common Shares**

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

### **Community Groups**

There is an ongoing level of public concern relating to the effects of mining on the natural landscape, on communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs") who oppose resource development can be vocal critics of the mining industry. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company or its relationships with the communities in which it operates, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

### **Price Volatility of Publicly Traded Securities**

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no



assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in executing on its business plan, creating revenues, cash flows or earnings. The value of the Common Shares will be affected by such volatility. There is currently no public market for the Common Shares. An active public market for the Common Shares might not develop or be sustained after the Listing Date. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline below the price at which the Special Warrant were issued.

### **Conflicts of Interest**

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

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

### **Tax Issues**

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

### **Dividend**

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

## **PROMOTER**

Michael Malana may be considered to be the Promoter of the Company in that he took the initiative in organizing the business of the Company.

No person who was a Promoter of the Company:

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

30 consecutive days that was issued after the person ceased to be a director, CEO or CFO and which resulted from an event that occurred while the person was acting in the capacity as director, CEO or CFO;

5. is at of the date hereof, or was within 10 years before the date hereof, a director or executive officer of any person or company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets;
6. has, within 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the person;
7. has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority;
8. has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision; or
9. has within the past 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets.

## **LEGAL PROCEEDINGS**

### **Legal Proceedings**

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

### **Regulatory Actions**

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

- (i) penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority;
- (ii) other penalties or sanctions imposed by a court or regulatory body against the Company necessary for the Prospectus to contain full, true and plain disclosure of all material facts relating to the securities being distributed; and
- (iii) settlement agreements the Company entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

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

Except as noted below and in this Prospectus, from incorporation to the date of this Prospectus, none of the following persons or companies has had any material interest, direct or indirect, in any transaction which has materially affected or is reasonably expected to materially affect the Company:

- (a) any director or executive officer of the Company;
- (b) any person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of any class or series of the Company's outstanding voting securities; and
- (c) any associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b).

The Company and Afzaal Pirzada, a director of the Company, are parties to the Option Agreement, respecting the Company's option to acquire the Property. Upon completing its obligations under the Property Agreement, the Company will hold a 100% interest in the 6 mining claims, totalling approximately 2,281.72 hectares, comprising the Property. The Property Agreement was negotiated on an arm's length basis, as the Optionor was not a director when the Property Agreement was entered into on August 6, 2020 or when it was amended on September 3, 2020. The Optionor is now a director of the Company, having been appointed to the Board on March 19, 2021.

### **AUDITORS**



The auditor of the Company is Smythe LLP, of 1700-475 Howe St., Vancouver, BC V6C 2B3.

### **REGISTRAR AND TRANSFER AGENT**

The registrar and transfer agent of the Company is Odyssey Trust Company, at 350 – 409 Granville Street, Vancouver, BC V6C 1T2.

### **MATERIAL CONTRACTS**

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Company from incorporation to the date of this Prospectus which are currently in effect and considered to be currently material:

1. The Registrar and Transfer Agent Agreement dated , 2021;
2. The Escrow Agreement dated , 2021;
3. The Property Agreement dated August 6, 2020, as amended September 3, 2020.

Copies of the material contracts will be available under the Company's profile at [www.sedar.com](http://www.sedar.com) upon the issuance of the final receipt for this Prospectus.

### **EXPERTS**

#### **Names of Experts**

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

The Technical Report was prepared by Muzaffer Sultan, Ph.D., P.Geo.. Dr. Sultan has no interest in the Company, the Company's securities or the Property.

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

### **Interests of Experts**

None of the persons set out under the heading “*Experts – Names of Experts*” have held, received or is to receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of its associates or affiliates when such person prepared the report, valuation, statement or opinion aforementioned or thereafter.

### **OTHER MATERIAL FACTS**

There are no other material facts about the securities being distributed pursuant to this the Special Warrants Private Placement that are not disclosed under any other items and are necessary in order for this Prospectus to contain full, true and plain disclosure of all material facts relating to the Common Shares to be distributed.

### **RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in the Province of British Columbia 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 some provinces, the securities legislation further provides a purchaser with remedies for rescission, revisions of the price, or damages if this 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 adviser.

### **FINANCIAL STATEMENTS**

Audited financial statements of the Company for the period ended September 30, 2020 are included in this Prospectus as Schedule “B”.

Unaudited financial statements of the Company for the six months ended March 31, 2021 are included in this Prospectus as Schedule “C”.

## SCHEDULE “A”

### Audit Committee Charter

This Charter establishes the composition, the authority, roles and responsibilities and the general objectives of the Company’s audit committee, or its Board of Directors in lieu thereof (the “**Audit Committee**”). The roles and responsibilities described in this Charter must at all times be exercised in compliance with the legislation and regulations governing the Company and any subsidiaries.

#### Composition

- *Number of Members.* The Audit Committee must be comprised of a minimum of three directors of the Company, a majority of whom will be independent. Independence of the board members will be as defined by applicable legislation.
- The members of the Committee will be appointed by the board of directors of the Company (“**Board**”) annually at the first meeting of the Board following the annual meeting of the shareholders, to serve until the next annual meeting of shareholders or until their successors are duly appointed.
- *Chair.* The Board will designate one member to act as chair of the Audit Committee (the “**Chair**”) or, if it fails to do so, the members of the Audit Committee will appoint the Chair among its members.
- *Financially Literacy.* All members of the audit committee will be financially literate as defined by applicable legislation. If upon appointment a member of the Audit Committee is not financially literate as required, the person will be provided with a period of three months to acquire the required level of financial literacy.

#### Meetings

- *Meetings and Quorum.* The Audit Committee will meet at least quarterly, with the authority to convene additional meetings as circumstances require. A majority of the members of the Audit Committee will constitute a quorum.
- *Agenda.* The Chair will set the agenda for each meeting, after consulting with management and the external auditor. Agenda materials such as draft financial statements must be circulated to all Audit Committee members for members to have a reasonable amount of time to review the materials prior to the meeting.
- *In Camera Sessions.* The Audit Committee will, when appropriate, hold in camera sessions without management present.
- 
- *Minutes.* The Audit Committee will keep minutes of its meetings which will be available for review by the Board. The Audit Committee may appoint any person who need not be a member, to act as the secretary at any meeting. The Audit Committee may invite such officers, directors and employees of the Company and such other advisors and persons as it may see fit, from time to time, to attend at meetings of the Audit Committee.

#### Roles and Responsibilities

The roles and responsibilities of the Audit Committee include the following:

##### External Auditor

The Audit Committee will:

- (a) *Selection of the external auditor.* Select, evaluate and recommend to the Board, for shareholder approval, the Auditor to examine the Company’s accounts, controls and financial statements.

- (b) *Scope of Work.* Evaluate, prior to the annual audit by the Auditors, the scope and general extent of the Auditor's review, including the Auditor's engagement letter.
- (c) *Compensation.* Recommend to the Board the compensation to be paid to the external auditors.
- (d) *Replacement of Auditor.* If necessary, recommend the replacement of the Auditor to the Board of Directors.
- (e) *Approve Non-Audit Related Services.* Pre-approve all non-audit services to be provided by the Auditor to the Company or its subsidiaries.
- (f) *Direct Responsibility for Overseeing Work of Auditors.* Must directly oversee the work of the Auditor. The Auditor must report directly to the Audit Committee.
- (g) *Resolution of Disputes.* Assist with resolving any disputes between the Company's management and the Auditors regarding financial reporting.

#### Consolidated Financial Statements and Financial Information

The Audit Committee will:

- (a) *Review Audited Financial Statements.* Review the audited consolidated financial statements of the Company and related MD&A, discuss those statements with management and with the Auditor, and recommend their approval to the Board.
- (b) *Review of Interim Financial Statements.* Review and discuss with management the quarterly consolidated financial statements and related MD&A, and recommend their approval by the Board.
- (c) *Public Disclosure.* review the annual and interim financial statements and related MD&A, news releases that contain significant financial information that has not previously been released to the public, and any other public disclosure documents that are required to be reviewed by the Audit Committee under any applicable laws and satisfy itself that the documents do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made before the Corporation publicly discloses this information.
- (d) *Auditor Reports and Recommendations.* Review and consider any significant reports and recommendations issued by the Auditor, together with management's response, and the extent to which recommendations made by the Auditor have been implemented.

#### Risk Management, Internal Controls and Information Systems

The Audit Committee will:

- (a) *Internal Control.* Review with the Auditors and with management, the general policies and procedures used by the Company with respect to internal accounting and financial controls. Remain informed, through communications with the Auditor, of any weaknesses in internal control that could cause errors or deficiencies in financial reporting or deviations from the accounting policies of the Company or from applicable laws or regulations.
- (b) *Financial Management.* Periodically review the team in place to carry out financial reporting functions, circumstances surrounding the departure of any officers in charge of financial reporting, and the appointment of individuals in these functions.

- (c) *Accounting Policies and Practices.* Review management plans regarding any changes in accounting practices or policies and the financial impact thereof.
- (d) *Litigation.* Review with the Auditors and legal counsel any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the consolidated financial statements.
- (e) *Other.* Discuss with management and the Auditors correspondence with regulators, employee complaints, or published reports that raise material issues regarding the Company's financial statements or disclosure.

#### Complaints

- (a) *Accounting, Auditing and Internal Control Complaints.* The Audit Committee must establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters.
- (b) *Employee Complaints.* The Audit Committee must establish a procedure for the confidential transmittal on condition of anonymity by the Company's employees of concerns regarding questionable accounting or auditing matters.

#### **Authority**

- (a) *Auditor.* The Auditor, and any internal auditors hired by the company, will report directly to the Audit Committee.
- (b) *To Retain Independent Advisors.* The Audit Committee may, at the Company's expense and without the approval of management, retain the services of independent legal counsels and any other advisors it deems necessary to carry out its duties and set and pay the monetary compensation of these individuals.

#### **Reporting**

The Audit Committee will report to the Board on:

- (a) the Auditor's independence;
- (b) the performance of the Auditor and any recommendations of the Audit Committee in relation thereto;
- (c) the reappointment and termination of the Auditor;
- (d) the adequacy of the Company's internal controls and disclosure controls;
- (e) the Audit Committee's review of the annual and interim consolidated financial statements;
- (f) the Audit Committee's review of the annual and interim management discussion and analysis;
- (g) the Company's compliance with legal and regulatory matters to the extent they affect the financial statements of the Company; and
- (h) all other material matters dealt with by the Audit Committee.

**SCHEDULE "B"**

**FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

**[See attached]**



**Traction Exploration Inc.**

**Financial Statements  
September 30, 2020  
(Expressed in Canadian Dollars)**

## INDEPENDENT AUDITORS' REPORT

### TO THE SHAREHOLDERS OF TRACTION EXPLORATION INC.

#### *Opinion*

We have audited the financial statements of Traction Exploration Inc. (the "Company"), which comprise:

- ♦ the statement of financial position as at September 30, 2020;
- ♦ the statement of comprehensive loss for the 72-day period ended September 30, 2020;
- ♦ the statement of changes in equity for the 72-day period ended September 30, 2020;
- ♦ the statement of cash flows for the 72-day period ended September 30, 2020; and
- ♦ the notes to the financial statements, including a summary of significant accounting policies.

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

#### *Basis for Opinion*

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

#### *Material Uncertainty Related to Going Concern*

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of \$9,140 during the 72-day period ended September 30, 2020 and requires additional financing. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### *Other Information*

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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

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

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

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

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

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

## *Auditors' Responsibilities for the Audit of the Financial Statements*

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the 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 auditors' report is Sukhjit Gill.

*Smythe LLP*

Chartered Professional Accountants

Vancouver, British Columbia  
January 6, 2021

**Vancouver**

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**Nanaimo**

201 – 1825 Bowen Rd  
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**TRACTION EXPLORATION INC.**  
**Statement of Financial Position**  
**(Expressed in Canadian Dollars)**

	<b>September 30, 2020</b>
<b>Assets</b>	
<b>Current</b>	
Cash	\$ 201,306
Receivables	652
Prepaid expenses (note 4)	40,000
	<b>\$ 241,958</b>
<b>Liabilities and Shareholders' Equity</b>	
<b>Liabilities</b>	
<b>Current</b>	
Accounts payable and accrued liabilities (note 7)	\$ 14,509
<b>Shareholders' Equity</b>	
Share Capital (note 6)	206,589
Subscriptions Received (note 13)	30,000
Deficit	(9,140)
	<b>227,449</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 241,958</b>

Approved on behalf of the Board:

\_\_\_\_\_  
*"Michael Malana" (signed)*  
 Director

\_\_\_\_\_  
*"David Bowen" (signed)*  
 Director

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

**TRACTION EXPLORATION INC.**  
**Statement of Comprehensive Loss**  
**(Expressed in Canadian Dollars)**

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	<b>72 Day Period Ended September 30, 2020</b>
<b>Operating Expenses</b>	
Consulting fees (note 7)	\$ 2,000
Interest and bank charges	194
Legal fees	6,946
<b>Net Loss and Comprehensive Loss for Period</b>	<b>\$ (9,140)</b>
<b>Basic and Diluted Loss per Share</b>	<b>\$ -</b>
<b>Weighted Average Number of Common Shares Outstanding</b>	<b>3,754,167</b>

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

**TRACTION EXPLORATION INC.**  
**Statement of Changes in Equity**  
**(Expressed in Canadian Dollars)**

	Common Shares				Total Shareholders' Equity
	Number	Amount	Subscriptions Received	Deficit	
		\$	\$	\$	
<b>Balance, July 20, 2020 (date of incorporation)</b>	1,000,000	5,000	-	-	5,000
Founders shares	1,300,000	6,500	-	-	6,500
Private placement – flow-through shares	3,500,000	70,000	-	-	70,000
Private placement – non flow-through shares	6,500,000	130,000	-	-	130,000
Share issuance costs	-	(4,911)	-	-	(4,911)
Subscriptions received	-	-	30,000	-	30,000
Net loss for period	-	-	-	(9,140)	(9,140)
<b>Balance, September 30, 2020</b>	<b>12,300,000</b>	<b>206,589</b>	<b>30,000</b>	<b>(9,140)</b>	<b>227,449</b>

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

**TRACTION EXPLORATION INC.**  
**Statement of Cash Flows**  
**(Expressed in Canadian Dollars)**

	<b>72 Day Period Ended September 30, 2020</b>
<b>Cash Provided by (Used In)</b>	
<b>Operating Activities</b>	
Net loss for the period	\$ (9,140)
Change in working capital balances:	
Receivables	(652)
Prepaid expenses	(40,000)
Accounts payable and accrued liabilities	14,509
<b>Cash Used in Operating Activities</b>	<b>(35,283)</b>
<b>Financing Activities</b>	
Proceeds on issuance of shares	211,500
Share issuance costs	(4,911)
Subscriptions received	30,000
<b>Cash Provided by Financing Activities</b>	<b>236,589</b>
<b>Inflow of Cash</b>	<b>201,306</b>
<b>Cash, Beginning of Period</b>	<b>-</b>
<b>Cash, End of Period</b>	<b>\$ 201,306</b>

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



# TRACTION EXPLORATION INC.

## Notes to the Financial Statements

For the 72 Day Period Ended September 30, 2020

(Expressed in Canadian Dollars)

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### 1. NATURE OF OPERATIONS AND GOING CONCERN

Traction Exploration Inc. (the “Company”) was incorporated under the *BC Business Corporations Act* on July 20, 2020. The principal business of the Company is the acquisition, exploration and evaluation of resource properties. The Company’s registered and records office address is 6<sup>th</sup> Floor, 905 West Pender, Vancouver, BC, V6C 1L6. Its principal place of business is 915 – 700 West Pender Street, Vancouver, BC, V6C 1G8.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company incurred a net loss of \$9,140 during the 72-day period ended September 30, 2020, and at present, the Company has no current operating income. Without additional financing, the Company may not be able to fund its ongoing operations and complete development activities. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. These uncertainties may cast significant doubt on the Company’s ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations. These financial statements do not include any adjustments related to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

At the time these financial statements were prepared, the COVID-19 pandemic has caused significant disruptions to the global economy and increased volatility in the global financial markets. The extent to which COVID-19 may adversely impact the Company’s business and financing opportunities will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing, business closures or business disruptions, and the effectiveness of actions taken in Canada, and other countries, to contain and treat the disease. Although it is not possible to reliably estimate the length or severity of these developments and their financial impact at the date of approval of these financial statements, there may be further adverse impact on the Company’s financial position and results of operations for future periods if the pandemic is not successfully contained or the effects of which are not mitigated.

### 2. BASIS OF PRESENTATION

#### (a) Statement of compliance

These financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board.

These financial statements are presented in Canadian dollars, which is the Company’s functional currency.

#### (b) Basis of presentation

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

#### (c) Approval of the financial statements

These financial statements were authorized for issue by the Audit Committee and Board of Directors on January 6, 2021.

**TRACTION EXPLORATION INC.**  
**Notes to the Financial Statements**  
**For the 72 Day Period Ended September 30, 2020**  
**(Expressed in Canadian Dollars)**

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**3. SIGNIFICANT ACCOUNTING POLICIES**

(a) Mineral property

(i) Exploration and evaluation

Staking costs, property option payments, and other costs associated with acquiring exploration and evaluation assets are capitalized and classified as intangible assets, whereas exploration and evaluation expenditures are recognized as an expense as they are incurred. Exploration and evaluation expenditures include costs of conducting geological and geophysical surveys, equipment rental, geochemical analysis, mapping and interpretation, and costs to obtain legal rights to explore an area.

Management reviews the carrying value of capitalized exploration costs annually. This review is based on the Company's intentions for development of the undeveloped property.

Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project does not prove viable, all irrecoverable costs associated with the project net of any impairment provisions are written off.

(ii) Development

Upon completion of a technical feasibility study and when commercial viability is demonstrated, capitalized exploration and evaluation assets are transferred to and classified as mineral property acquisition and development costs. Costs associated with the commissioning of new assets incurred in the period before they are operating in the way intended by management, are capitalized. Development expenditures are net of the proceeds of the sale of metals from ore extracted during the development phase. Interest on borrowings related to the construction and development of assets are capitalized until substantially all the activities required to make the asset ready for its intended use are complete.

The costs of removing overburden to access ore are capitalized as pre-production stripping costs and classified as a component of property, plant and equipment.

(iii) Impairment

The carrying value of all categories of mineral property and exploration are reviewed at least annually by management for indicators the recoverable amount may be less than the carrying value. When indicators of impairment are present the recoverable amount of an asset is evaluated at the level of a cash generating unit ("CGU"), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, where the recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent the carrying amount exceeds the recoverable amount.

Value-in-use is based on estimates of discounted future cash flows expected to be recovered from an asset through their use. Estimated future cash flows are calculated using estimates of future recoverable reserves and resources, future commodity prices and expected future operating and capital costs.

**TRACTION EXPLORATION INC.**  
**Notes to the Financial Statements**  
**For the 72 Day Period Ended September 30, 2020**  
**(Expressed in Canadian Dollars)**

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**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(a) Mineral property (Continued)

(iii) Impairment (Continued)

Once calculated, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Fair value less costs to sell is the amount obtainable from either quotes from an active market or the sale of an asset or CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Costs of disposal are incremental costs directly attributable to the disposal of an asset or CGU, excluding finance costs and income tax expense.

Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit or group of units on a pro rata basis. Impairment losses are recognized in other expenses. Assumptions, such as commodity prices, discount rate, and expenditures, underlying the fair value estimates are subject to risks uncertainties. Impairment charges are recorded in the reporting period in which determination of impairment is made by management.

Impairment losses recognized in prior reporting periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion or amortization, if no impairment loss had been recognized.

(iv) Provision for environmental rehabilitation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or straight-line method. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

(b) Flow-through shares

Flow-through shares entitle a company that incurs certain resource expenditures in Canada to renounce them for tax purposes allowing the expenditures to be deducted for income tax purposes by the investors who purchase the shares.

**TRACTION EXPLORATION INC.**  
**Notes to the Financial Statements**  
**For the 72 Day Period Ended September 30, 2020**  
**(Expressed in Canadian Dollars)**

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**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(b) Flow-through shares (Continued)

At the time of closing a financing involving flow-through shares, the Company allocates proceeds received first to common shares based on the market trading price of the common shares at the time the flow-through shares are priced, and any excess is allocated to flow-through premium liability.

At the time of closing a financing involving flow-through units consisting of common shares and warrants, the Company allocates proceeds received as follows:

- Capital stock – the market trading price of the common share;
- Warrant reserve – based on the valuation derived using the Black-Scholes option pricing model; and
- Flow-through premium – any excess, recorded as a liability.

Thereafter, as qualifying resource expenditures are incurred, these costs are expensed as exploration and evaluation costs and the flow-through premium, if any, is amortized to profit or loss.

At the end of each reporting period, the Company reviews its tax position and records an adjustment to its deferred tax expense/liability accounts for taxable temporary differences, including those arising from the transfer of tax benefits to investors through flow-through shares. For this adjustment, the Company considers the tax benefits (of qualifying resource expenditures already incurred) to have been effectively transferred, if it has formally renounced those expenditures at any time.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the look-back rule in accordance with Government of Canada flow-through regulations. When applicable, this flow-through share tax expense is accrued and recorded in profit or loss.

(c) Mining exploration tax recoveries

The Company recognizes mining exploration tax recoveries in the period in which there is reasonable expectation, based on management's estimate, of receiving a refund. The amount of tax credit receivable is subject to review and approval by the taxation authorities and is adjusted for in the period when such approval is confirmed.

**TRACTION EXPLORATION INC.**  
**Notes to the Financial Statements**  
**For the 72 Day Period Ended September 30, 2020**  
**(Expressed in Canadian Dollars)**

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**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(d) Financial instruments

(i) Financial assets

Initial recognition and measurement

The Company recognizes a financial asset when it becomes party to the contractual provisions of the instrument. A financial asset is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss. A financial asset is measured at amortized cost if it meets the conditions that i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

*Financial assets at fair value through other comprehensive income*

Financial assets measured at fair value through other comprehensive income are carried in the statement of financial position at fair value with changes in fair value therein, included in other comprehensive income. The Company has no financial assets classified as fair value through other comprehensive income.

*Financial assets at fair value through profit or loss*

Financial assets measured at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value therein, recognized in the statement of comprehensive loss. The Company classifies cash as fair value through profit or loss.

*Financial assets measured at amortized cost*

A financial asset measured at amortized cost is subsequently measured at amortized cost, using the effective interest method and net of any impairment allowance, if necessary. The Company has no financial assets classified as amortized cost.

(ii) Derecognition

A financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets is derecognized when:

- the contractual rights to receive cash flows from the financial asset have expired; or
- the Company has transferred substantially all the risks and rewards of the financial asset.

**TRACTION EXPLORATION INC.**  
**Notes to the Financial Statements**  
**For the 72 Day Period Ended September 30, 2020**  
**(Expressed in Canadian Dollars)**

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**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(d) Financial instruments (Continued)

(iii) Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable.

*Financial liabilities at amortized cost*

A financial liability at amortized cost is initially measured at fair value less transaction cost directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost based on the effective interest rate method. The Company's accounts payable are measured at amortized cost.

*Financial liabilities at fair value through profit or loss*

A financial liability measured at fair value through profit or loss is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises. The Company has no financial liabilities classified as fair value through profit or loss.

(iv) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - Inputs for assets or liabilities that are not based on observable market data.

The Company's financial instruments classified as Level 1 in the fair value hierarchy are cash and accounts payable. Their carrying values approximate the fair values due to short-term maturity of these instruments.

(e) Common shares

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

**TRACTION EXPLORATION INC.**  
**Notes to the Financial Statements**  
**For the 72 Day Period Ended September 30, 2020**  
**(Expressed in Canadian Dollars)**

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**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(f) Earnings (loss) per share

The Company presents basic and diluted earnings (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 shares outstanding during the period. Diluted earnings (loss) per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

(g) Income taxes

Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs.

Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets, as well as in the amounts recognized in income in the period in which the change occurs.

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in income both in the period of change, which would include any impact on cumulative provisions, and in future periods.

(h) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

**TRACTION EXPLORATION INC.**  
**Notes to the Financial Statements**  
**For the 72 Day Period Ended September 30, 2020**  
**(Expressed in Canadian Dollars)**

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**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(h) Use of estimates and judgments (Continued)

Significant areas requiring the use of management's judgments include:

*Going concern*

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

*Recoverability of mineral properties*

The application of the Company's accounting policy for mineral properties requires judgement in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in profit or loss in the period the new information becomes available.

*Mining exploration tax credits and flow-through expenditures*

The Company is eligible for refundable tax credits on qualified resource expenditures incurred in the province of British Columbia. Management's judgment is applied in determining whether the resource expenditures are eligible for claiming such credits.

The Company is also required to spend proceeds received from the issuance of flow-through shares on qualifying resources expenditures.

Differences in judgment between management and regulatory authorities with respect to qualified expenditures may result in disallowed expenditures by the tax authorities. Any amount disallowed may result in the Company's required expenditures not being fulfilled.

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates include:

- the determination of asset retirement and environmental obligations; and
- the utilization of deferred income tax assets.

While management believes that these estimates are reasonable, actual results could differ from those estimates and could impact future results of financial performance and cash flows.



## **TRACTION EXPLORATION INC.**

### **Notes to the Financial Statements**

**For the 72 Day Period Ended September 30, 2020**

**(Expressed in Canadian Dollars)**

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#### **4. PREPAID EXPENSES**

The Company's prepaids expenses include expense advances to consultants and costs incurred to apply for mineral claims. As at September 30, 2020, the Company has \$40,000 in prepaid expenses.

#### **5. MINERAL PROPERTY**

Whitewater Property, British Columbia, Canada

In August 2020, the Company entered into an option agreement with Afzaal Ahmed Pirzad to acquire 100% interest in the Whitewater Property by paying consideration of \$80,000 in cash and agreeing to incur at least \$515,000 in expenditures on the Whitewater Property. This consideration will be paid as follows:

- Within three months of the agreement, the Company must incur expenditures of \$75,000 (incurred subsequent to September 30, 2020);
- On or before the first anniversary of the date upon which the Company's shares are listed for trading on any stock exchange in Canada (the "Listing Date"), the Company must incur additional expenditures of \$110,000;
- On or before the second anniversary of the Listing Date, the Company will pay \$30,000 in cash and incur additional expenditures of \$130,000; and
- On or before the third anniversary of the Listing Date, the Company will pay \$50,000 in cash and incur additional expenditures of \$200,000.

#### **6. SHAREHOLDERS' EQUITY**

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

12,300,000 common shares without par value.

- (i) On July 20, 2020, the Company issued 1,000,000 common shares at a price of \$0.005 in connection with the incorporation of the Company.
- (ii) On August 10, 2020, the Company completed a non-brokered private placement financing raising aggregate gross proceeds of \$6,500 by the issuance of 1,300,000 common shares at \$0.005 per share to founders of the Company.
- (iii) On September 16, 2020, the Company completed a non-brokered private placement financing raising aggregate gross proceeds of \$70,000 by the issuance of 3,500,000 flow-through shares at \$0.02 per share. The flow-through shares were issued at market price and a value of \$Nil was recorded as a flow-through share premium.
- (iv) On September 16, 2020, the Company completed a non-brokered private placement financing raising aggregate gross proceeds of \$130,000 by the issuance of 6,500,000 common shares at \$0.02 per share.

In connection with the private placements above, the Company incurred \$4,911 in share issuance costs.

## **TRACTION EXPLORATION INC.**

### **Notes to the Financial Statements**

**For the 72 Day Period Ended September 30, 2020**

**(Expressed in Canadian Dollars)**

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#### **7. RELATED PARTY TRANSACTIONS**

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers.

The Company accrued \$2,000 of key management compensation relating to consulting fees for the Chief Financial Officer of the Company during the 72-day period ended September 30, 2020. As at September 30, 2020, \$2,100 due to the Chief Financial Officer is included in accounts payable.

#### **8. FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash and accounts payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant credit, liquidity or market risk arising from these financial instruments.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company relies upon equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is not exposed to significant market risk.

**TRACTION EXPLORATION INC.**  
**Notes to the Financial Statements**  
**For the 72 Day Period Ended September 30, 2020**  
**(Expressed in Canadian Dollars)**

**9. CAPITAL MANAGEMENT**

The Company has just commenced operations. It has not yet determined whether it will be successful in its endeavours and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of common shares. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

**10. DEFERRED INCOME TAX**

A reconciliation of the expected income tax recovery is as follows:

		<b>72 days ended September 30, 2020</b>
Net loss for the period	\$	(9,140)
Statutory tax rate		27%
Expected income tax recovery at the statutory tax rate		(2,468)
Change in unrecognized deductible temporary differences		2,486
Income tax recovery	\$	-

The Company recognizes tax benefits on losses or other deductible amounts generated where the probable criteria for the recognition of deferred tax assets has been met. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consists of the following amounts:

		<b>September 30, 2020</b>
Deferred tax assets		
Loss carry-forwards	\$	10,000
Share issuance costs		4,000
Unrecognized deferred tax assets		(14,000)
Net deferred tax assets	\$	-

The Company has non-capital losses of approximately \$10,000 available to offset future income for income tax purposes which commence expiring in 2040. Due to the uncertainty of realization of these loss carry-forwards, the benefit is not reflected in the financial statements.

**11. SEGMENTED INFORMATION**

The Company operates in one business segment being the exploration and development of resource properties. All assets of the Company are located in Canada.

**TRACTION EXPLORATION INC.**  
**Notes to the Financial Statements**  
**For the 72 Day Period Ended September 30, 2020**  
**(Expressed in Canadian Dollars)**

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**12. COMMITMENTS**

As at September 30, 2020, the Company is committed to expend \$70,000 of flow-through share proceeds related to flow-through shares issued during the period on qualifying exploration expenditures. The Company must incur the eligible expenditures within 24 months from issuing the flow-through shares. The expenditures must be incurred by September 16, 2022. Subsequent to year end the Company has met the expenditure requirement.

**13. EVENTS AFTER THE REPORTING DATE**

On November 23, 2020, the Company completed a non-brokered private placement financing raising aggregate gross proceeds of \$200,000 by the issuance of 4,000,000 units at \$0.05 per unit. Each unit comprises one common share and one whole share purchase warrant. Each warrant will be exercisable for a period of three years at an exercise price of \$0.10. The Company received \$30,000 in subscription funds related to this private placement prior to September 30, 2020.

**SCHEDULE "C"**

**FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED MARCH 31, 2021**

**[See attached]**

**Traction Exploration Inc.**

**Condensed Interim Financial Statements  
For the Six Months Ended March 31, 2021  
(Expressed in Canadian Dollars)  
(Unaudited)**

**TRACTION EXPLORATION INC.**  
**Condensed Interim Statements of Financial Position**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

	March 31, 2021	September 30, 2020
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 439,877	\$ 201,306
Receivables	8,478	652
Prepaid expenses (note 4)	20,108	40,000
	<b>\$ 468,463</b>	<b>\$ 241,958</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 7)	\$ 20,985	\$ 14,509
<b>Shareholders' Equity</b>		
<b>Share Capital</b> (note 6)	403,443	206,589
<b>Warrant Reserves</b> (note 6)	213,225	-
<b>Subscriptions Received</b> (note 6)	-	30,000
<b>Deficit</b>	(169,190)	(9,140)
	447,478	227,449
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 468,463</b>	<b>\$ 241,958</b>

Approved on behalf of the Board:

\_\_\_\_\_  
*"Michael Malana" (signed)*  
 Director

\_\_\_\_\_  
*"David Bowen" (signed)*  
 Director

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

**TRACTION EXPLORATION INC.**  
**Condensed Interim Statement of Comprehensive Loss**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

		<b>Three Months Ended March 31, 2021</b>		<b>Six Months Ended March 31, 2021</b>
<b>Operating expenses</b>				
Accounting and audit fees	\$	6,500	\$	12,500
Consulting fees		480		44,272
Exploration and evaluation costs (note 5)		-		83,363
Interest and bank charges		174		256
Legal fees		6,651		12,484
Management fees (note 7)		3,000		6,000
Office service and supplies		125		125
Transfer agent and filing fees		1,050		1,050
<b>Net loss and comprehensive loss for the period</b>	<b>\$</b>	<b>(17,980)</b>	<b>\$</b>	<b>(160,050)</b>
<b>Basic and diluted loss per share</b>	<b>\$</b>	<b>(0.00)</b>	<b>\$</b>	<b>(0.01)</b>
<b>Weighted average number of common shares outstanding</b>		<b>16,300,000</b>		<b>15,196,685</b>

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



**TRACTION EXPLORATION INC.**  
**Condensed Interim Statements of Changes in Equity**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

	<u>Common Shares</u>		Warrant Reserves	Subscriptions Received	Deficit	Total Shareholders' Equity
	Number	Amount \$				
<b>Balance, July 20, 2020 (date of incorporation)</b>	1,000,000	5,000	-	-	-	5,000
Founders shares	1,300,000	6,500	-	-	-	6,500
Private placement – flow-through shares	3,500,000	70,000	-	-	-	70,000
Private placement	6,500,000	130,000	-	-	-	130,000
Share issuance costs	-	(4,911)	-	-	-	(4,911)
Subscriptions received	-	-	-	30,000	-	30,000
Net loss for period	-	-	-	-	(9,140)	(9,140)
<b>Balance, September 30, 2020</b>	12,300,000	206,589	-	30,000	(9,140)	227,449
Private placement	4,000,000	200,000	-	(30,000)	-	170,000
Share issuance costs	-	(3,146)	-	-	-	(3,146)
Subscriptions received	-	-	-	15,200	-	15,200
Net loss for period	-	-	-	-	(142,070)	(142,070)
<b>Balance, December 31, 2020</b>	16,300,000	403,443	-	15,200	(151,210)	267,433
Private placement – special warrants	-	-	216,000	(15,200)	-	200,800
Share issuance costs	-	-	(2,775)	-	-	(2,775)
Net loss for period	-	-	-	-	(17,980)	(17,980)
<b>Balance, March 31, 2021</b>	16,300,000	403,443	213,225	-	(169,190)	447,478

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

**TRACTION EXPLORATION INC.**  
**Condensed Interim Statement of Cash Flows**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

	<b>Three Months Ended March 31, 2021</b>	<b>Six Months Ended March 31, 2021</b>
<b>Cash Provided by (Used In)</b>		
<b>Operating Activities</b>		
Net loss for the period	\$ (17,980)	\$ (160,050)
Change in working capital balances:		
Receivables	(623)	(7,826)
Prepaid expenses	(20,108)	19,892
Accounts payable and accrued liabilities	9,585	6,476
<b>Cash Used in Operating Activities</b>	<b>(29,126)</b>	<b>(141,508)</b>
<b>Financing Activities</b>		
Proceeds on issuance of common shares	-	216,000
Proceeds on issuance of special warrants	200,800	170,000
Share issuance costs	(2,775)	(5,921)
<b>Cash Provided by Financing Activities</b>	<b>198,025</b>	<b>380,079</b>
<b>Inflow of Cash</b>	<b>168,899</b>	<b>238,571</b>
<b>Cash, Beginning of Period</b>	<b>270,978</b>	<b>201,306</b>
<b>Cash, End of Period</b>	<b>\$ 439,877</b>	<b>\$ 439,877</b>

There were no cash flows from investing activities in the three and six-month periods ended March 31, 2021.

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

**TRACTION EXPLORATION INC.**  
**Notes to the Condensed Interim Financial Statements**  
**For the Six Months Ended March 31, 2021**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

Traction Exploration Inc. (the “Company”) was incorporated under the *BC Business Corporations Act* on July 20, 2020. The principal business of the Company is the acquisition, exploration and evaluation of resource properties. The Company’s registered and records office address is 6<sup>th</sup> Floor, 905 West Pender Street, Vancouver, BC, V6C 1L6. Its principal place of business is 915 – 700 West Pender Street, Vancouver, BC, V6C 1G8.

These condensed interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the six-month period ended March 31, 2021, the Company incurred a net loss of \$160,050, and at present, the Company has no current operating income. Without additional financing, the Company may not be able to fund its ongoing operations and complete development activities. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. These uncertainties may cast significant doubt on the Company’s ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations. These condensed interim financial statements do not include any adjustments related to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

At the time these condensed interim financial statements were prepared, the COVID-19 pandemic has caused significant disruptions to the global economy and increased volatility in the global financial markets. The extent to which COVID-19 may adversely impact the Company’s business and financing opportunities will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing, business closures or business disruptions, and the effectiveness of actions taken in Canada, and other countries, to contain and treat the disease. Although it is not possible to reliably estimate the length or severity of these developments and their financial impact at the date of approval of these condensed interim financial statements, there may be further adverse impact on the Company’s financial position and results of operations for future periods if the pandemic is not successfully contained or the effects of which are not mitigated.

**2. BASIS OF PRESENTATION**

(a) Statement of compliance

These unaudited condensed interim financial statements were prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. These condensed interim financial statements do not include all of the information required for full annual financial statements. These condensed interim financial statements should be read in conjunction with the audited financial statements for the 72-day period ended September 30, 2020 which have been prepared in accordance with IFRS as issued by the IASB.

In preparing these condensed interim financial statements, the significant accounting policies and the significant judgments made by management in applying the Company’s significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company’s audited financial statements for the 72-day period ended September 30, 2020.

These financial statements are presented in Canadian dollars, which is the Company’s functional currency.

**TRACTION EXPLORATION INC.**  
**Notes to the Condensed Interim Financial Statements**  
**For the Six Months Ended March 31, 2021**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

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**2. BASIS OF PRESENTATION** (Continued)

(b) Basis of presentation

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

(c) Approval of the financial statements

These financial statements were authorized for issue by the Audit Committee and Board of Directors on May 13, 2021.

**3. SIGNIFICANT ACCOUNTING POLICIES**

In preparing these condensed interim financial statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited financial statements for the year ended September 30, 2020.

(a) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Significant areas requiring the use of management's judgments include:

*Going concern*

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

**TRACTION EXPLORATION INC.**  
**Notes to the Condensed Interim Financial Statements**  
**For the Six Months Ended March 31, 2021**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

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**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(a) Use of estimates and judgments (Continued)

*Recoverability of mineral properties*

The application of the Company's accounting policy for mineral properties requires judgement in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in profit or loss in the period the new information becomes available.

*Mining exploration tax credits and flow-through expenditures*

The Company is eligible for refundable tax credits on qualified resource expenditures incurred in the province of British Columbia. Management's judgment is applied in determining whether the resource expenditures are eligible for claiming such credits.

The Company is also required to spend proceeds received from the issuance of flow-through shares on qualifying resources expenditures.

Differences in judgment between management and regulatory authorities with respect to qualified expenditures may result in disallowed expenditures by the tax authorities. Any amount disallowed may result in the Company's required expenditures not being fulfilled.

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates include:

- the determination of asset retirement and environmental obligations; and
- the utilization of deferred income tax assets.

While management believes that these estimates are reasonable, actual results could differ from those estimates and could impact future results of financial performance and cash flows.

**4. PREPAID EXPENSES**

The Company's prepaid expenses include expense advances to consultants and costs incurred for preliminary prospectus filing fees and for exploration and evaluation costs. As at March 31, 2021, the Company has \$20,108 (September 30, 2020 - \$40,000) in prepaid expenses.

**TRACTION EXPLORATION INC.**  
**Notes to the Condensed Interim Financial Statements**  
**For the Six Months Ended March 31, 2021**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

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**5. MINERAL PROPERTY**

In August 2020, the Company entered into an option agreement with Afzaal Ahmed Pirzad to acquire 100% interest in the Whitewater Property by paying consideration of \$80,000 in cash and agreeing to incur at least \$515,000 in expenditures on the Whitewater Property. This consideration will be paid as follows:

- Within three months of the agreement, the Company must incur expenditures of \$75,000 (met);
- On or before the first anniversary of the date upon which the Company's shares are listed for trading on any stock exchange in Canada (the "Listing Date"), the Company must incur additional expenditures of \$110,000;
- On or before the second anniversary of the Listing Date, the Company will pay \$30,000 in cash and incur additional expenditures of \$130,000; and
- On or before the third anniversary of the Listing Date, the Company will pay \$50,000 in cash and incur additional expenditures of \$200,000.

For the six months ended March 31, 2021, the Company has incurred \$83,363 of exploration and evaluation costs on the property.

**6. SHAREHOLDERS' EQUITY**

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

*Initial period ended September 30, 2020*

- (i) On July 20, 2020, the Company issued 1,000,000 common shares at a price of \$0.005 in connection with the incorporation of the Company.
- (ii) On August 10, 2020, the Company completed a non-brokered private placement financing raising aggregate gross proceeds of \$6,500 by the issuance of 1,300,000 common shares at \$0.005 per share to founders of the Company.
- (iii) On September 16, 2020, the Company completed a non-brokered private placement financing raising aggregate gross proceeds of \$70,000 by the issuance of 3,500,000 flow-through shares at \$0.02 per share. The flow-through shares were issued at market price and a value of \$Nil was recorded as a flow-through share premium.
- (iv) On September 16, 2020, the Company completed a non-brokered private placement financing raising aggregate gross proceeds of \$130,000 by the issuance of 6,500,000 common shares at \$0.02 per share.

In connection with the private placements above, the Company incurred \$4,911 in share issuance costs.

**TRACTION EXPLORATION INC.**  
**Notes to the Condensed Interim Financial Statements**  
**For the Six Months Ended March 31, 2021**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

**6. SHAREHOLDERS' EQUITY (Continued)**

(b) Issued and outstanding

*Period ended March 31, 2021*

(v) On November 23, 2020, the Company completed a non-brokered private placement financing raising aggregate gross proceeds of \$200,000 by the issuance of 4,000,000 units at \$0.05 per unit. Each unit comprises one common share and one whole share purchase warrant. Each warrant will be exercisable for a period of three years at an exercise price of \$0.10. The fair value of the warrants was determined to be \$Nil. The Company received \$30,000 in subscription funds related to this private placement prior to September 30, 2020.

In connection with the private placement above, the Company incurred \$3,146 in share issuance costs.

(c) Warrants

The following is a summary of the Company's warrant activities:

	Number of Warrants	Weighted Average Exercise Price
Outstanding at September 30, 2020	-	\$ -
Issued	4,000,000	0.10
Outstanding at March 31, 2021	4,000,000	\$ 0.10

The warrants outstanding as at March 31, 2021 are as follows:

Exercise Price	Expiration Date	Number of Warrants
\$0.10	November 23, 2023	4,000,000
		4,000,000

(d) Special Warrants

On February 22, 2021, the Company completed a non-brokered private placement financing raising aggregate gross proceeds of \$216,000 by the issuance of 2,160,000 special warrants at \$0.10 per special warrant. Each special warrant is convertible into one unit of the Company at any time for no additional consideration. Each unit comprises one common share and one whole share purchase warrant. Each warrant will be exercisable for a period of two years from the date the Company's common shares commence trading on the Canadian Securities Exchange, at an exercise price of \$0.20. The Company received \$15,200 in subscription funds related to this private placement prior to December 31, 2020.

In connection with the issuance of special warrants, the Company incurred \$2,775 in issuance costs.

**TRACTION EXPLORATION INC.**  
**Notes to the Condensed Interim Financial Statements**  
**For the Six Months Ended March 31, 2021**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

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**7. RELATED PARTY TRANSACTIONS**

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers.

During the six months ended March 31, 2021, the Company paid \$6,000 in management fees to the Chief Financial Officer of the Company. As at March 31, 2020, \$1,475 owed to the Chief Financial Officer is included in accounts payable and accrued liabilities (September 30, 2020 - \$2,100). As at March 31, 2020, \$700 is owed to the Chief Executive Officer for expense reimbursements, which is included in accounts payable and accrued liabilities (September 30, 2020 - \$Nil).

**8. FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant credit, liquidity or market risk arising from these financial instruments.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. As at March 31, 2021, the Company has cash of \$439,877 (September 30, 2020 - \$201,306) available to apply against short-term business requirements and current liabilities of \$20,985 (September 30, 2020 - \$14,509). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of March 31, 2021. The Company relies upon equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is not exposed to significant market risk.

**9. CAPITAL MANAGEMENT**

The Company has just commenced operations. It has not yet determined whether it will be successful in its endeavours and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of common shares. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.



**TRACTION EXPLORATION INC.**  
**Notes to the Condensed Interim Financial Statements**  
**For the Six Months Ended March 31, 2021**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

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**9. CAPITAL MANAGEMENT (Continued)**

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid. The Company did not change its approach to capital management during the period ended March 31, 2021.

**10. SEGMENTED INFORMATION**

The Company operates in one business segment being the exploration and development of resource properties. All assets of the Company are located in Canada.

**11. COMMITMENTS**

As at September 30, 2020, the Company was committed to expend \$70,000 of flow-through share proceeds related to flow-through shares issued during the period on qualifying exploration expenditures. The Company must incur the eligible expenditures within 24 months from issuing the flow-through shares. The expenditures must be incurred by September 16, 2022. As at March 31, 2021 the Company has met the expenditure requirement.

**12. EVENTS AFTER THE REPORTING DATE**

On April 9, 2021, the Company filed its preliminary prospectus with the Canadian Securities Exchange.

**SCHEDULE “D”**

**MANAGEMENT’S DISCUSSION & ANALYSIS FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

**[See attached]**

**TRACTION EXPLORATION INC.**

**Management's Discussion and Analysis  
For the 72 Day Period Ended September 30, 2020**

**Prepared as of January 6, 2021**

## ***Management's Discussion and Analysis***

### **For the 72 Day Period Ended September 30, 2020 Prepared as of January 6, 2021**

The following management's discussion and analysis ("MD&A") has been prepared by management. The following discussion of performance, financial condition and future prospects should be read in conjunction with the audited financial statements for the 72-day period ended September 30, 2020 of Traction Exploration Inc. ("Traction" or the "Company") and notes thereto. The information provided herein supplements but does not form part of the financial statements. This discussion covers the 72-day period ended September 30, 2020 and the subsequent period up to the date of issue of this MD&A. Unless otherwise noted, all dollar amounts are stated in Canadian dollars.

The Company's audited financial statements for the 72-day period ended September 30, 2020 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, 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; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

This MD&A is intended to help the reader understand Traction, its operations, financial performance, current and future business environment and opportunities and risks facing the Company. Certain statements in this report incorporate forward looking information and readers are advised to review the cautionary note regarding such statements in Appendix 1 of this MD&A.

### **Description of Business and Overview**

Traction Exploration Inc. was incorporated under the *BC Business Corporations Act* on July 20, 2020. The principal business of the Company is the acquisition, exploration and evaluation of resource properties.

The Company has not commenced commercial operations. At present, the Company has no current operating income. Without additional financing, the Company may not be able to fund its ongoing operations and complete its development activities. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favourable terms. These uncertainties may cast significant doubt on the Company's ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations.

### **General Development of the Business**

In August 2020, the Company entered into an option agreement with Afzaal Ahmed Pirzad to acquire 100% interest in the Whitewater Property, located in British Columbia, by paying consideration of \$80,000 in cash and agreeing to incur at least \$515,000 in expenditures on the Whitewater Property. This consideration will be paid as follows:

- Within three months of the agreement, the Company must incur expenditures of \$75,000 (incurred subsequent to September 30, 2020);
- On or before the first anniversary of the date upon which the Company's shares are listed for trading on any stock exchange in Canada (the "Listing Date"), the Company must incur additional expenditures of \$110,000;

- On or before the second anniversary of the Listing Date, the Company will pay \$30,000 in cash and incur additional expenditures of \$130,000; and
- On or before the third anniversary of the Listing Date, the Company will pay \$50,000 in cash and incur additional expenditures of \$200,000.

## QUALIFIED PERSONS

Mr. Mohan R. Vulimiri, M.Sc., P.Geo, a Director of the Company, is the Qualified Person for the Company.

## Trends

There are significant uncertainties regarding the prices of precious and base metals and the availability of equity financing for the purposes of mineral exploration and development. For instance, the prices of gold, silver and other minerals have fluctuated widely in recent years and wide fluctuations may continue. Management is not aware of any trends, commitments, events or uncertainties that could reasonably be expected to have a material adverse effect on the Company's business, financial condition or results of operations.

## Financial Results of Operations

### Selected Financial Information

The following selected financial data is derived from the financial statements prepared in accordance with IFRS:

	Period from incorporation on July 20, 2020 to September 30, 2020
Cash	\$201,306
Total assets	\$241,958
Shares outstanding	12,300,000
Net loss	\$9,140
Loss per common share (basic and diluted)	\$0.00

The increase in cash for the 72-day period ended September 30, 2020 was a result of completing non-brokered private placement financings raising aggregate gross proceeds of \$11,500 by the issuance of 2,300,000 common shares at \$0.005 per share in connection with the founders and incorporation of the Company and raising aggregate gross proceeds \$200,000 by the issuance of 3,500,000 flow-through shares and 6,500,000 common shares at \$0.02 per share. The Company has \$40,000 of prepaid expenses for costs incurred to apply for mineral claims. The net loss for the 72-day period ended September 30, 2020 was mainly a result of legal fees of \$6,946 related to the incorporation of the Company and consulting fees of \$2,000 accrued for senior management for time spent on the activities of the Company during the period.

## Liquidity and Capital Resources

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements.

At September 30, 2020, the Company had working capital<sup>(1)</sup> of \$227,449 which included cash of \$201,306 available to meet short-term business requirements and liabilities of \$14,509. The Company's accounts

payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company has no long-term debt.

<sup>(1)</sup> Non-GAAP Financial Measure:

The Company uses “working capital” to assess liquidity and general financial strength and is calculated as current assets less current liabilities. Working capital does not have any standardized meaning prescribed by IFRS and is referred to as a “Non-GAAP Financial Measure.” It is unlikely for Non-GAAP Financial Measures to be comparable to similar measures presented by other companies. Working capital is calculated as current assets (September 30, 2020 – \$241,958), less current liabilities (September 30, 2020 – \$14,509).

On November 23, 2020, the Company completed a non-brokered private placement financing raising aggregate gross proceeds of \$200,000 by the issuance of 4,000,000 units at \$0.05 per unit. Each unit comprises one common share and one whole share purchase warrant. Each warrant will be exercisable for a period of three years at an exercise price of \$0.10. The Company received \$30,000 in subscription funds related to this private placement prior to September 30, 2020.

At present, the Company has no current operating income. Without additional future financing, the Company may not be able to fund its ongoing operations and complete future development activities including Phase I of the exploration program. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favourable terms.

At the time this MD&A was prepared the COVID-19 pandemic has caused significant disruptions to the global economy and increased volatility in the global financial markets. The extent to which COVID-19 may adversely impact the Company’s business and financing opportunities will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing, business closures or business disruptions, and the effectiveness of actions taken in Canada, and other countries to contain and treat the disease. Although it is not possible to reliably estimate the length or severity of these developments and their financial impact to the date of this MD&A, there may be further significantly adverse impacts on the Company’s financial position and results of operations for future periods if the pandemic is not successfully contained or the effects of which are not mitigated.

The Company’s need to raise sufficient working capital to maintain operations and the uncertainty surrounding COVID-19, casts significant doubt on the Company’s ability to continue as a going concern.

## **Outstanding Share Data**

As at the date of this report, the Company had 16,300,000 issued and outstanding common shares and 4,000,000 share purchase warrants outstanding.

## **Off-Balance Sheet Arrangements**

There are no off-balance sheet arrangements.

## Transactions with Related Parties

The Company's related parties consist of key management personnel and companies owned directly or indirectly by key management personnel.

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers.

During the 72-day period ended September 30, 2020, the Company accrued management fees of \$2,000 to a Company controlled by the Company's Chief Financial Officer.

As at September 30, 2020, accounts payable and accrued liabilities include \$2,100 payable to a Company controlled by the Company's Chief Financial Officer.

Amounts owed to related parties included in accounts payable and accrued liabilities are unsecured, non-interest-bearing and are without fixed terms of repayment.

## Accounting Policies and Estimates

The Company's significant accounting policies are disclosed in note 3 of the Company's audited financial statements for the 72-day period ended September 30, 2020.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates. In preparing this MD&A, management has made significant assumptions regarding the circumstances and timing of the transactions contemplated therein, which could result in a material adjustment to the carrying amount of certain assets and liabilities if changes to the assumptions are made.

## Financial Instruments

The Company's financial instruments as at September 30, 2020 include cash and accounts payable and accrued liabilities.

The Company's financial assets and financial liabilities are classified and measured as follows:

Financial instrument	Category
Cash	Fair value through profit or loss
Accounts payable and accrued liabilities	Amortized cost

The carrying values of financial assets and liabilities approximate their fair values due to the short-term maturity of these financial instruments.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company relies upon equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms.

As at September 30, 2020, the Company had cash of \$201,306) available to apply against short-term business requirements and current liabilities of \$14,509. All of the liabilities presented as accounts payable and accrued liabilities are due within 30 days of September 30, 2020.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is not exposed to significant market risk.

### **Management's responsibility for financial statements**

The information provided in this report, including the financial statements is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properly reflected in the accompanying financial statements.

January 6, 2021

On behalf of Management and the Board of Directors,

*"Michael Malana"*

Chief Executive Officer, President and Director



**Cautionary Note Regarding Forward-Looking Statements**

This MD&A contains “forward-looking statements”. Forward-looking statements reflect the Company’s current views with respect to future events, are based on information currently available to the Company and are subject to certain risks, uncertainties, and assumptions, including those discussed elsewhere in this MD&A. Forward-looking statements include, but are not limited to, statements with respect to the success of mining exploration work, title disputes or claims, environmental risks, unanticipated reclamation expenses, the estimation of mineral reserves and resources and capital expenditures. In certain cases, forward-looking statements can be identified by the use of words such as “intends”, “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “anticipates” or “does not anticipate”, or “believes”, or various of such words and phrases or state certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors which may cause the actual results, performance or achievements expressed or implied by the forward-looking statements to differ. Such factors include, among others, risks related to actual results of current exploration activities, changes in project parameters as plans are refined over time, the future price of gold and other precious or base metals, possible variations in minerals resources, grade or recovery rates, accidents, labour disputes, title disputes and other risks of the mining industry, fluctuation of currency exchange rates, delays in obtaining, or inability to obtain, required governmental approvals or financing or in the completion of development or construction activities, claims limitations on insurance coverage, as well as other factors discussed under “Risk Factors”. Although the Company has attempted to identify material 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 in this MD&A are made as of the date of this MD&A. 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. The Company does not assume the obligations to update forward-looking statements, except as required by applicable law.

**SCHEDULE “E”**

**MANAGEMENT’S DISCUSSION & ANALYSIS FOR THE SIX MONTHS ENDED MARCH 31, 2021**

**[See attached]**

**TRACTION EXPLORATION INC.**

**Management's Discussion and Analysis  
For the Six Months Ended March 31, 2021**

**Prepared as of May 13, 2021**

# ***Management's Discussion and Analysis***

## **For the Six Months Ended March 31, 2021 Prepared as of May 13, 2021**

The following management's discussion and analysis ("MD&A") has been prepared by management. The following discussion of performance, financial condition and future prospects should be read in conjunction with the audited financial statements for the 72-day period ended September 30, 2020 and the unaudited condensed interim financial statements for the six months ended March 31, 2021 of Traction Exploration Inc. ("Traction" or the "Company") and notes thereto. The information provided herein supplements but does not form part of the financial statements. This discussion covers the six months ended March 31, 2021 and the subsequent period up to the date of issue of this MD&A. Unless otherwise noted, all dollar amounts are stated in Canadian dollars.

The Company's audited financial statements for the 72-day period ended September 30, 2020 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The unaudited condensed interim financial statements for the six months ended March 31, 2021 were prepared in accordance with International Accounting Standards ("IAS") 34 *Interim Financial Reporting* using accounting policies consistent with IFRS.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, 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; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

This MD&A is intended to help the reader understand Traction, its operations, financial performance, current and future business environment and opportunities and risks facing the Company. Certain statements in this report incorporate forward looking information and readers are advised to review the cautionary note regarding such statements in Appendix 1 of this MD&A.

### **Description of Business and Overview**

Traction Exploration Inc. was incorporated under the *BC Business Corporations Act* on July 20, 2020. The principal business of the Company is the acquisition, exploration and evaluation of resource properties.

The Company has not commenced commercial operations. At present, the Company has no current operating income. Without additional financing, the Company may not be able to fund its ongoing operations and complete its development activities. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favourable terms. These uncertainties may cast significant doubt on the Company's ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations.

### **General Development of the Business**

In August 2020, the Company entered into an option agreement with Afzaal Ahmed Pirzad to acquire 100% interest in the Whitewater Property, located in British Columbia, by paying consideration of \$80,000 in cash and agreeing to incur at least \$515,000 in expenditures on the Whitewater Property. This consideration will be paid as follows:

- Within three months of the agreement, the Company must incur expenditures of \$75,000 (met);

- On or before the first anniversary of the date upon which the Company's shares are listed for trading on any stock exchange in Canada (the "Listing Date"), the Company must incur additional expenditures of \$110,000;
- On or before the second anniversary of the Listing Date, the Company will pay \$30,000 in cash and incur additional expenditures of \$130,000; and
- On or before the third anniversary of the Listing Date, the Company will pay \$50,000 in cash and incur additional expenditures of \$200,000.

For the six months ended March 31, 2021, the Company has incurred \$83,363 of work on the property.

On March 19, 2021 Mohan Vulimiri resigned as a Director of the Company and Afzaal Pirzada was appointed as a Director of the Company.

On April 9, 2021, the Company filed its preliminary prospectus with the Canadian Securities Exchange.

## QUALIFIED PERSONS

Mr. Mohan R. Vulimiri, M.Sc., P.Geo, is the Qualified Person for the Company.

## Trends

There are significant uncertainties regarding the prices of precious and base metals and the availability of equity financing for the purposes of mineral exploration and development. For instance, the prices of gold, silver and other minerals have fluctuated widely in recent years and wide fluctuations may continue. Management is not aware of any trends, commitments, events or uncertainties that could reasonably be expected to have a material adverse effect on the Company's business, financial condition or results of operations.

## Financial Results of Operations

### Selected Financial Information

The following selected financial data is derived from the financial statements prepared in accordance with IFRS:

	Quarter Ended March 31, 2021	Quarter Ended December 31, 2020	Period from incorporation on July 20, 2020 to September 30, 2020
Cash	\$439,877	\$270,978	\$201,306
Total assets	\$468,463	\$278,833	\$241,958
Shares outstanding	16,300,000	16,300,000	12,300,000
Net loss	\$17,980	\$142,070	\$9,140
Loss per common share (basic and diluted)	\$0.00	\$0.01	\$0.00

The increase in cash for the quarter ended March 31, 2021 was a result of completing non-brokered private placement financings raising aggregate gross proceeds of \$216,000 by the issuance of 2,160,000 special warrants at \$0.10 per share. The net loss for the quarter ended March 31, 2020 was mainly a result of accounting and audit fees of \$6,500 related to the financial audit of the four-month period ended January 31, 2021; legal fees of \$6,651 and management fees of \$3,000 accrued for senior management for time spent on the activities of the Company during the period.

The increase in cash for the quarter ended December 31, 2020 was a result of completing non-brokered private placement financings raising aggregate gross proceeds of \$200,000 by the issuance of 4,000,000 units at \$0.05 per share. The net loss for the quarter ended December 31, 2020 was mainly a result of

exploration and evaluation costs of \$83,363 related to the Whitewater Property and consulting fees of \$43,792 related to the advisory services related to the creation and facilitation of a private company for a public listing; accounting and audit fees of \$6,000 related to the financial audit of the 72-day period ended September 30, 2020; legal fees of \$5,833 and management fees of \$3,000 accrued for senior management for time spent on the activities of the Company during the period.

The increase in cash for the 72-day period ended September 30, 2020 was a result of completing non-brokered private placement financings raising aggregate gross proceeds of \$11,500 by the issuance of 2,300,000 common shares at \$0.005 per share in connection with the founders and incorporation of the Company and raising aggregate gross proceeds \$200,000 by the issuance of 3,500,000 flow-through shares and 6,500,000 common shares at \$0.02 per share. The net loss for the 72-day period ended September 30, 2020 was mainly a result of legal fees of \$6,946 related to the incorporation of the Company and consulting fees of \$2,000 accrued for senior management for time spent on the activities of the Company during the period.

The decrease in net loss for the quarter ended March 31, 2021 can be attributed mainly to a decrease in exploration and evaluation expenses and professional fees.

## Liquidity and Capital Resources

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements.

At March 31, 2021, the Company had working capital<sup>(1)</sup> of \$447,478 (September 30, 2020 - \$227,449) which included cash of \$439,877 (September 30, 2020 - \$201,306) available to meet short-term business requirements and liabilities of \$20,985 (September 30, 2020 - \$14,509). The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company has no long-term debt.

<sup>(1)</sup> Non-GAAP Financial Measure:

The Company uses "working capital" to assess liquidity and general financial strength and is calculated as current assets less current liabilities. Working capital does not have any standardized meaning prescribed by IFRS and is referred to as a "Non-GAAP Financial Measure." It is unlikely for Non-GAAP Financial Measures to be comparable to similar measures presented by other companies. Working capital is calculated as current assets (March 31, 2021 - \$468,463; September 30, 2020 - \$241,958), less current liabilities (March 31, 2021 - \$20,985; September 30, 2020 - \$14,509).

At present, the Company has no current operating income. Without additional future financing, the Company may not be able to fund its ongoing operations and complete future development activities including Phase I of the exploration program. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favourable terms.

At the time this MD&A was prepared the COVID-19 pandemic has caused significant disruptions to the global economy and increased volatility in the global financial markets. The extent to which COVID-19 may adversely impact the Company's business and financing opportunities will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing, business closures or business disruptions, and the effectiveness of actions taken in Canada, and other countries to contain and treat the disease. Although it is not possible to reliably estimate the length or severity of these developments and their financial impact to the date of this MD&A, there may be further significantly adverse impacts on the Company's financial position and results of operations for future periods if the pandemic is not successfully contained or the effects of which are not mitigated.

The Company's need to raise sufficient working capital to maintain operations and the uncertainty surrounding COVID-19, casts significant doubt on the Company's ability to continue as a going concern.

## Outstanding Share Data

As at the date of this report, the Company had 16,300,000 issued and outstanding common shares, 4,000,000 share purchase warrants outstanding and 2,160,000 special warrants outstanding.

## Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements.

## Transactions with Related Parties

The Company's related parties consist of key management personnel and companies owned directly or indirectly by key management personnel.

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers.

During the six months ended March 31, 2021, the Company incurred management fees of \$6,000 to a Company controlled by the Company's Chief Financial Officer.

As at March 31, 2021, accounts payable and accrued liabilities include \$1,475 (September 30, 2020 - \$2,100) payable to a Company controlled by the Company's Chief Financial Officer and \$700 (September 30, 2020 - \$Nil) payable to the Company's Chief Executive Officer.

Amounts owed to related parties included in accounts payable and accrued liabilities are unsecured, non-interest-bearing and are without fixed terms of repayment.

## Accounting Policies and Estimates

The Company's significant accounting policies are disclosed in note 3 of the Company's audited financial statements for the 72-day period ended September 30, 2020.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates. In preparing this MD&A, management has made significant assumptions regarding the circumstances and timing of the transactions contemplated therein, which could result in a material adjustment to the carrying amount of certain assets and liabilities if changes to the assumptions are made.

## Financial Instruments

The Company's financial instruments as at March 31, 2021 include cash and accounts payable and accrued liabilities.

The Company's financial assets and financial liabilities are classified and measured as follows:

Financial instrument	Category
Cash	Fair value through profit or loss
Accounts payable and accrued liabilities	Amortized cost

The carrying values of financial assets and liabilities approximate their fair values due to the short-term maturity of these financial instruments.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.

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As at March 31, 2021, the Company had cash of \$439,877 (September 30, 2020 - \$201,306) available to apply against short-term business requirements and current liabilities of \$20,985 (September 30, 2020 - \$14,509). All of the liabilities presented as accounts payable and accrued liabilities are due within 30 days of March 31, 2021.

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May 13, 2021

On behalf of Management and the Board of Directors,

"Michael Malana"

Chief Executive Officer, President and Director



**Cautionary Note Regarding Forward-Looking Statements**

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## CERTIFICATE OF THE COMPANY

**Date: July 7, 2021**

This amended and restated 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 the Provinces of Alberta, British Columbia, Manitoba and Ontario.

/s/ Michael Malana

Michael Malana  
President, Chief Executive Officer, Director

/s/ Ranbir (Reena) Sall

Ranbir (Reena) Sall  
Chief Financial Officer

### ON BEHALF OF THE BOARD OF DIRECTORS

/s/ Afzaal Pirzada

Afzaal Pirzada  
Director

/s/ David Bowen

David Bowen  
Director

### CERTIFICATE OF THE PROMOTER

**Date: July 7, 2021**

This amended and restated 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 the Provinces of Alberta, British Columbia, Manitoba and Ontario.

/s/ Michael Malana

Michael Malana  
Promoter