

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

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

## PRELIMINARY PROSPECTUS

Non-Offering Prospectus

March 22, 2021

### GAMA EXPLORATIONS INC.

This preliminary long-form prospectus (the “**Prospectus**”) is being filed with the British Columbia Securities Commission to enable Gama Explorations Inc. (formerly, Crocan Capital Corp.) (the “**Company**”) to become a “reporting issuer” pursuant to the applicable securities legislation in the Provinces of British Columbia. Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised, and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Company from its general corporate funds.

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).

Concurrently with the filing of this Prospectus, the Company intends to apply to list its issued and outstanding common shares (the “**Common Shares**”) on the Canadian Securities Exchange (the “**CSE**”) under the symbol, “GAMA”. Listing on the CSE (the “**Listing**”) is subject to the Company fulfilling all the listing requirements of the CSE. The CSE has not conditionally approved the Company’s listing application and there is no assurance that it will do so.

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*”.

**There is currently no market through which any of the Common Shares or other Securities of the Company, may be sold. 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 Information*”.**

**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.**

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

**Prospective investors should rely only on the information contained in this Prospectus. Neither the Agents nor the Company has authorized anyone to provide you with different information. Readers should assume that**

**the information appearing in this Prospectus is accurate only as of its date, regardless of its time of delivery. The Company's business, financial condition, results of operations and prospects may have changed since that date.**

The Company's head and registered office is located 1200 – 750 West Pender Street, Vancouver, BC V6C 2T8.

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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 Jeffrey J. Reeder, P. Geo, the author of the Technical Report;

"**Board**" means the Board of Directors of the Company;

"**Blue Lagoon**" means Blue Lagoon Resources Inc., a company incorporated under the laws of the Province of British Columbia.

"**Blue Lagoon-PEM Property Agreement**" means the property purchase agreement concerning the Golden Wonder Property entered into between PEM and Blue Lagoon on April 18, 2019, pursuant to which DGR retained the Underlying Royalty.

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

"**Company**" means Gama Explorations Inc. (formerly, "Crocan Capital Corp.");

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

"**DGC**" mean Dahrouge Geological Consulting Ltd.

"**DGR**" means DGR Resource Management Ltd., a company incorporated under the laws of the Province of Alberta.

"**Effective Date**" means the date of the CSE bulletin giving notice that the Common Shares of the Company have been approved for listing on the CSE.

"**Escrow Agent**" means Odyssey Trust Company.

"**Escrow Agreement**" means the NP 46-201 escrow agreement among the Escrow Agent, the Company and various Principals and shareholders of the Company;

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

"**Management's Discussion and Analysis**" means the Company's management's discussion and analysis of the financial condition and results of operations for the periods ending January 31, 2020 and 2021, attached as Schedule "C" hereto.

"**NGO**" means non-governmental organizations.

"**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;

"NSR Royalty" means a 0.5% net smelter return royalty interest in the Golden Wonder Property held by Blue Lagoon, as more particularly described in the Property Agreement.

"Option Plan" means the Company's stock option plan adopted on March 10, 2021, by the Board, and providing for the granting of incentive options to the Company's directors, officers, employees, and consultants in accordance with the rules and policies of the CSE;

"PEM" means Primary Energy Metals Inc., a company incorporated under the laws of the Province of British Columbia.

"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;

"Golden Wonder Property" means the claims comprising the Golden Wonder Property located in west central British Columbia, in which the Company will acquire a 100% interest upon the closing of the Property Purchase Agreement, subject to the NSR Royalty and the Underlying Royalty.

"Property Purchase Agreement" means the Property Purchase Agreement entered into between the Company and Blue Lagoon, dated February 2, 2021, pursuant to which the Company acquired a 100% interest in the Golden Wonder Property, subject to the NSR Royalty and the Underlying Royalty.

"Prospectus" means this preliminary long-form prospectus of the Company dated March 22, 2021;

"Phase I Exploration Program" means the first phase of the two-phase work exploration on the Golden Wonder Property recommended by the Author within the Technical Report and as more particularly described under the section "*The Golden Wonder Property – Recommendations*".

"Phase II Exploration Program" means the second phase of the two-phase work exploration on the Golden Wonder Property recommended by the Author within the Technical Report and as more particularly described under the section "*The Golden Wonder Property – Recommendations*".

"Qualified Person" means an individual who:

- (a) is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these;
- (b) has experience relevant to the subject matter of the Golden Wonder Property and of the Technical

Report; and

- (c) 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;

**"Technical Report"** means the report on the Golden Wonder Property entitled, "Technical Report on the Golden Wonder Property South of New Hazelton, British Columbia, Canada", dated effective March 8, 2021, and prepared for the Company by the Author.

**"Underlying Royalty"** means a 2% net smelter royalty in the Golden Wonder Property held by DGR, as more particularly described in Schedule "B" to a property purchase agreement between PEM and Blue Lagoon, dated April 18, 2019.

## 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 commodity prices, mineral resources, mineral reserves, realization of mineral reserves, existence or realization of mineral resource estimates, the timing and amount of future production, the timing of construction of any proposed mine and process facilities, capital and operating expenditures, the timing of receipt of permits, rights and authorizations, and any and all other timing, development, operational, financial, economic, legal, regulatory and political factors that may influence future events or conditions, as such matters may be applicable. In particular, this Prospectus contains forward-looking statements pertaining to the following:

- Proposed expenditures for exploration work, and general and administrative expenses (see the *"Golden Wonder Property - Recommendations"* and *"Use of Available Funds"* for further details);
- Expectations generally about the Company's business plans and its ability to raise further capital for corporate purposes; and
- Treatment under applicable governmental regimes for permitting and approvals (see *"Risk Factors"*).

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

Upon becoming a reporting issuer, the Company intends to discuss in its quarterly and annual reports referred to as the Management's Discussion and Analysis, 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 this Prospectus. New factors emerge from time to time, and it is not possible for management to predict all 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 a mineral exploration company engaged in the acquisition, exploration, and evaluation of resource properties. To date, the Company acquired a 100% right, title, and interest in and to a mineral property located in the Hazelton area of British Columbia, Canada, referred to as the Golden Wonder Property. The Company's objective is to explore and, if warranted, develop the Golden Wonder Property. It is the intention of the Company to remain in the mineral exploration business. The Company will evaluate opportunities to acquire interests in additional exploration stage mineral properties. See "*Description of the Business*".

**The Property:** The Golden Wonder Property is an exploration stage property that consists of five contiguous mineral claims that cover an area of approximately 7,180 hectares in west central British Columbia, in the Hazelton area. See "*The Golden Wonder Property*".

**Securities:** As of the date of this Prospectus, the Company has 7,042,700 Common Shares issued and outstanding. See "*Description of Securities Distributed*".

**Listing:** The Company is not a reporting issuer in any jurisdiction and no securities of the Company are listed or posted for trading on any stock exchange. Concurrently with the filing of this Prospectus, the Company will apply to have its Common Shares listed on the CSE, under the symbol, "GAMA". The Listing is subject to the Company fulfilling all the requirements of the CSE. The CSE has not conditionally approved the Company's listing application and there is no assurance that it will do so. See "*Plan of Distribution*".

**Management, Directors & Officers:**

Allan Larmour	President and Director	
Jatinder Sandhar	Chief Financial Officer	
	Corporate Secretary	
Jason Riley	Director	
Norman Brewster	Director	

See "*Directors and Executive Officers*".

**Use of Available Funds:** This is a non-offering prospectus. The Company is not raising any funds in conjunction with this Prospectus and accordingly, there are no proceeds to be raised by the Company pursuant to this Prospectus. The estimated funds available to the Company as at February 28, 2021, are approximately \$519,996. The expected principal purposes for which the available funds will be used are described below:

To pay for the Phase I Exploration Program expenditures <sup>(1)</sup>	\$119,900
Estimated remaining expenses of the Listing	\$80,000
Estimated general and administrative costs for next 12 months	\$60,000
Unallocated working capital	\$260,096
<b>TOTAL:</b>	<b>\$519,996</b>

1. See "*The Golden Wonder Property – Recommendations*".

For a more detailed discussion, see "*Use of Available Funds*".

**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 years ended January 31, 2021, and January 31, 2020, and the unaudited financial statements of the Company from the date of the Company's incorporation, August 18, 2018, to January 31, 2019, and notes thereto included in this Prospectus

Prospective investors should review this information in conjunction with those financial statements and related notes thereto and along with the Management's Discussion and Analysis. All financial statements are prepared in accordance with IFRS.

	<b>For the year ended January 31, 2021 (\$) (audited)</b>	<b>For the year ended January 31, 2020 (\$) (audited)</b>	<b>For the period ended January 31, 2019<sup>(1)</sup> (\$) (unaudited)</b>
Revenue	Nil	Nil	Nil
Total Expenses	5,520	9,182	10,158
Net loss and comprehensive loss for the period	(5,520)	(9,182)	(18,188)
Loss per share (basic and diluted)	(0.01)	(0.01)	(0.00)
Current Assets	522,390	9,910	5,042
Total Assets	522,390	9,910	5,042
Current Liabilities	2,000	—	—
Long Term Debt	—	—	—
Shareholders' Equity (Deficit)	522,390	9,910	5,042

Notes:

(1) For the period from date of incorporation, August 18, 2018, to January 31, 2019.

See "Selected Financial Information" and "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 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; there is not presently an active market for the Company's Common Shares; the future price of the Company's Common Shares will vary depending on factors unrelated to the Company's performance or intrinsic fair value; the Company's ability to discover commercial quantities of ore is uncertain; the Company's ability to market ore discovered by the Company is uncertain and dependent on variables beyond the Company's control and subject to a high degree of variability and uncertainty; the Company's ability to develop commercially marketable ore depends on variables that are unknown at this time; 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; some of the Company's mineral claims have not yet been surveyed; if the Company cannot raise additional equity financing, then it may lose some or all of its interest in the Golden Wonder Property; 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; the Company operates in an environment with significant environmental and safety regulations and risks; regulatory requirements; volatility of mineral prices; some of the Company's directors have significant involvement in other companies in the same sector; the value of the Offered Securities may be significantly diluted; 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

The Company was incorporated under the name, Crocan Capital Corp., and under the *Business Corporations Act* (British Columbia) on August 31, 2018. On February 1, 2021, the Company changed its name to Gama Explorations Inc. The Company's registered, records, and head office is located at Suite 1200 – West Pender Street, Vancouver, BC, V6C 1L6. The Company has no subsidiaries.

## DESCRIPTION OF THE BUSINESS

### Overview

The Company is currently engaged in the business of exploration of mineral properties in Canada. To date, the Company acquired a 100% right, title, and interest in and to a mineral property located in the Hazelton area of British Columbia, Canada, referred to as the Golden Wonder Property. The Company's objective is to explore and, if warranted, develop the Golden Wonder Property. It is the intention of the Company to remain in the mineral exploration business. The Company will evaluate opportunities to acquire interests in additional exploration stage mineral properties.

### Stated Business Objectives and Competitive Conditions

The Golden Wonder Property is in the exploration stage. The Company intends to use its existing working capital to carry out the Phase I Exploration Program for the Golden Wonder Property at an estimated cost of \$119,900. See "*The Golden Wonder Property - Recommendations*" and "*Use of Available Funds*". Initiating the Phase II Exploration Program is contingent on the Phase I Exploration Program producing favorable results.

The mineral exploration and development industry is very competitive. The Company competes with other entities in the search for and acquisition of mineral properties, attracting and retaining key personnel, and financing opportunities. As an emerging issuer, the Company is subject to numerous competitive conditions such as need for additional capital and commercial viability of the Golden Wonder Property. There is no assurance that additional capital or other types of financing will be available to the Company if needed or that, if available, the terms of such financing will be favourable to the Company. See "*Risk Factors*".

### Specialized Skills and Knowledge

The exploration, and if warranted, development of the Golden Wonder Property may depend on specialized skills and knowledge, including expertise related to mineral exploration, geology, drilling, permitting, metallurgy, logistical planning, and implementation of exploration programs, as well as legal compliance, finance, and accounting. As at the most recent financial year, the Company did not have any employees. Allan Larmour, President and Director, Jason Riley and Norman Brewster are directors of the Company. Jatinder Sandhar is the Company's Chief Financial Officer. The directors possess many of these specialized skills and knowledge, and where lacking, the Company will retain qualified consultants and undergo training required to conduct business in accordance with industry standards.

### History of the Company

#### *Financings and Issuances of the Company's Securities*

The Company completed a private placement in November 2018 consisting of an aggregate of 760,000 Common Shares at a price of \$0.02 per Common Share for in gross proceeds of \$15,200.

The Company completed another private placement in January and February of 2021 consisting of an aggregate of 5,282,500 Common Shares at a price of \$0.10 per Common Share for gross proceeds of \$528,250.

#### *Property Purchase Agreement*

On February 2, 2021, the Company entered into the Property Purchase Agreement, pursuant to which, the Company

acquired a 100% interest in the five (5) underlying mineral titles that comprise the Golden Wonder Property, for the following consideration: (i) \$50,000 in cash; (ii) 1,000,000 Common Shares; and (iii) granting of the NSR Royalty. The Company's acquisition of the Golden Wonder Property was subject to the Underlying Royalty.

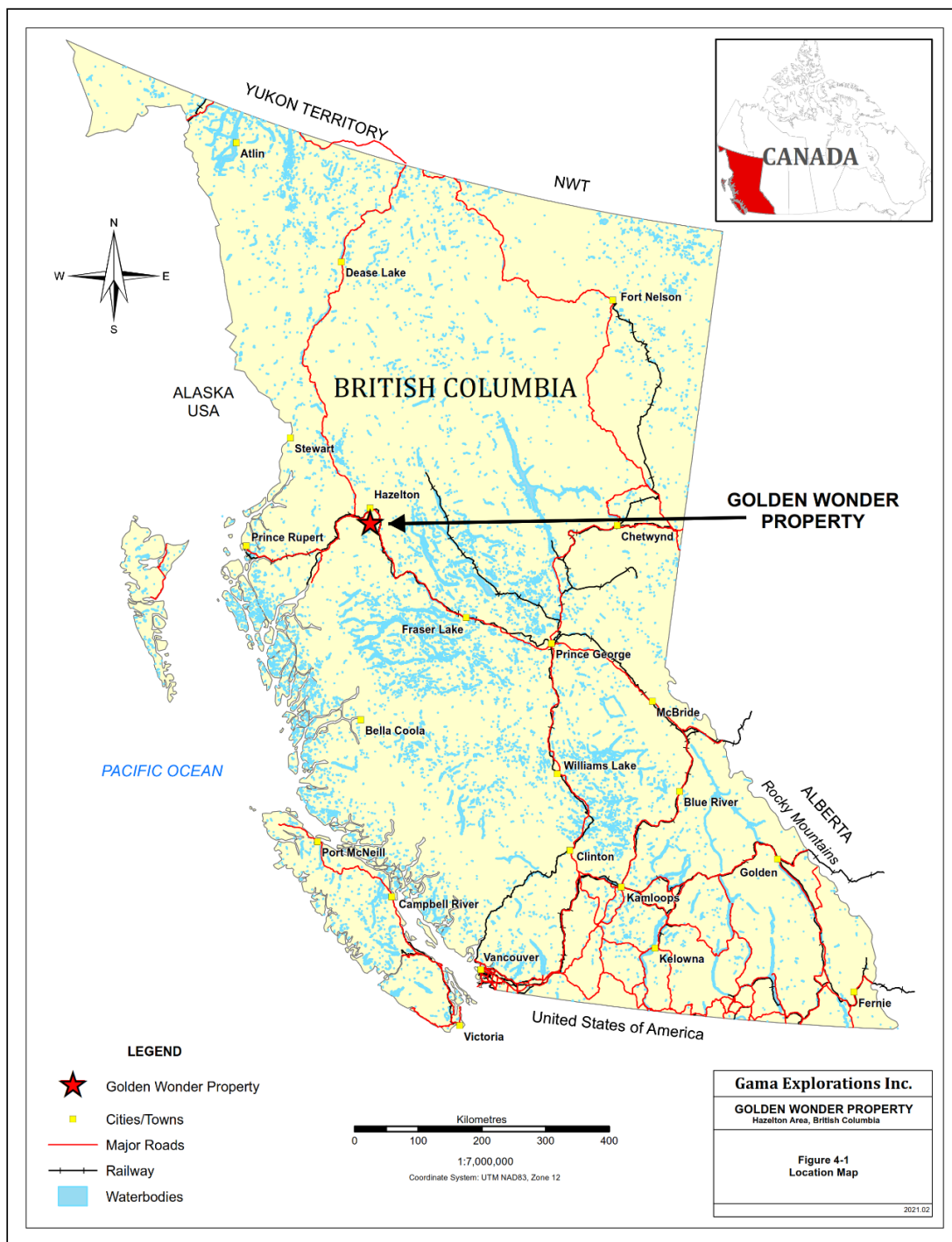
## **THE GOLDEN WONDER PROPERTY**

### **The Golden Wonder Property**

The information in this Prospectus with respect to the Golden Wonder Property is derived from the Technical Report. The Technical Report was prepared by Jeffrey J. Reeder, P. Geo. Mr. Reeder is independent of the Company and a "Qualified Person" for purposes of NI 43-101. The full text of the Technical Report is available for review at the registered office of the Company at Suite 1200 – 750 West Pender Street, Vancouver, BC V6C 2T8 and will be available online, under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

### **Property Description and Location**

The Golden Wonder Property is located in west-central British Columbia, Canada, on NTS map sheet 093M03 (BCGS map sheets 093M012, 013, 022, and 023) (Figure 1). The area lies at the north end of the Rocher Déboulé Range, near the junction of the Bulkley and Skeena rivers. The Property is 1 km south of the Municipality of New Hazelton and 65 km southeast of Smithers, BC. The geographic centre of the Golden Wonder Property is located at 55°11'N, 127°36'W. The Golden Wonder Property comprises five contiguous mineral claims that cover an area of approximately 7,182.93 ha (Figure 2).



**Figure 1. Location Map of the Golden Wonder Property**



### Mineral Tenure

Once registered, a claim remains in good standing until the “Expiry Date”, one year from the date of registration. To maintain the mineral tenure for each subsequent year, exploration and development work must be carried out and registered, or a cash-in-lieu payment registered with MTO.

The Golden Wonder Property is comprised of five mineral claims that are registered under and subject to the *Mineral Tenure Act* (British Columbia) (Table 3). All claims are currently in good standing. Four tenures (Chicago, Station, Mudflat, and Bunker) fall under “Protected Status” due to COVID-19 and have been granted an extension of time until December 31, 2021. The mineral claims are currently held in trust by Jody Dahrouge for the Company

On February 2, 2021, the Company entered into the Property Purchase Agreement for the purchase a 100% interest in the underlying claims to the Golden Wonder Property, subject to the Underlying Royalty for the following consideration: (i) \$50,000 in cash; (ii) issuing 1,000,000 Common Shares; and (iii) granting of the NSR Royalty. The Underlying Royalty is only subject to the original 4 tenures (1047950, 1047951, 1047952, and 1049753) with a recorded date of November 18, 2016 (excludes tenure 1061406). Tenure 1061406 was acquire by Jody Dahrouge and held in trust directly for PEM, vendor under the Blue Lagoon-PEM Property Agreement; it was not subject to any other agreement and, as such, is excluded from the underlying Royalty.

**Table 3. Details of the Golden Wonder Property Claims**

<b>Tenure Number</b>	<b>Tenure Name</b>	<b>Holder</b>	<b>Area (ha)</b>	<b>NTS Sheet</b>	<b>Record Date</b>	<b>Anniversary Date</b>	<b>Protected Date</b>
1047950	Chicago	Jody Dahrouge	1809.67	093M	2016/Nov/18	2021/Aug/25	2021/Dec/31
1047951	Station	Jody Dahrouge	1826.87	093M	2016/Nov/18	2021/Aug/25	2021/Dec/31
1047952	Mudflat	Jody Dahrouge	1846.82	093M	2016/Nov/18	2021/Aug/25	2021/Dec/31
1047953	Bunker	Jody Dahrouge	369.17	093M	2016/Nov/18	2021/Aug/25	2021/Dec/31
1061406	Three Hills	Jody Dahrouge	1330.40	093M	2018/Jun/24	2022/Aug/25	

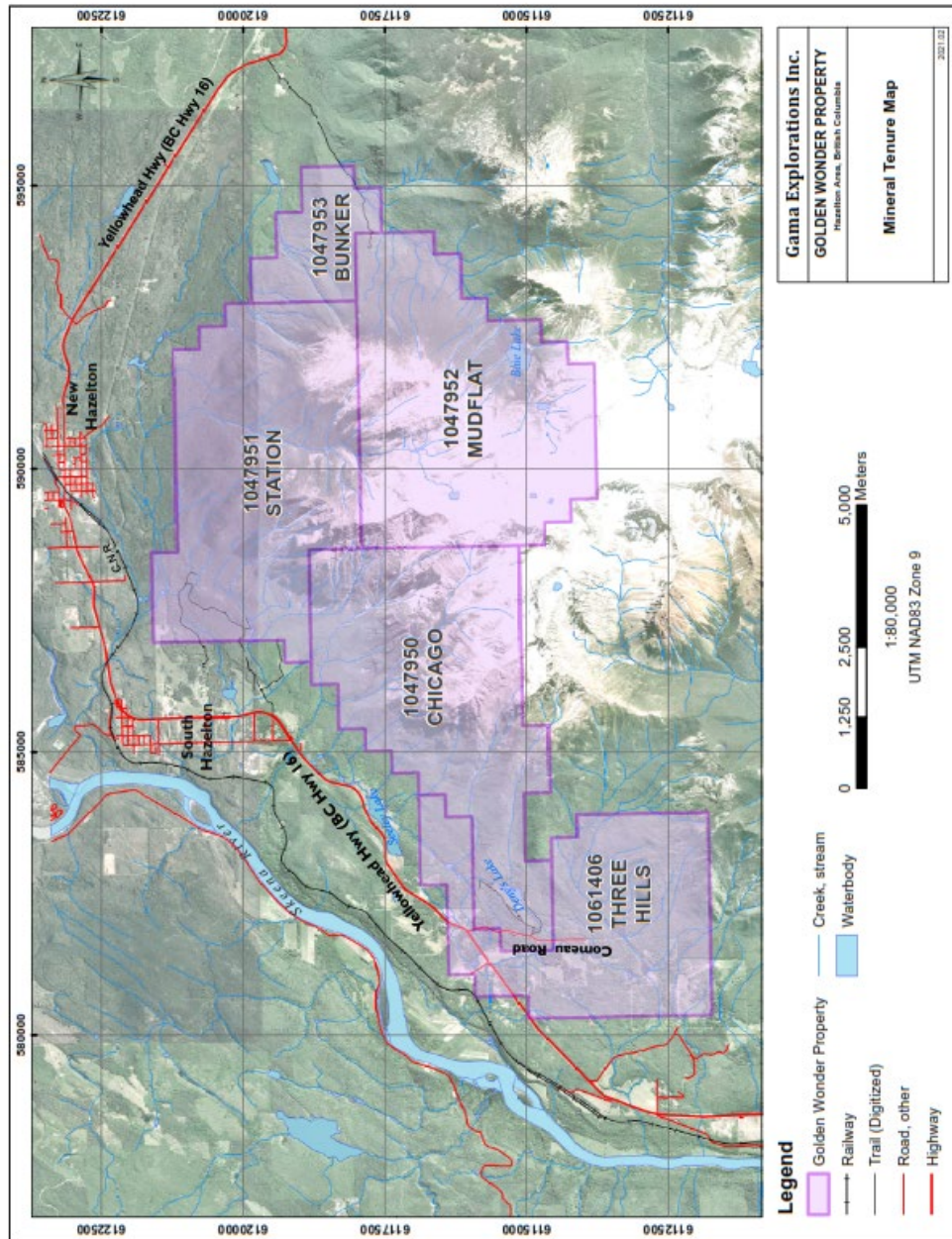


Figure 2. Golden Wonder Property Mineral Claims Map

The Author makes no further assertion regarding the legal status of the Golden Wonder Property. The Golden Wonder Property has not been legally surveyed to date and no requirement to do so has existed.

There are no other royalties or back-in rights to undertake exploration on the Golden Wonder Property.

#### Environmental Liabilities

There are no other known environmental liabilities associated with the.

#### Surface Rights

Surface rights overlap the west and east ends of the Golden Wonder Property. Surface rights are not included with mineral claims in British Columbia.

Notification must be provided before entering private land for any mining or exploration activity, including non-intrusive forms of mineral exploration such as mapping surface features and collecting rock, water, or soil samples. Mining activities cannot start sooner than eight days after notice has been served. Notice must include a description or map of where the work will be conducted and a description of what type of work will be done, when it will take place, and approximately how many people will be on the site.

#### Crown Grants

Historic Crown Grants on the Golden Wonder Property were researched using British Columbia's MTO to determine their status. The results indicate that any Crown Grants for the claims have expired.

#### Permits

Notice must be provided to landowners before entering private land for any mining or exploration activity. This notice must describe where the work will be conducted and what type of work will be conducted; when the work will take place; and how many people will be on site. Any work on a mineral claim in British Columbia that disturbs the surface requires a "notice of work" ("NOW") permit under the *Mines Act* (British Columbia), which governs exploration and mining activities. The owner must receive written approval from a provincial mines inspector prior to undertaking such work.

Work requiring a NOW includes, but is not limited to, drilling, access construction, trenching, excavating, blasting, camp construction/demolition, induced polarization surveys using exposed electrodes, and reclamation. Exploration activities that do not require a NOW permit include prospecting with hand tools, geological/geochemical surveys, airborne geophysical surveys, ground geophysics without exposed electrodes, hand trenching, and the establishment of grids.

The Company does not currently have a NOW permit but will apply for it, if exploration on the Golden Wonder Property advances.

#### ***Accessibility, Climate, Local Resources, Infrastructure, and Physiography***

The Golden Wonder Property is located approximately 1 km south of the Yellowhead Highway, a major interprovincial highway in western Canada. The Yellowhead Highway (BC Highway 16) is part of the Trans-Canada Highway System, a transcontinental federal-provincial highway system that travels through all ten provinces of Canada from the west to east coast.

The west end of the Golden Wonder Property (the Golden Wonder showing Area) can be reached by Comeau Road, a gravel road that links to BC Highway 16 southwest of Seeley Lake Provincial Park. ATV trails run east from Comeau Road, north for ~1,400 m and south for ~1100 m of Denys Lake.

The northern section of the Golden Wonder Property (the West's Knoll and Daley West Areas) is accessible from BC Highway 16 by ATV along trails or by foot. Access to the south-central area of the Golden Wonder Property above the treeline (Black Prince, Blue Lake, Silvertip Glacier and Hecla areas) is limited by topography to helicopter.

### Topography, Elevation, and Vegetation

The Golden Wonder Property is in rugged and glaciated mountainous terrain with deeply incised valleys. It includes Hagwilget Peak (1,879 m) and the north half of the Sawmill Glacier (1,927 m).

Elevations on the Golden Wonder Property range from 300 m to 2200 m, with steep slopes, bare rock, and talus aprons, separated by bog and streams that flow into the Skeena and Bulkley rivers.

Vegetation is sparse above the tree line (~1,100 m) consisting mainly of heather and fir trees in protected areas and depressions. Below the tree line, vegetation is predominantly pine, spruce, and fir, with Labrador tea, moss, and ferns. The Golden Wonder Property lies within the BC Ministry of Environment's Nass Range: Cranberry Upland Ecoregion Classification System. The ecoregion is described as having four main types of ecosystems:

- wet, Coastal Western Hemlock forest (valleys and lower slopes: west)
- wet transitional Mountain Hemlock subalpine and alpine forests (upper slopes: west)
- cold interior Cedar-Hemlock forest (valley bottoms lower slopes: east)
- cold Engelmann Spruce-Subalpine Fir forest (middle to upper slopes: east)

Deer, moose, and mountain goats inhabit the area, as well as carnivorous animals such as cougars, black bears, wolves, coyotes, and wolverines.

### Infrastructure and Local Resources

The nearest population centre to the Golden Wonder Property is the Hazelton area, which includes two municipalities (the Village of Hazelton and the District of New Hazelton), three unincorporated settlements, and four First Nations' villages (combined population of about 8,000). New Hazelton is located about 1 km north of the Golden Wonder Property's north boundary.

The town of Smithers (population 5,351), about 65 km southeast of the Golden Wonder Property, has a branch of the MEM and currently provides services for exploration and mining activities in the area, including helicopter, drilling, expediting, and heavy equipment operators.

Paved and gravel roads, rail, and power transmission lines run adjacent to the northern edge of Golden Wonder Property. The New Hazelton railway station, served by Via Rail's Jasper-Prince Rupert train, is on the Canadian National Railway mainline, which runs approximately 250 m north of the Golden Wonder Property's boundary. BC Highway 16 runs within several kilometres of the north property boundary, through New Hazelton and South Hazelton.

The BC Hydro 138 kV supply line for the region passes through the Golden Wonder Property, with a secured substation at New Hazelton.

The nearest airport to the Golden Wonder Property is Smithers Regional Airport, where daily commercial flights are available to Vancouver.

### Climate

The Golden Wonder Property experiences a mix of coastal and interior weather patterns owing to its location. The nearest active Environment Canada weather station is at the Smithers Regional Airport, approximately 45 m southeast of the Golden Wonder Property at an elevation of 522 m. Elevations on the Golden Wonder Property reach 2,200 m, and consequently, weather at the higher elevations will likely be more severe.

The lower elevations experience a humid continental climate: the driest month is March, and the wettest month is October. Higher elevations often have heavy winter snow accumulations. In spring, snow melting can be rapid and result in heavy spring runoff. Although much of the Golden Wonder Property is free of snow by July, some higher elevations have permanent snowfield. Summers are hot and dry with intermittent storms. In the Hazelton area, the daytime temperature in summer can exceed 30°C, but be as low as -2°C; the average temperature range in July is 8°C to 20.9°C. Winters are cold but can be moderated by Pacific air masses. In the Hazelton area, the average temperature in January is -6.9°C, but Arctic air masses can push the temperature below -33°C.

The Golden Wonder Property's lower elevations can be explored from May through October, but exploration of the higher elevations should be restricted to summers between July and September.

### **History**

The Golden Wonder Property is in an area with an extensive history of mineral exploration, including production from the nearby CAP, Victoria (Hazelton View), Roche DeBoule, Red Rose, and Highland Boy mines in the early to middle 1900s.

Historic showings on the Golden Wonder Property, listed on British Columbia's MINFILE database, include Golden Wonder, Daley West, Hecla, Black Prince, Blue Lake, and Silvertip Glacier (Figure 3). Another area of interest mentioned in historical reports is West's Knoll.

There are no significant historical mineral resource or reserve estimates on the Golden Wonder Property.

### **1912-2011 Exploration and Development**

Exploration on the Golden Wonder Property started in the early 1900s. Most of the showings previously belonged to other claim blocks and properties, and information can be difficult to delineate as names varied with ownership. Historical exploration and development for each showing are described below and summarized in Table 4. The information is predominantly derived from the British Columbia Geological Survey MINFILE reports and from British Columbia's Assessment Report Indexing Service ("ARIS").

**Table 4. Summary of Previous Exploration and Development**

<b>Year</b>	<b>Company/ Individual</b>	<b>Work</b>	<b>Results</b>
<b>Three Hills and Area (current claim 1061406):</b>			
1951-1955	Alfred LeToile, D.R. Willemar & E.H. Harbottle	▪ trenching; one shallow trench perpendicular to rock drumlin.	▪ two chip samples: trace Au, 0.3% Ag, 0.058% Cu; and trace Au, trace Ag, 0.61% Cu; noted two major shear zones.
1955-1956	Silver Standard Mines Ltd.	▪ shallow drilling and stripping	▪ no record of results
<b>Golden Wonder and Area (claim 1047950):</b>			
1912	Messrs. Harris & Corneau	▪ sunk a 6 m shaft and excavated open cuts	
1917-1918	M.W. Sutherland & J.B. Tyrell	▪ sunk 3 more shafts, conducted trenching and excavated pits	▪ deepest shaft was 30.4 m
1959-1960	G.L. Oates	▪ electromagnetic induction survey in Golden Wonder Area	
1970-1971	Chapparral Mines Ltd.	▪ 32-line kilometres of IP and aeromagnetic surveys; soil sampling; mapping; trenching; and 1000 m diamond drilling and 314 m of percussion drilling on the Loudel claim.	▪ 0.3 m drillhole intersection at 13% Cu
1980	ASARCO Exploration Company Inc	▪ geological mapping, rock sampling and a ground magnetic survey on the Golden Wonder and Shamrock claims.	▪ weighted average assay of 13 g/t Ag, 1.01% Cu, 0.016% Pb, 0.017% Zn, 0.09% Co, 0.08% W; Several narrow, mineralized shear zones were noted

2006	Ranex Exploration Ltd.	▪ prospecting and rock sampling on the Golden Wonder claim.	▪ 20 g/t Au, 180 g/t Ag, 8% Cu, 0.1% Co, 0.6% W, 0.3% Zn
2011	American Manganese Inc.	▪ soil sampling and rock sampling on the Golden Wonder claim.	▪ soil sample results of interest at 40E 5800N: 1.585 g/t Au, 214 g/t Ag and 40E 5875N: 11.4 g/t Au. Rock samples of interest: 0.2 m chip sample: 21.9 g/t Au, 104 g/t Ag, 3.1 % Cu, 1.21% Co; grab sample: 1.29 g/t Au, 6.69 g/t Ag, 0.234% Cu
<b>West's Knoll (claim 1047951):</b>			
2011	American Manganese Inc.	▪ soil sampling and rock sampling.	▪ boulder with 61 g/t Au
<b>Daley West and Area (claim 1047951):</b>			
1916	Spokane Rocher Debole Mining and Copper Company	▪ sunk 2 adits (47 m and 72 m, now caved), excavated open cuts and collected rock samples	▪ noted a silicified shear zone (up to 1.5 m wide) with vein quartz (0.15 to 1.0 m wide) over 100 m length; and a 38 cm channel sample: 1.4 g/t Au, 47 g/t Ag, 1.92% Cu
1981	A. L'Orsa	▪ rock sampling on the Judi claim	▪ a grab sample with 2.14 g/t Au, 15.6 g/t Ag, 1.06% Cu, 0.1% Co, 0.66% W (15% ± arsenopyrite); second grab sample with 0.13 g/t Au, 0.5 g/t Ag, 0.59% Cu, 0.44% Co (15% ± arsenopyrite)
2011	American Manganese Inc.	▪ rock sampling, soil sampling and stream sediment sampling on the Daley West claim	▪ chip sample with 6.32 g/t Au, 215 g/t Ag, 7% Cu, anomalous Co, Bi and As.
<b>Black Prince (claim 1047952):</b>			
1915	unknown	▪ production	▪ 19 tonnes with 120,338 g Ag and 619 g Pb
1916	Black Diamond Exploration	▪ prospecting	▪ no details available
1944-1945 and 1951-1953	Privateer Mining Company	▪ underground work	▪ no details available
1954	Geological Survey of Canada	▪ rock sampling and mapping	▪ 7.6 m sample with 1.0 g/t Au, 2.37% WO <sub>3</sub> , 0.8% Sn and 0.33% equivalent U
1960	BC Department of Mines	▪ rock sampling	▪ 0.6 m sample with 6.9 g/t Au, 0.36% Cu, 0.82% WO <sub>3</sub> and 0.10% MoS <sub>2</sub>
1979	Group VIII Ventures	▪ rock sampling and trenching	▪ 0.59 m sample with 3.4 g/t Ag, 1.15% Cu, 0.02% WO <sub>3</sub> , 0.34% molybdenum
<b>Blue Lake (claim 1047952):</b>			
1954	Geological Survey of Canada	▪ rock sampling and mapping	▪ an up to 0.25 m sample: up to 10% tetrahedrite and minor chalcopryrite; a grab sample with 0.85% Mo, 1.0% WO <sub>3</sub> and 0.004% equivalent U; a grab sample with 2.74 g/t Au, 11.31% WO <sub>3</sub> , 0.06% Mo and 0.003% equivalent U; a grab sample with 0.7 g/t Au and 1,900 g/t Ag
<b>Hecla/Bluebird (claim 1047952):</b>			

1954	unknown	▪ rock sampling	▪ grab sample from a 2.7 m aplite dike with trace Au, 34.3 g/t Ag and 0.22% Cu; grab sample from a 1.8 m pegmatite dike with trace Au, 18.2 g/t Ag and 0.39% Cu
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#### *I. Three Hills and Area (Claim 1061406)*

Three Hills Property was originally staked in 1951 by Alfred LeToile; the Three Hills Property consisted of 6 claims. In 1955, D.R. Willemar and E.H. Harbottle re-staked the claims with LeToile. They conducted trenching across a drumlin; one chip sample returned values of 0.3% Ag and 0.058% Cu, and a second sample returned 0.61% Cu.

In 1955 and 1956, Silver Standard Mines Ltd. optioned the property and conducted diamond drilling and some stripping (Sutherland Brown, 1960); no record of results was available.

#### *II. Golden Wonder and Area (Claim 1047950)*

Exploration in the Golden Wonder area (historic claims Loudel, Mandon and Shamrock) began in 1912 with investigations focused on the ‘Golden Wonder’ showing at the far west end of the current Golden Wonder Property. Messrs. Harris and Comeau made several surface cuts and sank a 6 m shaft on the claim (Minister of Mines, B.C., MINFILE 093M 074). The initial targets of exploration were two shear zones, one occurring at the south end and the second occurring at the north end of a large drumlin. The southern shear zone strikes 275° and dips 80°N, has been traced for over 150 m and is up to 1 m thick. Mineralization in the southern shear zone includes predominantly lenses of pyrrhotite with lesser chalcopyrite, arsenopyrite and pyrite. The northern shear zone strikes 290° and dips 75°S, is up to 1.2 m thick and is exposed in open cuts for over 60 m. Mineralization in the northern shear zone is dominantly lenses of pyrite and chalcopyrite. These shear zones were the focus of the early work, many shafts and surface cuts were made in these areas.

Between 1917 and 1918, M.W. Sutherland and J.B. Tyrell, optioned the claims and conducted work on the claims including excavation of pits and trenches and sinking of several shafts; the deepest shaft was 30.4 m and sunk into the south shear zone (Minister of Mines, B.C., MINFILE 093M 074).

In 1918, J.B. Tyrell acquired five claims including Golden Wonder, Golden Chief, Golden Potlatch, Crescent and Maple Leaf (Minister of Mines, B.C., MINFILE 093M 074).

In 1951, National Exploration Company Ltd. acquired the Golden Wonder and Area claim but did not report any work on the claim.

Between 1959 and 1960, G.L. Oates held the Golden Wonder and Mandon claims (both hosting the Golden Wonder showing) and reported an electromagnetic induction survey (Oates, 1960).

In 1970, the claim was acquired by Chapparral Mines Ltd. (“**Chapparral**”) as part of a larger claim block. Chapparral carried out an IP and magnetometer survey, geochemical soil sampling, mapping, trenching, and drilling. A total of 6 percussion, totalling 314 m, and 10 diamond drill holes totaling approximately 1,000 m were drilled on the Loudel claim near Denys Lake. One drillhole is reported to have intersected 0.3 m of 13% Cu.

In 1980, ASARCO Exploration Company Inc. (“**ASARCO**”) acquired the Golden Wonder claim and optioned the Shamrock claims from R.H. Dieter. ASARCO conducted a ground magnetic survey, detailed geological mapping, and rock sampling on the claims. Results identified three areas of significant sulfide copper mineralization: quartz-calcite with chalcopyrite and pyrrhotite veining; quartz-calcite veining with chalcopyrite, pyrrhotite, pyrite and arsenopyrite and quartz-calcite-tourmaline veins with chalcopyrite, pyrrhotite, pyrite and lesser arsenopyrite and sphalerite. All mineralization is associated with shear zones within and near to the feldspar porphyry dike. A weighted average of assays from one of the mineralized zones is 13 g/t Ag, 1.5 g/t Au, and 1.01% Cu.

In 2006, Ranex Exploration Ltd., carried out prospecting and mapping of the mineralization zones; they reported a rock sample with 20 g/t Au, 124 g/t Ag, 0.6% W, 0.3% Zn, up to 8% Cu.

In 2011, American Manganese reported results from a soil survey and rock sampling program they undertook on the



claim. They obtained samples from the south and north shear zones, and from another area of interest about 450 m from the main pit on the southwest side that showed similar characteristics to the other areas. Results for two of the geochemical soil survey samples indicated one sample with 1.585 g/t Au, 214 g/t Ag, and another sample with 11.4 g/t Au. A rock grab sample from the higher-grade main pit area assayed 21.9 g/t Au, 104 g/t Ag, 3.1%Cu, and 1.215%Co. A 0.2 m chip sample from other area of interest (450 m SW of the main pit) assayed 1.29 g/t Au, 6.69 g/t Ag, and 0.234% Cu.

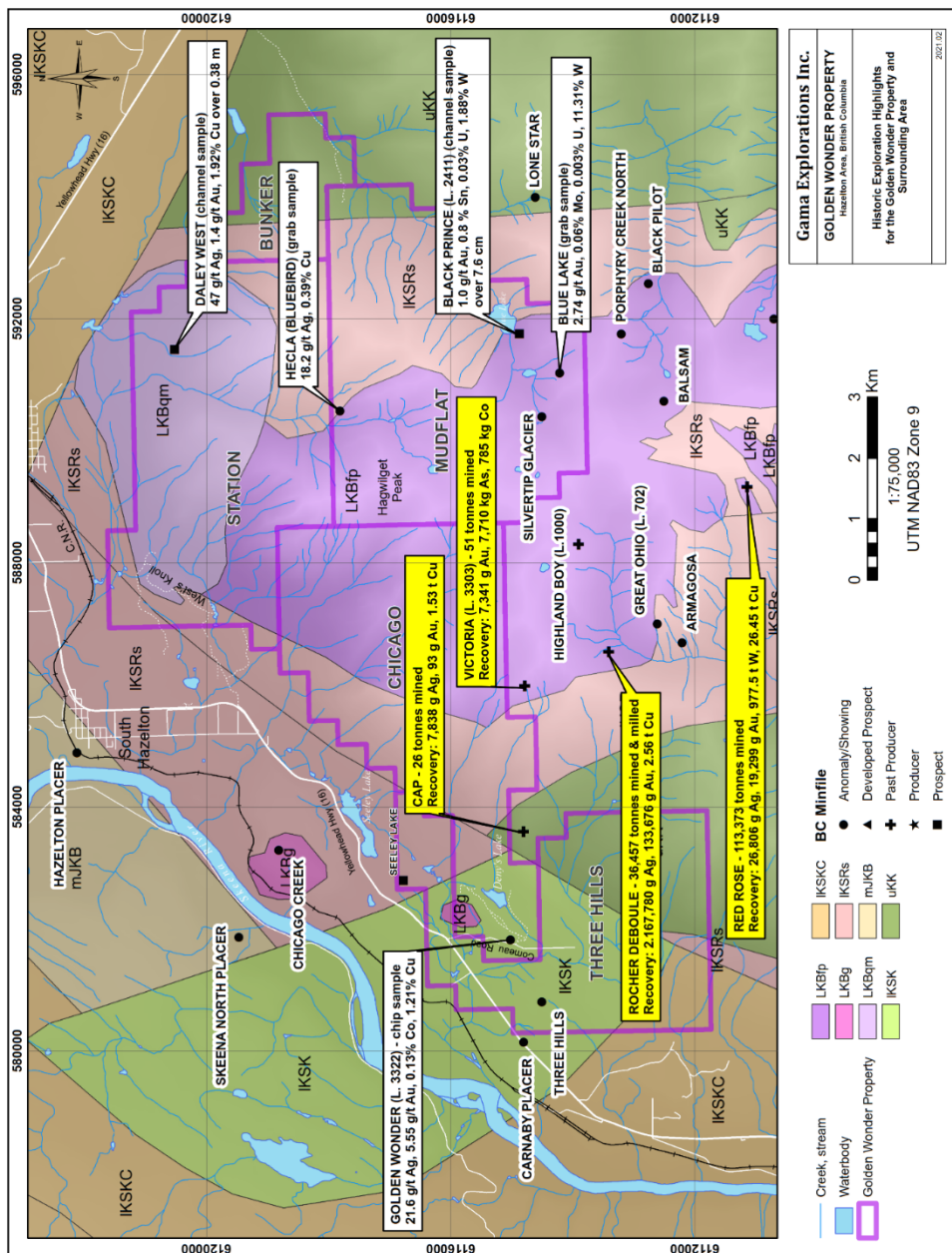


Figure 3. Historic Exploration Highlights for Golden Wonder Property and Area



### *III. West's Knoll (Claim 1047951)*

American Manganese's soil survey and rock sampling program in 2011 extended to West's Knoll, an area of interest west of the Daley West showing, where loose, rusty rocks containing arsenopyrite were found at the base of a cliff near a swamp. A grab sample indicated 61 g/t gold

### *IV. Daley West (Claim 1047950)*

In 1916, the Spokane Rocher Debole Mining and Copper Company Ltd. developed two adits (subsequently caved) and open cuts that exposed a silicified shear zone. The shear zone strikes at 020° and dips 65°NW, and contains small amounts of vein quartz and sulphides that reaches up to 1.5 m in width. The vein was reported as containing pyrite, arsenopyrite, pyrrhotite, and chalcopyrite, with minor scheelite, sphalerite, galena, and calcite. It is exposed in several trenches for over 100 m, and reaches up to 1 m in several places, with an average thickness of 15 cm. A 38 cm channel sample assayed 1.4 g/t Au, 47 g/t Ag, and 1.92% Cu.

In 1981, A. L'Orsa carried out prospecting and geological mapping on his Judi claims which covered part of the Daley West area, reporting two grab samples from the shear zone. The samples contained arsenopyrite, with lesser amounts of chalcopyrite, pyrite, pyrrhotite, scheelite, sphalerite, galena, tetrahedrite, quartz, and calcite. One sample assayed: 2.14 g/t Au, 15.6g/t Ag, 1.06% Cu, 0.66% tungsten, 0.10% Co± 15% arsenopyrite; the other sample assayed 0.13 g/t Au, 0.5 g/t Ag, 0.59% Cu, 0.44% Co ± 80% arsenopyrite.

In 2011, American Manganese Inc. conducted a soil survey and rock sampling program that included work at Daley West. They reported finding chalcopyrite and molybdenite in a porphyritic quartz monzonite within narrow quartz veins on the north, east, and west sides of the previous workings. Analysis of a chip sample from above the main adit produced results of 6.32 g/t Au, 215 g/t Ag, 7% Cu, and anomalous Co, Bi, and As.

### *V. Black Prince/Blue Lake/Silvertip Glacier (Claim 1047952)*

The Black Prince, Blue Lake, and Silvertip Glacier showings are in a cluster near the southeast boundary of the Golden Wonder Property. The Black Prince showing is on the ridge between Mudflat and Porphyry creeks. The Blue Lake showing is immediately southwest of the Black Prince property and they were historically considered one property. The Silvertip Glacier showing is west of the other two showings.

Between 1911 and 1912, these showings were first located.

In 1915, the Black Prince showing reportedly produced 120,338 g Ag and 619 kg Pb from 19 tonnes (Minister of Mines, BC, MINFILE 093M 057); however, the age of this information suggests this data should not be relied upon.

In 1916, Black Diamond Exploration conducted work in the area. No details were available.

Between 1944 and 1945, and again between 1951 and 1953, unground work was conducted by Privateer Mining Company in the area. This work was possibly the result of the wartime demand for tungsten.

In 1954, the Geological Survey of Canada conducted work on the Black Prince and Blue Lake showings. At Black Prince they noted a quartz vein situated approximately 250 m east of the main zone contained areas of massive chalcopyrite and scheelite, and lesser pyrite, bornite, cassiterite, and uraninite. A sample taken over 7.6 cm assayed g/t gold, 2.37% tungsten, 0.8% tin, and 0.033% equivalent uranium. Previous work on the Blue Lake showing indicates four veins. Samples from three of the veins assayed:

- 0.85% molybdenum, 1.0% tungsten, and 0.004% equivalent uranium
- 2.74 g/t gold, 11.31% WO<sub>3</sub>, 0.06% molybdenum, and 0.003% equivalent uranium
- 0.7 g/t gold and 1,900 g/t silver

In 1960, the BC Department of Mines conducted sampling of the main fracture zone at the Black Prince showing and reported a 0.6 m sample with 6.9 g/t Ag, 0.36% Cu, 0.82% tungsten and 0.10% molybdenum.

In 1979, Group VIII Ventures staked all three showings as part of a larger group of claims (CRO claims) and completed work including trenching and drifting (~50 m), and limited sampling. A 59 cm sample from an intermediate vein indicated 3.4 g/t Ag, 1.15% Cu, 0.02% tungsten, and 0.34% molybdenum.

No record of previous work on the Silvertip Glacier showing is available (Minister of Mines, BC, MINFILE 093M 055).

*VI. Hecla/Bluebird (Claim 1047952)*

The Hecla showing is a porphyritic granodiorite (Rocher Deboule stock) approximately half way between the Daley West and Silvertip Glacier showings, on the north edge of the Mudflat claim. The granodiorite is cut by a 2.7 m aplite dike and a 1.8 m pegmatite dike. A grab sample of a 1.2 m wide mineralized zone in the aplite dike contained quartz veins with small amounts of pyrite and chalcopyrite (assayed trace Au, 34.3g/t Ag, 0.22% Cu). Another grab sample from the mineralized pegmatite dike assayed trace Au, 18.2 g/t Ag, and 0.39% Cu.

In 2007, Rocher Deboule Minerals Corp. contracted Fugro Airborne Survey Corp. to conduct a 1,089 line-km DIGHEM geophysical survey (electromagnetic, magnetic, and radiometric survey) over the Roche Deboule property. This survey covered a significant part of the current Golden Wonder Property. The results indicated a strong positive anomaly over the central part of the Golden Wonder Property. (See Figure 4 and Figure 5.)

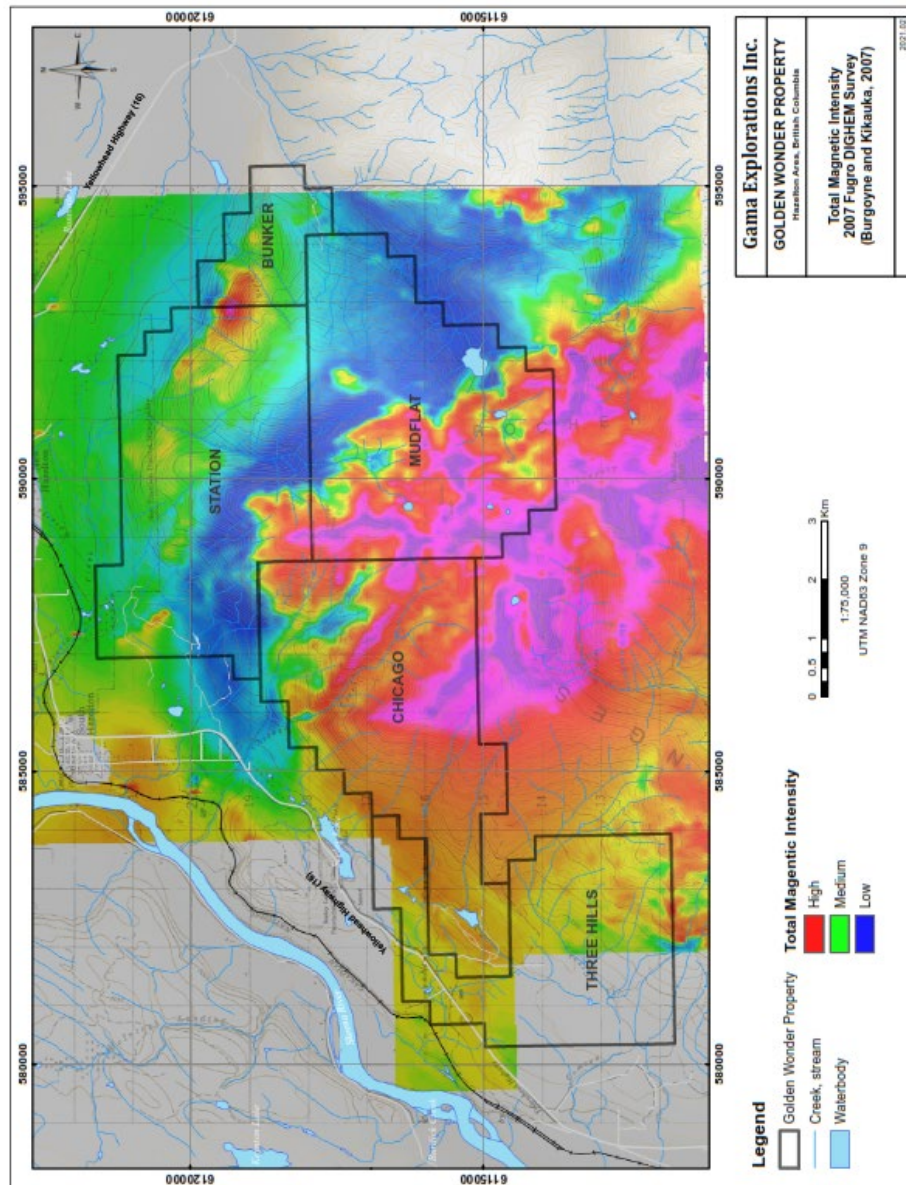


Figure 4. Total Magnetics: 2007 Fugro DIGHEM survey

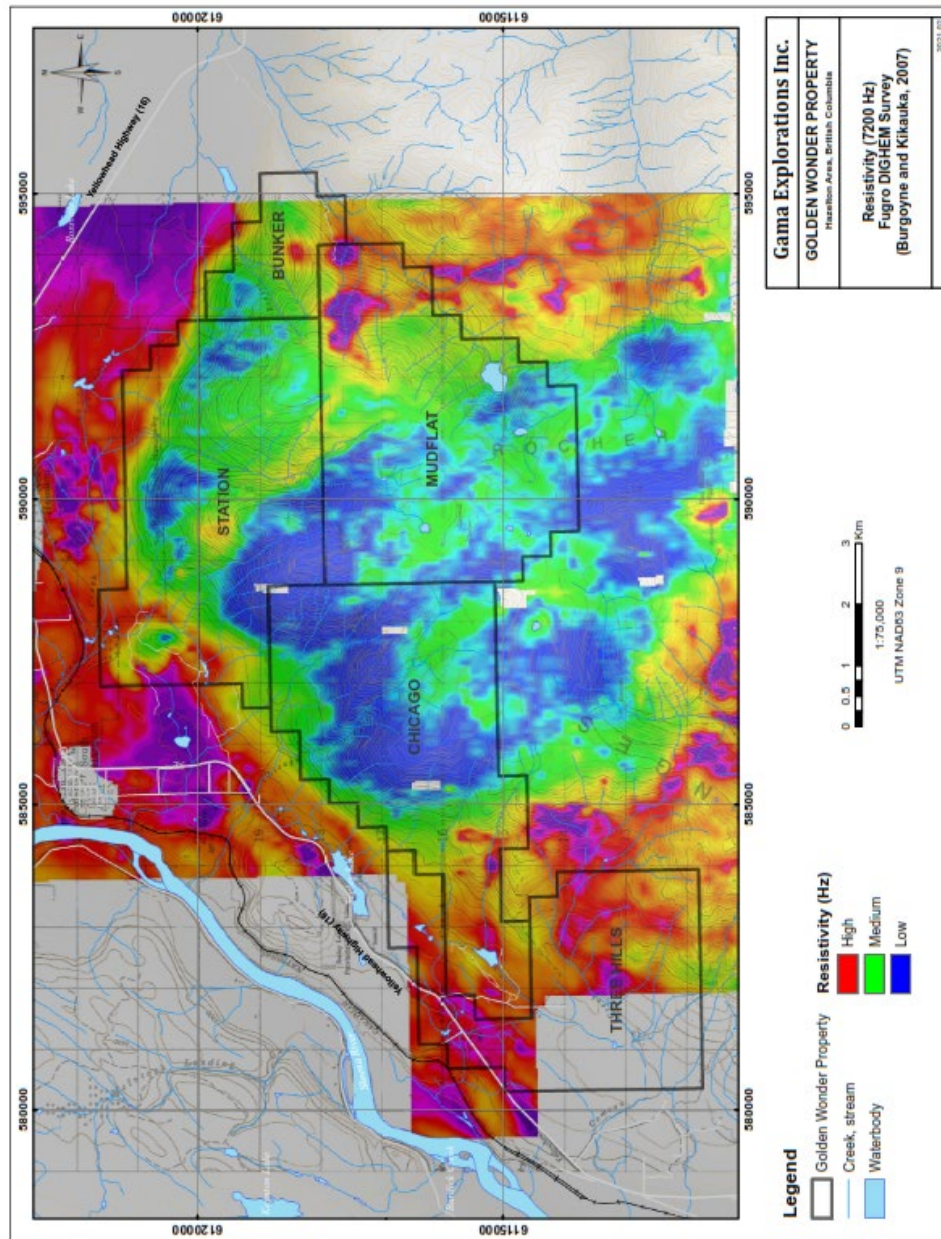


Figure 5. Resistivity (7200 Hz): 2007 Fugro DIGHEM survey

## 2017-2018 Exploration- PEM

In 2016, DGR acquired four of the claims ('Chicago', 'Station', 'Mudflat' and 'Bunker') that make up the current Golden Wonder Property. In 2017, PEM acquired the Golden Wonder Property from DGR and then the fifth claim, 'Three Hills' was added to the Golden Wonder Property. PEM contracted DGC to conduct exploration on the Golden Wonder Property in 2017 and 2018. The exploration programs focused on investigating and confirming assay results from historic showings, identifying new targets, determining field conditions, and investigating magnetic anomalies identified in the Natural Resources of Canada's aeromagnetic survey. Geological mapping and stream pan concentrate, rock and soil sampling were carried out on the Golden Wonder Property. A helicopter was utilized to access high elevation areas of interest on the Golden Wonder Property.

Results of the geological mapping concluded that structural features including joints, veins, and shearing, generally strike to the west and dip between 70-90° to the north. Bedding is locally visible in the area and is generally striking north south and has a sub-vertical dip. Bedrock geology of the area consists mainly of argillites, siltstone, greywackes, felsic to intermediate volcanics/dykes, as well as abundant feldspar-hornblende porphyritic volcanic/intrusive units, including andesites, porphyritic andesites, quartz monzonites, and possibly granodiorites.

### *I. Stream Pan Concentrate Sampling*

A total of 19 stream pan concentrates were collected; no significant assay Au results were returned.

### *II. Soil Sampling*

A total of 287 soil samples were collected from the Golden Wonder showing area in 2018. The grids were concentrated over two resistivity anomalies on the eastern and western side of Deny Lake (Figures 6 – 12). The purpose of the soil sampling was to identify any potential trends (drill targets) in areas with poor outcrop exposure. Topographically low and wet areas on the eastern edge of Deny Lake prevented some grid samples from being collected.

The elevated Au results from the soil sampling further reinforce the approximately 500 m mineralized trend in the Golden Wonder showing area, as several samples located between mapped outcrops, reported values of up to 3.97 g/t and 5.89 g/t Au.

### *III. Rock Sampling*

A total of 180 rock samples were collected from outcrop and boulders (Figures 13–17), including 18 thickness representative samples at various favorable locations of shearing and veining. Results indicate that significant mineralization in the Golden Wonder area is in massive to narrow sulphide veins and in the surrounding argillite/mudstone; samples with significant Au, Ag, Co and Cu results are summarized in Table 5. Of the samples collected from other showings on the Golden Wonder Property, only one sample returned assay results of interest: 2% Cu. The sample was collected from a boulder south-west of the Hecla (Bluebird) and north-west of the Silvertip Glacier showings; the source has not been identified. Other samples, even though they were sulphide-bearing, did not return any significant assay results.

**Table 5. 2017 & 2018 Rock samples with significant Au, Ag, Co, and Cu assay results**

Sample ID	Year	Sample Type	Easting	Northing	Au (g/t)	Ag (g/t)	Co (%)	Cu (%)	Description
122364	2017	Chip	581843	6115199	6.39	2.79	0.38	0.15	10 cm wide vein with sulphides (~80%), Qtz, and mudstone.
122365	2017	Grab	581811	6115183	15.2	77.2	0.09	4.95	10 cm wide massive sulphide vein (Cpy, Py) with secondary Apy(?) on weathering surface.
122368	2017	Grab	582295	6115355	17.8	18.2	<.01	0.05	Mudstone o/c (1 m × 1 m) with minor sulphur-rich coating and rusty joints.
122426	2017	Grab	582134	6115247	0.3	32.5	0.01	0.81	Black siltstone/greywacke float with 2 mm-wide sulphide (Cpy, Py) veins, quartz coating, and rusty weathering.
122427	2017	Grab	582131	6115246	8.75	18.5	0.53	0.53	Dark grey siltstone/greywacke float brecciated by Apy and cut by Py/Cpy veins.
122428	2017	Chip	582135	6115236	1.69	45.6	0.05	0.99	Siltstone/greywacke o/c brecciated by sulphides; friable and rusty.
122430	2017	Chip	582075	6115220	2.14	3.42	0.05	0.02	Siltstone/greywacke o/c brecciated by Apy veins (up to 60% of rock).
128240	2018	Chip	581814	6115164	18.2	36.9	0.054	1.91	Up to 30 cm wide vein mainly Py, Cpy, Apy, bornite. Black and weathered on surface, hosted within andesite dyke.
128241	2018	Chip	581853	6115196	11	4.06	0.667	0.41	Flat 3 m tall vertical outcrop, 2 cm wide vein within black grey argillite.
128272	2018	Chip	581943	6115204	4.68	17.6	0.215	0.28	Mudstone/siltstone outcrop hosting vein-style mineralization consisting of Py, Cpy, Apy.
128278	2018	Chip	582130	6115245	18.7	>100	0.653	0.97	Highly oxidized mudstone with a 1.5 m breccia zone and local quartz flooding. Vein-style massive sulphide mineralization (Py, Cpy, Apy, possible Po)

128283	2018	Chip	582074	6115224	7.14	4.25	0.256	0.02	Argillite outcrop crosscut by a centimeter-scale, highly oxidized black vein with strong sulphide mineralization (Py, Apy).
128288	2018	Chip	582198	6115326	20	16.4	0.194	0.03	Highly oxidized breccia with massive sugary Apy veins up to 2 cm wide.

#### *IV. Geological Mapping*

Geological mapping was carried out during the 2018 field program; it focused on collecting information in the Golden Wonder area, including the south shear zone between the Comeau Road to Deny Lake.

According to Dahrouge, it was concluded that structural features including joints, veins and shearing, generally strike to the west and dip between 70-90° to the north. Bedding is locally visible in the area and is generally striking north- south and has a sub-vertical dip. Bedrock geology of the area consists mainly of argillites, siltstone, greywackes, felsic to intermediate volcanics/dykes, as well as abundant feldspar-hornblende porphyritic volcanic/intrusive units, including andesites, porphyritic andesites, quartz monzonites, and possibly granodiorites.

#### 2019 Exploration – Blue Lagoon Resources Inc.

In 2019, Blue Lagoon acquired the Golden Wonder Property from PEM and contracted DGC to conduct exploration on the Golden Wonder Property. The 2019 exploration program included soil sampling, rock sampling and a ground magnetic survey.

A total of 206 soil samples were collected over the two resistivity anomalies near the Golden Wonder showing, expanding the previous soil grids (Figures 6 – 12). A total of 17 rock samples were collected from the Golden Wonder area, with a primary focus on constraining the NE-SW mineralized trend and highlighting zones with significant mineralization. Results from the soil and rock analyses in the Golden Wonder area reconfirmed mineralization and indicated that mineralization extends for approximately 1100 m in a NE-SW direction (Figure 18). Only one rock sample collected in 2019, showed significant mineralization. It was collected from an oxidized argillite, hosting disseminated and vein-style mineralization with pyrite, arsenopyrite, bornite and trace chalcopyrite. The sample returned values of 1.91 g/t Au and 0.41% Cu.

The ground magnetic survey using a GEM System GSM-19 integrated Overhauser effect proton precision magnetometer was conducted. The survey consisted of 27 traverse lines, oriented N-S and spaces 50 m apart, overlapping the resistivity anomalies both east and west of Deny's Lake. The purpose of the survey was to better constrain mineralization and identify potential drill targets. The magnetic sensor recording the readings remained roughly 1.75 m above the ground during traverses. GEMLinkW Software version 7 was used to upload the collected magnetic data to a field laptop at the end of each field day. Raw magnetic readings were corrected for diurnal magnetic variation using a stationary GSM-19 base station. The location of the base station was chosen to ensure minimal interference from active roads, railroads, powerlines, and hikers. Results of the ground magnetic survey highlighted the northeast-southwest trend of magnetic highs and coupled with the anomalous soil values, suggest that mineralization extends for approximately 1100 m along strike (Figure 18).



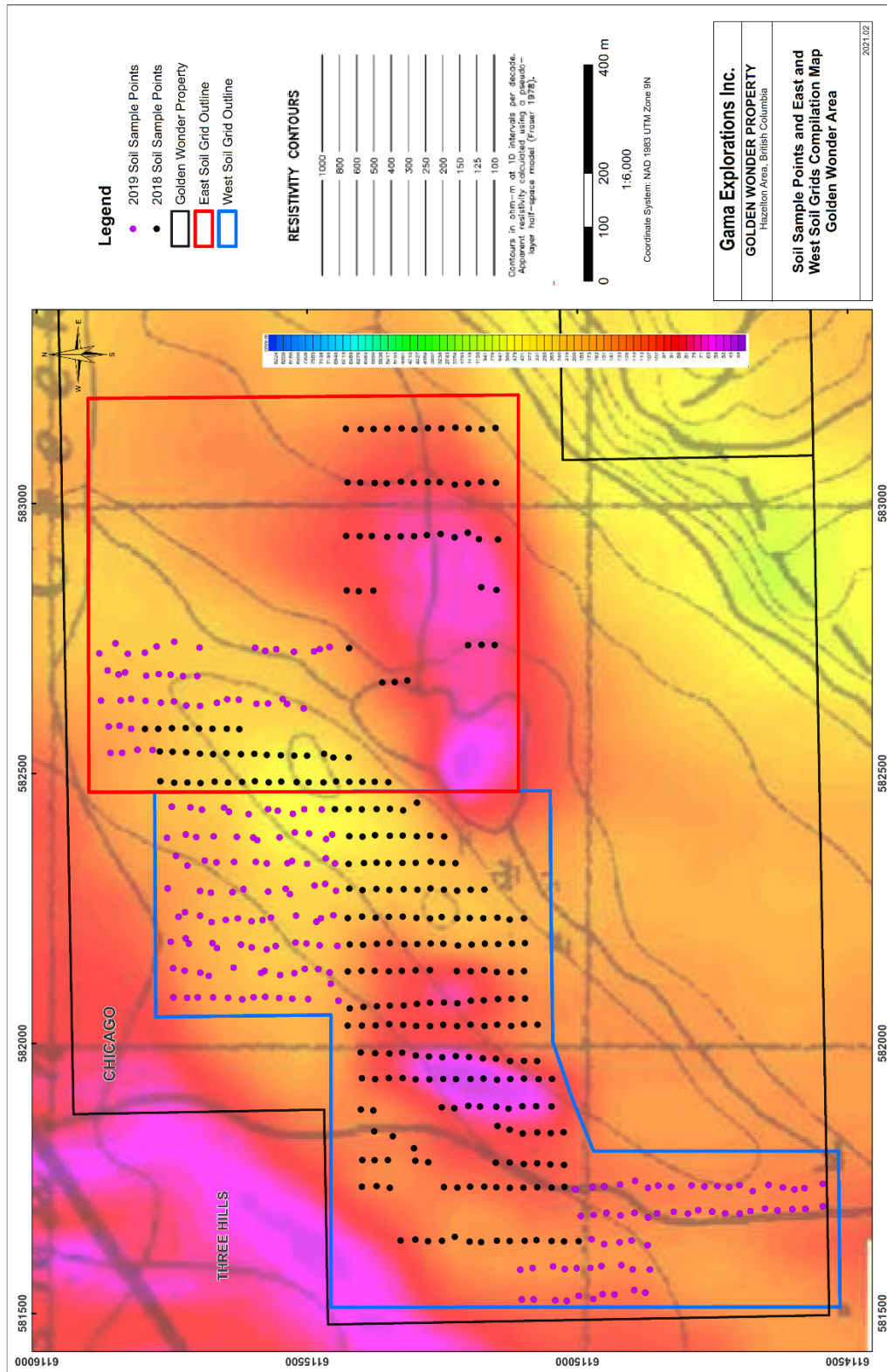


Figure 6. Soil Sample Points and East and West Soil Grids Compilation Map – Golden Wonder Area



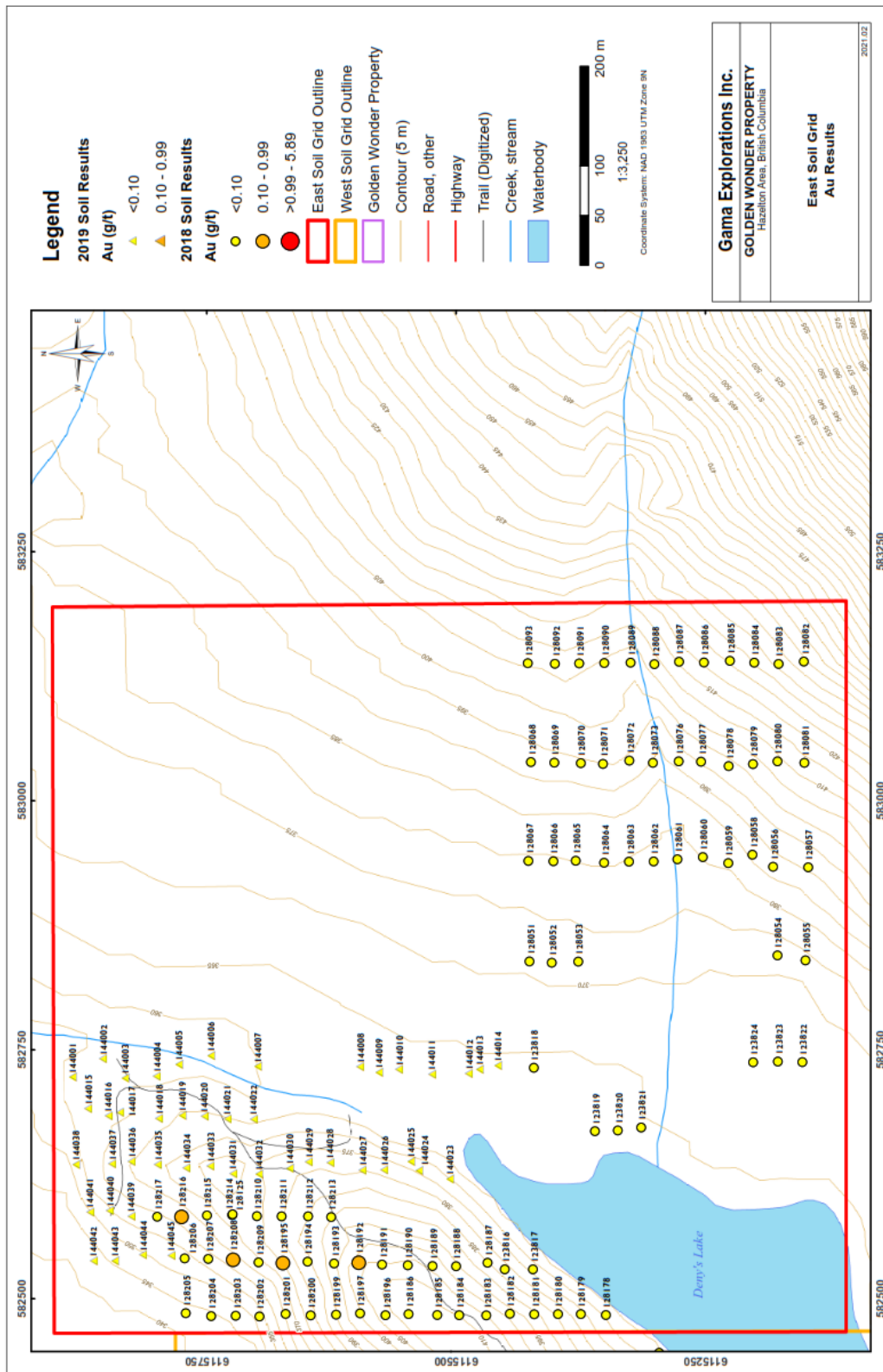


Figure 7. East Soil Grid – Au Results

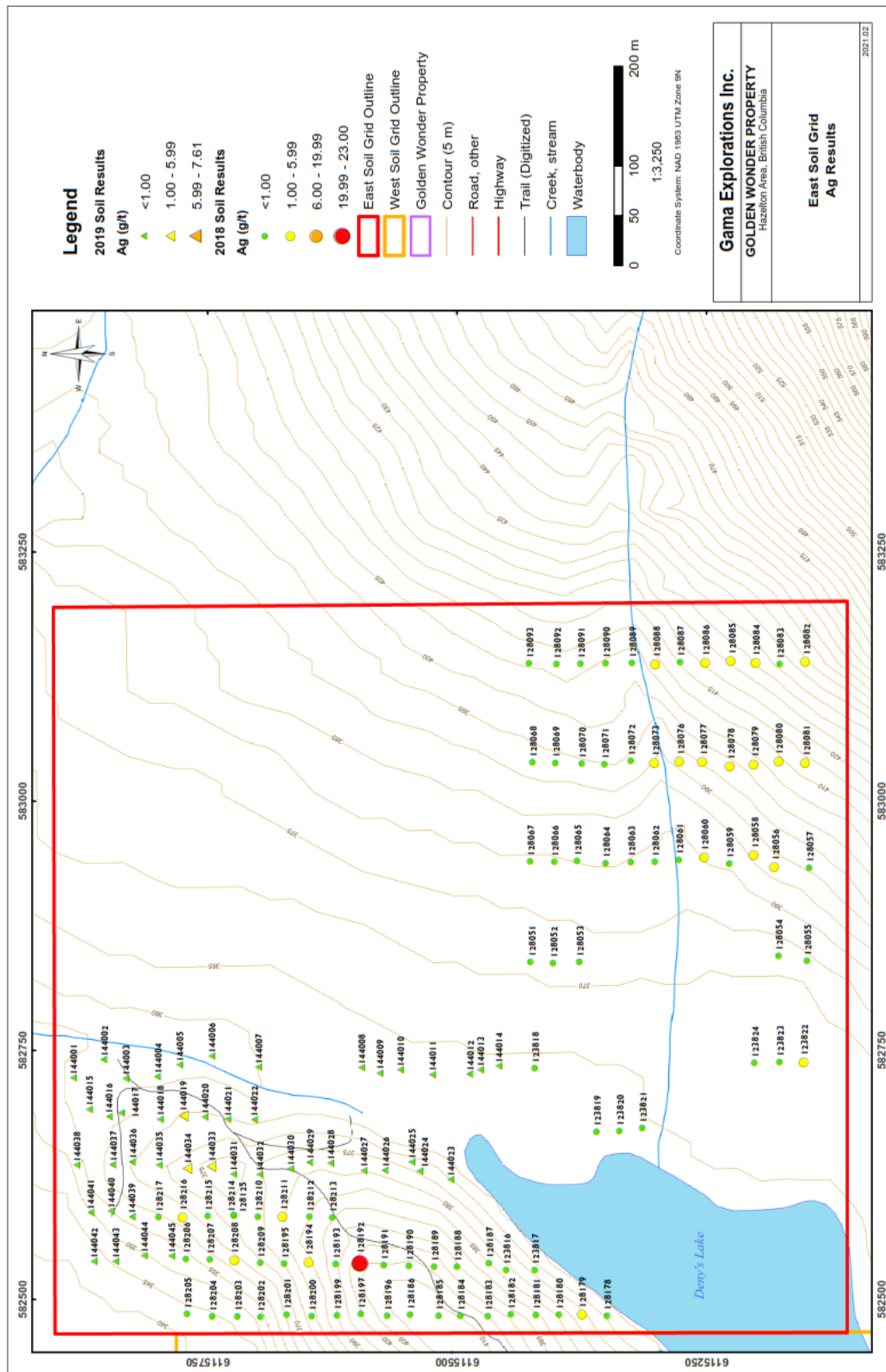


Figure 8. East Soil Grid – Ag Results

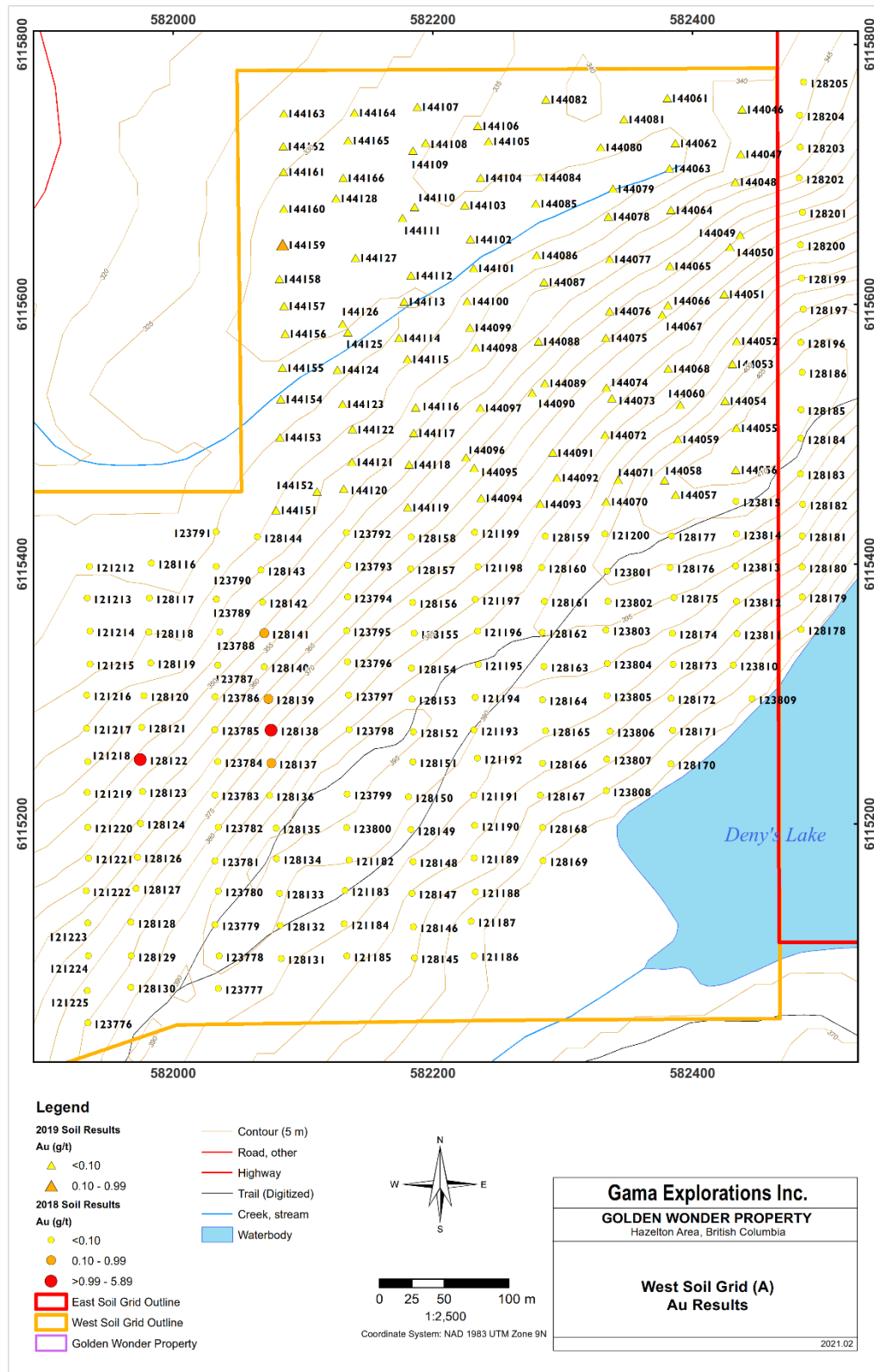


Figure 9. West Soil Grid (A) – Au Results

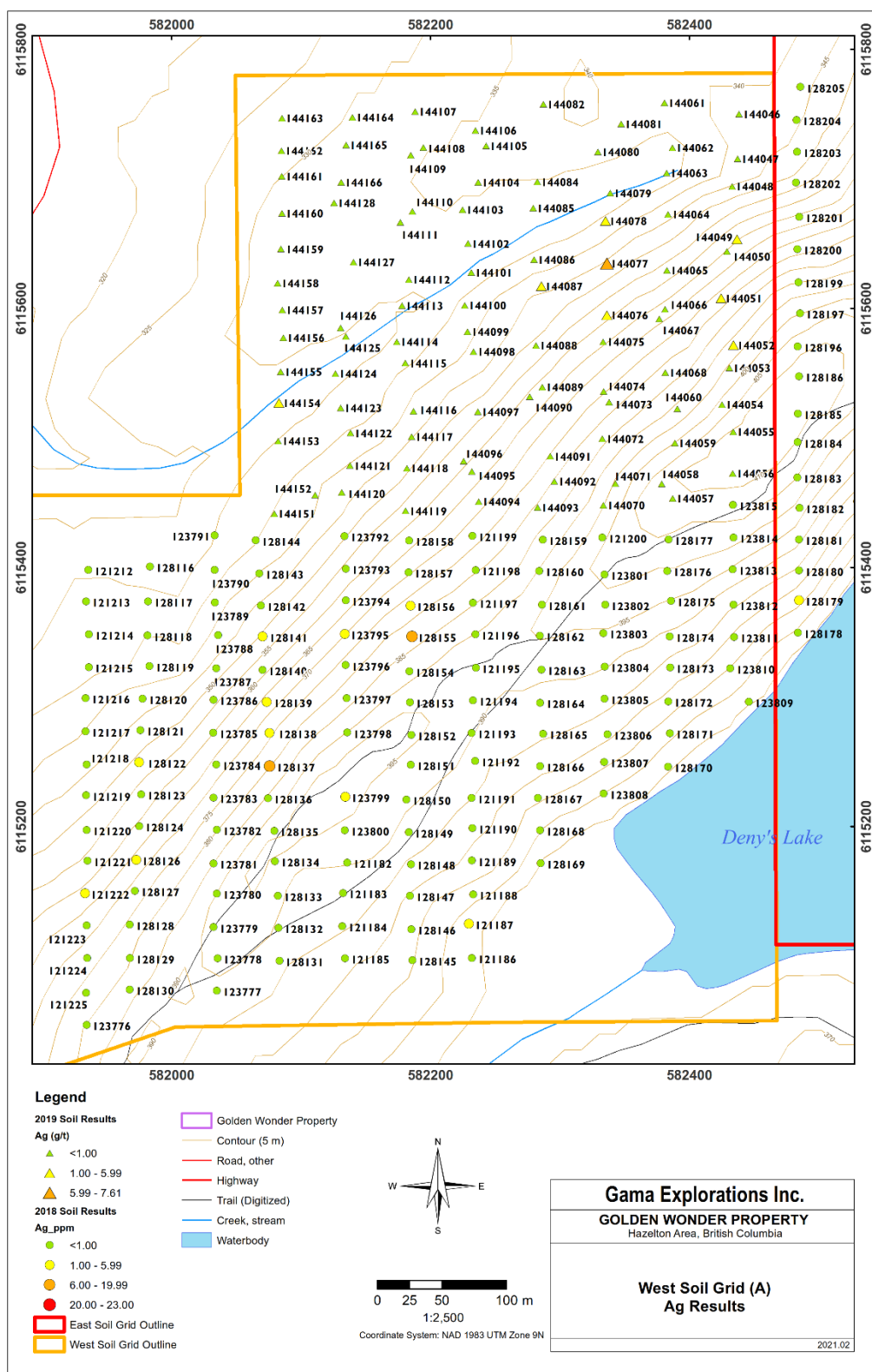


Figure 10. West Soil Grid (A) – Ag Results

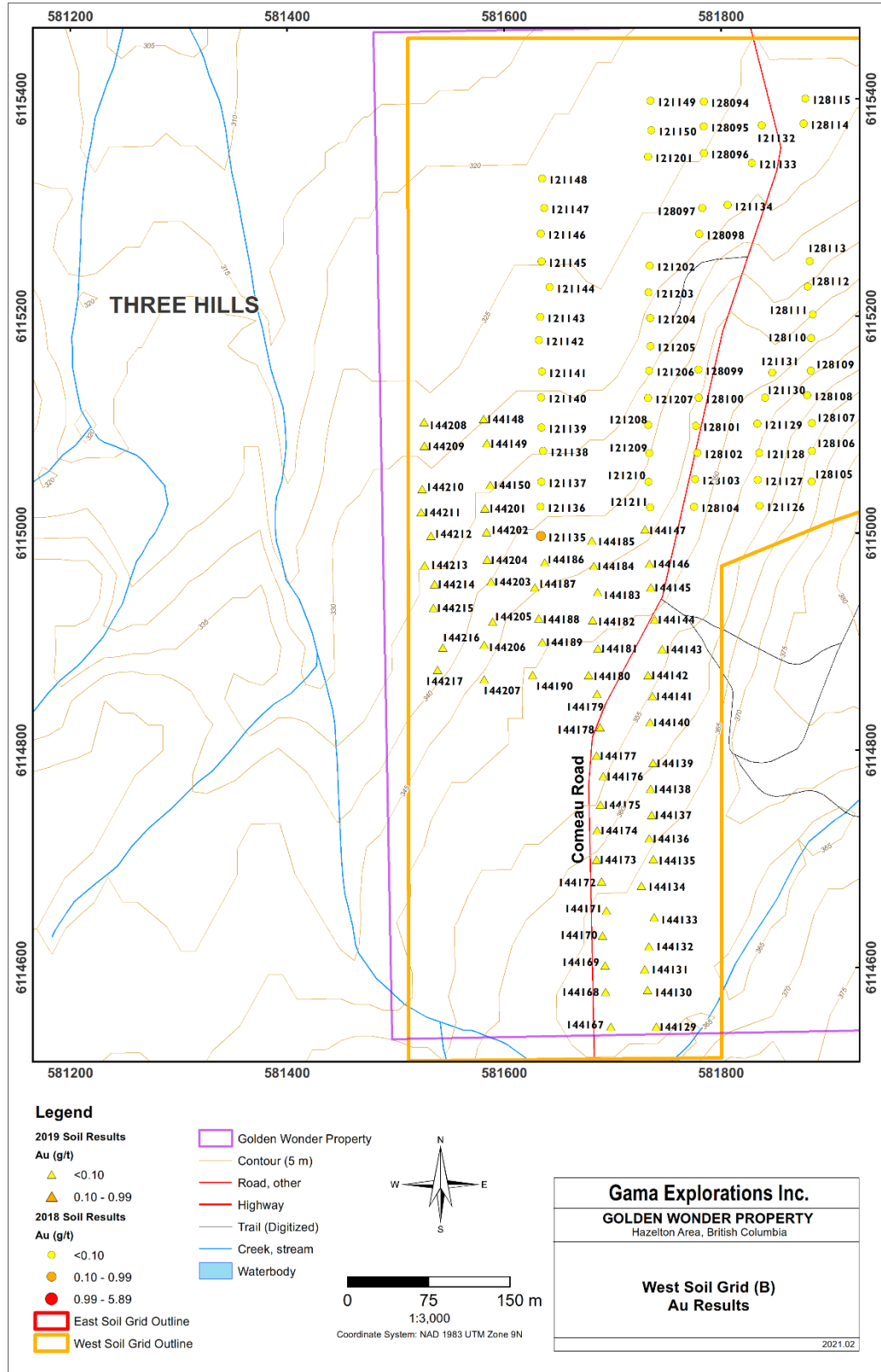


Figure 11. West Soil Grid (B) - Au Results



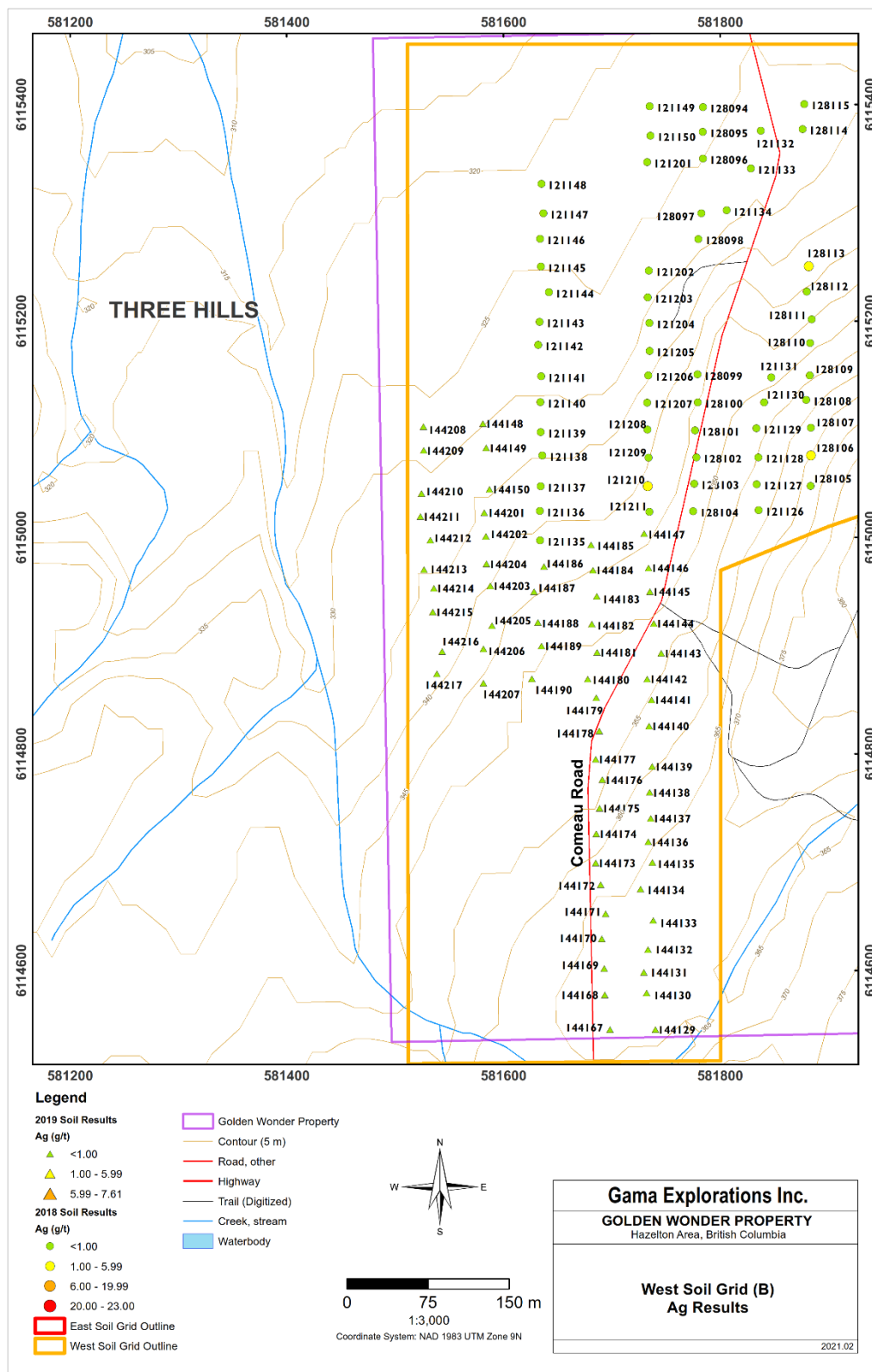


Figure 12. Soil Grid West (B) - Ag Results



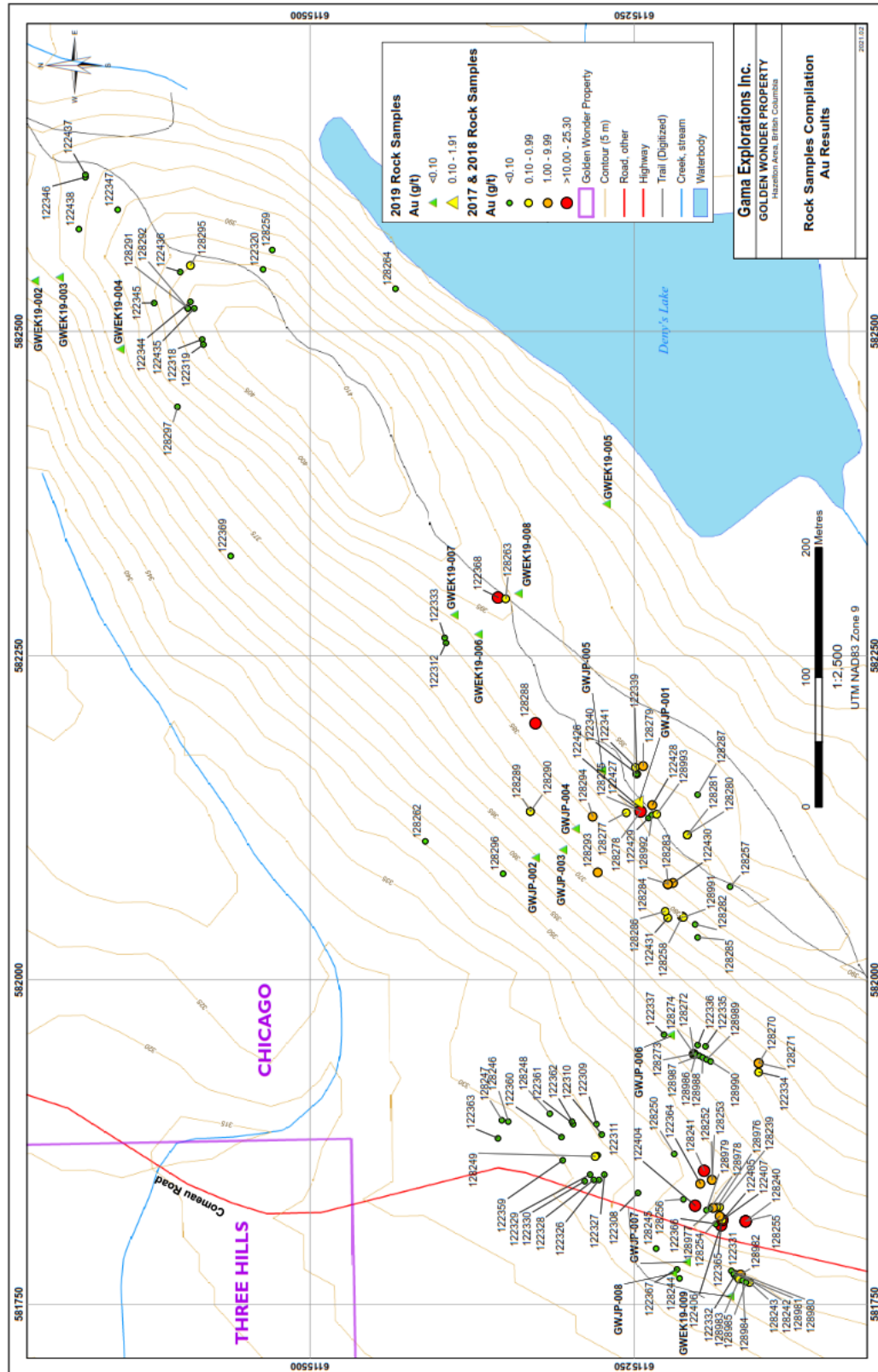


Figure 14. Golden Wonder Area Rock Samples Compilation – Au Results





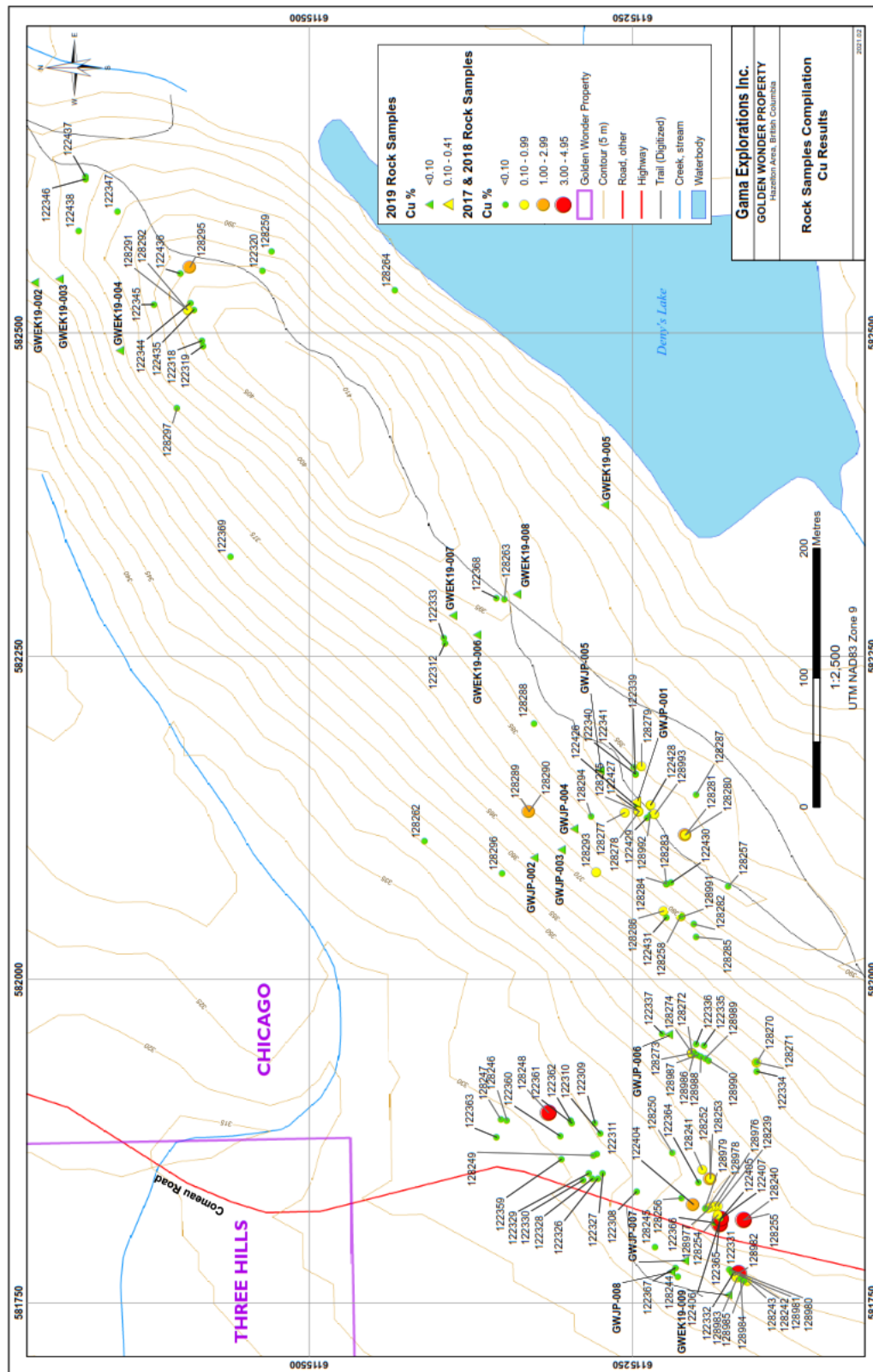


Figure 16. Golden Wonder Area Rock Samples – Cu Results





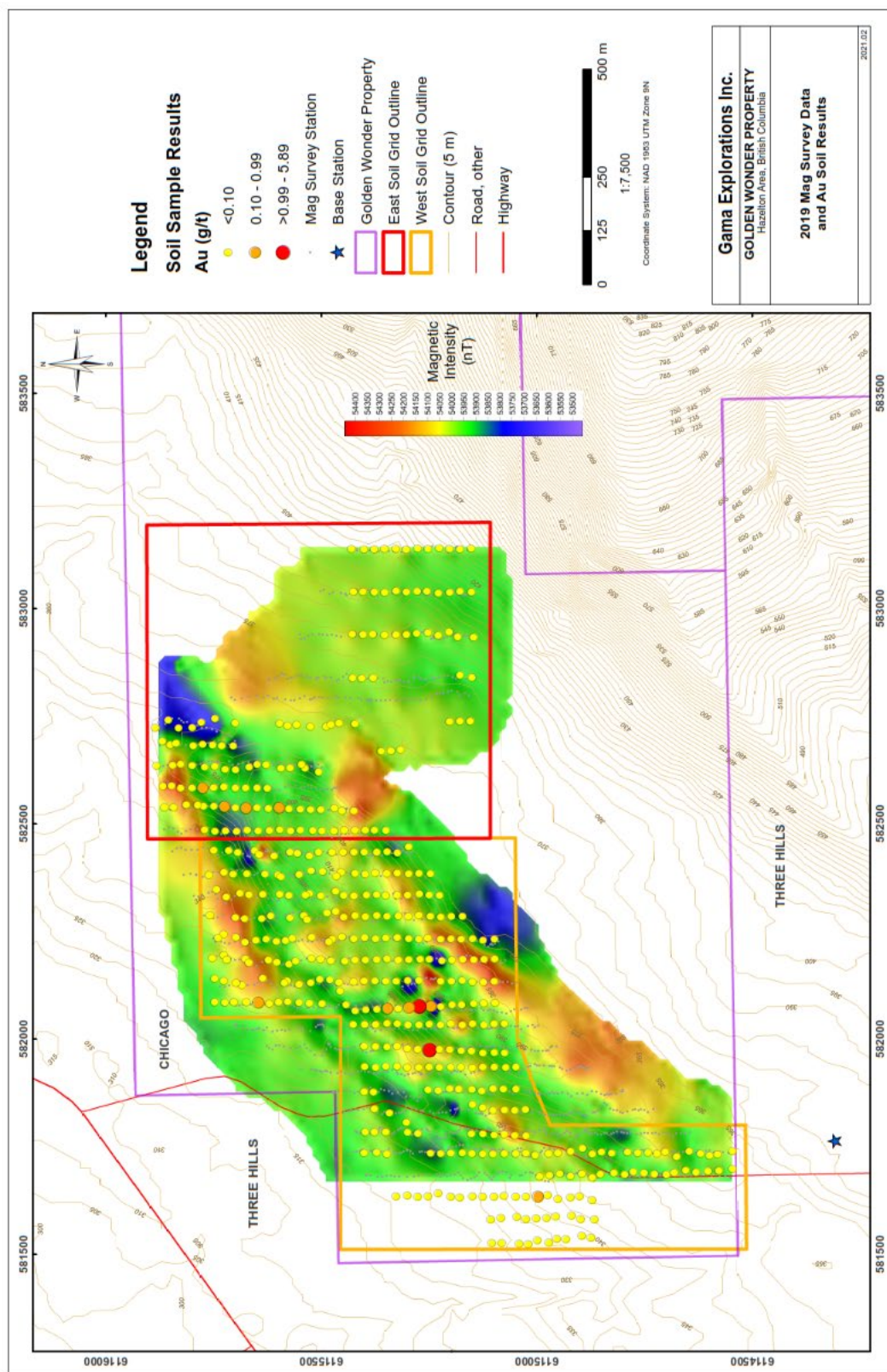


Figure 18. 2019 Ground Magnetic Survey Data with Au Soil Results

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

### **Regional Geology**

The Golden Wonder Property is situated in the Intermontane tectonic province of the Canadian Cordillera and is underlain by rocks of the Late Paleozoic Stikine volcanic arc terrane, the largest terrane in BC. The Stikine terrane was accreted to the Quesnel and Cache Creek terranes, and then to the North American margin in the Middle Jurassic before being intruded by coeval and younger plutonic rocks, and overlain by younger volcanic and sedimentary units (Figure 19).

The Rocher Deboile Range lies within the Skeena Arch, an east–north east trending belt of Jurassic and older, mostly volcanic rocks. Uplift of the arch, thought to have been occurred in the Middle Jurassic, resulted in the separation of the Bowser and Nechako Basins. Exposed rocks along the Skeena Arch represent a long-lived magmatic arc that has produced a range of geological settings and resulted in a diverse range of mineral deposits.

The Skeena Arch straddles the Skeena Terrane, a volcanic arc complex that formed offshore before accreting to the west coast of North America. The Skeena Terrane is made up of two cycles of volcanic and related intrusions, as well as overlying sedimentary rock on a metamorphosed volcanic rock and limestone basement.

The Rocher Deboulé Range is underlain by the upper two divisions of the Hazelton group and intruded by the Rocher Deboile stock.

The upper two divisions of the Hazelton group (Jurassic to Cretaceous) are:

1. Red Rose Formation (2,300 to 2,400 m marine and non-marine sedimentary greywackes)
2. Brian Boru Formation (1,500 to 1,800 m porphyritic andesite breccias and massive flows with minor hornblende porphyry andesite flows and some pyroclastic rocks).

The Rocher Deboile stock, a member of the Late Cretaceous Bulkley Plutonic Suite, is predominantly a porphyritic granodiorite, but also includes what is thought to be a younger fine-grained quartz monzonite. The Roche Deboile stock is thought to have been emplaced after folding of the Hazelton group, between the mid-Lower and late Upper Cretaceous. Heat from the intrusion of the Rocher Deboile stock created a hornfelsic aureole in the surrounding Hazelton rocks.

The adjacent valley contains late Jurassic to early Tertiary successor basin assemblages of the Bowser Lake, Skeena, and Sustut Groups.

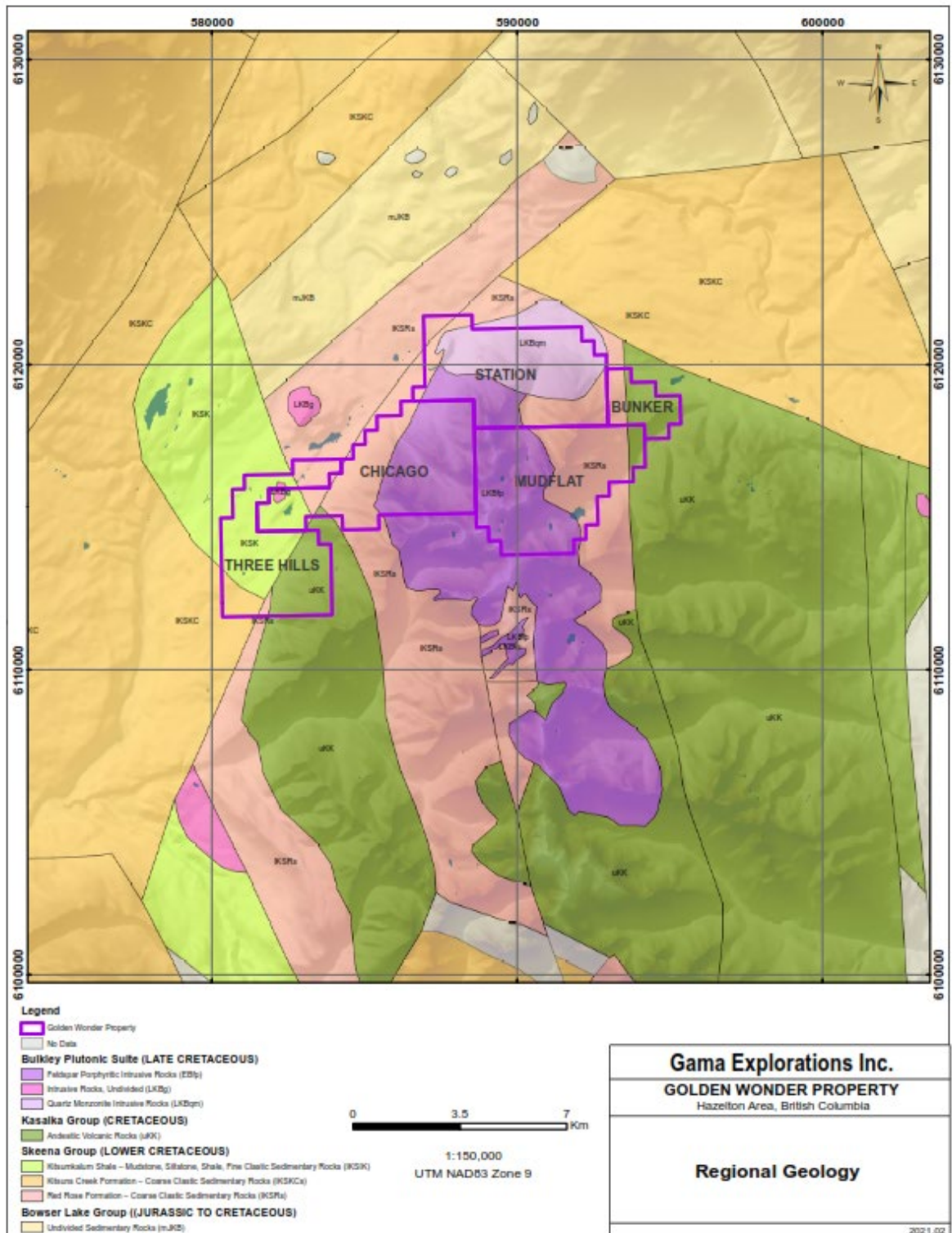


Figure 19. Regional geology of the Golden Wonder Property

## Property Geology & Mineralization

Mineralized showings on the Golden Wonder Property are associated with the contact between the Rocher Deboile stock and the surrounding Hazelton rocks. Several joint sets have been observed on the Golden Wonder Property: one parallel to the contact at 015°/65°W; one sub-horizontal cross-joint set at 085°/5°W; one radial, vertical and less well-developed at 060°/65°NW; and another less well-developed at 055°/55°SE. According to Burgoyne and Kikauka (2007) the joint pattern may be indicative of orthogonal fracturing due to contraction on cooling. The radial fractures appear to host most of the vein mineralization, and they are thought to be responsible for introducing fluids into the rock, causing alteration, quartz-hornblende pegmatite vein development, and mineralization. Details on the geology of the showings and workings on the Golden Wonder Property are described below (Figure 20).

### *I. Three Hills*

The Three Hills area is predominantly characterized by hornfelsic argillites (mudstone, siltstone, shale and fine clastic rocks) of the Kitsumkalum Shale and the andesitic volcanic rocks of the Kasalka Group. The southwest corner lies within the coarse, clastic sedimentary rocks of the Kitsuns Creek and Red Rose formations.

Mineralization occurs within a rock drumlin that is approximately 37 m wide by 111 m long and rises almost 8 m above the flat surrounding drift. This drumlin is along the same trend as mineralization at the Golden Wonder and West's Knoll area; it strikes 035° and dips 40° NW on the southeast side, and has an obscured dip elsewhere. No details on the mineralization are available.

### *II. Golden Wonder*

The Golden Wonder Area lies approximately 5 km northwest of the historic Rocher Deboile mine site. The area is predominantly characterized by rocks of the Kitsumkalum Shale. Mineralization has an approximate 1100 m strike length and occurs at the contact between the porphyritic granodiorite and the pyritic hornfelsed argillites in a rock drumlin. This drumlin is presumed to be parallel to the Skeena Fault and is along trend with the Three Hills (to southwest) and West's Knoll area drumlins (to the northeast). Additionally, two shear zones approximately 300 m apart have been noted with mineralization in the area. The first, referred to as the south shear zone, strikes 085° and dips 80°N, is up to ~1 m wide and has been traced for 150 m; semi-massive sulphide veins and crystals (chalcopyrite, pyrite, pyrrhotite, and some magnetite, goethite); and silicified fine quartz stringers occur within this shear zone. The second shear zone, referred to as the north shear zone, strikes 290° and dips 75°S, is up to 1.2 m wide and is exposed for a few hundred metres in open cuts at the north end of the drumlin. This north shear is occupied by a post-mineralization porphyry dyke with small quartz stringers and sulphide lenses (pyrite, chalcopyrite).

### *III. West's Knoll*

The West's Knoll area is near the approximate contact between the quartz monzonite rocks of the Bulkley Plutonic Suite and the coarse clastic sedimentary rocks of the Red Rose Formation. The area of interest consists of a rock drumlin that lies along the same trend as the Golden Wonder showing and the historic Three Hills showing. At the base of the drumlin, near a contact between the feldspar porphyry and quartz monzonite, arsenopyrite has been found in loose rocks.

No significant mineralization has been found in the West's Knoll area. One fine-grained mudstone boulder sample showed minor disseminated sulphides and rusty weathering.

### *IV. Daley West*

The Daley West area is characterized by the fine-grained quartz monzonite phase of the Rocher Deboile stock. Mineralization was reported in a silicified shear zone trending 020°/65°NW and containing small amounts of vein quartz. Masses of arsenopyrite and pyrrhotite, pyrite, and some chalcopyrite occur in the shear zone, as well as minor scheelite, sphalerite, galena, and calcite. Molybdenite was reported in scattered narrow quartz veins near old workings.

No significant mineralization has been found in the Daley West area.

### *V. Black Prince/Blue Lake/Silvertip Glacier*

The Black Prince, Blue Lake, and Silvertip Glacier showings are clustered near the southeast boundary of the Golden Wonder Property, in the feldspar porphyritic granodiorites of the Roche Deboule stock. The Black Prince showing occurs on the ridge between Mudflat and Porphyry creeks. The Blue Lake showing is approximately 1,600 m southwest of the Black Prince showing. The Silvertip Glacier showing is west of the Black Prince and Blue Lake showings. The Black Prince and Blue Lake showings both consist of parallel quartz veins in the intensely jointed Roche Deboule stock.

Historically, mineralization has been noted in the argillic rocks and parallel quartz veins in fracture zones at the Black Prince showing. The argillic rocks contain oxidized disseminated sulphides (mostly pyrite) interspersed with areas of non-sulphide-bearing host rock. The main fracture zone, trending  $150^{\circ}/65^{\circ}\text{SW}$ , comprises quartz veins with scheelite, pyrite, chalcopyrite, molybdenite, wolframite, ferberite, and erythrite; this fracture zone is up to 2.4 m wide and over 300 m long. A second fracture zone, approximately 250 m east of the main fracture zone, hosts a parallel quartz vein (trending  $150^{\circ}/65^{\circ}\text{SW}$ ) containing zones of massive chalcopyrite and scheelite, with lesser pyrite, bornite, cassiterite, and uraninite. A third fracture zone hosts an intermediate vein, 150 m east of the main fracture zone; this vein trends  $160^{\circ}/70^{\circ}\text{SW}$ .

At the Blue Lake showing several mineralized veins have been reported. Vein No. 1, occurs at the east end of the showing, trends  $105^{\circ}/65^{\circ}\text{NE}$  and is up to 25 cm wide; it is a quartz vein with up to 10% tetrahedrite and minor chalcopyrite. Vein No. 2, 30 m west of Vein No.1, trends  $155^{\circ}/70^{\circ}\text{SW}$ ; it is a quartz vein with chalcopyrite, pyrite, molybdenite, tetrahedrite, scheelite, and likely uraninite. Vein No. 3, approximately 600 m northwest of the other veins, trends  $165^{\circ}/75^{\circ}\text{W}$ ; it is a quartz vein with scheelite, molybdenite, chalcopyrite, and ferberite. Approximately, 90 m below vein No. 3, occurs a 23 m milky white quartz vein with tetrahedrite; the vein is up to 3 m wide.

Limited information is available on the Silvertip Glacier showing. According to MINEFILE 093M 055, the showing hosts Cu-Mo mineralization.



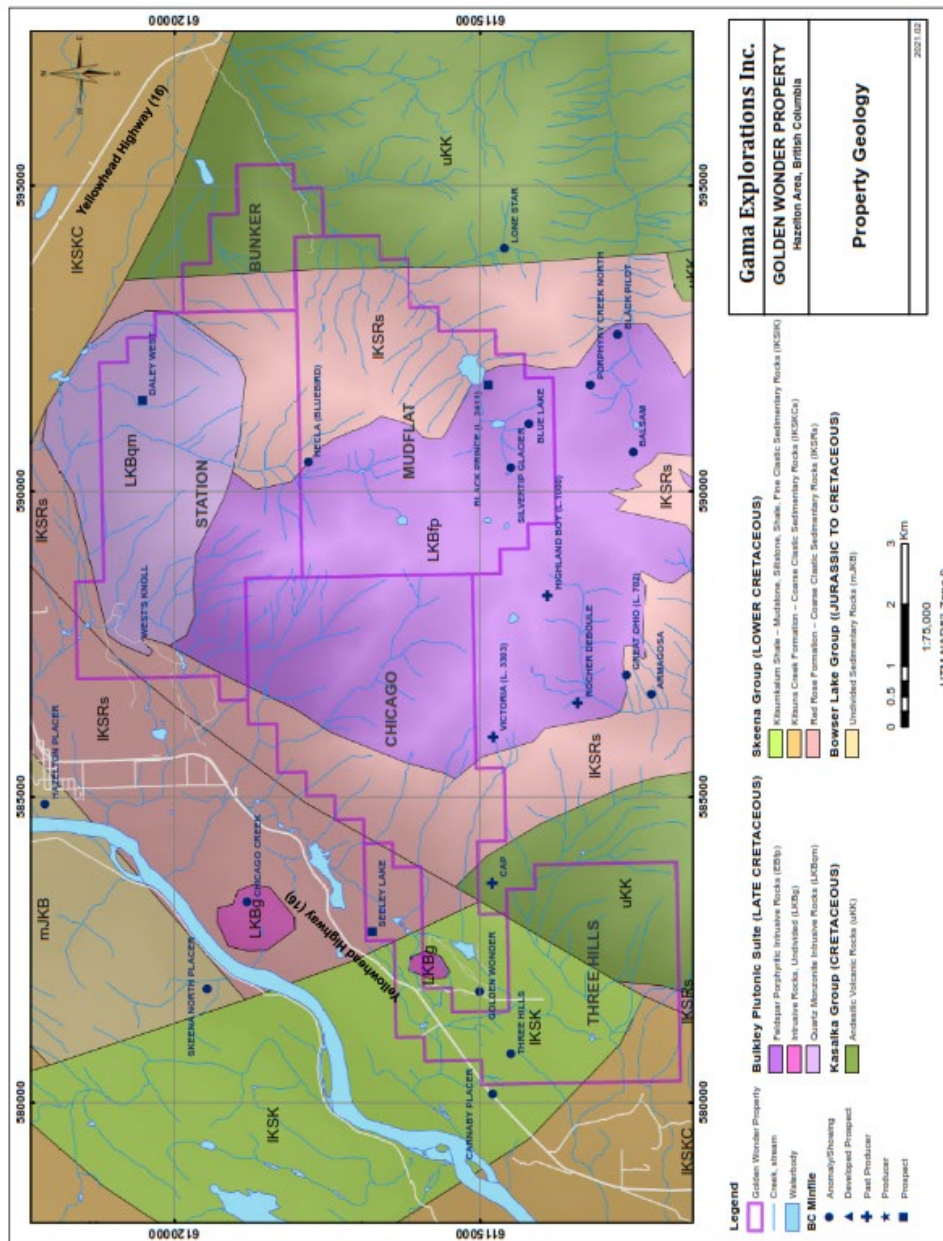


Figure 20. Golden Wonder Property geology map

## *VI. Hecla/Bluebird*

The Hecla/Bluebird showing occurs on the east side of the Rocher Deboule stock, where it is in contact with the sedimentary rocks of the Red Rose Formation. The showing is at the head of Station Creek and mineralization is visible in both a silicified aplite and a pegmatite dike, that have been cut by quartz veinlets containing pyrite and chalcopyrite. The aplite dike is 2.7 m wide and has a 1.2 m wide mineralized zone; a grab sample assayed 0.22% Cu, trace Au and 34.3 g/t Ag. The pegmatite dike is 1.8 m wide; a grab sample assayed 0.39% Cu, trace Au, and 18.2 g/t Ag. Also noted are other areas with rusty oxidized surfaces and boulders with some visible sulphides.

### ***Deposit Type***

The Skeena Arch is rich in metallic mineral deposits; over 800 occurrences are listed in the BC Geological Survey's MINFILE database, with the majority of the deposit types in the area related to plutonic suites including:

- Polymetallic veins Ag-Pb-Zn-Au
- Subvolcanic Cu-Ag-Au (As-Sb)
- Porphyry Cu Mo Au
- Volcanic redbed Cu
- Porphyry Mo (low F- type)
- Intrusion-related Au pyrrhotite veins

Sutherland Brown (1960) described three phases of vein mineralization that appear to overlap in some spots, with precious metals present in a variety of minerals and dominated by iron-cobalt sulphides, tetrahedrite, and chalcopyrite. Previous assessments of the Golden Wonder Property and surrounding area suggest an epithermal, high-sulphidation Au-Ag and base metals deposit, potentially a vein/replacement type Iron Oxide Copper Gold (IOCG) deposit, and possibly part of a porphyry Cu-Au deposit at depth.

A more likely deposit type for the Golden Wonder Property is a Besshi-type Gold rich Volcanogenic Massive Sulphide (VMS) deposits. VMS deposits form in submarine volcanic environments at or near the sea floor and typically occur as lenses of massive sulphide. Besshi-type Cu-Zn deposits are a subtype of VMS deposits that typically occur in clastic rocks in rifted basins and oceanic regimes (pelites and turbidites) associated with mafic volcanic and intrusive rocks. The mafic volcanic rocks and ore are usually enclosed within a thick sequence of continental clastic sediment.

Besshi-type deposits are tabular, stratiform sulphide bodies characterized by a wide spread of turbidites in ore-bearing strata, Co-rich Cu-Zn ores, subvolcanic sills, sheet-like ore bodies, and a lack of clear structural control. Examples of these deposits are the Besshi deposits in Japan and Windy Craggy, in British Columbia.

An alternative deposit classification is the Blackbird Sediment-hosted Cu-Cobalt model, similar to the Blackbird Mine in the Idaho cobalt area. These deposits are characterized by the presence of massive and disseminated pyrite, pyrrhotite, arsenopyrite, cobaltite, chalcopyrite, and magnetite found in stratabound lenses and/or stringers, or in breccia pipes. Textures can include fine-grained, thinly bedded turbidite sequences and graded beds, indicative of a marine turbidite depositional environment. They are sometimes associated with Besshi-type massive sulphide deposits, and are enriched in iron, arsenic, boron, cobalt, copper, gold, silver, and manganese.

### ***Exploration***

No exploration on the Golden Wonder Property has been conducted by the Company.

### ***Drilling***

No drilling has been completed on the Golden Wonder Property by the Company.

### ***Sample Preparation, Analyses, and Security***

## Sampling Method and Approach

DGC staff collected and prepared the stream pan concentrates, soil samples and rock samples for analysis. Sampling methods were obtained from internal communications with DGC staff and further reviewed and observed by the author in the field in May 2017 when he visited the Golden Wonder Property. From personal communications with DGC, the same sampling procedures were applied to sampling during the 2018 and 2019 exploration programs.

### *I. Stream Pan Concentrates Samples*

Stream pan concentrate samples were collected from accessible streams with sufficient alluvial sediment beds. All samples were described in situ, including stream flow, contents, and mineralogy. All sample locations were obtained using a handheld Garmin 60 series GPS.

For each sample, between  $\frac{1}{2}$  and  $\frac{2}{3}$  of a 5-gallon pail of stream silt was collected and passed through a  $\frac{1}{4}$ " sieve followed by a  $\frac{1}{12}$ " sieve. The fine fraction was then processed pans to concentrate the heavy fraction, yielding some tens of grams per sample. For five of the samples, intermediate fractions were collected and analyzed to capture the arsenopyrite and lighter minerals. The heavy fraction was then carefully transferred to pre-labeled sample bags with the corresponding sample book tag. Sample numbers were also written on flagging tape which was also inserted into the sample bag. The bags were sealed with zip ties or flagging tape and catalogued before being packaged in pails and transported to Dahrouge head office, where they were shipped to the Activation Laboratories Ltd. for analysis.

### *II. Rock Samples*

Grab samples were selected from available outcrops; several pieces were chipped from the outcrop for each sample. Float samples and boulder samples were taken where outcrop was covered by overburden or talus. Every lithology or variation of lithology encountered was sampled; some lithologies were sampled on different locations to test for unobserved changes. Sample locations were obtained using a handheld Garmin 60 Series GPS.

All samples were described in situ, including sample type (grab, chip, float, boulder), rock type, mineralogy, and structural measurements. Samples were bagged, in the field, in pre-labelled poly ore sample bags with the corresponding sample book tag. Sample numbers were also written on flagging tape that was also inserted into the sample bag. The bags were sealed with zip ties or flagging tape and catalogued before being packaged in pails and transported to Dahrouge head office, where they were shipped to the Activation Laboratories Ltd. for analysis.

A standard quartz blank was inserted into the rock samples during the 2017 and 2018 field programs to test for contamination during the sample preparation process. No standard was inserted during the 2019 field program.

### *III. Soil Samples*

Soil samples were collected from two grids, one on the east and another on the west side of Denys Lake. Soil lines were spaced 50 m apart and soil samples were spaced 25 m apart. Sample locations were obtained using a handheld Garmin 60 Series GPS.

All soil samples were collected from the B-horizon; sample depths varied with vegetation and overburden thickness. Samples were placed in pre-labeled bags with the corresponding sample book tag number and a piece of flagging tape with same number. The bags were sealed with zip ties or flagging tape and catalogued before being packaged in pails and transported to Dahrouge head office, where they were shipped to the Activation Laboratories Ltd. ("Actlabs") in Kamloops, BC for analysis.

## Laboratory Sample Preparation and Analysis

Sample preparation and analyses were conducted by Actlabs is a commercial laboratory and is completely independent of the Company. The Actlabs' Kamloops facility is ISO/IEC 17025 accredited. Samples were analyzed for major and trace elements by inductively coupled plasma ("ICP") and ICP-mass spectrography (MS). Rock samples also underwent fire assays.

### *I. Code 8 – 4 Acid ICP-OES and Code 8 – 4 Acid ICP-MS*

Assay packages for base metal using 4 acid digestion and ICP-OES or ICP-MS. A 0.5 g sample is digested using 4 acid digestion and diluted volumetrically to 100 mL. CANMET reference materials for the appropriate elements are digested

the same way and are used as a verification standard(s). Samples are analyzed on a Varian Vista 735 ICP- OES.

## *II. Ultratrace 4: Near Total Digestion ICP/MS*

A 0.25 g sample is digested with four acids beginning with hydrofluoric, followed by a mixture of nitric and perchloric acids, heated using precise programmer-controlled heating in several ramping and holding cycles, which takes the samples to dryness. After dryness is attained, samples are brought back into solution using hydrochloric and nitric acids. This digestion may not be completely total if resistate minerals are present. As, Sb, and Cr may be partially volatilized.

An in-lab standard (traceable to certified reference materials) or certified reference materials is used for quality control.

Digested samples are diluted and analyzed by Perkin Elmer Sciex ELAN 6000, 6100, or 9000 ICP/MS. One blank is run for every 40 samples. In-house control is run every 20 samples. Digested standards are run every 80 samples. After every 15 samples, a digestion duplicate is analyzed. The instrument is recalibrated every 80 samples.

## *III. 1A2-ICP - (1A2-ICP-30 or 50) Au Fire Assay – ICP*

### **Fire Assay**

A 0.25 g sample is digested with four acids beginning with hydrofluoric, followed by a mixture of nitric and perchloric acids, heated using precise programmer-controlled heating in several ramping and holding cycles, which takes the samples to dryness. After dryness is attained, samples are brought back into solution using hydrochloric and nitric acids. This digestion may not be completely total if resistate minerals are present. As, Sb, and Cr may be partially volatilized. A sample size of 5 to 50 g can be used but the routine size is 30 g for rock pulps, soils or sediments (exploration samples). The sample is mixed with fire assay fluxes (borax, soda ash, silica, litharge) and with Ag added as a collector and the mixture is placed in a fire clay crucible, the mixture is preheated at 850°C, intermediate 950°C and finish 1060°C, the entire fusion process should last 60 minutes. The crucibles are then removed from the assay furnace and the molten slag (lighter material) is carefully poured from the crucible into a mould, leaving a lead button at the base of the mould. The lead button is then placed in a preheated cupel, which absorbs the lead when cupelled at 950°C to recover the Ag (doré bead) + Au.

### **ICP-OES**

The Ag doré bead is digested in hot (95°C) HNO<sub>3</sub> + HCl. After cooling for 2 hours, the sample solution is analyzed for Au by ICP-OES using a Varian 735 ICP.

It is the Author's opinion that the adequacy of sample preparation, security and analytical procedures are sufficient for this stage of exploration on the Golden Wonder Property.

### Assay Results and Interpretation

Assay results from the 2019 samples further support the occurrence of significantly elevated values for gold, silver, copper, and cobalt on the Golden Wonder Property. These results are discussed in further detail in the section titled, "2019 Exploration – Blue Lagoon Resources Inc."

### ***Data Verification***

The Golden Wonder Property is an early-stage exploration project and, the Author of this report previously visited the Golden Wonder Property on May 22, 2017. The Author of this report determined that there is no need for another site visit. The work completed since the visit was surface geophysical sampling and geophysics. Also due to the COVID pandemic, unnecessary travel is not recommended

During the Author's visit in 2017, the Author reviewed exposed outcrop, subcrop, and float, and collected seven rock samples from two historic showings: the Golden Wonder and the Black Prince. Samples 122401 to 122403 were collected on the Black Prince zone, whereas samples 122404 to 122407 were collected from the Golden Wonder zone (Table 6).

**Table 6. Samples taken by the Author in 2017**

Sample ID	Easting	Northing	Au (ppb)	Ag (g/t)	Cobalt (ppm)	Cu (ppm)
122401	592043	6115038	4	0.08	174	463
122402	591917	6114894	118	0.72	134	58.1
122403	591971	6115434	<2	0.1	10.9	33.3
122404	581826	6115203	10300	53.9	3010	27100
122405	581815	6115182	1110	2.9	5	957
122406	581815	6115182	25300	65.7	1290	32900
122407	581815	6115182	112	12.9	119	7510

Samples collected by the Author in 2017 were packaged and prepared for shipment under his supervision.

A standard quartz blank was inserted into the samples to test for contamination during the sample preparation process. The quartz sample, #122375, was inserted between samples with relatively higher grades for Au, Ag, Co, and Cu; results for the sample showed no indication of any significant or systemic cross contamination. The assay results for the blank sample were below the detection limit for both Au and Ag but were above the detection limit for Co (assayed 0.5 ppm, with a detection limit of 0.1 ppm) and Cu (assayed 3.2 ppm, with a detection limit of 0.2 ppm).

All assay certificates and data collected from 2017 – 2019 exploration programs, and the historic documents have been made available to the Author. The Author has reviewed all the data. All sample locations were obtained using a handheld Garmin 60 series GPS during the exploration programs.

It is the Author's opinion that the data produced meets the standards required for the purposes of this technical report. The work conducted by DGC is considered professional and can be relied on.

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

No mineral processing or metallurgical testing has been completed on the Golden Wonder Property.

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

No mineral resource estimation has been completed on the Golden Wonder Property.

#### ***Adjacent Properties***

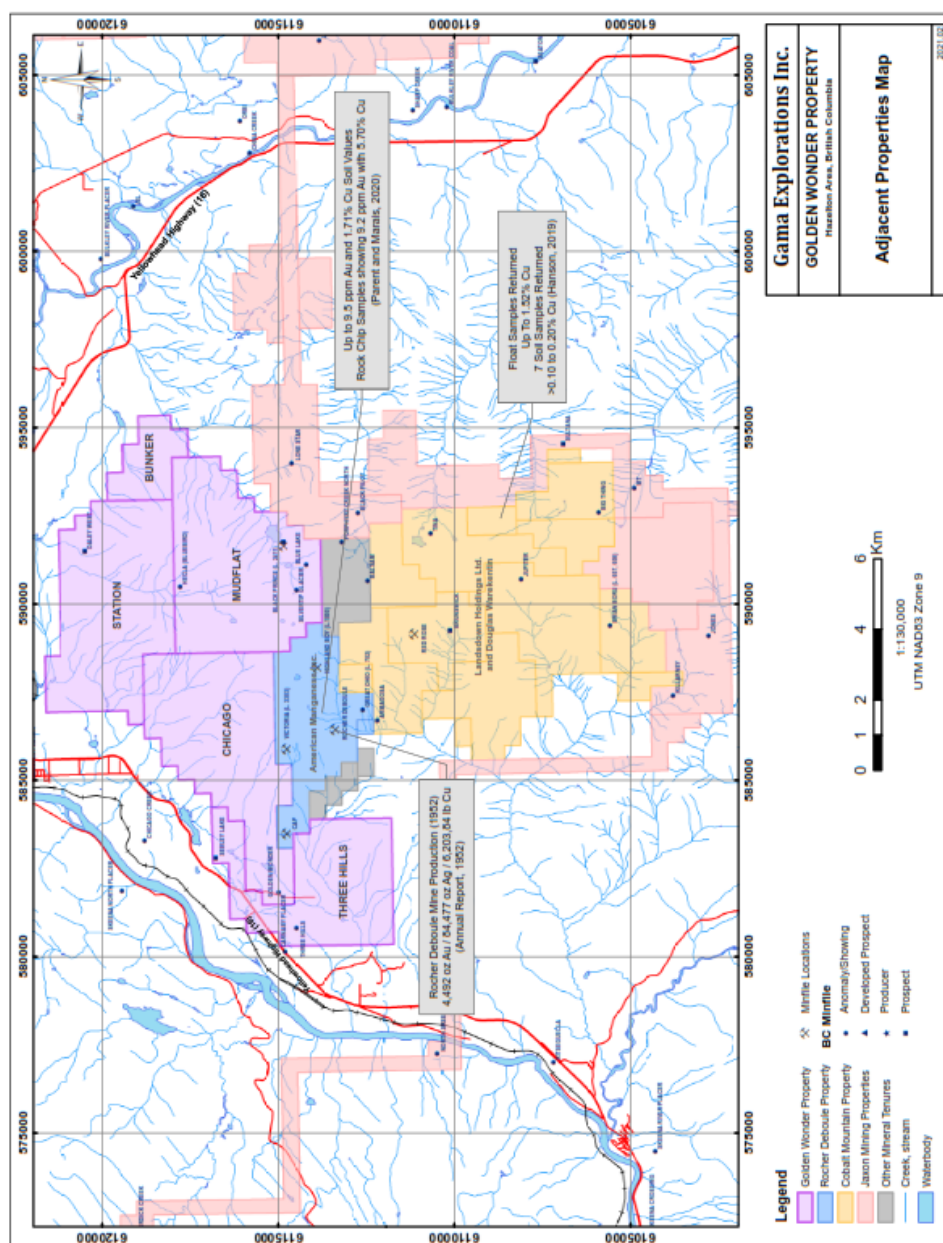
The information in this section was obtained from publicly available BC Mineral Assessment Reports.

The Roucher Deboule property lies adjacent to the south of the Golden Wonder Property and consists of three mineral claims covering 1,106.244 ha of land, which are owned 100% by American Manganese Inc. Their property covers several historic past-producing mineral showings, including the Victoria, Roucher Deboule, Highland Boy, and Cap showings, in addition to several less advanced mineral showings. The Roucher Deboule property has recorded occurrences of "gold-silver-copper-(zinc-lead-cobalt)" mineralization. Recent work done by American Manganese Inc. involved six diamond drill holes at the Highland Boy showing, an airborne geophysical survey, and several surface prospecting programs. In 2016, American Manganese Inc. sampled fissure vein mineralization near the Cap showing, highlighted by a sample with 9280 ppb Au, 40 ppm Ag, and 57026 ppm Cu.

The Cobalt Mountain Property lies just south and adjacent to the Roucher Deboule property and Golden Wonder Property. This property consists of 14 contiguous mineral claims and covers 4,921.46 ha, with ownership for 13 of the 14 claims being Ridge Resources Ltd., Crucible Resources Ltd., 477291 BC Ltd., MVR Consulting Inc., and Timothy Arthur Johnson, each owning 20% of the claims. The 14<sup>th</sup> claim is 100% owned by Douglas Warkentin. Several historic mineral showings occur within the property's boundaries, including a past producer (Brunswick) and an early-stage prospect (Sultana). Commodities of interest include, but are not limited to, Cu, Mo, Ag, Au, Pb, and Zn. The most recent publicly disclosed work program consisted of prospecting and soil sampling in 2016.

### ***Other Relevant Data and Information***

50



## ***Interpretation and Conclusions***

The 2019 exploration program focused on further investigating and constraining gold mineral potential on the Golden Wonder Property. The mineral potential of silver, copper and cobalt were also evaluated. The 2019 exploration program included rock and soil sampling, and a ground magnetic survey at the Golden Wonder showing area. The soil and rock analytical results indicate that there is significant Au mineralization at the Golden Wonder showing area, in massive to narrow sulphide veins and in the surrounding argillite/mudstone. Elevated gold values occur both in the soil and rock samples at Golden Wonder. A high proportion of the total rock samples collected between 2017 and 2019 displayed anomalous Au values, with 34 of the 197 samples returning greater than 0.5 g/t Au.

The 2019 ground magnetic survey highlighted several linear magnetically anomalous zones with a NE-SW trend that align with historical and 2019 rock and soil data. The trend has an approximate 1100 m length.

Additional work should be carried out at Golden Wonder, as well as work at Three Hills and West's Knoll, whose drumlins follow the same trend as the drumlin at Golden Wonder. The Golden Wonder showing area would benefit from a backpack drill program to better define the mineralization trend, mineralization of the bedrock and assist with targeting for a full drill program. Three Hills and West's Knolls would benefit from soil sampling and geological mapping to determine if they have mineralization potential similar to that of Golden Wonder.

## ***Recommendations***

Based on the 2017, 2018, and 2019 exploration programs, it is of the Author's opinion that the Golden Wonder Property exhibits favorable geological characteristics and potential to warrant further exploration for gold, silver, copper, and cobalt. The Author recommends a two-phase program, the Phase I Exploration Program consisting of a backpack diamond drill program at the main Golden Wonder area, and a soil sampling and mapping program at West's Knoll and Three Hills areas. The Phase II Exploration Program will consist of a 1500 metre diamond drilling program first focused on the main showings and then targets identified in the first phase. An estimated budgets for the Phase I Exploration Program and the Phase II Exploration Program are included as Table 7 and Table 8, respectively.

Both the West's Knoll and Three Hills areas consist of rock drumlins along the same trend as the Golden Wonder area. Approximately 200 soil samples should be collected at each location with samples spaced 25 m along 100 m space lines. Results will be used to evaluate the mineral potential of the areas and determine if the areas have mineralization potential similar to that of the Golden Wonder area. In addition to the soil sampling, geological mapping and sampling should be carried out to understand structures and potential mineralization in the area.

The backpack drill program within the Phase I Exploration Program at Golden Wonder showing would include drilling 10 to 15 holes BQ size holes, up to 5 m in depth. The program would include spacing drillholes along the known NE-SE mineralization trend at locations with minimal cover to test mineralization in the bedrock at shallow depths, better constrain mineralization and provide data for a full diamond drill program.

The Phase II Exploration Program will consist of a 1500 metre drill program with the initial focus on the Golden Wonder showing and other targets identified in the first phase. The total estimated cost for Phase 2 work, along with a 10% contingency, would be about \$500,000.

**Table 7. Estimated Budget the Phase I Exploration Program**

<b>Item</b>	<b>Estimated Cost</b>
Planning and Logistics	\$3,000.00
Personnel (2 senior geologists at \$900/day and 2 field assistants @ \$600/day for 18 days)	\$54,000.00
Transportation (Truck & ATV rental; Fuel)	\$4,000.00
Accommodation and Meals (4 persons at \$163/day for 20 days)	\$12,000.00
Equipment Rentals (Backpack Drill + accessories; GPS)	\$7,000.00
Supplies, Communications & Sample Shipping	\$4,000.00
Analytical (est. 400 soils at \$55/ sample + 35 rock samples at \$75/sample)	\$25,000.00
Contingency (10%)	\$10,900.00

<b>TOTAL:</b>	<b>\$119,900.00</b>
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**Table 8. Estimated Budget the Phase II Exploration Program**

<b>Item</b>	<b>Estimated Cost</b>
Project Planning and Logistics	\$5,000.00
Program Oversight and Office Support (1 person for 3 days @ \$800 / day)	\$2,400.00
Drill Program Personnel - Professional Geologist \$1000 per day 30 days	\$30,000.00
Report Writing	\$10,000.00
Drill Program Personnel - 2 workers @ \$600 per day X 2 = \$1200 per day 30 days	\$3,600.00
Transportation of personal - P.Geo and one worker – including daily fee	\$3,600.00
Accommodation and Meals (2 people for 30 days @ \$400 per day)	\$12,000.00
Drill Equipment Mobilization	\$7,500.00
Drilling 1500 metres - includes coring, drill moves casing, cementing, water truck core boxes	\$262,500.00
Road Construction	\$50,000.00
Analytical (Core Samples) - ICP- fire Assays Au - \$75 per sample - 750 samples	\$56,250.00
Supplies, Communication Shipping Sampling	\$15,000.00
Contingency (10%)	\$45,800.00
<b>TOTAL:</b>	<b>\$503,650.00</b>



## USE OF AVAILABLE FUNDS

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

### Funds Available and Principal Purposes

The Company has working capital of approximately \$519,996 as of the most recent month end, which the company intends to use as follows:

Use of Available Funds	(\$)
Phase I Exploration Program expenditures <sup>(1)</sup>	\$119,900
Estimated remaining expenses of the Listing	\$80,000
General and administrative costs for next 12 months <sup>(2)</sup>	\$60,000
Unallocated working capital	\$260,096
<b>TOTAL:</b>	<b>\$519,996</b>

**Notes:**

(1) See "The Golden Wonder Property – Recommendations."

(2) See the table below for a description of the estimated administrative costs of the Company for the next 12-month period.

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

General and Administrative Costs for 12 Month Period Following the Listing Date	(\$)
Transfer Agent, Listing, Filing and Legal Fees	\$30,000
Accounting and Auditing	\$20,000
Office and Miscellaneous	\$5,000
Travel	\$5,000
<b>TOTAL:</b>	<b>\$60,000</b>

The use to which the \$260,096 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 I Exploration Program. The Company retains a sizeable unallocated working capital to account for future contingencies, including the possibility of commencing work on the Phase II Exploration Program, if warranted, and pursuing opportunities to acquire interests in other resource development properties.

### Business Objectives and Milestones

The Company's current business objective and milestone is to complete the Phase I Exploration Program, as described herein. If the results of the Phase I Exploration Program are positive, the Company will look towards initiating the Phase II Exploration Program. The Company's unallocated working capital will not be sufficient to fund the Phase II Exploration Program. Therefore, in the event the results of the Phase I Exploration Program warrant conducting further exploration on the Golden Wonder Property, the Company will require additional financing. 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 expended for the purposes described above could vary significantly depending on, among other things, the price of gold, unforeseen events, and the Company's future operating and capital needs from time to time. There may be circumstances where a reallocation of funds may be necessary for sound business reasons.

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 I Exploration Program are not supportive of further exploration or development, or if continuing with the Phase I Exploration Program becomes inadvisable for any reason, the Company may abandon in whole or in part its interest in the Golden Wonder Property or may, as work progresses, alter the Phase I Exploration 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. Investors must rely on the experience, good faith, and

expertise of management of the Company with respect to future acquisitions and activities.

### **Negative Operating Cash Flow**

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 year ended January 31, 2021, the Company sustained net losses from operations and had negative cash flow from operating activities of \$5,520. The Company anticipates it will continue to have negative cash flow from operating activities in future periods until such time as the Golden Wonder Property or other future interests generates revenues. All funds available to the Company will be used to fund future and anticipated negative cash flow from its operating activities.

## **DIVIDENDS OR DISTRIBUTIONS**

The Company has neither declared nor paid any dividends on its Common Shares. The Company intends to retain its earnings to 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 Management's Discussion and Analysis provides an analysis of the Company's financial results for the most recent financial year ending January 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 is attached to this Prospectus as Schedule "C".

All the information presented in the Management's Discussion and Analysis is based on the said financial statements, which were prepared in accordance with IFRS. All amounts included in the management's discussion and analysis are expressed in Canadian dollars, unless otherwise indicated.

Certain information included in the 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 had 7,042,700 Common Shares issued and outstanding.

#### *Stock Options*

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

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

The Company anticipates that its estimated working capital of \$519,996 as of the most recent month end will fund operations for the next 12-month period. Management estimates that the Company will require \$119,900.00 to pay for the Phase I Exploration Program expenditures, \$80,000 for estimated remaining expenses of the Listing and \$60,000 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 7,042,700 are issued and outstanding as at the date of this Prospectus as fully paid and non-assessable. Holders of the Common Shares are entitled to vote at all meetings of the holders of the Common Shares 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.

## CONSOLIDATED CAPITALIZATION

Other than as described in this Prospectus, there have been no material changes in the share capitalization or the indebtedness of the Company since January 31, 2021. The following table sets out the consolidated share capitalization of the Company as at the dates specified below.

Description	Authorized	Outstanding as at January 31, 2021	Outstanding as at the date of this Prospectus <sup>(1)</sup>
Common Shares	Unlimited	6,035,700	7,042,700
Options	Nil	Nil	Nil

**Notes:**

(1) See "Prior Sales".

## 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 Option Plan was adopted by the Board on March 10, 2021. The purpose of the Option Plan is to advance the interests of the Company and its shareholders by attracting, retaining and motivating the performance of selected directors, officers, employees or consultants of the Company of high caliber and potential and to encourage and enable such persons to acquire and retain a proprietary interest in the Company by ownership of its stock. The Option Plan provides that, subject to the requirements of the CSE, the aggregate number of securities reserved for issuance, set aside and made available for issuance under the Option Plan may not exceed 10% of the issued and outstanding shares of the Company at the time of granting of options (including all options granted by the Company to date). The number of Common Shares which may be reserved in any 12-month period for issuance to any one individual upon exercise of all stock options held by that individual may not exceed 5% of the issued and outstanding Common Shares of the Company at the time of the grant.

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

The exercise price of any stock options granted under the Option Plan shall be determined by the Board, but may not be less than the greater of the closing market price of the Common Shares on (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options. The term of any stock options granted under the Option

Plan shall be determined by the Board at the time of grant but, subject to earlier termination in the event of termination or in the event of death, the term of any stock options granted under the Option Plan may not exceed five years. Options granted under the Option Plan are not to be transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession. Subject to certain exceptions, if a director or officer ceases to hold office, options granted to such director or officer under the Option Plan will expire 90 days after such director or officer ceases to hold office.

Subject to certain exceptions, if an employee, or consultant ceases to act in that capacity in relation to the Company, stock options granted to such employee, consultant or management company employee under the Option Plan will expire 30 days after such individual or entity ceases to act in that capacity in relation to the Company.

Stock options granted to optionees engaged in investor relations activities on behalf of the Company expire 30 days after such optionees cease to perform such investor relations activities for the Company. In the event of death of an option holder, options granted under the Option Plan expire the earlier of one year from the date of the death of the option holder and the expiry of the term of the option.

## PRIOR SALES

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

Date of Issue	Issue Price	Number of Securities	Reason for Issuance
August 31, 2018 <sup>(1)</sup>	\$0.01	1 Common Share <sup>(1)</sup>	Incorporator's Common Share
August 31, 2018	\$0.005	200 Common Shares	Private Placement
November 15, 2018	\$0.02	760,000 Common Shares	Private Placement
January 27, 2021	\$0.10	5,245,500 Common Shares	Private Placement
February 2, 2021 <sup>(2)</sup>	\$0.10	1,000,000 Common Shares	Consideration under the Property Purchase Agreement
February 22, 2021	\$0.10	37,000 Common Shares	Private Placement

(1) This Common Share was repurchased by the Company and cancelled.

## 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	1,981,200 <sup>(1)</sup>	28.31% <sup>(2)</sup>

**Notes:**

- (1) These Common Shares are held under the Escrow Agreement in accordance with NP 46-201.  
(2) Based on 7,042,700 Common Shares

### 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. Under CSE Policy 2.8, all securities issued to 'related persons' are generally required to be subject to an escrow agreement pursuant to NP 46-201. Jatinder Sandhar, Allan Larmour, Jason Riley, being directors and/or officers of the Company, and therefore Principals, and Blue Lagoon, a person holding 10% or more of all the voting securities of the Company, will enter into the Escrow Agreement pursuant to which these shareholders will

collectively deposit 1,981,200 Common Shares into escrow with the Escrow Agent, representing 28.31% of the issued and outstanding Common Shares.

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 CSE, it will be classified as an "emerging issuer". As such, the following automatic timed releases will apply to the securities held by its Principals:

<b>Date of Automatic Timed Release</b>	<b>Number of Escrowed Securities Released</b>
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, 1,981,200 Common Shares will be held in escrow on the Listing Date.

### **Statutory Hold Periods**

In addition to the foregoing, securities legislation imposes certain resale restrictions on securities issued within the four months preceding the Listing, such hold periods are governed by NI 45-102. All certificates representing securities subject to these restrictions will bear legends indicating the applicable hold periods.

## **PRINCIPAL SECURITYHOLDERS**

To the knowledge of the directors and officers of the Company, as of the date of this Prospectus, the only person who beneficially owns or exercises control or direction over Common Shares carrying more than 10% of the votes attached to the Common Shares is as follows:

<b>Name and Municipality of Residence</b>	<b>Number of Common Shares beneficially owned</b>	<b>Percentage of Common Shares Outstanding</b>
BLUE LAGOON RESOURCES INC., Vancouver, BC	1,000,00	14.2% <sup>(1)</sup>

**Notes:**

- (1) These Common Shares are held under the Escrow Agreement in accordance with NP 46-201.
- (2) Percentage is based on 7,042,700 Common Shares issued and outstanding as of the date of this Prospectus.

**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>
Allan Larmour <sup>(2)</sup> White Rock, BC  <i>President and Director</i>	Director since January 20, 2021  Officer since January 20, 2021	Corporate executive, director of companies	700,000 (9.94%)
Jatinder Sandhar Surrey, BC  <i>Chief Financial Officer</i>	Officer since, February 6, 2019	Corporate executive, accountant	81,200 (1.15%)
Jason Riley <sup>(2)(3)</sup> West Vancouver, BC  <i>Director</i>	Director since January 20, 2021	Corporate executive	200,000 (2.84%)
Norman Brewster <sup>(2)(3)</sup> Norwood, ON  <i>Director</i>	Director since January 20, 2021	Corporate executive, director of companies	NIL

**Notes:**

- (1) Percentage is based on 7,042,700 Common Shares issued.
- (2) Denotes a member of the Audit Committee of the Company.
- (3) 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 981,200 Common Shares of the Company, which is equal to 13.93% of the Common Shares issued and outstanding as at the date hereof.

**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:

*Allan Larmour (Age: 67) – Director and President*

Mr. Larmour is a corporate executive having served as the Chief Executive Officer of Cloud Nine Education Group, a digital education company, a director of Norsemont Mining Inc., a gold and silver mineral exploration company, and the Vice President of sales for Eight Solutions Inc., a media technology company. Mr. Larmour holds a Bachelor of Science degree in Genetics and Bachelor of Applied Science degree in Electrical Engineering, both from the University of British Columbia and is a non-practicing Professional Engineer, registered with the Engineers and Geoscientists BC.

Mr. Larmour anticipates devoting approximately 20% of his time to the affairs of the Company. Mr. Larmour is neither an independent contractor nor an employee of the Company and has not entered into a non-competition or non-disclosure agreement with the Company.

*Jatinder Sandhar (Age: 45) – Chief Financial Officer*

Mr. Sandhar is the President of Sandhar Investments and has been since June 2010. Mr. Sandhar holds a Bachelor of Commerce degree and a Master of Business Administration from Guru Nanak Dev University and is a Chartered Professional Accountant and Certified Management Accountant with the Chartered Professional Accountants of British Columbia

Mr. Sandhar expects to devote 10% of his time to the affairs of the Company. Mr. Sandhar is neither an independent contractor nor an employee of the Company and has not entered into a non-competition or non-disclosure agreement with the Company.

*Jason Riley (Age: 41) – Director*

Mr. Riley is a corporate executive currently serving as the Chief Executive Officer of EVOS Media Inc., a digital media company, and as a director of Bessor Minerals Inc., a junior mining exploration company, and Phoenix Copper Limited, a base and precious metals exploration and development company. He is also the Chairman, President, and Chief Executive Officer of ExGen Resources Inc., a mineral exploration company. Mr. Riley holds a Bachelor of Commerce in Finance from the University of British Columbia.

Mr. Riley anticipates devoting approximately 10% of his time to the affairs of the Company. Mr. Riley is neither an independent contractor nor an employee of the Company and has not entered into a non-competition or non-disclosure agreement with the Company.

*Norman Brewster (Age: 72) – Director*

Mr. Brewster is the President, Director, and Chief Executive Officer of Cadillac Ventures Inc., a development-focused exploration company, and served as a director for Continental Precious Metals Inc., multi-mineral exploration company, and BWR Explorations Inc. Mr. Brewster has served as a director for Musgrove Minerals Corp, a mineral-exploration resource company, Universal Copper Ltd. (formerly, Tasca Resources Ltd.), a mineral exploration company focused on the acquisition, exploration, and development of mineral properties, and Encanto Potash Corp. Mr. Brewster holds a Bachelor of Science and Bachelor of Education Degree from Acadia University. Mr. Brewster is a designated Professional Geoscientist with Professional Geoscientists Ontario and was approved as a member of the Association of Geoscientists of Ontario.

Mr. Brewster anticipates devoting approximately 10% of his working time for the benefit of the Company. Mr. Brewster is neither an independent contractor nor an employee of the Company and has not entered into a non-competition or non-disclosure agreement with the Company.

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

No director or executive officer of the Company is, as at the date of this Prospectus, or was within ten years before the date hereof, a director, 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**

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

- (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.

Mr. Brewster paid a fine of \$15,000 to the Ontario Securities Commission in connection with the failure to file insider reports in 1987.

### **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**

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



## EXECUTIVE COMPENSATION

The Company was not a reporting issuer at any time during the fiscal year ended January 31, 2021, 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," means each Chief Executive Officer, each Chief Financial Officer, and each of the Company's three most highly compensated executive officers, other than the Chief Executive Officer and the Chief Financial Officer, who were serving as executive officers as at the end of the Company's most recently completed financial year ended January 31, 2021, and whose total salary and bonus exceeds \$150,000 and any additional individuals for whom disclosure would have been provided except that the individual was not serving as an officer of the Company at the end of the Company's most recently completed financial year.

Currently, the Company has two Named Executive Officers, Jatinder Sandhar, the Company's Chief Financial Officer, and Allan Larmour, the Company's president.

### 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. The Company's executive compensation program is intended to provide appropriate compensation that permits the Company to attract and retain highly qualified and experienced senior executives and to encourage superior performance by the Company.

With a view to minimizing its cash expenditures not directed at the exploration of the Golden Wonder Property, the emphasis in compensating the Named Executive Officers shall be the grant of incentive stock options under the Option Plan set forth below. The type and amount of future compensation to be paid to Named Executive Officers and directors has not been determined.

### Option Based Awards

On March 10, 2021, the Company implemented the Option Plan to provide effective incentives to directors, officers, senior management personnel and employees of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Company's shareholders. The Company has no equity incentive plans other than the Option Plan. The size of stock option grants is dependent on each officer's level of responsibility, authority and importance to the Company and the degree to which such officer's long-term contribution to the Company will be key to its long-term success.

During the fiscal year ended January 31, 2021, the Company did not grant any Options to its Named Executive Officers.

### Defined Benefit Plans

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

### Termination and Change of Control Benefits

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

## Director Compensation

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

## Directors' and Officers' Liability Insurance

The Company articles authorize the Company to provide indemnification to its current and former directors, officers and employees to the extent permitted by law, against contractual indemnities and liabilities arising from their service to the Corporation; however, the Company currently has no directors' and officers' liability insurance policy. If, upon Listing, the Company acquires a directors' and officers' liability insurance policy, it will apply for limits and deductibles it believes is appropriate for a company of the Company's type and stage of development.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

### Aggregate Indebtedness

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

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

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

## AUDIT COMMITTEE AND CORPORATE GOVERNANCE

### Audit Committee

The Audit Committee's role is to act in an objective, independent capacity as a liaison between the auditors, management, and the Board and to ensure the auditors have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations. NI 52-110, NI 41-101, and Form 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:

Allan Larmour	Not Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Norman Brewster	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Jason Riley	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. Larmour is not independent, as he is the 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.

*Allan Larmour*

Mr. Larmour is an experienced executive officer with over 25 years of experience in senior management of numerous private and public companies at varying stages of development and through this experience has developed the skills and knowledge listed above. Mr. Larmour holds a Bachelor of Science in Genetics and Bachelor of Applied Science in Electrical Engineering, both from the University of British Columbia.

*Jason Riley*

Mr. Riley is an accomplished business development professional skilled in investor relations, entrepreneurship, venture Capital, and strategic partnerships and brings experience as an executive within both junior and advanced mining issuers as well as a diverse range of financial sector experience. Mr. Riley also hold a Bachelor of Commerce in Finance from the University of British Columbia.

*Norman Brewster*

Mr. Brewster has served on many public and private company boards over his career in the mineral industry. Mr. Brewster holds Bachelor of Science and Education Degrees from Acadia University.

See "*Directors and Executive Officers*" for further details.

**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 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:

Financial Year End	Audit Fees	Audit Related Fees <sup>(1)</sup>	Tax Fees <sup>(2)</sup>	All other Fees <sup>(3)</sup>
January 31, 2021	\$Nil	Nil	Nil	Nil
January 31, 2020	\$Nil	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 three directors: Allan Larmour, Jason Riley, and Norman Brewster. 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. Larmour is not independent as he is the President of the Company. Mr. Riley and Mr. Brewster are independent.

## Directorships

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

Allan Larmour	Cloud Nine Education Group and Norsemont Mining Inc.
Norman Brewster	BWR Exploration Inc. and Cadillac Ventures Inc.
Jason Riley	ExGen Resources Inc., Bessor Minerals Inc., and Phoenix Copper Limited

### **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, considering 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

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

Concurrently with the filing of this prospectus, the Company intends to apply to list its issued and outstanding Common Shares under this Prospectus on the CSE. Listing of the Company's Common Shares will be subject to the Company fulfilling all of the listing requirements of the CSE.

### IPO Venture Issuer

As at the date of the Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside of Canada and the United States of America. See "*Risk Factors*".

## RISK FACTORS

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

### Risk Relating to the Company's Business

#### *Exploration Stage Company*

The Company's mineral project is in the exploration stage and without a known body of commercial ore and require extensive expenditures during this exploration stage. Mineral exploration and development involves a high degree of risk which even a combination of experience, knowledge and careful evaluation may not be able to mitigate. The vast majority of properties which are explored are not ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of ore.

#### *Mineral Titles*

The Company is satisfied that evidence of title to the Golden Wonder Property is adequate and acceptable by prevailing industry standards with respect to the current stage of exploration on the Golden Wonder Property. Some of the Company's mineral claims have not yet been surveyed. The Company may face challenges to the title the Golden Wonder 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 Golden Wonder 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 Golden Wonder Property is located within the Gitksan traditional territory, which is an area known for strong First Nations' concerns that could prove to be a problem for any extensive development on the Golden Wonder Property. 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 Golden Wonder 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 Golden Wonder 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 to facilitate exploration and development work on the Golden Wonder 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 Golden Wonder 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 currently does not hold any properties in the area involved in the William Decision. 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.

### *Surface Rights*

The Company does not control the surface rights over the claims which comprise its mineral properties. If a significant mineralized zone is identified, detailed environmental impact studies will need to be completed prior to initiation of any advanced exploration or mining activities. There is no guarantee that areas needed for mining activities, including potential mine waste disposal, heap leach pads, or areas for processing plants, will be available.

### *Operating Hazards and Risks*

Mineral exploration and development involve risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to hazards and risks normally incidental to exploration, development, and production of minerals, any of which could result in work stoppages, damage to or destruction of property, loss of life and environmental damage. Such risks include, but are not limited to: (i) industrial accidents; (ii) unusual or unexpected rock formations; (iii) structural cave-ins or slides and pitfall, ground or slope failures and accidental release of water from surface storage facilities; (iv) fire, flooding and earthquakes; (v) rock bursts; (vi) metal losses in handling and transport; (vii) periodic interruptions due to inclement or hazardous weather conditions; (viii) environmental hazards; (ix) discharge of pollutants or hazardous materials; (x) failure of processing and mechanical equipment and other performance problems; (xi) geotechnical risks including the stability of the underground hanging walls and unusual and unexpected geological conditions; (xii) unanticipated variations in grade and other geological problems, water, surface or underground conditions; (xiii) labour disputes or slowdowns; (xiv) work force health issues as a result of working conditions; and (xv) force majeure events, or other unfavourable operating conditions.

These risks, conditions and events could result in: (i) damage to, or destruction of, the value of, the Golden Wonder Property; (ii) personal injury or death; (iii) environmental damage to the Golden Wonder Property, surrounding lands and waters, or the properties of others; (iv) delays or prohibitions on mining or the transportation of minerals; (v) monetary losses; and (vi) potential legal liability and any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operation, cash flows or prospects.

There are also risks related to the reliance on the reliability of current and new or developing technology; the reliance on the work performance of outside consultants, contractors, and manufacturers; changes to labour or material costs; unknown or unanticipated or underestimated costs or expenses; unknown or unanticipated or underestimated additions to the scope of work due to changing or adverse conditions encountered; unexpected variances in the geometry or quality of ore zones; unexpected reclamation requirements or expenses; permitting time lines; unexpected or unknown ground conditions; unexpected changes to estimated parameters utilized to estimate past timelines, projections, or costs; and liquidity risks. An adverse change in any one of such factors, hazards and risks may result in a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

The Company does not currently carry any liability insurance for such risks, electing instead to ensure the Company's



contractors have adequate insurance coverage. The nature of these risks is such that liabilities might exceed any insurance policy limits, the liabilities and hazards might not be insurable or the Company might not elect to insure ourselves against such liabilities due to high premium costs or other factors. Such liabilities may have a materially adverse effect upon the Company's financial condition.

#### *Management Experience and Dependence on Key Personnel*

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.

#### *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.

#### *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.

#### *Infrastructure*

Exploration, development and processing activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important elements of infrastructure, which affect access, capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration or development of the Company's mineral properties. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploration or development of the Company's mineral properties will be commenced or completed on a timely basis, if at all. Furthermore, unusual, or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of necessary infrastructure could adversely affect our operation.

#### *Property Interests*

If the Company loses or abandons its interest in the Golden Wonder 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 CSE. There is also no guarantee that the CSE 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 Golden Wonder 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.

### **Financial Risk**

#### *No Operating Revenue*

The Company is in the early stages of its business and has no source of operating revenue. While the Company will have sufficient financial resources to undertake the Phase I Exploration Program, it may not have sufficient financial resources to complete the Phase II Exploration Program

### *Negative Cash Flow from Operating Activities*

The Company has no history of earnings and had negative cash flow from operating activities since inception. There is no assurance that any of the Company's mineral properties will generate earnings, operate profitably, or provide a return on investment in the future. Accordingly, the Company will be required to obtain additional financing to meet its future cash commitments.

### *Substantial Capital Expenditures Required*

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining.

### *Future Financing Risk*

The only present source of funds available to the Company is through the sale of its securities. The Company's ability to secure any required financing to sustain operations will depend in part upon prevailing capital market conditions and business success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to management. If adequate funds are not available, or are not available on acceptable terms, the Company may be required to scale back its current business plan or cease operating.

### *Negative Cash Flows from Operations*

For the year ended January 31, 2021, the Company sustained net losses from operations and had negative cash flow from operating activities of \$5,520. 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 to fund any such negative cash flow.

### *Going-Concern Risk*

The Company's Financial Statements have been prepared on a going-concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing equity or debt financing or in achieving profitability. The Financial Statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

### *Increased Costs of Being a Publicly Traded Company*

As the Company will have publicly-traded securities, significant legal, accounting and filing fees will be incurred that are not presently being incurred. Securities legislation and the rules and policies of the CSE require publicly listed companies to, among other things, adopt corporate governance policies and related practices and to continuously prepare and disclose material information, all of which will significantly increase legal, financial and securities regulatory compliance costs.

### *Internal control systems*

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

### *Risks Inherent in Legal Proceedings*

The Company or its directors may be subject to a variety of civil or other legal proceedings, with or without merit. The Company does not know of any such pending or actual material legal proceedings as of the date of this Prospectus.

#### *Fluctuations in currency exchange rates*

Fluctuations in Canadian and United States currency exchange rates may impact the Company's financial position and results as its exploration expenditures will primarily be in US dollars.

*If the Company cannot raise additional equity financing, then it may lose some or all its interest in the Golden Wonder Property*

The Company is required to make cash payments to MTO, or to incur work expenditures 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 Golden Wonder Property and could result in a delay or postponement of further exploration and the partial total loss of the Company's interest in the Golden Wonder Property.

#### **Risks Related to the Company's Securities**

##### *No Public market*

There is currently no market through which the Company's securities may be sold and purchasers may not be able to resell the Shares purchased under this Prospectus. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline below the initial public Offering Price.

##### *Price may not Represent the Company's Performance or Intrinsic Fair Value*

The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the Company, including the market in which it is traded, the strength of the economy generally, the availability of the attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the Common Shares on the CSE in the future cannot be predicted.

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

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of Common Shares distributed hereunder will be affected by such volatility. 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 purchase price.

##### *Dilution*

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

##### *Dividend*

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

##### *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.

## **Industry Risk**

### *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.

### *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 Golden Wonder 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.

### *Fluctuating Mineral Prices*

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

### *Competition*

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

#### *Social and Environmental Activism Risk*

There is an increasing level of public concern relating to the effects of mining on the natural landscape, on communities and on the environment. Certain NGOs, public interest groups and NGOs who oppose resource development can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. While the Company seeks to operate in a socially responsible manner and believes it has good relationships with local communities in the regions in which it operates, NGOs or local community organizations could direct adverse publicity against and/or disrupt the operations of the Company in respect of one or more of its properties, regardless of its successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Company has an interest or the Company's operations specifically. 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.

#### **Risk Related to General Economic Factors**

##### *Public Health Crisis*

The Company's business, operations and financial condition could be materially adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. On March 12, 2020, the World Health Organization declared the outbreak a pandemic and on March 13, 2020, the U.S. declared that the COVID-19 outbreak in the United States constitutes a national emergency. Over the past months, there were a large number of temporary business closures, quarantines and a general reduction in consumer activity in Canada, the United States, Europe and China. The outbreak has also caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and related financial impact cannot be reasonably estimated at this time. Similarly, the Company cannot estimate whether or to what extent this outbreak and the potential financial impact may extend to countries outside of those currently impacted. The Company will continually assess and respond where possible to the impacts of the COVID-19 pandemic.

Due to the current stage of the Company's development the impact of COVID-19 on the Company has been minimal.

Public health crises such as COVID-19 can result 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 commodity prices, interest rates, credit ratings, credit risk and inflation. The risks to the Company of such public health crises also include risks to health and safety, a slowdown or temporary suspension of operations, including drilling operations, in geographic locations impacted by an outbreak, increased labor and fuel costs, regulatory changes, political or economic instabilities or civil unrest. 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.

##### *Stress in the Global Economy*

Reduction in credit, combined with reduced economic activity and the fluctuations in the United States dollar, may adversely affect businesses and industries that purchase commodities, affecting commodity prices in more significant and unpredictable ways than the normal risks associated with commodity prices. The availability of services such as drilling contractors and geological service companies and/or the terms on which these services are provided may be

adversely affected by the economic impact on the service providers. The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on the Company's business, operating results, and financial condition.

## **Other Risks**

### *Conflicts of Interest*

Certain of the Company's directors and officers are, and may continue to be, involved in the mineral exploration industry through their direct and indirect participation in Companies, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers may conflict with the Company's interests. Directors and officers of the Company with conflicts of interest will be subject to and must follow the procedures set out in applicable corporate and securities legislation, regulations, rules, and policies. Notwithstanding this, there may be corporate opportunities which the Company is not able to procure due to a conflict of interest of one or more of the Company's directors or officers.

## PROMOTER

Allan Larmour, President and Director of the Company, may be considered a promoter of the Company within the meaning of applicable securities legislation by reason of his initiatives in founding and organizing the Company's business and affairs. As of the date of this Prospectus, Allan Larmour owns 700,000 Common Shares, representing approximately 9.94% of the outstanding Common Shares.

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

1. received anything of value directly or indirectly from the Company;
2. sold or otherwise transferred any asset to the Company within the last 2 years;
3. is at of the date hereof, or was within 10 years before the date hereof, a director, CEO or CFO of any person or company that was the subject of a cease trade order or similar order or an order that denied the relevant person or company access to any statutory exemptions for a period of more than 30 consecutive days while that person was acting in the capacity as director, CEO or CFO;
4. is at of the date hereof, or was within 10 years before the date hereof, a director, CEO or CFO of any person or company that was the subject of a cease trade order or similar order or an order that denied the relevant person or company access to any statutory exemptions for a period of more than 30 consecutive days that was issued after the person ceased to be a director, CEO or CFO and which resulted from an event that occurred while the person was acting in the capacity as director, CEO or CFO;
5. is at of the date hereof, or was within 10 years before the date hereof, a director or executive officer of any person or company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets;
6. has, within 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the person;
7. has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority;
8. has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision; or
9. has within the past 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets.



## **LEGAL PROCEEDINGS**

### **Legal Proceedings**

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

### **Regulatory Actions**

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

- (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 in this Prospectus, from incorporation on August 31, 2018, to the date of this Prospectus, none of the following persons or companies has had any material interest, direct or indirect, in any transaction which has materially affected or is reasonably expected to materially affect the Company:

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

## **AUDITORS**

The auditor of the Company is David Goertz, at Dale Matheson Carr-Hilton Labonte LLP Chartered Professional Accountants (“DMCL”).

## **REGISTRAR AND TRANSFER AGENT**

The registrar and transfer agent of the Company is Colin Moroney at Odyssey Trust Company.

## **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 on August 31, 2018, to the date of this Prospectus which are currently in effect and considered to be currently material:

1. The Escrow Agreement dated [●]; and
2. The Property Purchase Agreement February 2, 2021.

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 Jeffrey J. Reeder, P.Geo. Mr. Reeder has no interest in the Company, the Company's securities, or the Golden Wonder Property.

David Goertz, 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**

Other than as disclosed herein, 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**

Other than as disclosed in this Prospectus, there are no other material facts about the securities being distributed pursuant to this Offering 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 year ended January 31, 2021, and the year ended January 31, 2020, are included in this Prospectus .

## 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.* If there is more than one member of the Audit Committee, members will appoint a chair of the Audit Committee (the "**Chair**") to serve for a term of one (1) year on an annual basis. The Chair may serve as the chair of the Audit Committee for any number of consecutive terms.
- *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

- *Quorum.* The quorum required to constitute a meeting of the Audit Committee is set at a majority of members.
- *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.
- *Notice to Auditors.* The Company's auditors (the "**Auditors**") will be provided with notice as necessary of any Audit Committee meeting, will be invited to attend each such meeting and will receive an opportunity to be heard at those meetings on matters related to the Auditor's duties.
- *Minutes.* Minutes of the Audit Committee meetings will be accurately recorded, with such minutes recording the decisions reached by the 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:

- H. *Review Audited Financial Statements*. Review the audited consolidated financial statements of the Company, discuss those statements with management and with the Auditor, and recommend their approval to the Board.
- I. *Review of Interim Financial Statements*. Review and discuss with management the quarterly consolidated financial statements, and if appropriate, recommend their approval by the Board.
- J. *MD&A, Annual and Interim Earnings Press Releases, Audit Committee Reports*. Review the Company's management discussion and analysis, interim and annual press releases, and audit committee reports before the Company publicly discloses this information.
- K. *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:

- L. *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.
- M. *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.
- N. *Accounting Policies and Practices*. Review management plans regarding any changes in accounting practices or policies and the financial impact thereof.
- O. *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.
- P. *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

- Q. *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.
- R. *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**

- *Auditor.* The Auditor, and any internal auditors hired by the company, will report directly to the Audit Committee.
- *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:

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

**SCHEDULE "B"**

**FINANCIAL STATEMENTS FOR THE YEARS ENDED JANUARY 31, 2021 AND JANUARY 31, 2021  
2020**

**[See attached]**

**Gama Explorations Inc.**  
**(formerly Crocan Capital Corp.)**

**Financial Statements**  
**January 31, 2021 and 2020**  
(Expressed in Canadian dollars)





DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Gama Explorations Inc. (formerly Crocan Capital Corp.)

### Opinion

We have audited the financial statements of Gama Explorations Inc. (the "Company"), which comprise the statements of financial position as at January 31, 2021 and 2020, and the statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events and conditions that 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 the information included in 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 auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

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

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

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

**DALE MATHESON CARR-HILTON LABONTE LLP**  
**CHARTERED PROFESSIONAL ACCOUNTANTS**  
Vancouver, BC

March 19, 2021

**Gama Explorations Inc.**  
**(formerly Crocan Capital Corp.)**

**Statements of Financial Position**

(Expressed in Canadian dollars)

<b>As at</b>	<b>January 31, 2021 \$</b>	<b>January 31, 2020 \$</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	521,996	9,516
Amounts receivable	394	394
<b>TOTAL ASSETS</b>	<b>522,390</b>	<b>9,910</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accrued liabilities	2,000	-
<b>Total liabilities</b>	<b>2,000</b>	<b>-</b>
<b>Equity</b>		
Common shares (Note 4)	539,750	15,200
Shares to be issued (Note 4)	5,500	14,050
Deficit	(24,860)	(19,340)
<b>Total equity</b>	<b>520,390</b>	<b>9,910</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>522,390</b>	<b>9,910</b>

Going concern (Note 1)

Subsequent events (Note 9)

**APPROVED BY THE BOARD:**

"Allan Larmour"

Director

"Norman Brewster"

Director

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

**Gama Explorations Inc.**  
**(formerly Crocan Capital Corp.)**  
**Statements of Loss and Comprehensive Loss**  
(Expressed in Canadian dollars)

	<b>January 31, 2021</b>	January 31, 2020
<b>For the year ended</b>	<b>\$</b>	<b>\$</b>
<b>Operating expenses</b>		
Bank charges and interest	307	700
Professional fees	2,300	8,481
Investor relations	2,913	-
<b>Net loss and comprehensive loss</b>	<b>(5,520)</b>	<b>(9,182)</b>
<b>Loss per share – basic and diluted</b>	<b>(0.01)</b>	<b>(0.01)</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>	<b>817,656</b>	<b>760,000</b>

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

**Gama Explorations Inc.**  
**(formerly Crocan Capital Corp.)**  
**Statements of Changes in Equity**  
(Expressed in Canadian dollars)

	<b>Number of shares</b>	<b>Common shares \$</b>	<b>Shares to be issued \$</b>	<b>Deficit \$</b>	<b>Total \$</b>
Balances January 31, 2019	760,200	15,200	-	(10,158)	5,042
Shares to be issued	-	-	14,050	-	14,050
Net loss for the year	-	-	-	(9,182)	(9,182)
Balance January 31, 2020	760,200	15,200	14,050	(19,340)	9,910
Shares issued for cash	5,245,500	524,550	(8,550)	-	516,000
Net loss for the year	-	-	-	(5,520)	(5,520)
<b>Balances January 31, 2021</b>	<b>6,005,700</b>	<b>539,750</b>	<b>5,500</b>	<b>(24,860)</b>	<b>520,390</b>

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

**Gama Explorations Inc.**  
**(formerly Crocan Capital Corp.)**

**Statements of Cash Flows**

(Expressed in Canadian dollars)

	<b>January 31, 2021</b>	January 31,
<b>For the year ended</b>	<b>\$</b>	<b>2020</b>
		<b>\$</b>
<b>OPERATING ACTIVITIES</b>		
Net loss	<b>(5,520)</b>	(9,182)
Changes in non-cash working capital items:		
Accrued liabilities	<b>2,000</b>	-
Amounts receivable	-	(394)
<b>Cash used in operating activities</b>	<b>(3,520)</b>	(9,576)
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of common shares	<b>516,000</b>	-
Proceeds from shares to be issued	-	14,050
<b>Cash from financing activities</b>	<b>516,000</b>	14,050
<b>Increase in cash</b>	<b>512,480</b>	4,474
Cash, beginning of year	<b>9,516</b>	5,042
<b>Cash, end of year</b>	<b>521,996</b>	9,516

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

# **Gama Explorations Inc.**

## **(formerly Crocan Capital Corp.)**

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

January 31, 2021

(Expressed in Canadian dollars)

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

Gama Explorations Inc. (formerly Crocan Capital Corp.) (the “Company”) is a mining exploration company engaged in the identification, acquisition, evaluation and exploration mineral properties located in British Columbia, Canada. The head office, principal address and registered and records office of the Company is located at 1200 – 750 West Pender Street, Vancouver, Canada V6C 2T8.

The Company is dependent on raising funds through the issuance of shares and/or attracting joint venture partners in order to undertake further exploration to potentially identify mineral resources and resources requiring development of its mineral properties. Management believes that financing is available for early stage exploration and may be sourced in time to allow the Company to continue its current planned activities in the normal course.

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business. The Company had a loss of \$5,520 for the year ended January 31, 2021.

The Company had cash of \$521,996 at January 31, 2021, but management cannot provide any assurance that the Company will ultimately achieve profitable operations, become cash flow positive or raise additional equity and/or debt capital. If the Company is unable to raise additional capital in the future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. The Company is dependent on raising capital through share issuances.

#### **2. BASIS OF PREPARATION**

##### **Statement of Compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee for all periods presented. The financial statements were approved by the Board of Directors of the Company on March 18, 2021.

These financial statements have been prepared on an accrual basis and are based on historical cost, except for certain financial instruments measured at fair value, as set out in the accounting policies in note 3. The financial statements are presented in Canadian dollars.



# **Gama Explorations Inc.**

## **(formerly Crocan Capital Corp.)**

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

January 31, 2021

(Expressed in Canadian dollars)

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## **2. BASIS OF PREPARATION (Cont'd)**

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

## **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Significant accounting judgements**

The preparation of financial statements in accordance with IFRS requires management to make judgements, apart from those involving estimates, in applying accounting policies. The most significant judgments applied in the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern

### **Significant accounting estimates and assumptions**

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted prospectively in the period in which the estimates are revised. Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability and measurement of deferred tax assets.

### **Cash and cash equivalents**

The Company considers deposits that are highly liquid, readily convertible to known amounts of cash, redeemable on demand to be cash equivalents. The Company had no cash equivalents at January 31, 2021 and January 31, 2020.

### **Taxation**

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

# **Gama Explorations Inc.**

## **(formerly Crocan Capital Corp.)**

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

January 31, 2021

(Expressed in Canadian dollars)

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### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### **Taxation (cont'd)**

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

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

Tax relating to items recognized directly in equity is recognized in equity and not in profit or loss.

#### **Comprehensive income (loss)**

Comprehensive income (loss) includes all changes in equity of the Corporation, except those resulting from investments by owners and distributions to owners. Comprehensive income (loss) is the total of net income (loss) and other comprehensive income (loss). Other comprehensive income (loss) comprises revenues, expenses, gains and losses that, in accordance with IFRS, require recognition, but are excluded from net income (loss). The Corporation does not have any items giving rise to other comprehensive income (loss), nor is there any accumulated balance of other comprehensive income (loss). All gains and losses, including those arising from measurement of all financial instruments have been recognized in net income for the year. Net income (loss) for the year is equivalent to comprehensive income (loss) for the year.

#### **Loss per share**

The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The calculation of diluted earnings per share takes into account the potential impact of the exercise of all dilutive instruments. If necessary, net profit is also adjusted for the interest expense, net of tax, relating to these instruments.

#### **Financial Instruments**

Financial instruments are recognized when the Corporation becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are not offset unless the Corporation has the legal right to offset and intends to settle on a net basis or settle the asset and liability simultaneously.

Financial instruments are classified as either fair value through profit or loss ("FVTPL"), fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Corporation determines the classification of its financial assets at initial recognition.

The Corporation's financial assets consist of cash in bank.

# **Gama Explorations Inc.**

## **(formerly Crocan Capital Corp.)**

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

January 31, 2021

(Expressed in Canadian dollars)

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### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### **Financial Instruments (cont'd)**

##### Measurement

- Financial assets at FVTOCI

Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

- Financial assets and liabilities at amortized cost

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

- Financial assets and liabilities at FVTPL

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

##### Impairment of financial assets at amortized cost

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

# **Gama Explorations Inc.**

## **(formerly Crocan Capital Corp.)**

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

January 31, 2021

(Expressed in Canadian dollars)

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### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### **Financial Instruments (cont'd)**

##### Derecognition

##### Financial assets

The Corporation derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of net loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

##### Financial liabilities

The Corporation derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of net loss, unless the transaction is with a party acting in the capacity of an owner

##### **Share capital**

Share capital is presented at the value of the shares issued. Costs related to issuing shares are reported net of tax as a deduction of the proceeds from the issue. Transactions with shareholders are disclosed separately in equity.

##### **Change in accounting policies**

There are no IFRS or International Financial Reporting Interpretations Committee interpretations that are not yet effective that would be expected to have a material impact on the Corporation's financial statements.

### **4. SHARE CAPITAL**

#### **Authorized share capital**

The Company has authorized an unlimited number of common shares with no par value.

#### **Issued and outstanding**

6,005,700 common shares as at January 31, 2021

#### **Year-ended January 31, 2021**

The Company issued 5,245,500 common shares for cash proceeds of \$524,550 of which \$8,550 was collected during the year-end January 31, 2020 and was classified as shares to be issued.

# Gama Explorations Inc. (formerly Crocan Capital Corp.)

## Notes to the Financial Statements

January 31, 2021

(Expressed in Canadian dollars)

### 4. SHARE CAPITAL

#### Year-ended January 31, 2020

The Company collected \$14,050 in cash proceeds for shares to be issued during the year-ended January 31, 2021.

### 5. DEFERRED INCOME TAXES

Year ended January 31,	2021 \$	2020 \$
Loss before tax	(5,520)	(9,181)
Statutory tax rate	27%	27%
Expected tax recovery	(1,490)	(2,479)
Change in valuation allowance	1,490	3,257
<b>Tax recovery for the year</b>	-	-

The temporary differences are as follows:

As at January 31,	2021 \$	2020 \$
Non-capital losses	4,301	2,684
Incorporation costs	2,411	2,538
Less: valuation allowance	(6,712)	(5,222)
<b>Unrecognized deferred tax assets</b>	-	-

The Company has non-capital losses of \$15,929 (2020 - \$9,939) which may apply against future Canadian taxable income for Canadian income between 2039 and 2041.

### 6. CAPITAL MANAGEMENT

The Company manages its capital, consisting of share and working capital, in a manner consistent with the risk characteristic of the assets it holds. All sources of financing are analyzed by management and approved by the board of directors.

There were no significant changes in the Company's approach or the Company's objectives and policies for managing its capital.

# **Gama Explorations Inc.**

## **(formerly Crocan Capital Corp.)**

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

January 31, 2021

(Expressed in Canadian dollars)

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#### **6. CAPITAL MANAGEMENT (CONT'D)**

As at January 31, 2021, the Company's capital structure consists of the equity of the Company. The Company is not subject to any externally imposed capital requirements. In order to maximize ongoing development efforts, the Company does not pay dividends.

As at January 31, 2021, the Company's available capital resources, consisting of cash of \$ 521,996 (2020 - \$9,516). As at January 31, 2021, the Company's total current liabilities were \$2,000 (2020 - \$ nil).

#### **7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Corporation's financial assets consist of cash in bank and its financial liabilities consist of accounts payable and accrued liabilities, loans and related party loans. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

##### **Financial instrument classification**

The Corporation has implemented the following financial instrument classifications:

- Cash is classified as financial assets at amortized costs. Changes in fair value for the period are recorded in net earnings.
- Accrued liabilities are classified as "Financial Liabilities Measured at Amortized Cost". After their initial fair value measurement, they are measured at amortized cost using the effective interest method.

IFRS 13 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

*Level 1* - valuation based on quoted prices (unadjusted) in active markets for identical assets and liabilities;

*Level 2* - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. directly from prices);and

*Level 3* - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash is measured at fair value using Level 1. Fair value of accrued liabilities approximate their carrying amounts due to their short-term maturity.

##### **Credit risk**

The Company's credit risk is primarily attributable to cash and receivables. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is remote.

# **Gama Explorations Inc.**

## **(formerly Crocan Capital Corp.)**

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

January 31, 2021

(Expressed in Canadian dollars)

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#### **7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT'D)**

##### **Liquidity risk**

The Company's approach to managing liquidity risk is to ensure that it has sufficient working capital to meet liabilities when due. As at January 31, 2021, the Company has cash of \$521,996 (2020 – \$9,516) to settle accrued liabilities of \$2,000 (2020 – \$ nil). All of the Company's financial liabilities have contractual maturities of 30 days and are subject to normal trade terms.

#### **8. RELATED PARTY TRANSACTIONS**

Key management personnel include those persons having 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 members of the Company's Board of Directors and corporate officers.

During the year-ended January 31, 2021, 481,000 common shares were issued to directors of the Company for proceeds of \$48,100. See below for related party transactions that occurred subsequent to the year-ended January 31, 2021.

#### **9. SUBSEQUENT EVENTS**

##### *Purchase of Mineral Property*

On February 2, 2021 the Company entered into a property purchase agreement with Blue Lagoon Resources Inc. to acquire a 100% interest in five mineral claims located in Northern British Columbia that comprise the Golden Wonder Project. Consideration for the purchase was as follows:

- \$50,000 cash payment (paid February 17, 2021)
- Issuance of 1,000,000 common shares (issued February 2, 2021)

The agreement is subject to a net smelter royalty of 0.5%.

Blue Lagoon Resources Inc. is a related company as a result of common directorship.

##### *Share issuance*

On February 22, 2021, the Company issued 37,000 common shares for proceeds of \$3,700.



**SCHEDULE "C"**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**[See attached]**

**GAMA EXPLORATIONS INC.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended January 31, 2021

## **Management's Discussion and Analysis of Financial Condition and Results of Operations**

### **Background**

This Management Discussion and Analysis of the Company for the year ended January 31, 2021 is prepared as at March 17, 2021. This Management Discussion and Analysis should be read in conjunction with the audited financial statements for the year ended January 31, 2021 and the related notes thereto. These financial statements have been prepared in accordance with IFRS. All currency amounts are expressed in Canadian dollars, unless otherwise noted.

This Management Discussion and Analysis contains forward-looking statements and should be read in conjunction with the risk factors described under “◆” and “Forward Looking Statements” towards the end of this Management Discussion and Analysis.

### **Company Overview**

Gama Explorations Inc. (formerly Crocan Capital Corp.) was incorporated under *the Business Corporations Act* (British Columbia) on August 13, 2018. On February 1, 2021, the Company changed its name to Gama Explorations Inc. The registered and records office of the Company is located at 1200 – 750 West Pender Street, Vancouver, Canada V6C 2T8.

The Company is in the business of exploration of mineral properties. To date, the Company acquired a 100% right, title, and interest in and to a mineral property located in the Hazelton area of British Columbia, Canada, referred to as the Golder Wonder Property. The Company's objective is to explore, and if warranted, develop the Golden Wonder Property. It is the intention of the Company to remain in the mineral exploration business. The Company will evaluate opportunities to acquire interests in additional exploration and evaluation assets.

The Company completed a private placement in November 2018 consisting of an aggregate of 760,000 Common Shares at a price of \$0.02 per Common Share for in gross proceeds of \$15,200. The Company completed another private placement in January and February of 2021 consisting of an aggregate of 5,216,500 Common Shares at a price of \$0.10 per Common Share for gross proceeds of \$521,650.

On February 2, 2021, the Company entered into the Property Purchase Agreement, pursuant to which, the Company acquired a 100% interest in the five (5) underlying mineral titles that comprise the Golden Wonder Property, for the following consideration: (i) \$50,000 in cash; (ii) 1,000,000 Common Shares; and (iii) granting of the NSR Royalty. The Company's acquisition of the Golden Wonder Property was subject to the Underlying Royalty.

### **Overall Performance**

The key factors pertaining to the Company's overall performance for the year ended January 31, 2021 are as follows:

- The Company had working capital of \$520,390 as at January 31, 2021. The reason for this increase in working capital is primarily due to cash raised from the proceeds of share issuances. The Company intends to use its working capital to carry out the Phase I Exploration Program for the Golden Wonder Property at an estimated cost of \$119,900. See “Golden Wonder Property” section below for more details.
- The Company had a loss of \$5,520 for the year ended January 31, 2021 which primarily consisted of professional fees.

- The Company has negative cash flow from operations and its level of operations has been determined by the availability of capital resources. Cash used in operating activities for the year ended January 31, 2021 was \$3,520. Cash flows from financing activities was \$516,000 from the proceeds from issuing shares.

### *Industry and Economic Factors Affecting the Company's Performance*

### **Selected Annual Information**

The following table sets forth selected annual financial information for the Company and should be read in conjunction with the Company's financial statements and related notes thereto for such year.

	For the year ended January 31		
	2021 (\$) (audited)	2020 (\$) (audited)	2019 (\$) (unaudited) <sup>(1)</sup>
<b>Total Expenses</b>	5,520	9,182	10,158
<b>Net loss and comprehensive</b>	(5,520)	(9,182)	(10,158)
<b>Loss per share</b>	(0.00)	(0.00)	(0.00)
<b>Current Assets</b>	522,390	9,910	5,042
<b>Total Assets</b>	522,390	9,910	5,042
<b>Current Liabilities</b>	2,000	-	-
<b>Long Term Debt</b>	-	-	-
<b>Shareholders' Equity</b>	520,390	9,910	5,042

**Notes:**

(1) For the period from incorporation, August 18, 2018, to January 31, 2019.

Total assets as at January 31, 2021 were \$522,390 and primarily consisted of cash raised from the issuance of common shares compared to \$9,910 as at January 31, 2020 which primarily consisted of cash received from subscription proceeds received in advance.

Net loss incurred during the year ended January 31, 2021 was \$5,520 and primarily consisted of professional fees and investor relations. Net loss for the year ended January 31, 2020 was \$9,182 which included professional fees of \$8,481.

### Results of Operations for the three months ended January 31, 2021

Expenses and net loss for the three months ended January 31, 2021 was \$2,000

## Summary of Quarterly Results

The following table provides selected quarterly financial data:

[illegible]

## Results of Operations

The loss and comprehensive loss for the year ended January 31, 2021 was \$5,520 compared to \$9,182 for the year ended January 31, 2020.

Professional fees for the year ended January 31, 2021 was \$2,300 compared to \$8,481 for the year ended January 31, 2020. The decrease primarily relates to more professional costs incurred in prior year for general corporate matters as first full year of operation since incorporation.

Investor relations expenses for the year ended January 31, 2021 was \$2,913 compared to \$nil for the year ended January 31, 2020. Investor relations expenses were minimal for both years as the Company was fairly inactive since newly incorporated on August 13, 2018.

### *The Golden Wonder Property*

The information in this Management Discussion and Analysis with respect to the Golden Wonder Property is derived from the Technical Report. The Technical Report was prepared by Jeffrey J. Reeder, P. Geo. Mr. Reeder is independent of the Company and a “Qualified Person” for purposes of NI 43-101. The full text of the Technical Report is available for review at the registered office of the Company at 1200 – 750 West Pender Street, Vancouver, BC V6C 2T8 and will be available online, under the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

Management estimates that the Company will require \$119,900 to pay for the Phase I Exploration Program expenditures, \$80,000 for estimated remaining expenses of the listing and \$60,000 for general and administrative expenses (as set out below). Other than the costs stated above the Company does not anticipate incurring any other material capital expenditures during the next year.

### Phase 1 Exploration Program Expenditures

	Details	Budgeted amount
Planning and Logistics		\$3,000
Personnel	2 senior geologists @ \$900/day and 2 filed assistants @ \$600/day for 18 days	\$54,000
Transportation	Truck & ATV rental; Fuel	\$4,000
Accommodation and meals	4 persons for 20 days @ \$163/day	\$12,000
Equipment Rentals	Backpack Drill + accessories; GPS	\$7,000
Supplies and Communication & Sample Shipping		\$4,000
Analytical	Analytical (est. 400 soils @ \$55/sample + 35 rock samples @ \$75/sample)	\$25,000
Contingency (10%)		\$10,900
	<b>Total</b>	<b>\$119,900</b>

To date, no exploration nor drilling have been completed on the Gold Wonder Property by the Company.

If exploration on the Golden Wonder property becomes inadvisable for any reason, including obtaining future unfavourable exploration results, 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. Shareholders must rely on the experience, good faith and expertise of management of the Company with respect to future acquisitions and activities.

### ***Liquidity and Capital Resources***

The Company manages its capital structure and makes adjustments to it to effectively support the acquisition of mineral exploration properties.

The Company is dependent on external financing to fund its activities. To carry out the planned development and acquisitions and pay for general administrative costs, the Company will be using its existing working capital and will raise additional amounts as needed. The Company will continue to acquire and explore mineral exploration properties if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended January 31, 2021. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products.

### ***Cash Flows***

Historically and prospectively, our primary sources of liquidity and capital resources have been and will continue to be proceeds from the issuance of common shares. Based on our current level of operations and our expected operations over the next 12 months, we believe that cash generated from cash on hand and anticipated future capital raises will be adequate to meet our anticipated liquidity requirements, capital expenditures and working capital needs for the next 12 months. Our future operating performance will be subject to future economic conditions and to financial, business, and other factors, many of which are beyond our control. See "Financial Instruments and Risk Management" of this MD&A for a discussion of the risks related to our liquidity and capital structure.

As at January 31, 2021, the Company had cash of \$521,996 and primarily consisted of cash raised from the issuance of shares.

Net cash used in operating activities for the year ended January 31, 2021 was \$3,520. The Company generated a net loss and negative cash flows from operating activities due to being an early stage company without active operations during the year. During the year ended January 31, 2021, the Company incurred \$5,520 of operating expenses.

Net cash provided by financing activities was \$516,000 which consisted of \$527,550 from issuing 5,275,000 common shares.

### ***Other Factors Affecting Liquidity***

The Company may also raise additional equity or enter into arrangements to secure necessary financing to fund the exploration of mineral projects, to meet obligations, or for the general corporate purposes of the Company. Such arrangements may take the form of loans, strategic agreements, joint ventures or other agreements. The sale of additional equity could result in additional dilution to the Company's existing stockholders, and financing arrangements may not be available to us, or may not be available in sufficient amounts or on acceptable terms.

From time to time, we may pursue various strategic business opportunities. These opportunities may include proposed development and/or management of, investment in or ownership of additional businesses through direct investments, acquisitions, joint venture arrangements and other transactions. We are not currently exploring such opportunities. We can provide no assurance that we will successfully identify such opportunities or that, if we identify and pursue any of these opportunities, any of them will be consummated.

## **Related Party Transactions**

Key management personnel include those persons having 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 members of the Company's Board of Directors and corporate officers. There were \$nil (2020 - \$nil) related party transactions and balances for the year ended January 31, 2021.

## **Additional Disclosure for Venture Issuers Without Significant Revenue**

During the year ended January 31, 2021, the Company incurred \$5,520 of operating expenses.

The Company does not anticipate paying dividends at this time.

## **Off-Balance Sheet Arrangements**

There are no off-balance sheet arrangements as at the date of this Management Discussion and Analysis and as at January 31, 2021.

## **Proposed Transactions**

The Company does not have any proposed transactions.

## **Disclosure of Outstanding Share Data**

As of the date of this Management Discussion and Analysis, there are 7,042,701 outstanding common shares, Nil warrants, and Nil options.

## **Subsequent Events**

On February 22, 2021, the Company issued 37,000 common shares for proceeds of \$3,700.

## **Critical Accounting Estimates and Policies**

The significant accounting policies and the critical accounting estimates are described in Note 3 of the audited financial statements for the years ended January 31, 2021 and 2020.

These financial statements have been prepared on a historical cost basis and are presented in Canadian dollars which is the functional currency of the Company. All amounts are rounded to the nearest dollar. The financial statements of the Company have been prepared on an accrual basis, except for cash flow information.

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

## ***Future accounting standards issued but not yet in effect***

There are no IFRS or International Financial Reporting Interpretations Committee interpretations that are not yet effective that would be expected to have a material impact on the Company's financial statements.



## *Financial Instruments and Risk Management*

### **Categories of financial instruments**

	<b>January 31, 2021</b>	<b>January 31, 2020</b>
	<b>\$</b>	<b>\$</b>
<b>FINANCIAL ASSETS</b>		
<b>FVTPL, at fair value</b>		
Cash	521,996	9,516
Receivables	394	394
<b>Total financial assets</b>	<b>522,390</b>	<b>9,910</b>
<b>FINANCIAL LIABILITIES</b>		
<b>Other liabilities, at amortized cost</b>		
Accrued liabilities	2,000	-
<b>Total financial liabilities</b>	<b>2,000</b>	<b>-</b>

The Company's financial assets consist of cash in bank and its financial liabilities consist of accounts payable and accrued liabilities, loans and related party loans. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

### Financial instrument classification

The Company has implemented the following financial instrument classifications:

- Cash is classified as financial assets at fair value. Changes in fair value for the period are recorded in net earnings.
- Accounts payable and accrued liabilities, loans, and related party loans "Financial Liabilities Measured at Amortized Cost". After their initial fair value measurement, they are measured at amortized cost using the effective interest method.

IFRS 13 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

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

Cash is measured at fair value using Level 1. Fair value of accounts payable and accrued liabilities, loans, and related party loans approximate their carrying amounts due to their short-term maturity.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

**Credit risk**

The Company's credit risk is primarily attributable to cash and receivables. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is remote.

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it has sufficient working capital to meet liabilities when due. As at January 31, 2021, the Company has cash of \$521,996 (2020 – \$9,516) to settle accrued liabilities of \$2,000 (2020 – \$ nil). All of the Company's financial liabilities have contractual maturities of 30 days and are subject to normal trade terms.

**Forward looking statements**

All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Readers are cautioned that these statements which describe the Company's plans, objectives, and budgets may differ materially from actual results and as such should not be unduly relied upon by investors. Forward-looking statements contained in this MD&A speak only as to the date of this Management Discussion and Analysis, or such other date as may be specified herein, and are expressly qualified in their entirety by this cautionary statement.

## **CERTIFICATE OF THE COMPANY**

**Date: March 22, 2021**

This prospectus constitutes full, true, and plain disclosure of all material facts relating to the securities previously issued by the issuer as required by the securities legislation of British Columbia.

/s/ Allan Larmour

Allan Larmour  
President

/s/ Jatinder Sandhar

Jatinder Sandhar  
Chief Financial Officer

## **ON BEHALF OF THE BOARD OF DIRECTORS**

/s/ Jason Riley

Jason Riley  
Director

/s/ Norman Brewster

Norman Brewster  
Director

## **CERTIFICATE OF THE PROMOTER**

**Date: March 22, 2021**

This prospectus constitutes full, true, and plain disclosure of all material facts relating to the securities previously issued by the issuer as required by the securities legislation of British Columbia.

/s/ Allan Larmor

Allan Larmour  
Promoter