No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This Prospectus does not constitute a public offering of securities.

PROSPECTUS

Non-Offering Prospectus **October 28, 2021**

MUZHU MINING LTD.

No securities are being offered pursuant to this Prospectus

This prospectus (the "**Prospectus**") is being filed with the British Columbia Securities Commission and the Ontario Securities Commission to enable Muzhu Mining Ltd. (the "**Company**") to become a reporting issuer pursuant to applicable securities legislation in British Columbia and Ontario notwithstanding that no sale of its securities is contemplated herein.

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

There is currently no market in Canada through which the common shares (the "Common Shares") in the capital of the Company may be sold and shareholders may not be able to resell the Common Shares of the Company owned by them. This may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Common Shares and the extent of issuer regulation. See "*Risk Factors*".

The Company has applied to list its Common Shares on the CSE. The CSE has conditionally approved the listing of the Common Shares. The listing is subject to the Company fulfilling all the listing requirements of the CSE.

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., or a marketplace outside Canada and the United States of America.

In reviewing this Prospectus, you should carefully consider the matters described under the heading "*Risk Factors*".

No underwriters or selling agents have been involved in the preparation of this Prospectus or performed any review or independent due diligence of its contents.

Unless otherwise noted, all currency amounts in this Prospectus are stated in Canadian dollars.

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PROSPECTUS SUMMARY

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

The Company: The Company was incorporated under the laws of the Province of British Columbia on January 24, 2018 under the name "Muzhu Mining Ltd."

Business of the Company: The Company is a junior mining exploration company. Its initial focus is to conduct the proposed exploration program on the Sleeping Giant South Property located in the Chaste-Chatelet Townships, Quebec, as more particularly set out in the Technical Report, and to continue to identify and potentially acquire additional property interests, assess their potential and engage in exploration activities. The Company has acquired a 100% right, title and interest in and to the Sleeping Giant South Property for the purpose of proceeding with the continued exploration and, if warranted, development of the Sleeping Giant South Property, subject to a 3% net smelter return royalty payable following the commencement of commercial production.

See "*Description of the Business*".

Listing: The Company has applied to list its Common Shares on the CSE. The CSE has conditionally approved the listing of the Common Shares. The listing is subject to the Company fulfilling all of the requirements of the CSE.

Directors and Management:

Don Baxter	Chief Executive Officer, President and Director
Richard Sung Yin Tong	Chief Financial Officer, Secretary and Director
Karim Sayani	Vice President of Communications
Rodney Stevens	Director
James Sung Fu Tong	Director
Dwayne Yaretz	Director

See "*Directors and Executive Officers*".

Risk Factors: Investment in the Company involves a substantial degree of risk and must be regarded as highly speculative due to the proposed nature of the Company's business and its present stage of development. Prospective investors should carefully consider, in addition to matters set forth elsewhere in this Prospectus, the risks described under "*Risk Factors*", which are summarized below:

- The Company has no operating history or revenue which would permit you to judge the probability of its success.
- The Company is subject to risks inherent in the establishment of a

new business enterprise.

- Mining operations involve significant financial risk and capital investment. There can be no assurance that the Company will be able to obtain the necessary financing in a timely manner, on acceptable terms or at all.
- The Company may not be successful in managing its growth and the Company may fail as a result.
- The Company may experience an inability to attract or retain qualified personnel.
- If you purchase Common Shares of the Company in an offering, you may experience dilution.
- Future sales of Common Shares by existing shareholders could cause the share price to fall.
- The Company may not be able to obtain or renew licenses or permits that are necessary to its operations.
- There can be no assurance that the Company's business and strategy will enable it to become profitable or sustain profitability in future periods.
- The Company's business operations are exposed to a high degree of risk inherent in the mining sector.
- The Company's input costs can be impacted by changes in factors including market conditions, government policies, exchange rates, inflation rates and commodity prices, which are unpredictable and outside the control of the Company.
- While the Company will be hiring independent contractors who will obtain the necessary insurance to address certain risks in such amounts as the Company considers to be reasonable, such insurance has limitations on liability that may not be able to cover all potential liabilities and may not continue to be available or may not be adequate to cover any resulting liability.
- The Company's information technology systems are subject to disruption, damage or failure from a number of sources, including, but not limited to, computer viruses, security breaches, natural disasters, power loss and defects in design. This may result in a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.
- Legal proceedings may arise from time to time in the course of the Company's business.
- The Company relies on outside parties whose work may be negligent, deficient or not completed in a timely manner.
- The Company may experience significant fluctuations in its quarterly and annual results of operations for a variety of reasons, many of which are outside of the Company's control.

- During the fiscal year ended December 31, 2020, the Company had negative cash flow from operating activities.
- The Company may be subject to potential conflicts of interest.
- The Company's projects may be adversely affected by risks outside the control of the Company.
- There can be no assurance that variations on the CSE will not affect the price of the Company's securities in the future and that the price of the Common Shares will not decrease after listing on the CSE.
- The market price of a publicly traded stock is affected by many variables, including the availability and attractiveness of alternative investments and the breadth of public market for the stock.
- There can be no guarantee that an active and liquid trading market will develop or be maintained, the failure of which may have a material adverse effect on the value of the Common Shares and the ability of an investor to dispose of the Common Shares in a timely manner, or at all.
- Economic and geopolitical uncertainty may negatively affect the business of the Company or its portfolio companies.
- As a reporting issuer, the Company will be subject to reporting requirements under applicable securities law and stock exchange policies which may divert management's attention from other business concerns, which could harm the Company's business.
- The officers and directors of the Company currently hold a significant number of the Common Shares.
- The Company operates in a volatile industry which is sensitive to economic conditions.
- There can be no assurance that the Company will be able to compete effectively with other companies in and out of its peer group.
- The failure by the Board and/or management to use available funds effectively could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.
- The Company's projects now or in the future may be adversely affected by risks outside the control of the Company.
- The Company's operations may be significantly impacted by changes in the price of minerals.
- The Company's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals.
- The Company's properties may now or in the future be the subject of native land claims.
- All phases of the Company's exploration and mining operations will be subject to environmental regulation.

- Failure to comply with environmental regulation could adversely affect the Company’s business.
- Land reclamation requirements may be burdensome.
- Failure to comply with federal, provincial and/or local laws and regulations could adversely affect the Company’s business.
- There is no assurance that the Company has been or will at all times be in full compliance with all laws and regulations or hold, and be in full compliance with, all required health and safety permits.
- There can be no guarantee that the interest of the Company in its properties is free from title defects.
- Infrastructure required to carry on the Company’s business may be affected by unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure.
- Due to the speed with which the COVID-19 situation is developing and the uncertainty of its magnitude, outcome and duration, it is not possible to estimate its impact on the Company’s business, operations or financial results; however, the impact could be material.

This information is presented as of the date of this Prospectus and is subject to change, completion, or amendment without notice. See “*Business of the Company*”, “*Directors and Executive Officers – Conflicts of Interest*”, “*Available Funds*” and “*Risk Factors*”.

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 December 31, 2019 and 2020 and the unaudited financial statements for the six month period ended June 30, 2021and notes thereto included in this Prospectus and should be read in conjunction with such financial statements and related notes thereto, along with the MD&A included in this Prospectus. All financial statements are prepared in accordance with IFRS.

	Six months ended June 30, 2021 (unaudited)	**Year ended December 31, 2020 (audited)**	**Year ended December 31, 2019 (audited)**
Revenue	Nil	Nil	Nil
Expenses	$169,345	$201,971	$131,171
Other expense	Nil	Nil	$Nil

Net loss	($102,445)	($201,971)	($131,171)
Net loss per share	($0.01)	($0.03)	($0.02)
Total assets	$624,234	$344,584	$6,663
Total liabilities	$32,271	$493,121	$137,030

See "*Business of the Company*" and "*Financial Statements*".

Use of Available Funds:

As at September 30, 2021, the Company had approximately $327,108 of working capital available. The primary business objectives and milestones that the Company hopes to achieve through use of these funds include completing Phase 1 of the proposed exploration program as set out in the Technical Report, and fulfilling cost requirements relating to the Company's application to list the Common Shares on the CSE. Specifically, the anticipated uses of the Company's estimated available funds available over the next 12 months, as well as the anticipated timelines for achieving certain business objectives in respect of such activities (where applicable), are set out in the table below

The table below sets out the expected principal purposes for which such funds will be used.

Principal Purposes:	
Available Funds	**$**327,108
To pay the estimated cost of Phase I of the recommended exploration program as outlined in the Technical Report	$109,750
Prospectus and CSE listing costs	$70,000
Operating expenses for 12 months	$131,000
Unallocated working capital	$16,358
Estimated Total Funds Used:	**$**327,108

Notes:

(1) Costs include exchange fees, legal fees and other costs relating to listing of the Common Shares on the CSE. $30,000 has been incurred as of the date of this Prospectus. The Company hopes that these remaining costs will be incurred by the end of October 2021.

(2) Estimated operating expenses include rent ($12,000), utilities ($12,000), insurance ($12,000), transfer agent fees ($10,000), audit fees ($20,000), office and admin ($20,000) legal fees ($20,000), SEDAR fees ($5,000) and travel and promotion ($20,000).

(3) This amount will be used in part for additional exploration expenditures as necessary, and general working capital.

See “*Use of Available Funds*”.

Currency: Unless otherwise specified, all dollar amounts in this Prospectus are expressed in Canadian dollars.

GLOSSARY

1. "**Associate**" when used to indicate a relationship with a person or company, means:

   (a) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of the issuer from the time being outstanding;

   (b) any partner of the person or company;

   (c) any trust or estate in which such person or company has a substantial beneficial interest or as to which such person or company serves as trustee or in a similar capacity;

   (d) any relative of that person who resides in the same home as that person;

   (e) any person who resides in the same home as that person and to whom that person is married or with whom that person is living in a conjugal relationship outside marriage; or

   (f) any relative of a person mentioned in clause (e) who has the same home as that person.

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

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

4. "**Common Shares**" means the common shares without par value in the share capital of the Company.

5. "**Company**" means Muzhu Mining Ltd. a corporation incorporated pursuant to the laws of the province of British Columbia.

6. "**CSE**" or "**Exchange**" means the Canadian Securities Exchange.

7. "**Escrow Agent**" means Capital Transfer Agency ULC.

8. "**insider**" if used in relation with an issuer, means:

   (a) a director or officer of the issuer;

   (b) a director or officer of the company that is an insider or subsidiary of the issuer;

   (c) a person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or

   (d) the issuer itself if it holds any of its own securities.

9. “**Listing**” means the proposed listing of the Common Shares on the CSE for trading.

10. “**MD&A**” means the management’s discussion and analysis of the Company for the year ended December 31, 2020 and the three month period ended June 30, 2021.

11. “**Purchase Agreement**” means the purchase agreement dated November 10, 2021 between the Company, North American Exploration Inc. and Silverwater Capital Corp., as more particularly described under the heading “*Business of the Company*”.

12. “**Sleeping Giant South Property**” means the Sleeping Giant South mineral property in the Chaste-Chatelet Townships, Quebec, comprising of one block of 109 mineral claims covering approximately 6,149.32 hectares.

13. “**Technical Report**” means the technical report entitled “Technical Report on the Sleeping Giant South Property, Chaste-Chatelet Townships, Quebec, Canada” dated effective August 25, 2021. The Technical Report was prepared by Remi Charbonneau, Ph.D., P. Geo.

14. “**Transfer Agent**” means Capital Transfer Agency ULC.

FORWARD-LOOKING INFORMATION

This Prospectus contains certain information that may constitute "forward-looking information" and "forward-looking statements" (collectively "**forward-looking statements**") which are based upon the Company's current internal expectations, estimates, projections, assumptions and beliefs. Such statements can be identified by the use of forward-looking terminology such as "may", "will", "expect", "anticipate", "aim", "estimate", "intend", "plan", "seek", "believe", "potential", "continue", "is/are likely to" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen. Actual results and developments may differ materially from those contemplated by these statements. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance or other statements that are not statements of fact. The forward-looking statements included in this Prospectus are made only as of the date of this Prospectus. Forward-looking statements in this Prospectus include, but are not limited to, statements relating to:

- the listing of the Common Shares on the CSE;
- the Company's ability to access capital in the future;
- expectations regarding revenue, expenses and operations;
- the Company having sufficient working capital and be able to secure additional funding necessary for the exploration of the Company's property interests;
- expectations regarding the potential mineralization, geological merit and economic feasibility of the Company's projects;
- mineral exploration and exploration program cost estimates;
- expectations regarding any environmental issues that may affect planned or future exploration programs and the potential impact of complying with existing and proposed environmental laws and regulations;
- receipt and timing of exploration and exploitation permits and other third-party approvals;
- government regulation of mineral exploration and development operations;
- expectations regarding any social or local community issues that may affect planned or future exploration and development programs; and
- key personnel continuing their employment with the Company.

Forward-looking statements are not a guarantee of future performance and are based upon a number of estimates and assumptions of management of the Company, in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, as of the date of this Prospectus, including, without limitation, the following:

- the Company's Common Shares being listed on the CSE;
- the costs associated with the preparation and filing of this Prospectus, as well as with respect to listing of the Company's Common Shares on the CSE;
- management's general expectations concerning the mining industry and estimates relating to this industry prepared by management using data from publicly available industry sources as

well as from market research and industry analysis, and assumptions based on data and knowledge of this industry and user base which management believe to be reasonable;

- the impact of potential competition on the Company; and
- the Company's anticipated future cash flows and costs, and their effect on the Company's ability to achieve its stated business objectives.

Although the Company believes that the assumptions and expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. Many assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct. The Company's forward-looking statements are expressly qualified in their entirety by this cautionary statement. A number of factors could cause actual events, performance or results to differ materially from what is projected in the forward-looking statements. Furthermore, such forward-looking statements involve a variety of known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, performance or achievements of the Company to be materially different from any future plans, intentions, activities, results, performance or achievements express or implied by such forward-looking information. These risks include, but are not limited to, the risks outlined under the heading "*Risk Factors*" in this Prospectus.

The purpose of forward-looking statements is to provide the reader with a description of management's expectations, and such forward-looking statements may not be appropriate for any other purpose. Undue reliance should not be placed on forward-looking statements contained in this Prospectus. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

CORPORATE STRUCTURE

The Company was incorporated under the laws of the Province of British Columbia on January 24, 2018 as “Muzhu Mining Ltd.” The address of the Company’s head office is located at 4353 Halifax Street, Suite 904, Burnaby, British Colujmbia, V5C 5Z4 and the registered office is located at 777 Hornby Street, Suite 600, Vancouver, British Columbia, V6Z 1S4.

As at the date of this Prospectus, the Company has no subsidiaries.

BUSINESS OF THE COMPANY

General Description of the Business

The Company is a junior mining exploration company. Its current focus is to conduct the proposed exploration program on the Sleeping Giant South Property in the province of Quebec as more particularly set out in the Technical Report, along with continuing to identify and potentially acquire additional property interests, assess their potential and engage in exploration activities. Should the Sleeping Giant South Property not be deemed viable, the Company shall explore opportunities to acquire interests in other properties.

Company’s Two-Year History

Sleeping Giant South Property

On November 10, 2020, the Company entered into a mineral claims purchase agreement (the “**Purchase Agreement**”) with North American Exploration Inc. and Silverwater Capital Corp. (together, the “**Vendors**”) wherein the Company agreed to purchase a 100% interest in and to the Sleeping Giant South Property consisting of 109 mineral claims in the Quevillon Mining Camp in Quebec. Pursuant to the terms of the Purchase Agreement, the purchase price of the Sleeping Giant South Property consisted of the following: (i) the issuance of 3,500,000 fully paid and non-assessable Common Shares (all of which have been issued, as described below); (ii) cash consideration of $7,887.50 (which has been paid); and (iii) a royalty equal to 3% of Net Smelter Returns (the “**Royalty**”) with respect to the Sleeping Giant South Property with an option to purchase one-third of the Royalty at any time for the sum of $500,000. In the event the Company sells the Sleeping Giant South Property to a third party, the Purchase Agreement requires that 20% of the proceeds from such sale must be paid to the Vendors.

On March 27, 2021, the Company issued 3,500,000 Common Shares for a deemed price of $0.05 per Common Share in connection with the acquisition of the Sleeping Giant South Property pursuant to the Purchase Agreement.

Other Property Interests

On September 1, 2020, the Company entered into an option agreement with Lingbao Yida Mining Co. Ltd., in connection with the Xiao Wa Gou mining property located in the province of

Henan, People's Republic of China. However, the Company has no intention to exercise this option or to allocate any resources to this property. This agreement has lapsed as of September 1, 2021.

Private Placements

Since May 2019, the Company has focused on raising capital to fund its operations and continued business objectives. In this regard, the Company has completed several private placement financings.

On June 30, 2020, the Company issued 684,750 Common Shares through a non-brokered private placement and shares for debt transaction at a price of $0.1333 per Common Share for proceeds of $60,000 and debt extinguishment of $31,300. As at the date of this Prospectus, the Company had spent $60,000 raised in this financing for the following purposes: legal fees - $16,500, travel - $12,628 and directors' and consultants' fees - $30,871.

On December 15, 2020, the Company issued 3,050,000 Common Shares through a non-brokered private placement at a price of $0.05 per Common Share for proceeds of $152,500. As at the date of this Prospectus, the Company had spent $151,238 of the funds raised in this financing for the following purposes: audit fees - $20,905, acquisition of Sleeping Giant South (staking costs) - $7,888, exploration and evaluation of Sleeping Giant South - $80,528, geologist fees - $17,136, legal fees - $24,781.

On March 31, 2021, the Company issued 3,657,000 Common Shares through a non-brokered private placement at a price of $0.10 per Common Share, for proceeds of $365,700. As at the date of this Prospectus, the Company had spent $8,700 of the funds raised in this financing for the following purposes: tax return fees - $4,238 and website development - $4,462.

On April 30, 2021, the Company issued 3,094,000 Common Shares in connection with a shares for debt transaction at a deemed price of $0.10 per Common Share. The shares for debt transaction extinguished liabilities of $309,400.

Director Appointment

On April 13, 2021, the Company appointed Rodney Stevens as a director.

Employees and other Service Providers

As of the date of this Prospectus, the Company currently has no employees, and 3 officers who are engaged as independent contractors. These contractors are engaged on an as needed basis, and they are paid as each task is completed. The Company anticipates that it will hire additional independent contractors to carry out activities relating to Phase I of the recommended exploration program on the Sleeping Giant South Property as outlined in the Technical Report.

Competitive Conditions

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

MINERAL PROJECT - TECHNICAL REPORT ON THE SLEEPING GIANT SOUTH PROPERTY

Current Technical Report

The Technical Report relating to the Sleeping Giant South Property is titled "Technical Report on the Sleeping Giant South Property, Chaste-Chatelet Townships, Quebec, Canada" and is dated effective August 25, 2021. The author of the Technical Report is Remi Charbonneau, Ph.D, P. Geo., independent consulting geologist and member in good standing of the *Ordre des Géologues du Québec.*

Item 1: Summary

Rémi Charbonneau PhD P.Geo #290, is acting as an Independent Qualified Person as defined in NI 43-101 in relation with the supporting documentation for the purchase of the Property and for seeking a listing on the Canadian Securities Exchange by Muzhu Mining Ltd. He is a consultant in mineral exploration since 1995 and works in mineral acquisition, exploration, and development since 1995.

Property description and Ownership

The Sleeping Giant South Property is in the Nord-du-Quebec area of Quebec Province in the NTS sheet 32E01 and 32F04. The center of the property is located approximately at 290,000mE and 5,442,000mN (from WGS 1984, UTM system, Zone 18N).

The Property consists in one block of 109 map designated claims, covering approximately 6,149.32 hectares or 61.49km^2. As of the date of the redaction of this report (August 25th, 2021), they are owned (100%) by North American Exploration Ltd and are due to be transfered to Muzhu Mining Ltd pursuant to the November 20, 2020, Property purchase Agreement. The transfer is currently been processesd by the MERN and the claims should be reattributed shortly after (at the end of September 2021) the publication of this report. Their expiry date is May 4th, 2022. A minimum of 130,800.00$ in exploration expenditures will be required for claim renewal, along with renewal fees of 7,221.25$.

Terms of Reference

Rémi Charbonneau, geologist for Big Nugget Lab Inc., has been retained by Muzhu Mining Ltd. (the "Issuer") in August 2021, to produce an independent Technical Report, based on available public data specific to the Sleeping Giant South Property, for the Sleeping Giant South Property. The report is written to comply with standards set out by National Instrument 43-101 for the Canadian Securities Administration.

This Report is based, in part, on technical reports and maps, published government reports, letters and memoranda, and public information as listed in the "References" section of this

Report. Several sections from reports authored by other consultants have been directly quoted in this Report and are so indicated in the appropriate Sections.

As of the effective date of this report, Rémi Charbonneau, geologist for Les Laboratoires Big Nugget inc. has visited the Sleeping Giant South Property site on August 20th, 2021. Since the Property is in a grassroot phase, only land access and basic surface observations was conducted.

Geology and Mineralization

Most of the Property is in the Vanier-Dalet-Poirier Group, a Neoarchean volcanosedimentary sequence composed of intermediate to mafic volcanic rocks. The volcanic rocks are all metamorphosed to greenschist facies. Following the regional deformations' orientation, a series of intermediate to mafic intrusive dykes are in the volcanosedimentary unit on the Property with orientation concordant with the local structures.

The regional faults and shear zones are structures resulting from an orogenic shortening which created E-W trending shear zones, such as the Laflamme-Nord shear zone crossing the Property as well as NE-SW trending faults and shear zones such as the Maizerest Shear Zone.

On and near the Property are several gold showings that can be classified as Orogenic Gold Mineralization or Greenstone Hosted Deposits, including the Sleeping Giant (now closed) Mine to the north. The Ministère de l'Énergie et des Ressources Naturelles (MERN) also identified possible Volcanogenic Massive Sulfides (VMS) targets on and around the Property.

Exploration

A geophysical airborne magnetic survey was conducted on the Property but no ground exploration was conducted by Muzhu Mining on the Property since its acquisition from North American Exploration Ltd. Only historical work (geochemical, geophysical and/or geological survey, drilling campaigns) were conducted on the Property by previous tenant. There is no Resource or Reserve estimate conducted on the Property.

Lands underlying the property are covered by restrictions concerning native population and energy transport lines, described under the Category III Territory restriction. Exploration is allowed under specific conditions according to the Pikogan Agreement on Consultation and Accommodation between the Abitibiwinni First Nation Council and the Government of Québec. There are no other known significant factors or risks in addition to those noted in the Report that could affect access, title, or the right or ability to perform the recommended exploration programs The author is not aware of any other particular environmental, political, or regulatory problems that would adversely affect mineral exploration and development on the Property. There are no environmental studies currently being undertaken on the Property.

Conclusions and Recommendations

The Sleeping Giant South Property is at an early stage of exploration. The Technical Report focussed on easily available information, but a thorough review of the historical drilling and geophysical survey should be conducted to locate and generate probable sources of the interpreted historical geophysical anomalies and structures.

A Phase-I property-scale full review of the drill core descriptions should be done to determine the most favourable lithologies and observed alterations. A 3D modeling of all the historic holes should be conducted to generate models of structures, mineralization or alteration halos. Also, the Property is currently not fully covered by historical VTEM geophysical surveys and current technology is probably more sensitive than what have been used in the past. A property-scale VTEM survey should be conducted, at an approximate cost of 100,000.00$.

Since the till cover over the Property can reach over 50m, a Phase-II survey consisting in sonic-drilling of the till cover down to the bedrock could be conducted over an organized grid to try to identify mineralization plume within the till cover. Samples should be analysed for gold grain count and base metals assays be conducted on the core sections at an estimated cost of 250,000.00$.

Item 2: Introduction

2.1 Issuer

Rémi Charbonneau geologist at Big Nugget Lab Ltd. has been retained by Muzhu Mining Ltd. (the "Issuer") in August 2021, to produce an independent Technical Report based on available public data specific to the Sleeping Giant South Property.

This report is written as a Technical Report for the Sleeping Giant South Property, which is held by Muzhu Mining Ltd. The report is written to comply with standards set out by National Instrument 43-101 for the Canadian Securities Administration.

2.2 Source of information

This Report is based, in part, on technical reports and maps, published government reports, letters and memoranda, and public information (found on the MERN, SIGEOM system) as listed in the “References” section of this Report. Several sections from reports authored by other consultants have been directly quoted in this Report and are so indicated in the appropriate Sections.

The author has performed basic verification of land titles and tenures but did not verify the legality of any underlying agreements that may exist concerning the permits or other agreements between third parties. The authors relied on information provided by the issuer for mining titles, option agreements, royalty agreements, environmental liabilities, and permits. The QPs is not qualified to express any legal opinion with respect to property titles or current ownership and possible litigation. This disclaimer applies to sections 4 of this report.

Although the author has reviewed the available data, they have only validated a portion of the entire data set. Therefore, the author has made judgments about the general reliability of the underlying data and where the reliability was deemed either inadequate or unreliable, either the data was not used, or the cautionary statements were used to account for the lack of confidence in that specific information.

2.3 Involved Staff.

The report was written by Rémi Charbonneau (P.Geo member of the Ordre des Géologues du Québec ("OGQ") number #290).

Rémi Charbonneau is responsible for all items, tables, figures, and annexes of the technical report.

2.4 Qualified Person

Rémi Charbonneau, PhD, P. Geo OGQ #290, is acting as an Independent Qualified Person as defined in NI 43-101 in relation with the supporting documentation for the purchase of the Property (Purchase Agreement is in Annexe 3) and to support listing on the Canadian Securities Exchange. He is a consultant in mineral exploration since 1995.

The Qualified Person involved in the Technical Report does not have, or never previously had, any material interest in the issuer or its related entities. The relationship with the issuer is solely a professional association between the issuer and the independent professional. The Technical Report was prepared in return for fees based upon agreed commercial rates, and the payment of these fees is in no way contingent on the results of the Technical Report.

2.5 Site Visit

Rémi Charbonneau has visited the Sleeping Giant South Property August 19th, 2021. He verified the access to the Property and minimal geological surveying. Only the access to the west was still accessible at the moment of the visit.

Along the dirt roads on the property, no outcrops have been seen, probably due to the large thickness of the overburden.

Item 3: Reliance on Other Experts

The author has not relied on the opinion of non-qualified persons in the preparation of the technical report. With respect to information regarding ownership and the purchase agreement between Muzhu Mining Ltd., in sections 1 and 4, the author has relied on the document titled, "Purchase of Quebec mineral claims, North American Exploration Inc, Silverwater Capital Corp. and Muzhu Mining Ltd., dated November 10, 2020", which was provided to the author by Muzhu Mining.

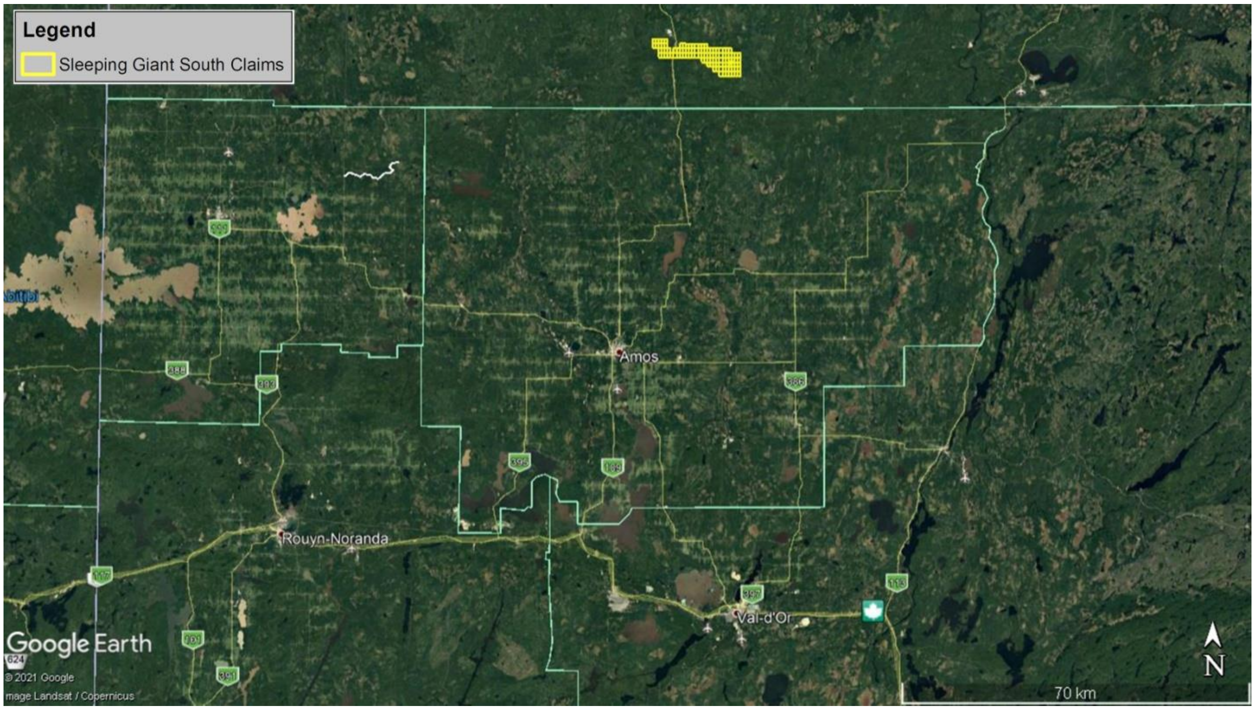
Item 4: Property Description and Location

The Property is in the Nord-du-Québec area of Quebec Province in the NTS sheet 32E01 and 32F04 and covering part of Chaste and Chatelet townships. The center of the property is located approximately at 290,000mE and 5,442,000mN (from WGS 1984, UTM system, Zone 18N).

4.1 Area of the Property

The Property is made of one block of 109 map designated claims (Figure 2), covering approximately 6,149.32 hectares (or 61,49km$^{2)}$. Figure 1 shows the location of the Property.

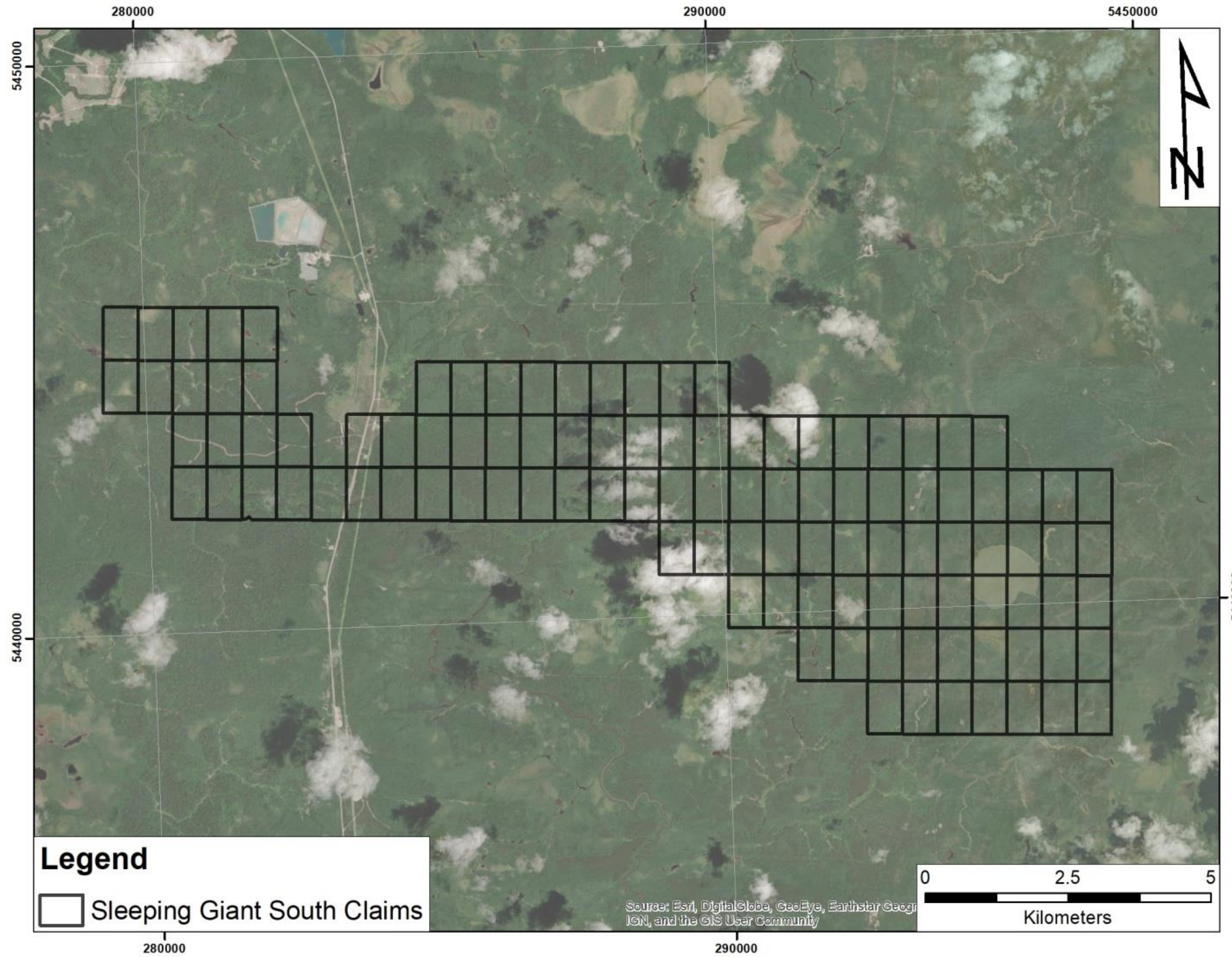
Figure 1: Location of the Property (Source: Google Earth).



4.2 Mineral Tenure.

The Property consists in one block of 109 map designated claims (Figure 2), covering approximately 6,149.32 hectares or 61.49km^2. As of the date of the redaction of this report (August 25th, 2021), they are owned (100%) by North American Exploration Ltd and are due to be transfered to Muzhu Mining Ltd pursuant to the November 20, 2020. The transfer is currently been processesd by the MERN and the claims should be reattributed shortly (at the end of September 2021) after the publication of this report. A minimum of 130,800.00$ in exploration expenditures will be required for claim renewal, along with renewal fees of 7,221.25$. The 2021 magnetic survey and processing amount to 77,385.00$ and cover all of the Property.

Figure 2: Sleeping Giant South Claim Map Property (Source: Google Earth, SIGEOM)



The claims are described in Annexe 2 of this report and are shown in Annexe 1.

4.3 Exploration Restrictions

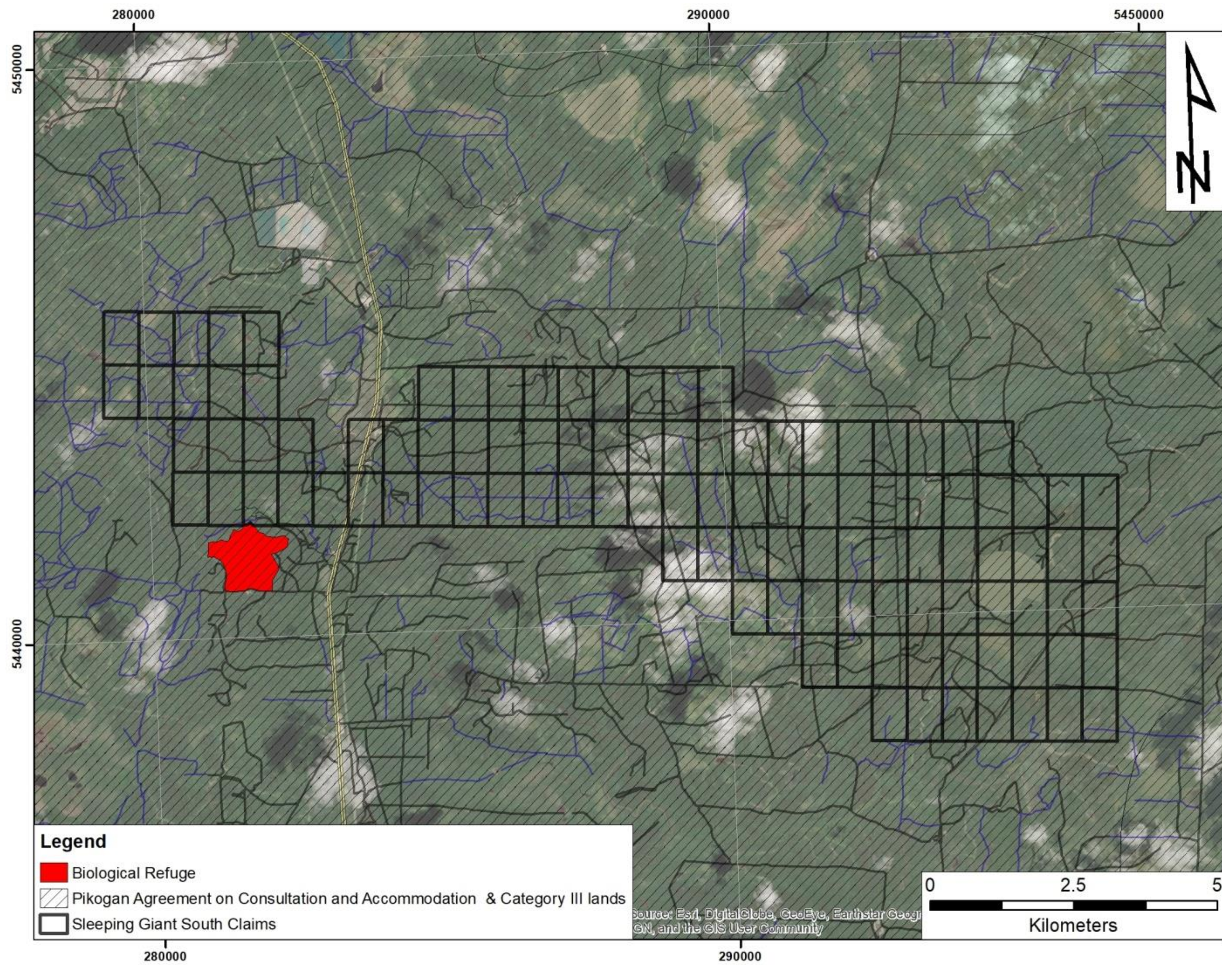
Lands underlying the property are covered by restrictions (Figure 3) concerning native population and energy transport lines, described under the Category III Territory restriction:

> "Québec, La Société d'Énergie de la Baie James, Hydro-Québec and La Société de Développement de la Baie James and their nominees and such other persons acting lawfully shall have the right subject to all applicable laws and regulations to develop the land and resources in Category III lands." "However, the developers shall be submitted to the Environmental Regime which takes into account the Hunting, Fishing and Trapping Regime." (JBNQA - 5.5.1)
>
> A claim titleholder is invited to communicate with the Regional Government and the Cree Nation Government.

Throughout the Property, exploration is allowed under specific conditions according to the Figure 3 Restrictions between the Abitibiwinni First Nation Council and the Government of Québec:

"The holder of a claim located in the territory of the Consultation and Accommodation Agreement between the Abitibiwinni First Nation Council and the Government of Québec, is invited to contact the Abitibiwinni First Nation Natural Resources Secretariat at: consultations@pikogan.com to keep them informed of the exploration activities they intend to carry out, to exchange question with them, and to take into account, if any, the concerns of the Abitibiwinni First Nations in connection with these activities.

Figure 3: Land Restriction ((Source: Google Earth, SIGEOM).



There are no other known significant factors or risks in addition to those noted in the Report that could affect access, title, or the right or ability to perform the recommended exploration programs

4.4 Environmental Liabilities

The author is not aware of any particular environmental, political, or regulatory problems that would adversely affect mineral exploration and development on the Property. There are no environmental studies currently being undertaken on the Property.

There are no special key assumptions, risks or limitations, known environmental issues, land ownership contestation or special permitting required at this stage.

4.5 Agreements

Muzhu Mining Ltd. has acquired 100% of the rights, titles and interest in and to the Property pursuant to a purchase agreement and for and in consideration of 3,500,000 shares (which shares were split between North American Exploration Inc (50%), and Silverwater Capital Corp. (50%) and a 3% net smelter return royalty of which 1% can be bought back by Muzhu Mining Ltd for $500,000 CDN. On the sale of the Property to a third party Muzhu Mining Ltd will pay 20% of the proceeds received to North American Exploration Inc (50%), and Silverwater Capital Corp. (50%).

Item 5: Accessibility, Climate, Local Resources, Infrastructures and Physiography

5.1 Topography

The property shows a relatively flat topography with a few hills and swamps. Elevation ranges from 280m and 1000m. Only the most western claim blocs have an elevation higher than 340m, where it reaches a 900m plateau. Most of the region in covered in glacial and glacio-lacustrine sediments, with very little outcrops. The forestry cover is made of boreal forest including grey pine, spruce, birch, and vast areas of swamps.

5.2 Access and Local Resources

The property is located approximately halfway between the city of Amos (70km to the south) and the city of Matagami (75km to the north). The QC-109 highway runs through the Property providing an easy access all year long. Most of the Property is accessible by a network of logging and mining roads. The cities of Amos and Matagami provide essential services such as gas, lodging, food, medical access, trained workers, heavy machinery, and other services.

5.3 Climate

Cold winter and mild summers characterize the climate. Temperatures can range from 11°C to 23°C during the summer months and can reach -22°C to -11°C during the winter months, with an average of snow cover of 41cm and 118mm of rain in summer.

Figure 4: Amos Weather by Month

AMOS WEATHER BY MONTH // WEATHER AVERAGES

	January	February	March	April	May	June	July	August	September	October	November	December
Avg. Temperature (°C)	-17.5	-15.1	-8.6	0.8	8.8	14	16.8	15.3	10.3	4.2	-3.5	-13.7
Min. Temperature (°C)	-23.4	-21.4	-15	-4.7	2.4	7.6	10.7	9.4	5.1	0.1	-7	-18.7
Max. Temperature (°C)	-11.5	-8.8	-2.2	6.4	15.2	20.5	23	21.2	15.5	8.4	0	-8.7
Precipitation / Rainfall (mm)	53	41	48	49	72	101	104	106	108	78	71	60

Source https://en.climate-data.org/north-america/canada/quebec/amos-47212/t/december-12/

5.4 Infrastructures

A high-tension power line is parallel to road QC-109, connecting the Property to the city of Amos.

Item 6: History

Historical exploration work was carried on various part of the Property where exploration for base and precious metal was made. Prospecting and mapping surveys were conducted on the Property since at least 1939. Numerous geophysical airborne magnetic, electromagnetic and IP surveys were done from 1957 to 2010 covering parts of the property. Drilling was conducted from 1957 to 2011, resulting in 104 DDH on the Sleeping Giant South property.

Limited prospecting work was done in the Chaste and Glandelet Townships, due to the lack of outcrops and the presence of thick overburden that reach up to 60m. Some geological mapping was conducted in the 1950s, and following exploration work focused on geophysical data, diamond drilling and geochemical surveys.

The Qualified Person has not been able to personally verify the following historical information for accuracy or validity. The information is not necessarily indicative of mineralization on the property that is the subject of the technical report. When applicable, resource estimates are of historical nature and may not comply with NI 43-101. However, the authors believe that these estimates give a conceptual indication of the potential of the area, and that it is pertinent to this report even if the authors are not presently able to corroborate the quantities or accuracy of this information. There is no reason for the Authors to believe that the information is inaccurate.

6.1. Exploration

From 1939 to 1950, the Ministere des Ressources Naturelles (MRN) conducted mapping survey of the Chaste and Glandelet area, where Auger, P.E. (1939) and Tiphane, M. (1948 & 1949) described the Keewatin-type volcanic rocks. Surveying of the area lead to the conclusion that prospecting work is useless as there is very little outcrop in the area. Tiphane, M. (1948) identified disseminated pyrite mineralisation along the Coigny shear zone sometimes with chalcopyrite and pyrrhotite.

Bellechasse Mining Corp. Ltd conducted some geological mapping in 1957-1958 in the Bigniba Lake area to detail the volcanic rocks on their property (Kalnins, V., 1957; Hogan, H.R., 1958)

6.2 Geophysics

The Property has been subjected to numerous geophysical surveys over the last 70 years (electromagnetic (EM), VLF, magnetometric (mag)), which covered only parts of the Property.

In 1957, an airborne electromagnetic survey was conducted in two parts, north and south, by Harricana Propecting Syndicate for Bellechasse Mining Corporation Ltd. Only the southern part of the survey covers the Property. It was composed of lines spaced at 201m, flown in a E-W direction, for a total of 420 lines for the whole survey. In the eastern part of the Property, north of the Bigniba Lake, a 2500 gamma anomaly could indicate a magnetic mass. The center part of the Property shows a weak electro-magnetic anomaly, which could indicate that the conducting body is parallel to the flight lines, possibly related to the Laflamme-Nord shear zone that would control structurally the mineralisation (Smellie, D.W., 1957; Hogan, H.R., 1958).

In 1966, Quebec Explorers Corp. Ltd identified 3 main anomalies with a Crone electromagnetic survey, which was then investigated in more details with a magnetic survey and self-polarization instruments. The following surveys yielded no significant results, due to deep overburden. The whole Crone survey covered the center of the Property and anomalies have an E-W strike, approximately 2.5km west from Bigniba Lake (D’Aragon, P., 1966)

In 1973, a magnetometric and electromagnetic survey was conducted for Abitibi Asbestos Mining Company Ltd. The surveyed area is east of the Bigniba Lake. The lines are oriented 41°W with a 122m interval. The magnetometric survey gave magnetic intensity between 400–700 gammas in volcanic rocks. Higher anomalies have been interpreted to bodies of gabbro or peridotite. The electromagnetic survey yielded no significant results. Some medium-weak anomalies were detected, that could indicate a conductive zone striking E-W for a 305m length (Ingham, W.N.,1973).

From 1976 to 1979, Mattagami Lake Mines Ltd conducted a series of airborne magnetic and Electromagnetic surveys in the Chaste and Glandelet Townships, some of the results covering parts the Property. In 1976 and 1977, they conducted an airborne magnetic and electromagnetic survey and identified a 488m magnetic anomaly in the north-western part of the Property, west of the QC-109 highway and show an anomaly above background data, striking NW-SE (Sullivan, D.L., 1978). In 1977, in the center of the Property, Mattagami Lake Mines Ltd. surveyed over 10 lines at 183m intervals. Readings from the magnetic survey identified an E-W trending basic dyke. The electromagnetic survey showed no significant anomalies (Sutherland, D.B., 1977). 3km west from the Bigniba Lake, an NW-SE trending iron formation has been identified with magnetic anomalies. In the same area, a long conductor striking NW-SE for 488m was identified and attributed to the presence of graphite. In 1977, Mattagami Lakes Mines Ltd conducted a horizontal loop survey that identified two significant conductors (King, A.R., 1977). In 1978, an airborne electromagnetic and magnetic survey was conducted on the extreme western part of the Property, lines striking N-S and 201m spacing. Some magnetic highs (300 – 500 gammas) were observed and interpreted as an ESE trending formation. Most electromagnetic conductors were attributed to deep overburden and one zone was identified as second priority target (Sullivan, D.L., 1978).

In 1979, the MRN conducted an airborne INPUT-EM survey of the Chaste-Coigny area, which lead to more geophysical exploration underlining a conductive contact zone between metavolcanics and metasediments (Releves Geophysiques Inc., 1979). VLF-EM surveys were conducted, yielding no significant results due to thick overburden and the magnetometer surveys identified shear zone areas as well as magnetite-rich iron formations (Sutherland, D.B., 1977; Ross, D. 1985; Ross, D., 1987; Rhéaume, P. and al. 2010).

In 1976, Perron Gold mines identified mineralised shear zones by performing geophysical work between 1985 and 1987 and conducting diamond drilling to test the targets. This led to the discovery of the Soissons mineralization, now known as Sleeping Giant Mine (now closed), north of the Sleeping Giant South property. The Sleeping Giant Mine began its production in 1988 (Charlton, J., 1989) (in production 1988-1993 and 1993-2008).

In 1981, Serem Ltd. conducted ground HEM and magnetic surveys on their Chaste A project, which is in the center of the Sleeping Giant Extention Property. Lines for both surveys are spaced 100m and readings were taken at 25m intervals. The HEM survey produced weak anomalies attributed to deep overburden. The magnetic survey shows two E-W striking anomalies (Beauregard, A.J. 1981). In 1985 a VLF-EM survey was conducted on the same property, which identified 5 conductive zones 200-800m long with E-W orientation (Girard, J., 1985).

In 1983, on the Coigny river area and south of the Sleeping Giant Mine site, Utah Mines Ltd. conducted a magnetometer and electromagnetic survey. The grid consisted of 8 lines-oriented N-S with 100m intervals. The magnetometer survey had readings taken as every 25m and the result of the survey determined the presence of an E-W striking mafic sill. The electromagnetic survey was able to identify a strong non-magnetic conductor; trending E-W and located 23m underground and north of the Coigny river (Zalnieriunas, R.V., 1983).

In 1984, Leo Audet and Associate carried an Electromagnetic VLF-EM and Magnetic survey approximately in the same area, along the QC-109 highway, north of the Coigny river. Lines of the 6.3km compass grid are oriented N-S with 150m intervals and readings were taken at every 25m. E-W trending magnetic anomalies were identified, parallel to regional volcanic stratigraphy. In VLF-EM survey, some weak E-W trending conductors are identified that could be due to overburden or sulphide-bearing units (Larouche, C., 1984).

In 1985, Perron Gold Mine Ltd conducted a magnetometer survey in order to identify gold-bearing structures as there is little outcrop due to thick overburden Survey was done west of the Bigniba lake, on the eastern part of the Property and another along the west side of the Qc-109 highway. Lines were cut in N-S orientation. High amplitudes anomalies were identified in an NW-SE trend that is attributed to ultrabasic rocks. High amplitudes range from 1100 gamma to 7719 gamma (Ross, D.M., 1985). HLEM survey was done in 1986, following the mag survey. No significant results were obtained (Ross, D.M., 1986). A VLF-EM survey was done in the center part of the Sleeping Giant South property, following the magnetic survey. Seven lines were cut N-S at 268m interval and readings taken every 100m. Two weak conductors near a high magnetic anomaly were identified. Magnetic anomalies show mafic rocks with magnetite (Ross, D.M., 1985). For the center survey, a magnetic high was identified as a gabbro intrusion and a smaller high was attributed to a pyrrhotite-graphite conductor around the Coigny river area (Podolsky, G. 1985). A magnetometer survey was conducted in the center-east of the Property, with N-S lines spaced 61m and readings taken ever 30.5m. It showed E-W trending anomalies that indicate magnetic sulphides or magnetite-rich beds (Ross, D.M. 1985). Two magnetic highs were also identified as a structure containing magnetite and pyrite (Campbell, R.A., 1985). Another magnetic survey was conducted adjacent to the previously described survey, with N-S oriented lines, 122m intervals and readings taken every 30.5m. Magnetic anomalies were associated with contact zone between volcanic and sedimentary units (Ross, D.M., 1985). A follow up on these two magnetic surveys was done in 1987 with a 12-line VLF-EM survey. Lines were 122m apart and oriented N-S. Anomalies mapped were interpreted as belonging form iron formations or graphitic zones with sulphides (Ross, D.M., 1987). In 1987, a magnetic survey was conducted in the center of the Property, east of the QC-109 highway. Lines were cut N-S at 122m interval and readings were taken every 30.5m. Two magnetic anomalies could indicate disseminated magnetite in volcanic rocks (Ross, D.M., 1987).

In 1985, Placer Development Limited conducted a magnetometer and VLF-EM survey in the northwestern part of the Property. 6 lines were oriented N-S, with 100m line spacing and readings taken every 12.5m. VLF-EM survey showed a weak E-W trending conductors and magnetic survey showed maximum amplitude of 400 gamma suggesting overburden. E-W magnetic trends are seen in the southern part of the survey suggesting mafic flow (Davidson, D.D., 1985). Another 3-line magnetic and VLF-EM survey was done north of the first one, with the same grid parameters. VLF-EM yielded no significant result due to deep overburden. Magnetic survey showed two magnetic highs attributed to structurally controlled mafic intrusions (Boniwell, J.B., 1985).

North American Mining Exploration Corp conducted a VLF-EM survey in 1985 in the extreme western part of the Property. The survey showed a few E-W trending anomalies of moderate strength, some just north of the Coigny River. A high anomaly along the Coigny River is interpreted as a contact between mafic volcanic and may be attributed to massive pyrrhotite-magnetite horizons in the contact zone (Campbell, R.A., 1985).

In 1985, Eastern Mines Limited conducted a magnetometer survey in the southeastern part of the Property. Lines were cut in N-S orientation at 122m intervals and readings were taken every 30.5m. Two anomalies were identified along contact zones that could be attributed to gold or base metal (Ross, D.M., 1985).

In 1987, Arbor Resources Ltd. conducted a magnetic survey in the northern part of the Bigniba Lake. Lines were cut in NE-SW orientation at 122m intervals and readings were taken at every 30.5m. A S-E trending anomaly that was interpreted magnetite in basic flow (Ross, 1987).

East of the Bigniba Lake, Hugues-Lang Group conducted a magnetometric survey in 1987. The survey grid was made of 33 lines-oriented NE-SW at 122m intervals. Readings were taken at every 30.5m. Two significant continuous anomalies were identified, trending NW-SE, and extends SE of the Property. The anomaly on Sleeping Giant South's property has a length of 1.6km and span 183m. It was interpreted as a NW trending fault (Berghmann, H.J., 1987).

In 1988, a 6.7km-line I.P. survey was conducted by A-PRI-OR-I Inc. in the eastern part of the Property, north of the Coigny river. One anomaly was identified as disseminated sulphides (Lavoie, C., 1988).

In 1989, Placer Dome conducted an I.P. survey in the northwestern part of the Property. 9 lines were cut with in N-S orientation with 200m spacing. No significant result was reported from this survey (Lambert, G. 1989).

In 1990, Aurizon Mines Ltd conducted a DIGHEM III (EM, resistivity, magnetic and VLF) airborne survey over the whole Property. A total of 1618km were flown with a line separation of 100m and 200m, depending on the area. Several magnetite-rich zones were identified and bedrock conductors (Pritchard, R.A., 1990).

In 1993, Cambiex conducted a 25.2km HEM survey over the western part of the Property. One conductor anomaly was identified, a horizon striking north. Conductive overburden was problematic for data interpretation (Plante, 1993). In 1994 another 44.2km HEM survey was conducted, adjacent to the previous one. Lines were oriented NE-SW and spaced at 100m. Resistivity zones were identified with an E-W orientation where bedrock is near-surface. No conductors were identified (Plante, L. 1994).

In 2004 and 2005, Cambior Inc. conducted a magnetometer and induced polarisation survey. A 600m WNW-ESE mineralised (pyrite +/- sphalerite) shear zone was identified (Lambert,G., 2004). In 2005, another 23-line survey was done adjacent to the previous one. 15 anomalies were identified, some to magnetite-bearing horizon (Hubert, J.M., 2005).

In 2008, Maudore Minerals Ltd. conducted a VTEM survey in the Bigniba lake area. A 170km survey was done, 35 lines were oriented N034° and spaced at 150m. Four N120° EM lineaments 800m to 1400m in length were identified at 125m deep all of them being continuous. Some weak conductors were identified and interpreted as disseminated sulphides, sphalerite, or conductive overburden (Cifuentes, C., 2008).

In 2008, the Geological Survey of Canada commissioned an electromagnetic airborne MEGATEM II survey in Abitibi, lines were spaced 200m apart. Results are presented in a map accompanying the survey report (Commission Geologique du Canada, Mines d'Or Virginia Inc., 2009).

In 2008, Resources Cadiscor Inc. conducted a 135.7km deep penetrating Induced Polarization survey in the center of the Property. Some high resistivity as well as chargeability zones where identified (Berube, P. 2011).

In 2012, Maudore Minerals Ltd. conducted a 33.75 km-line NE-SW IP survey grid. Non-conductive IP anomalies were identified which indicate non-polarizable units (Tshimbalanga, S., 2012).

6.3 Geochemistry

In 1969, the MRN conducted a geochemical survey to test the prospecting methods using eskers. The survey covered the NW of the Sleeping Giant South Property. This survey shows 20 to 85 ppm of copper anomaly in the C Horizon on a part of the property (Cachau-Herreillat, F., Lasalle, P., 1969).

In 1977, the MRN conducted a geochemical survey based on systematic sampling of gravel pits in Abitibi eskers to determine the average content mercury in the rocks and to detect abnormal zones that could be associated with sulphide mineralization (Zn or Pb). The results were not relevant in the Sleeping Giant South Property (Chauvin, L., and al., 1977).

In 1982, a geochemical soil survey was conducted in the Joutel region by the MRN. Part of the final map covers part of the Sleeping Giant South Property (Beaumier, M., 1982).

In 1985, a soil-sampling geochemical program was conducted by Prospecting Geophysics Ltd for Perron Gold Mines Ltd, to define hidden mineralized areas associated with favourable magnetic structures. The survey grid was used as a base and samples were taken every 100 feet across the magnetic anomalies. The samples of sand-silt and clay were obtained of the B-horizon by hand augers from depths of up to three feet. Analysis at the 141 soil samples have reported one isolated anomalous gold value of 90 ppb located on the axis of a magnetic anomaly, but exact location is hard to pinpoint (Ross, D.M., 1985).

In 1985, the MRN conducted a large-scale pedogeochemical survey in the Joutel region and identified three zones of geochemical activity for gold. The two areas of interest are located to the north of the Sleeping Giant South Property (Beaumier, M., 1985). In 1985, the MRN conducted a large-scale geochemical soil survey to define the regional geochemical background (Otis, M. 1985). In 1986, the MRN conducted a large-scale geochemical survey on mineralogy and geochemistry of Abitibi’s esker, including the Sleeping Giant South Property. It concludes that esker materials represent the underlying rock and these materials have not been transported over distances exceeding 20 to 30 km (Lasalle, P., and al., 1986).

In 2009 and 2010, the CONSOREM conducted a large-scale geochemical survey that covers part of the Abitibi, including the Sleeping Giant South Property. This project developed a methodology for the exploration of polymetallic iron oxide (IOCG) deposits in Quebec (Lafrance, B., 2009; Faure, S., 2010). In 2012, the CONSOREM conducted a large-scale geochemical survey on till that cover part of the Abitibi, including the Sleeping Giant South Property (Trepanier, S., 2012).

In 2016, the MRN submitted samples from quaternary survey conducted by the Bureau de la Connaissance Géoscientifique du Québec in the Abitibi-Temiscamingue region. The analyses were carried out at the LUX Laboratory of the University of Quebec in Montreal. The results allow to refine the chronostratigraphic framework of these two regions. The sampled units are composed mainly of fine material with disseminated organic matter stratigraphically located under a glacial sequence. A sample was in the Sleeping Giant South Property, but it was not possible to apply the protocol of dating by individual grains for this sample since the particle size of the latter, of the order of fine sands, was too fine. An age was obtained (112 ka) and is quite probable it is not unreasonable to believe that subpopulations of younger grains are present (Hardy, F., and al., 2016).

6.4 Drilling Campaign

Kennco Explorations in 1958, conducted a drilling survey in the Chaste Township, 3 of these holes affecting the Property's claims. No geochemical analysis was done on the sampled rocks, which were described as volcanic horizons and schistose laminar sediments with massive graphite. Maximum depth is 175.3m (Black, P.T. and Perusse, J.,1958).

Bellechasse Mining Corp. Ltd. conducted in 1958, a drilling campaign of 3 drillholes with maximum depth of 107.5ft (32.8m); 97.7ft (29.8m) and 125ft (38.1m) all of them cutting through an andesite unit with a network of calcite-quartz stringers and minor disseminated pyrite and chalcopyrite (Kalnins, V., 1958).

In 1985, Perron Gold Mines Ltd conducted a drilling campaign, 10 of the holes were located on the Sleeping Giant South Property. Three holes drilled in the center north of the Sleeping Giant South property intersected massive sulphide bands in brecciated horizon as well as a magnetite-pyrite (1-3%) andesite and decametric siliclastic iron formation with up to 5% pyrite. Depth of holes range from 95.4m to 114.6m (Ross, D., 1985). Two holes are located on the northwestern part of the Property and intersected similar horizons: massive lava basalt to andesite composition with magnetite-pyrite (1-3%) and chlorite alteration. Drillhole depths are 123.1m and 124m (Ross, D., 1985). On the Eastern part of the Property, 5 holes were drilled, intersecting mostly sedimentary units of mudstone, greywacke, and siltstone with iron formation horizon with 10% to massive magnetite and laminar tuff and andesite beds. Drillhole depth range from 93.6m to 108.8m (Ross, 1985). No significant metallic values were reported for these holes. In 1987, Arbor Resources Ltd for Perron Gold mine Ltd conducted another diamond drilling campaign, three of the drills affecting the Property. It led to the discovery of the Chaste-Soissons gold showing approximately 3.8 km north of the Property.

In 1988, Mines Aurizon Ltée conducted a diamond drilling campaign with 3 drill holes located on the Property, intersecting intermediate to mafic volcanic rocks with quartz-carbonate-tourmaline veining, chlorite alterations and some magnetite beds. Depth of holes range from 119.2m to 188.8m (Mines Aurizon Ltee, 1988). In 1989, a two-drill campaign was conducted in the eastern part of the Property, returning up to 70ppb Au over 1.0m in quartz-carbonate veins in intermediate to mafic volcanic rocks. Drill hole depth are 153.0m and 154.8m (Charlton, 1989; Coates & Charlton 1989).

In 1992, Cambior Inc. conducted a 7 drillholes campaign in the northern and northwestern part of the Property, all of them intersecting varying facies of brecciated, massive, or pillowed andesite and diorite. A total of 2944,29m was drilled with average depth of each hole around 500m except for DX-92-04, which was stopped at 386,5m. Pyrite content is 0-1%. 1088m of core was sampled, returning no significant gold grades (Desjardins, D., 1992).

In 1993, Exploration Cambiex Inc. conducted a reverse circulation overburden drilling campaign and mineral geochemical sampling for gold, with 63 holes located mostly in the west center part of the Property. Holes 78 and 117 are located on Sleeping Giant South property. Some till analysis returned 30 to 40 gold grains on the Property (Averill, S.A., 1993).

In 1995, a 12 diamond-drill campaign was conducted by Cambiex Inc., 6 of them located on the Property. Targets were established using helicopter electromagnetic data and high resistivity anomalies coupled with high magnetic field. The campaign yielded no significant result (Gilbert, M., 1995).

In 2011, a 6 drillholes campaign was conducted by Minéraux Madore Ltée, two of them located on the Property. They reach depth of 159m and 180m. Brecciated horizons with up to 90% pyrite were sampled in chloritized-carbonized mafic to intermediate volcanic host-rocks as well as sericitized felsic volcanics. Best result of the campaign on the Property are in hole SLE-11-09 and returned 0.44 g/t Au over 1.0m at 169.50m deep (Jalbert C., and Jourdain, V., 2011).

During the winters of 2011 to 2013, the MRN carried out a Quaternary deposit drilling project in 3 phases in the Octave River region in Abitibi. This survey aimed at highlighting the mineral potential of the sector, to specify the nature of the bedrock in an area with a strong cover of Quaternary sediments, and to characterize the unconsolidated deposits. The drilling was carried out by the company Boart Longyear Canada under the supervision of the consulting firm IOS Services Géoscientistiques Inc. (Allard G., Dube-Loubert, H, 2016).

Item 7: Geology

7.1. Regional Geology

The Sleeping Giant South Property is in Northern part of the Abitibi Greenstone belt in the Neoarchean Superior Province (Chown, E.H. and al., 1992). The Abitibi greenstone belt is characterised by a volcano-sedimentary sequence with plutonic injections. It is known for its Porcupine-Destor Fault Zone separating it with a roughly E-W cut in the Southern Volcanic Zone (SVZ) and the Northern Volcanic Zone (NVZ), which include the Property subject of this report. The Abitibi greenstone belt is the host of extraordinary gold deposits (Deschênes, P.-L., Allard, G., 2014). The Property is in the Northern Volcanic Zone of the Abitibi belt, surrounded by three major plutonic intrusions. The Marest Batholith at east (Ma on Figure 5), Mistouac Batholith at west (Mi on Figure 5) and Bernetz Batholith at south (Be on Figure 5) are source of major deformation and faulting defining the NVZ as well as the area under study. The region is marked by E-W and NO-SE deformation corridors (Bonneville, P., 2019).

Figure 5: Regional Geology and Location of the Property (Chown et al. 1992).

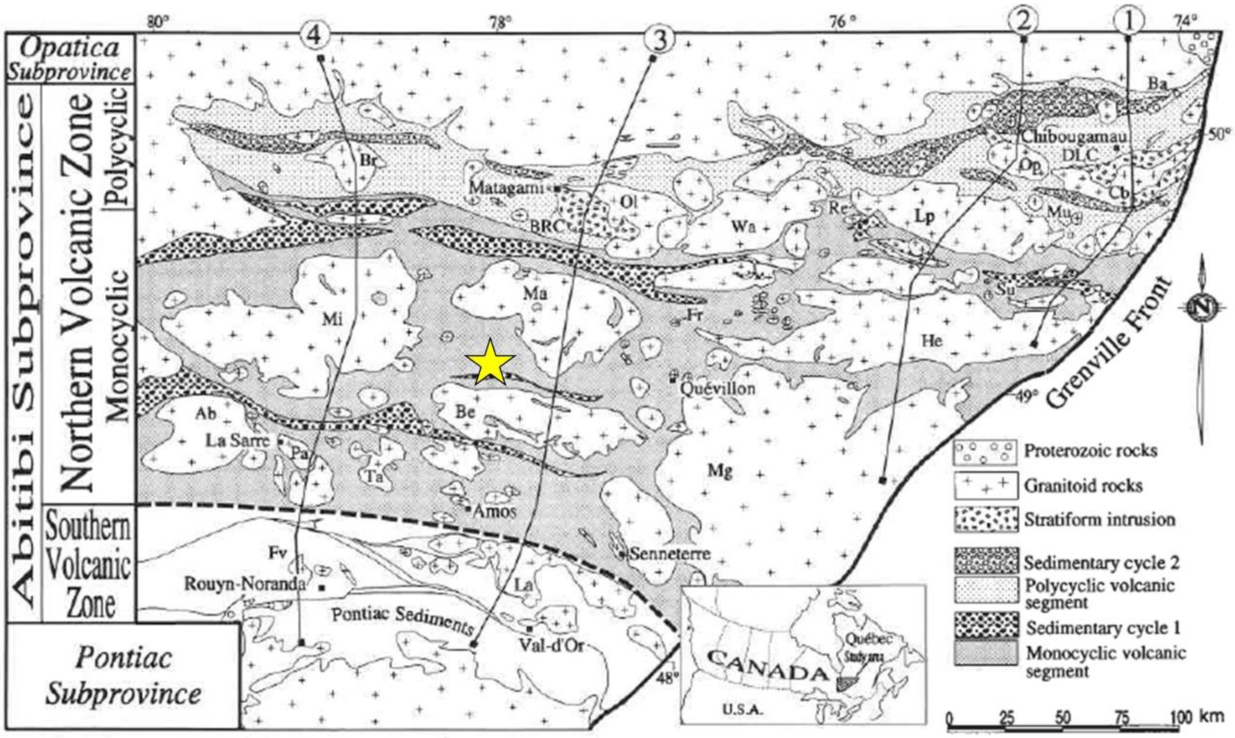
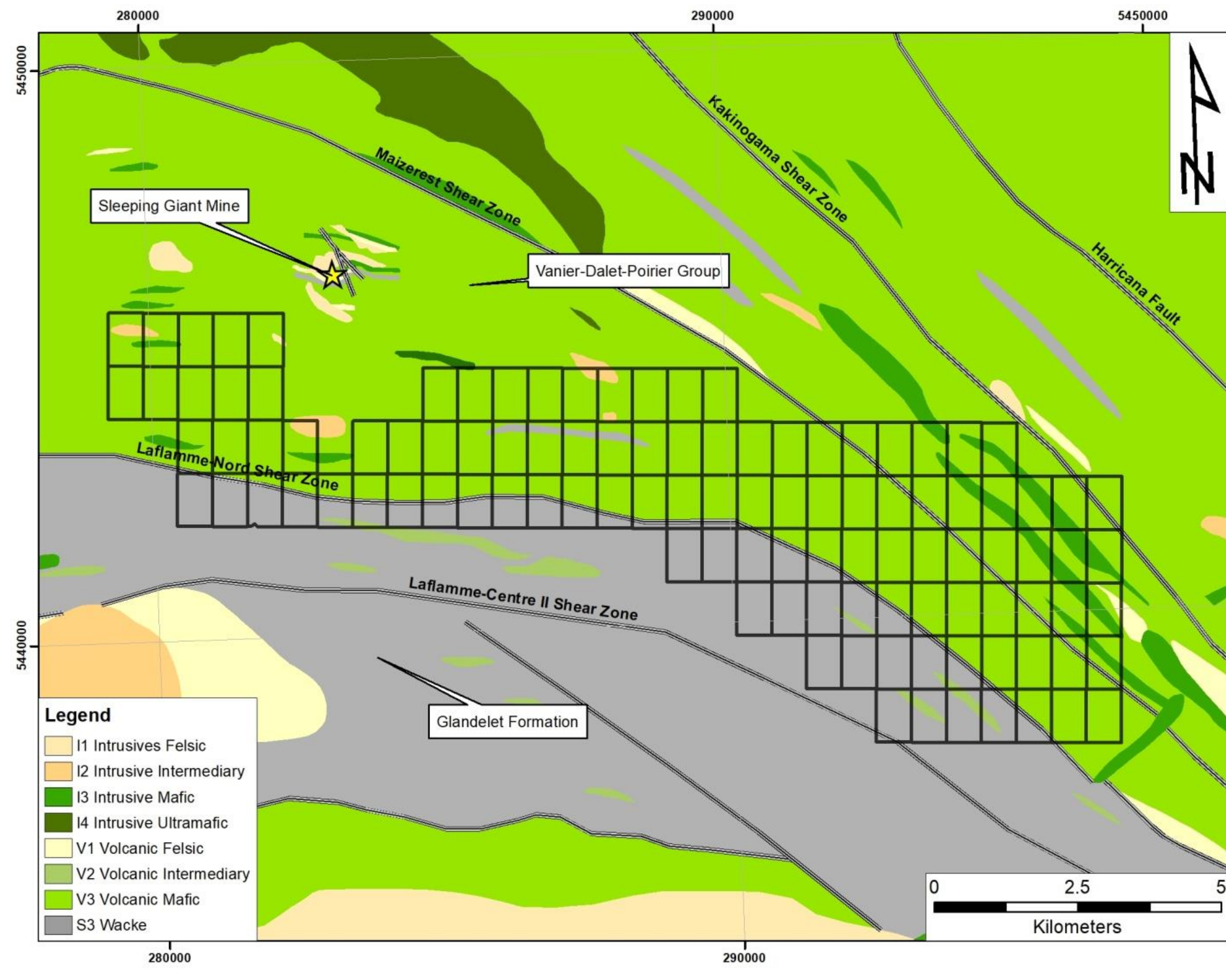


FIG. 1. Divisions of the Abitibi Subprovince. Lines 1 – 4 locate structural cross sections shown in Fig. 6. Plutons: Ab, Abitibi; Be, Bernetz; Br, Brouillan; Cb, Chibougamau; Fa, Father; Fv, Flavrien; Fr, Franquet; He, Hebert; La, Lacorne; Lp, Lapparent; Ma, Marest; Mi, Mistaouac; Mu, Muscocho; Ol, Olga; Op, Opemisca; Pa, Palmarolle; Su, Surprise; Ta, Taschereau; Wa, Waswanipi. DLC, Doré Lake Complex, BRC, Bell River Complex. ★ Sleeping Giant Extension Property

7.2. Local Geology

Most of the Property is in the Vanier-Dalet-Poirier Group (Figure 6), a NeoArchean volcanosedimentary sequence composed of intermediate to mafic volcanic rocks, either massive, pillow, brecciated, vesicular or locally porphyritic with plagioclase phenocrysts as described by Gaboury and al, (1994) on the Sleeping Giant mine (now closed) in 1999. They dated a felsic volcanic unit to 2722±2 Ma. They also described a tholeiitic mafic basalt or andesite as main lithology on the Sleeping Giant Property whereas Legault, M., and al (2000), described a calco-alkaline composition to the Group's volcano-sedimentary, which they justified by a bimodal volcanism model, originating from two magma chambers of distinct compositions. The volcanic rocks are all metamorphosed to greenschist facies. (Gaboury, D., 1999)

Figure 6: Local Geology.



Réhaume, P. and al. (2010) classify the Vanier-Dalet-Poirier volcano-sedimentary group in units:

1. Aphanitic or porphyric basalt of tholeiitic composition. The lavas are weakly to entirely epidotized as well as locally silicified or altered in carbonate.
2. Andesitic basalt, calco-alkaline andesite with intermediate or felsic tuff, shows in alternance. It shows a massive, pillowed or breccia facies.
3. Felsic lava or tuff, ranging from lapilli, block to ash. Parts of the unit show a strong sericite alteration as well as a clear schistosity or can present brecciated facies.

Following the regional deformations orientation, a series of intermediate to mafic intrusive dykes are in the volcanosedimentary unit on the Property with orientation concordant with the local structures: E-W near the Laflamme-Sud Shear Zone to NW-SE closer to the Maizerest Shear Zone. The mafic dykes have been identified as being post-mineralisation, on the Sleeping Giant mine site (Réhaume, P. and al., 2010).

The regional faults and shear zones are structures resulting from an orogenic shortening which created E-W trending shear zones, such as the Laflamme-Nord Shear Zone crossing the Property as well as NE-SW trending faults and shear zones such as the Maizerest Shear Zone. (Gaboury D., 1999)

South of the Laflamme-Nord Shear Zone, resting discordantly on the southern part of the Vanier-Dalet-Poirier volcanic sequence lays the Glandelet Formation. It is a siliclastic sedimentary sequence composed of turbiditic sequences defined by a layering of well-sorted wackestone, mudstone and banded iron formation. The banded iron formations have a strong electromagnetic signature and have shown massive magnetite in core section. These sequences are affected by several regional deformation events, most of them related to the Marest Batholith of granitic composition. These deformations were observed more clearly near the shear zones on the Glandelet Formation’s northern and southern borders, as stretching lineation as well as schistosity of varying intensity and folding. (Rhéaume, P, and al., 2010)

7.3. Mineralisation

The Sondage-DX-92-07 showing is a silver showing located on the Property. It returned 32.0g/t Ag over 1.0m in a foliated and carbonated andesite horizon. The mineralised horizon displays a 15% -20% disseminated pyrite (Desjardins, D., 1992).

Item 8: Deposit Types

Other than the Sondage-DX-92-07 showing, there is no other significant showing or mineralization known on the property. Near the Property are several gold showings that can be classified as Orogenic Gold Mineralization or Greenstone Hosted Deposits. The Ministère de l'Énergie et des Ressources Naturelles (MERN) also identified possible Volcanogenic Massive Sulfides (VMS) targets around the Property (Figure 7).

8.1 Orogenic Gold Mineralization

Three mineralisation events are described by Bonneville P. (2019) on the Sleeping Giant mine property. The first event is a volcanogenic enrichment in sulphides and alteration of mafic *pillows mainly in the form of quartz, chlorite, pyrrhotite, chalcopyrite veins (up to 80% sulphide) as well as disseminated sulphides in felsic volcano-sedimentary rocks and laminated sediment. The second mineralisation event is related to the sulfidation in pyrite of the Sleeping Giant dacitic dome is as well as host volcanic rocks and alteration in chlorite. The last mineralisation event is the quartz-feldspath-sulfides Au-rich vein injections that are spatially associated with quartz-feldspar porphyry (QFP) dykes. The mineralised quartz veins range from 20cm to 75cm in thickness, have an average orientation E-W with southern inclination. They are reliable spatial indicators of gold-veins localisation (Bonneville P., 2019) (Gaboury, D. and al., 1994).*

According to Groves D.I., and al (1997), the orogenic gold mineralizations are a distinctive type of gold deposit which is typified by many consistent features in space and time. Perhaps the most consistent characteristic of the deposits is their consistent association with deformed metamorphic terranes of all ages. Observations from throughout the world's preserved Archaean greenstone belts and most recently active Phanerozoic metamorphic belts indicate a strong association of gold and greenschist facies rocks. However, some significant deposits occur in higher metamorphic grade Archaean terranes or in lower metamorphic grade domains within the metamorphic belts of a variety of geological ages. Premetamorphic protoliths for the auriferous Archaean greenstone belts are predominantly volcano-plutonic terranes of oceanic back-arc basalt and felsic to mafic arc rocks. Clastic marine sedimentary rock-dominant terranes that were metamorphosed to graywacke, argillite, schist and phyllite host younger ores, and are important in some Archaean terranes.

These deposits are typified by quartz-dominant vein systems with sulfide and carbonate minerals. Albite, white mica or fuchsite, chlorite, scheelite and tourmaline are also common gangue phases in veins in greenschist-facies host rocks. Vein systems may be continuous along a vertical extent of 1–2 km with little change in mineralogy or gold grade; mineral zoning does occur, however, in some deposits. Gold: silver ratios range from 10 to 1, with ore in places being in the veins and elsewhere in sulfidized wallrocks. Gold grades are relatively high, historically having been in the 5–30 g/t range. Sulfide mineralogy commonly reflects the lithogeochemistry of the host. Arsenopyrite is the most common sulfide mineral in metasedimentary country rocks, whereas pyrite or pyrrhotite are more typical in metamorphosed igneous rocks. Gold-bearing veins exhibit variable enrichments in As, B, Bi, Hg, Sb, Te and W; Cu, Pb and Zn concentrations are generally only slightly elevated above regional backgrounds.

Deposits exhibit strong lateral zonation of alteration phases from proximal to distal assemblages on scales of metres. Mineralogical assemblages within the alteration zones and the width of these zones generally vary with wallrock type and crustal level. Most commonly, carbonates include ankerite, dolomite or calcite; sulfides include pyrite, pyrrhotite or arsenopyrite; alkali metasomatism involves sericitization or, less commonly, formation of fuchsite, biotite, or K-feldspar and albitization and mafic minerals are highly chloritized. Amphibole or diopside occur at progressively deeper crustal levels and carbonate minerals are less abundant. Sulfidization is extreme in BIF and Fe-rich mafic host rocks. Wallrock alteration in greenschist facies rocks involves the addition of significant amounts of CO_2 , S, K, H_2O, SiO_2, Na and LILE.

There is strong structural control of mineralization at a variety of scales. Deposits are normally sited in second or third order structures, most commonly near large-scale compressional structures. Although the controlling structures are commonly ductile to brittle in nature, they are highly variable in type, ranging from: a) brittle faults to ductile shear zones with low-angle to high-angle reverse motion to strike-slip or oblique-slip motion; b) fracture arrays, stockwork networks or breccia zones in competent rocks; c) foliated zones (pressure solution cleavage) or d) fold hinges in ductile turbidite sequences. Mineralized structures have small syn- and post-mineralization displacements, but the gold deposits commonly have extensive down-plunge continuity (hundreds of metres to kilo- metres).

8.2 Greenstone Hosted Deposits

The primary exploration model for the Project area is a gold bearing greenstone-hosted quartz - carbonate vein deposit as outlined below by Dube and Gosselin, 2007.

"*Greenstone-hosted quartz-carbonate vein deposits typically occur in deformed greenstone belts of all ages, especially those with variolitic tholeiitic basalts and ultramafic komatiitic flows intruded by intermediate to felsic porphyry intrusions, and sometimes with swarms of albitite or lamprophyre dyke. They are distributed along major compressional to transtensional crustal-scale fault zones in deformed greenstone terranes commonly marking the convergent margins between major lithological boundaries, such as volcano-plutonic and sedimentary domains. The large greenstone hosted quartz-carbonate vein deposits are commonly spatially associated with fluvio-alluvial conglomerate (e.g., Timiskaming conglomerate) distributed along major crustal fault zones (e.g., Destor Porcupine Fault). This association suggests an empirical time and space relationship between large-scale deposits and regional unconformities.*

These types of deposits are most abundant and significant, in terms of total gold content, in Archean terranes. However, a significant number of world-class deposits are also found in Proterozoic and Paleozoic terranes. In Canada, they represent the main source of gold and are mainly located in the Archean greenstone belts of the Superior and Slave provinces. They also occur in the Paleozoic greenstone terranes of the Appalachian orogen and in the oceanic terranes of the Cordillera. The greenstone-hosted quartz-carbonate vein deposits correspond to structurally controlled complex epigenetic deposits characterized by simple to complex networks of gold-bearing, laminated quartz-carbonate fault-fill veins. These veins are hosted by moderately to steeply dipping, compressional brittle-ductile shear zones and faults with locally associated shallow-dipping extensional veins and hydrothermal breccias. The deposits are hosted by greenschist to locally amphibolite-facies metamorphic rocks of dominantly mafic composition and formed at intermediate depth (5-10 km). The mineralization is syn- to late-deformation and typically post-peak greenschist -facies or syn-peak amphibolite-facies metamorphism. They are typically associated with iron-carbonate alteration. Gold is largely confined to the quartz-carbonate vein network but may also be present in significant amounts within iron-rich sulphidized wall-rock selvages or within silicified and arsenopyrite-rich replacement zones.

There is a general consensus that the greenstone-hosted quartz-carbonate vein deposits are related to metamorphic fluids from accretionary processes and generated by prograde metamorphism and thermal re-equilibration of subducted volcano-sedimentary terranes. The deep-seated, Au-transporting metamorphic fluid has been channelled to higher crustal levels through major crustal faults or deformation zones. Along its pathway, the fluid has dissolved various component- notably gold - from the volcano-sedimentary packages, including a potential gold-rich precursor. The fluid then precipitated as vein material or wall-rock replacement in second and third order structures at higher crustal levels through fluid-pressure cycling processes and temperature, pH and other physico-chemical variations." – Dubé B. and Gosselin, P., 2007.

8.3 Volcanogenic massive sulphide

Volcanogenic massive sulphide (VMS) deposits, also known as volcanic-associated, volcanic-hosted, and volcanosedimentary-hosted massive sulphide deposits, are major sources of Zn, Cu, Pb, Ag, and Au, and significant sources for Co, Sn, Se, Mn, Cd, In, Bi, Te, Ga, and Ge.

These deposits form at or near the seafloor where circulating hydrothermal fluids driven by magmatic heat are quenched through mixing with bottom waters or porewaters in near-seafloor lithologies. Massive sulfide lenses vary widely in shape and size and may be podlike or sheet-like. They are generally stratiform and may occur as multiple lenses. Deposits range in size from small pods of less than a ton (which are commonly scattered through prospective terrains) to supergiant accumulations (Shank W.C. and al., 2012).

The most common feature among all types of VMS deposits is that they are formed in extensional tectonic settings, including both oceanic seafloor spreading and arc environments. Most ancient VMS deposits that are still preserved in the geological record formed mainly in oceanic and continental nascent-arc, rifted arc, and back-arc settings. Primitive bimodal mafic volcanic-dominated oceanic rifted arc and bimodal felsic-dominated siliciclastic continental back-arc terranes contain some of the world's most economically important VMS districts. Most, but not all, significant VMS mining districts are defined by deposit clusters formed within rifts or calderas. Their clustering is further attributed to a common heat source that triggers large-scale subseafloor fluid convection systems. These subvolcanic intrusions may also supply metals to the VMS hydrothermal systems through magmatic devolatilization (Galley, A.G. and al., 2007).

Massive ore in VMS deposits consists of >40 percent sulfides, usually pyrite, pyrrhotite, chalcopyrite, sphalerite, and galena; non-sulfide gangue typically consists of quartz, barite, anhydrite, iron (Fe) oxides, chlorite, sericite, talc, and their metamorphosed equivalents. Ore composition may be Pb-Zn-, Cu-Zn-, or Pb-Cu-Zn-dominated, and some deposits are zoned vertically and laterally.

Many deposits have stringer or feeder zones beneath the massive zone that consist of crosscutting veins and veinlets of sulfides in a matrix of pervasively altered host rock and gangue. Alteration zonation in the host rocks surrounding the deposits is usually well-developed and include advanced argillic (kaolinite, alunite), argillic (illite, sericite), sericitic (sericite, quartz), chloritic (chlorite, quartz), and propylitic (carbonate, epidote, chlorite) types (Bonnet, A.L., and Corriveau, L, 2007).

An unusual feature of VMS deposits is the common association of stratiform “exhalative” deposits precipitated from hydrothermal fluids emanating into bottom waters. These deposits may extend well beyond the margins of massive sulfide and are typically composed of silica, iron, and manganese oxides, carbonates, sulfates, sulfides, and tourmaline.

Item 9: Exploration

No field exploration was conducted on the property by the Issuer.

A magnetic airborne survey was conducted by Prospectair-Dynamic Discovery Geoscience for Muzhu Mining Ltd. It was flown from January 21st to February 5th 2021. It consisted in lines at 500m spacing for a total of 1,335line-km. The survey covered all the Property. "*Most of the surveyed area is affected by linear magnetic features characteristic of alternating sequences of mafic volcanic rocks with sedimentary or intermediate to felsic volcanic rocks, with possibly some small size intrusive stocks or dykes locally. In a general sense, areas with lower background values and decreased signal variability are likely to be dominated by sedimentary or felsic intrusive/volcanic rocks. Stronger magnetic anomalies are also distributed throughout the block and are likely related to mafic/ultramafic intrusive/volcanic rocks. The strongest anomalies could pertain to magnetite rich iron formations.*

Several magnetic lineaments appear curved and some are even possibly folded locally, attesting that the area underwent strong deformation events in the past, and that shearing may have affected some of these lineaments. Magnetic lineaments are generally trending from NW-SE to E-W in the area, with the exception of a few ones striking NE-SW that are likely pertaining to mafic dykes. In general terms, magnetic lineaments are related to rock formations that are enriched in magnetic minerals (magnetite and/or pyrrhotite).

In some areas, it is possible to detect structural features offsetting observed magnetic lineaments and causing abrupt interruption or changes of the magnetic response. These features are typically caused by faults, fractures and shear zones. If they are thought to be favorable structures in the exploration context of the Sleeping Giant South project, they should be paid particular attention and should be the object of a comprehensive structural interpretation, which is beyond the scope of this report." (Dubé, 2021).

For the purpose of the Technical Report, a compilation of significant available historical data was conducted to highlight targets and highly favourable areas.

9.1 MERN Targets

The MERN also identified various targets on and around the Property (see item 6.2 and 6.3 for more details) and are compiled in Figure 7.

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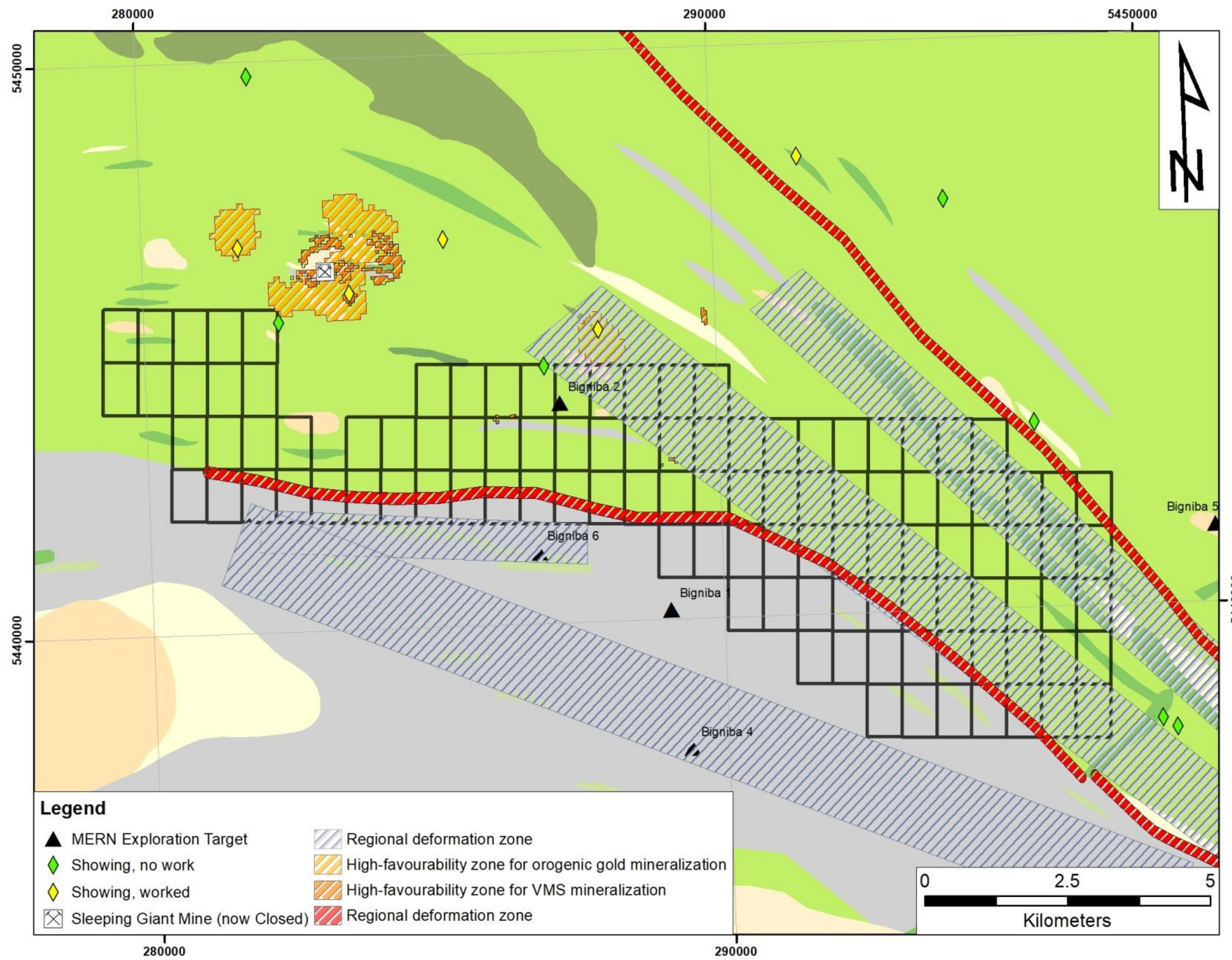
Figure 7: MERN Targets Compilation (Source: SIGEOM).



The MERN identified one punctual geochemical exploration target on the Property (Bigniba 2) and is described as "19 chalcopyrite grains in 3 till samples, including a sample with 10 chalcopyrite grains in the basal till overlying felsic volcanic rocks". Two more punctual geochemical exploration targets were identified outside of the Property, to the south. Bigniba 1 and Bigniba 6 targets were described as "4 chalcopyrite grains in till overlying deformed wacke" and "5 arsenopyrite grains in till overlying sericitized felsic tuff along a regional deformation zone" respectively (Legault, M., 2007).

Three categories of regional favourable zones are present on the Property. The Laflamme-Nord Deformation Zone and the Harricana Deformation Zone are defined as "Regional deformation zone associated with a strong carbonate alteration, quartz – carbonate - tourmaline veining and Au anomalous values" and straddle the property in a NW-SE general direction.

The Bigniba 8, Bigniba 9 and Bigniba 10 are described as "Regional deformation zone associated with quartz + carbonate + chlorite ± albite ± pyrite veining; associated with brecciated alteration zone in drillhole RO-15" for Bigniba 8 and Bigniba 10, while Bigniba 9 is described as

"Regional deformation zone associated with quartz + carbonate + chlorite ± albite ± pyrite veining and known gold occurrences (Coigny showing, trenches 1 and 2)".

The third one is category are "High-favourability zone for VMS mineralization types in the Abitibi area". It is produced from "Data processing involved the weighting and combination of 22 geological parameters relevant to the metallogenic model, weighted by the technique of weight of evidence (WFOE)" (Lamothe, 2011).

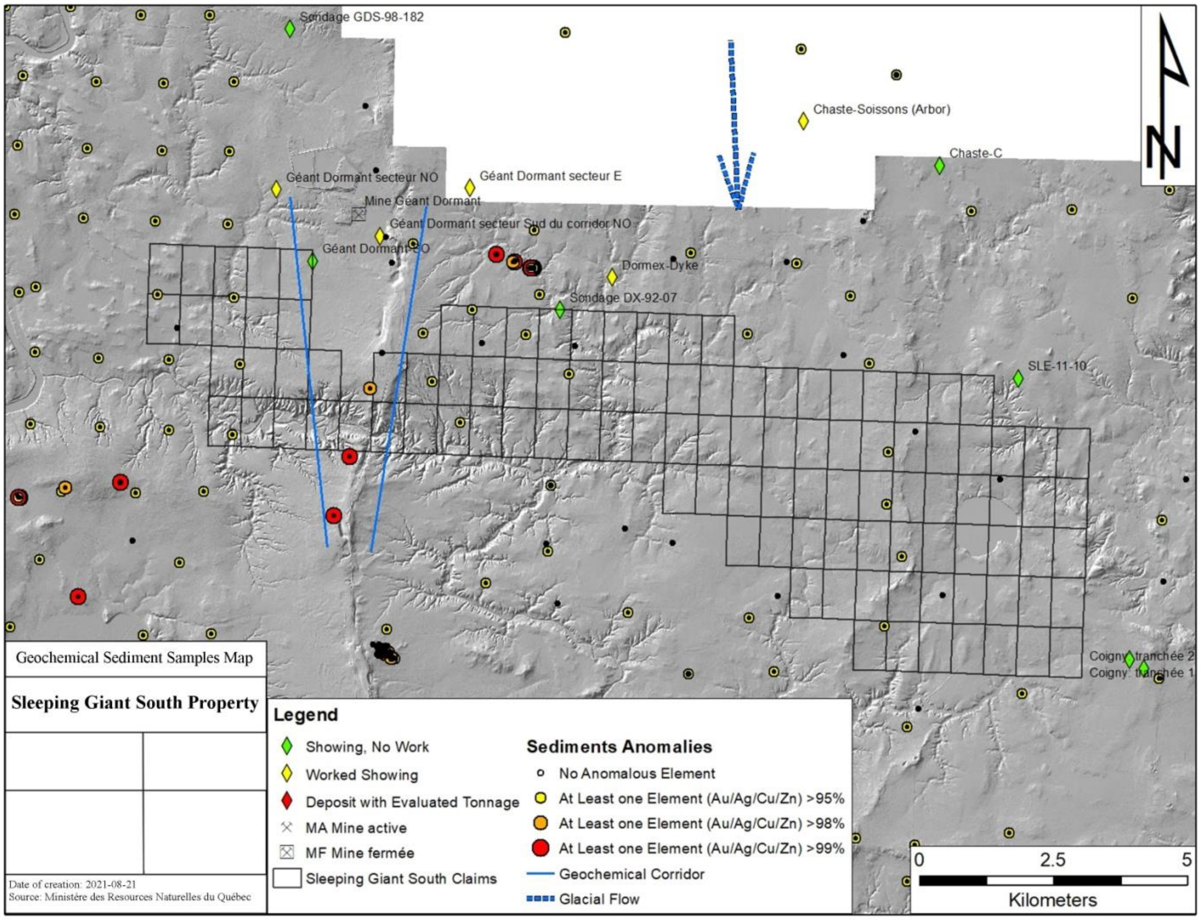
Just north of the property are a fourth category, described as "High-favourability zone for VMS mineralization types in the Abitibi area". It is produced from "Data processing involved the weighting and combination of 22 geological parameters relevant to the metallogenic model, weighted by the technique of weight of evidence (WFOE)" (Lamothe, D., 2011). The Sleeping Giant (closed) Mine is in the orogenic/VMS favourable zones.

9.2 Geochemical Targets

Rock and sediment samples have been taken by the MERN and other companies (see Item 6, Historical Work) on and around the Property. A geochemical processing of sediments taken on and around the property to identify anomalous samples in Au-Ag-Cu-Zn returned few anomalous samples on the Property. Figure 12, show two elevated count of gold grain in the till column south of Sleeping Giant Mine and Sleeping Giantsector NW showing and could, be their source. This seems to confirm the North-South glacial flow direction. Figure 8 shows the most important sediments anomalies, including a strong Cu-Zn corridor that can be linked to the Sleeping Giant Mine to the north.

Caution must be taken with this figure for two reasons: 1) gold and silver does not appear to have been assayed in all sediments; and 2) samples come from a variety of sources (heavy minerals fraction from till, B-Horizon, etc.) and from various studies at various period of time. This makes the available data hard to compare and therefore any interpretation must be taken with caution.

Figure 8: Mixed Sediment Geochemical Anomalies Map over Lidar (Source: SIGEOM).

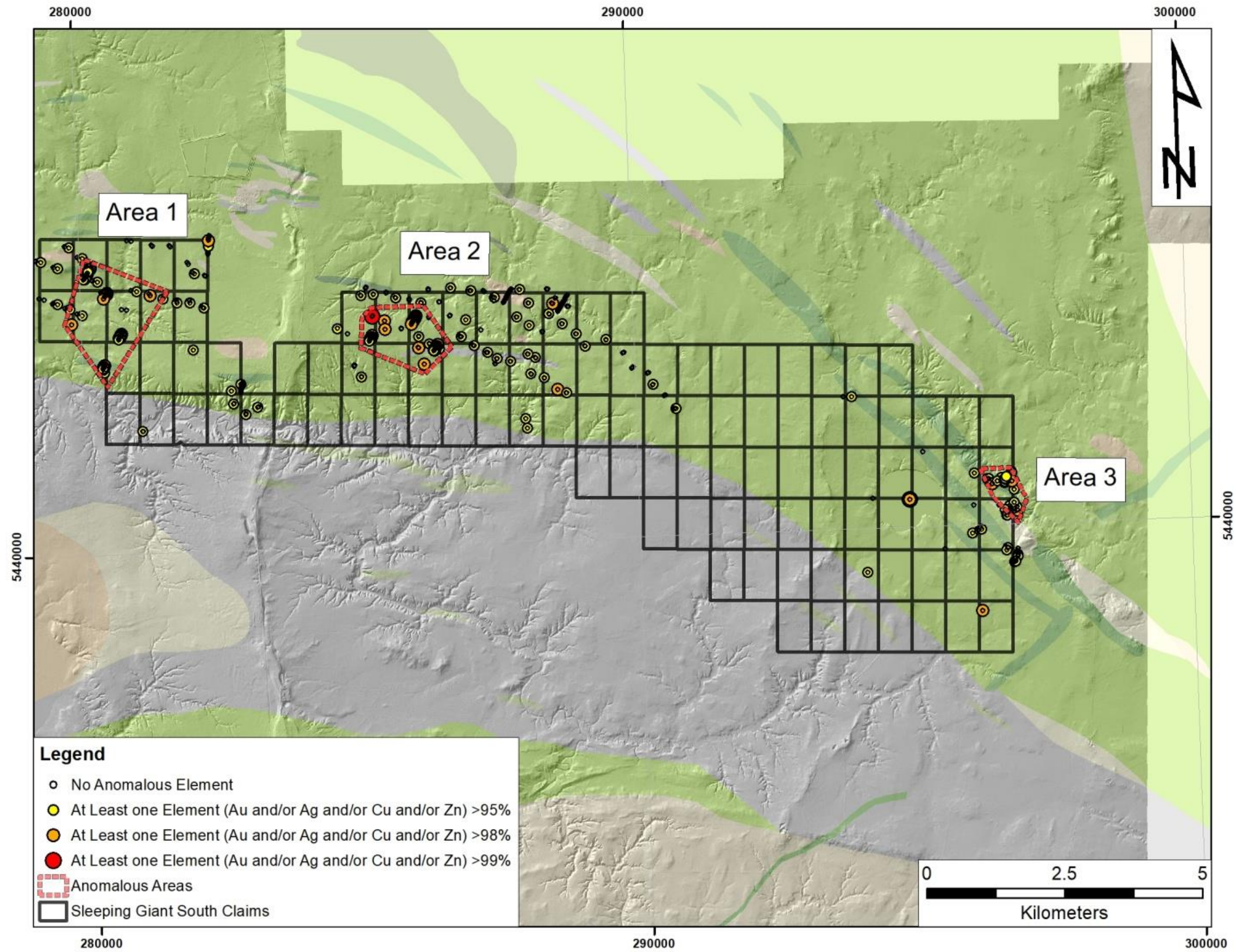


A geochemical interpretation of the rock samples data on the Property seems to identify three anomalous areas. The areas were produced by plotting on map calculated threshold values for selected elements (Au-Ag-Cu-Zn). For precious (Au-Ag), the thresholds were calculated at 10x, 20x and 100x the value of the Clarke (average crustal value); while for base metals (Cu- Zn) the thresholds were calculated at approximately 2x, 4x and 10x the value of the Clarke. Table 1 present the values of the calculated threshold and Figure 9 shows their location. It must be noted that not all samples were assayed for all selected elements and that detection limits varied in time and by surveys. Therefore, caution must be taken in interpreting the presented data.

Table 1: Geochemical Threshold for Selected Elements

Element	Clarke	1st Threshold	2nd Threshold	3rd Threshold
Au	0.0001ppm	0.0010ppm	0.0020ppm	0.100ppm
Ag	0.0050ppm	1.00ppm	2.00ppm	10.00ppm
Cu	27ppm	50ppm	100ppm	250ppm
Zn	67ppm	150ppm	300ppm	500ppm

Figure 9: Rock Geochemical Anomalies Map (Source: SIGEOM).



Area 1 to the west presents elevated copper values (up to 152ppm Cu) in basalt-andesite assemblages. Area 2 in the center presents elevated copper values (up to 377ppm Cu) in the same basalt-andesite assemblage as Area 1. Area 3 to the east presents elevated Au-Cu-Zn values (up to 10ppb Au, 131ppm Cu and 201ppm Zn) in gabbro, felsic tuff, and basalt-andesite assemblages.

Item 10: Drilling

No drilling survey was conducted on the property by the Issuer.

Item 11: Sample Preparation, Analyses and Security

No survey was conducted on the property by the Issuer.

Item 12: Data Verification

The data presented within this report were collected from a variety of cited sources including historical documents, scientific papers, and government websites.

Other than a review of claim status, the author did not attempt to verify other properties information, as the accuracy of information provided by the cited sources was considered to be sufficient by the author.

Some of the historical work reports used as references in the preparation of this report did not provided details of the sampling or analytical methods used and quality control methods and security procedures were not discussed either.

Item 13: Mineral Processing and Metallurgical Testing

This section does not apply to this report.

Item 14: Mineral Resource Estimates

This section does not apply to this report.

Item 15: Mineral Reserve Estimate

This section does not apply to this report.

Item 16: Mining Methods

This section does not apply to this report.

Item 17: Recovery Methods

This section does not apply to this report.

Item 18: Project Infrastructures

There is no infrastructure on the Property.

Item 19: Market Studies and Contracts

This section does not apply to this report.

Item 20: Environmental Studies, Permitting and Social or Community Impact

This section does not apply to this report.

Item 21: Capital and Operation Costs

This section does not apply to this report.

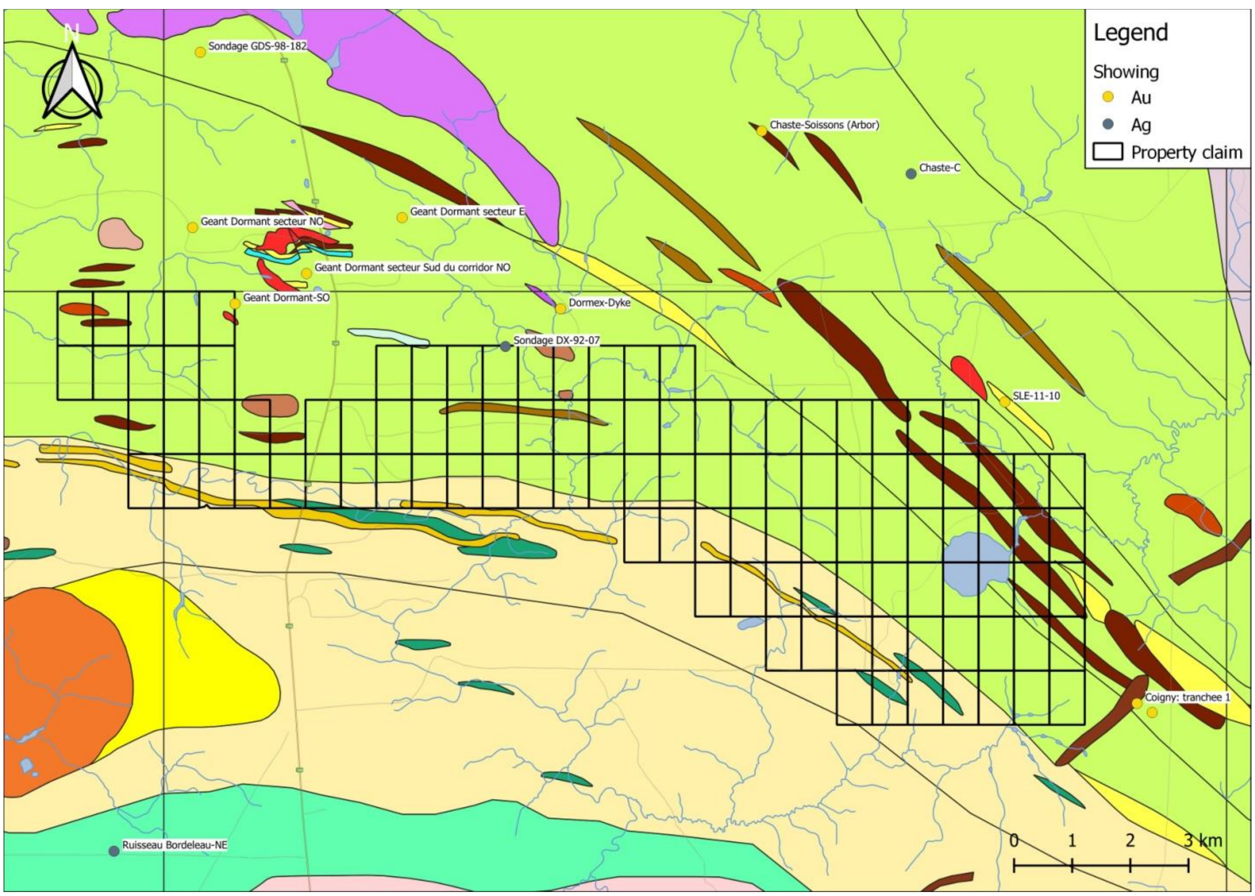
Item 22: Economic Analysis

This section does not apply to this report.

Item 23: Adjacent Properties

Numerous gold and silver mineralization, including the Sleeping Giant gold mine project, are presents in the vicinity of the property (Figure 10). Except for Abcourt Mines (Sleeping Giant) , no significant exploration work was carried on these adjacent properties and no information was recently disclosed by the owners of those. The Qualified Person has not been able to personally verify the following information for accuracy or validity as they are located on other properties from different owners. The information is not necessarily indicative of mineralization on the property that is the subject of the technical report. When applicable, resource estimates are of historical nature and may not comply with NI 43-101. However, the authors believe that these estimates give a conceptual indication of the potential of the area, and that it is pertinent to this report even if the authors are not presently able to corroborate the quantities or accuracy of this information.

Figure 10: Adjacent showings near the property.



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23.1 Mines Abcourt

The Sleeping Giant Gold Mine Project owned by Abcourt Mines Inc. is adjacent to the Property, sharing its northern border with it. A NI-43-101 Technical Report and Mineral Resource Estimate calculated it has 4,300 oz at 12.20g/t Au of measured and 171,275 oz at 11.20 g/t Au indicated gold and up to 35,400oz at 11.9g/t Au of inferred gold. The main geological units through the property are basalt, andesite and volcano-sedimentary rocks belonging to the Northern Volcanic Zone of the Abitibi Belt. The mineralisation located in sulphides, mainly pyrite, pyrrhotite, chalcopyrite and sphalerite, which is either disseminated or in thin strips parallel to the regional deformation. (Étude de faisabilité du projet Géant Dormant – Mines Abcourt Inc., NI 43-101, 2019)

Three mineralisation events are described by Bonneville, P. (2019) on the Sleeping Giant Mine Property. The first event is a volcanogenic enrichment in sulphides and alteration of mafic pillows mainly in the form of quartz, chlorite, pyrrhotite, chalcopyrite veins (up to 80% sulphide) as well as disseminated sulphides in felsic volcano-sedimentary rocks and laminated sediment. The second mineralisation event is related to the sulfidation in pyrite of the Sleeping Giant dacitic dome is as well as host volcanic rocks and alteration in chlorite. The last mineralisation event is the quartz-feldspath-sulfides Au-rich vein injections that are spatially associated with quartz-feldspar porphyry (QFP) dykes. The mineralised quartz veins range from 20cm to 75cm in thickness, have an average orientation E-W with southern inclination. They are reliable spatial indicators of gold-veins localisation (Bonneville P., 2019) (Gaboury et al., 1994).

Item 24: Other Relevant Data and Information

There is no other relevant data or information about the Property.

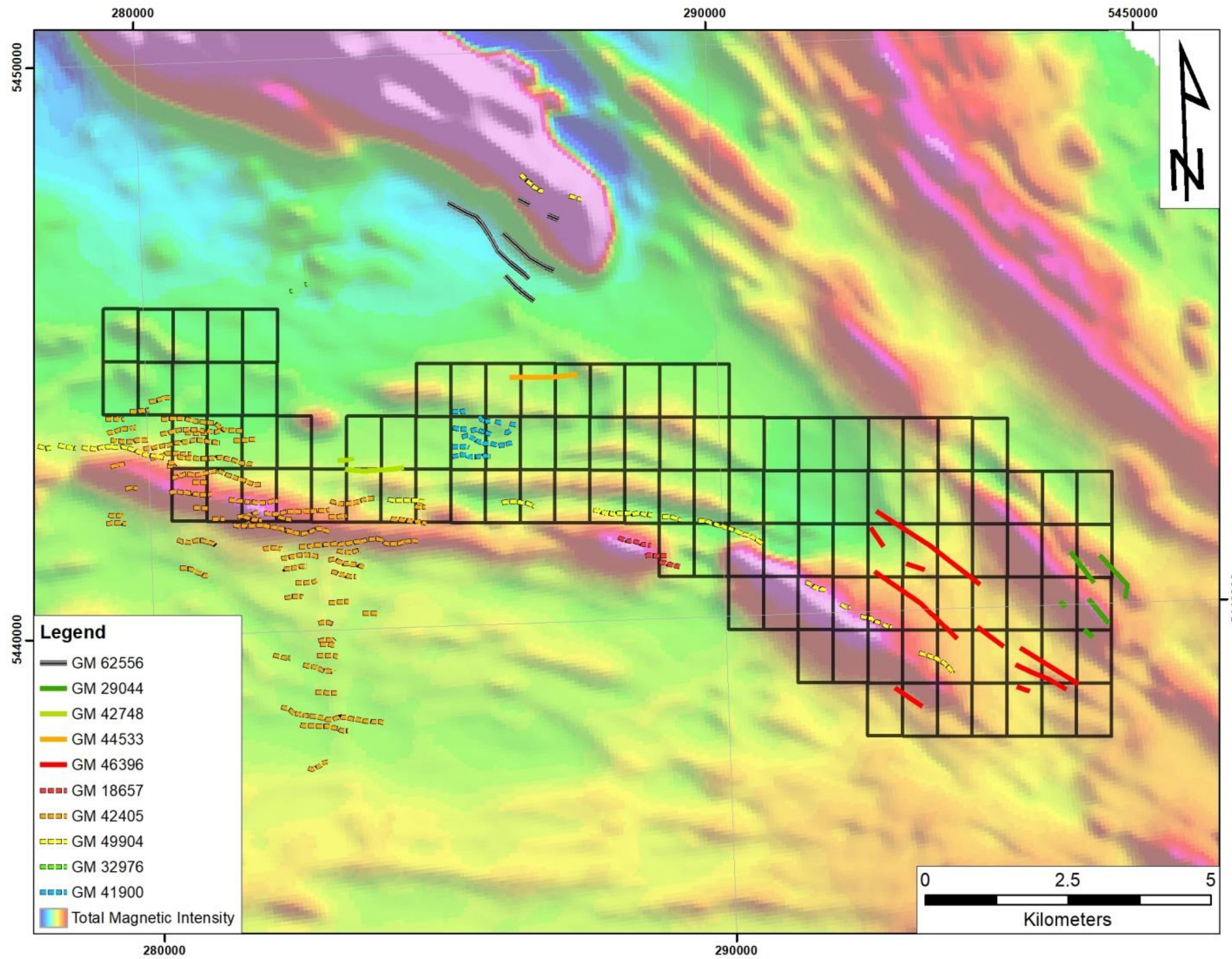
Item 25: Interpretation and Conclusions

25.1 Interpretation

Historical data (geochemical, geophysical, geological, etc.) reported ponctual, regional and structural anomalies, which could be used to generate targets.

In the last century, geophysical surveys were conducted on the Property (Magnetometric, Electromagnetic (EM), VLF). No single survey covered the entire Property and not all the property has been surveyed by all the different methods. A compilation of some of the most relevant historical geophysical anomalies has been produced and is presented on Figure 11. Only few of these geophysical anomalies appear to have been tested by diamond drill holes in the past and some of them returned anomalous gold values.

Figure 11: Compilation of Historical Geophysical Anomalies.

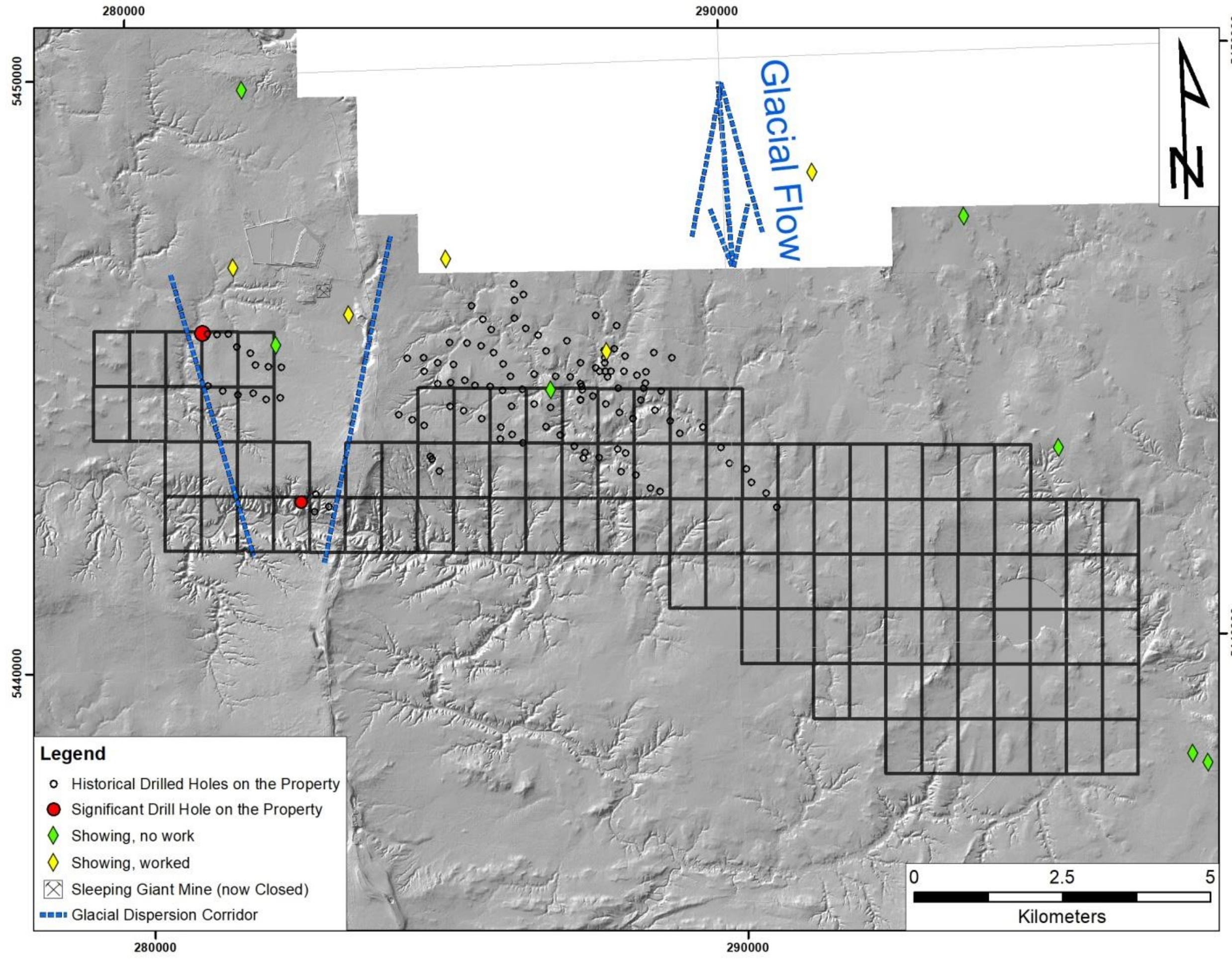


In 1993, Exploration Cambiex Inc. conducted a reverse circulation overburden drilling campaign for gold. 63 holes were located on the Sleeping Giant South Property, mostly in the west and center, on the north part of the Property (Figure 12). Two holes, hole 78 and hole 117, located on Sleeping Giant South property, returned 30 to 40 gold grains on the Property, the highest results of the campaign. They were described as:

> "The strongest visible gold anomaly is in Hole 78 near the Coigny River on the west side of the Harricana Moraine. Forty gold grains were recovered from Sample 03 in the basal 0.7 m of a relatively thin till section (4.6 m) typical of the bedrock plateau area coincident with Formation 3 (Section N—N'). The gold grains tend to be large with four between 500 and 1000 microns, resulting in an impressive normalized visible gold value of 44,545 ppb.'' (Averill, 1993).
>
> ''The best concentration of pristine to modified gold is 32 grains in Sample 117-12, and the anomalous samples tend to be vertically scattered rather than contiguous although in Hole 117, Samples 08, 09, 11, 12, 13, and 14 are all

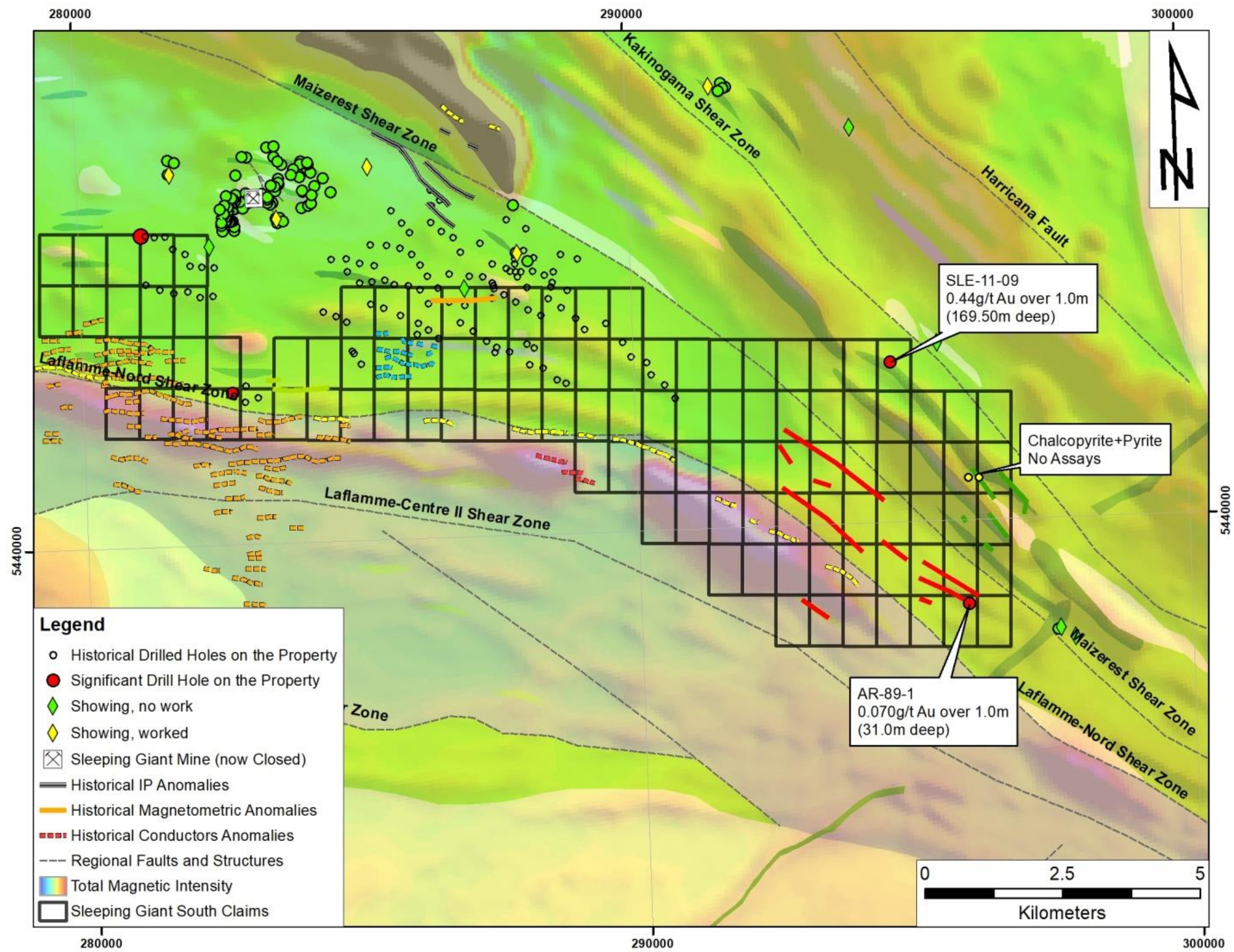
anomalous. Most of the anomalous samples occur in the upper part of the till section favouring a source on the nearby bedrock high that hosts the Sleeping Giant mine. […] If the mine itself is the source, the indicated ice flow direction is 250° which is consistent with the positions of the two anomalous holes drilled close to the mine in the pilot study and with the 260° ice flow direction established at Selbaie and Golden Pond'' (Averill, 1993).

Figure 12: Gold Grain Count in Till (Averill, 1993).



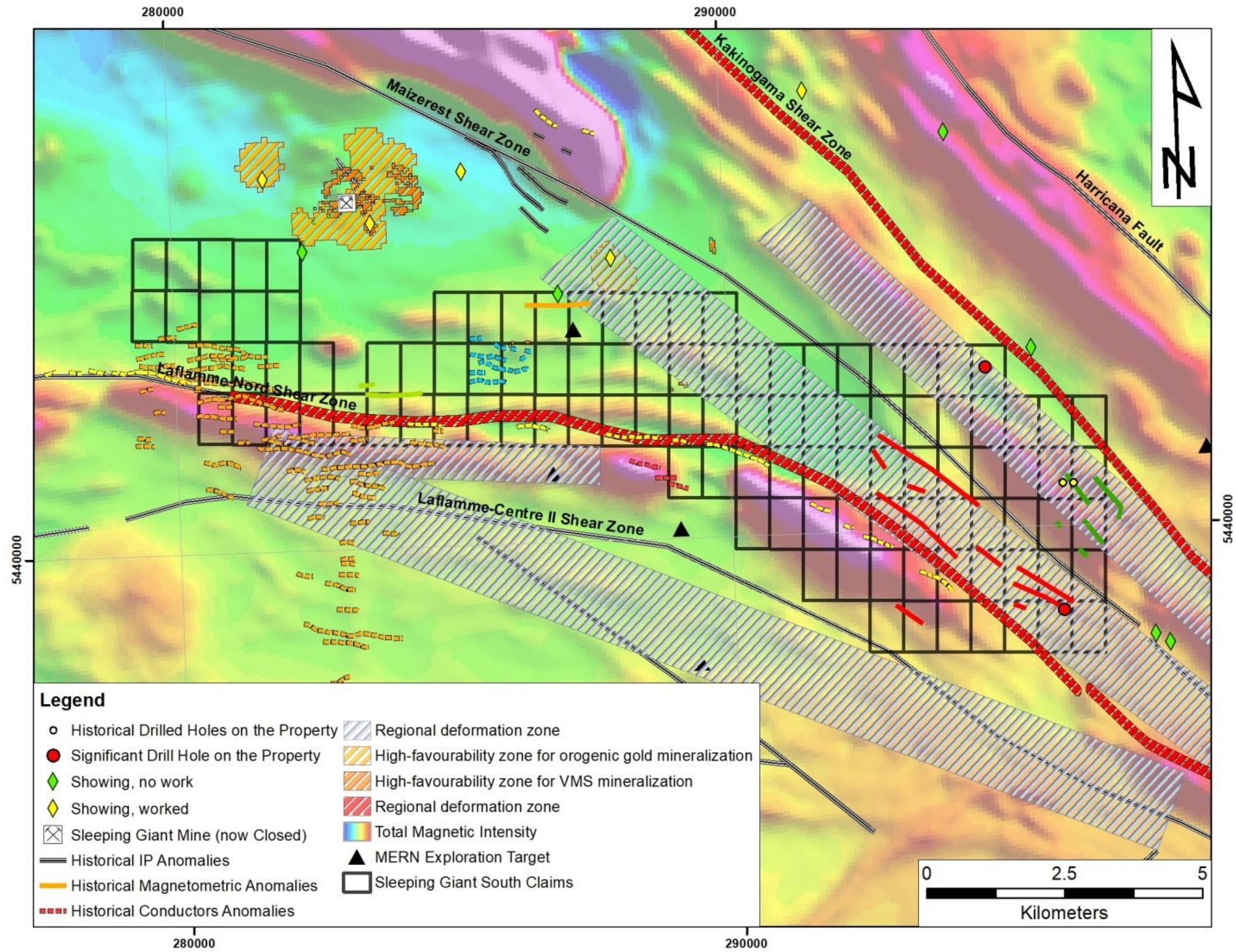
The Sleeping Giant South Property appears to be located in the same wedge of geological units (basalt, andesite and volcano-sedimentary rocks belonging to the Vanier-Dalet-Poirier Group) as the Sleeping Giant Mine to the north. This wedge is located between the Laflamme-Nord Shear Zone to the south and the Maizerest Shear Zone north of the Sleeping Giant Mine. It also contains several geophysical anomalies to the west and to the east (Figure 13). in the east, some drill holes returned anomalous values of gold and other metals. These similar and converging geological features make the rest of the wedge highly favourable for similar mineralized environment.

Figure 13: Compilation of Geophysical and Drilled Anomalies over the Property.



MERN targets from item 9.1 and geophysical anomalies seem to agglomerate along prospective corridors, mostly to the south near the Laflamme-North Deformation Corridor and to the northeast near the Harricana Deformation Corridor (Figure 14). This makes the corridor highly favourable for mineralized environment.

Figure 14: Compilation of MERN Targets and Geophysical Anomalies.



25.2 Conclusions

The Property is located next to the Sleeping Giant Mine (now closed). The property shows easy access all around with the use of main road along with secondary (forestry) roads. Exploration can easily be conducted with normal equipment (ATV and pickup trucks).

The Property has been historically sparsely explored for base and precious metal, where one showing, and some mineralization have been found in drillholes. Historic assay results returned anomalous values of Cu-Zn-Au-Ag.

Many cartographic targets were defined by the MERN on and around the property. Those deformation corridors, orogenic gold and VMS targets are along the same lithological units as the Sleeping Giant Mine (now closed) and it is reasonable to consider the possibility of other mineralization in the same geological environment.

Lands underlying the property are covered by restrictions concerning native population and energy transport lines, described under the Category III Territory restriction. Exploration is allowed under specific conditions according to the Pikogan Agreement on Consultation and Accommodation between the Abitibiwinni First Nation Council and the Government of Québec. There are no other known significant factors or risks in addition to those noted in the Report that could affect access, title, or the right or ability to perform the recommended exploration programs

The author is not aware of any particular environmental, political, or regulatory problems that would adversely affect mineral exploration and development on the Property. There are no environmental studies currently being undertaken on the Property. There are no special key assumptions, risks or limitations, no known environmental issues, land ownership contestation or special permitting required at this stage.

Item 26: Recommendations

The Sleeping Giant South Property is at an early stage of exploration. The Technical Report focussed on easily available information, but a thorough review of the historical drilling and geophysical survey should be conducted to locate and generate probable sources of the interpreted historical geophysical anomalies and structures.

A Phase-I property-scale full review of the drill core descriptions should be done to determine the most favourable lithologies and observed alterations, since it can help evaluate the regional and local metamorphic grade, thus helping to evaluate the proximity to mineralization in future drillholes. A 3D modeling of all the historic holes should be conducted to generate models of structures, mineralization or alteration halos. Also, the Property is currently not fully covered by historical VTEM geophysical surveys and current technology is probably more sensitive than what have been used in the past. A property-scale VTEM survey should be conducted, at an approximate cost of $100,000.

Since the till cover over the Property can reach over 50m, a Phase-II survey consisting in sonic-drilling of the till cover down to the bedrock could be conducted over an organised grid to try to identify mineralization plume within the till cover. Samples should be analysed for gold grain count and base metals assays be conducted on the core sections. Estimated cost for 500m and assays is $250,000.

Table 2: Phase I-II-III Budgets

	Quantity	Item	$/Unit	Cost ($)
Phase I				
Geophysical and Drilling Review	15	days	$650.00	$9,750.00
VTEM Geophysical Survey				$100,000.00
Phase II				
Sonic Drilling+ Gold Grain Count	500	m	$500.00/m	$250,000.00

USE OF AVAILABLE FUNDS

The Company's working capital as at September 30, 2021 was $327,108. Management believes that the Company will have sufficient funds to continue operations for the next 12 months. Should the Company require additional funds to continue operations and/or to conduct additional activities beyond those that are currently contemplated, the Company may access additional funds through the capital markets.

The primary business objectives and milestones that the Company hopes to achieve through use of these funds include completing Phase 1 of the proposed exploration program as set out in the Technical Report, and fulfilling cost requirements relating to the Company's application to list the Common Shares on the CSE. Specifically, the anticipated uses of the Company's estimated available funds available over the next 12 months, as well as the anticipated timelines for achieving certain business objectives in respect of such activities (where applicable), are set out in the table below.

Principal Purposes:	
Total funds available	**$**327,108
To pay the estimated cost of Phase I of the recommended exploration program as outlined in the Technical Report	$109,750
Prospectus and CSE listing costs	$70,000
Operating expenses for 12 months	$131,000
Unallocated working capital	$16,358
Estimated Total Funds Used:	**$**327,108

Notes:

(1) Costs include exchange fees, legal fees and other costs relating to listing of the Common Shares on the CSE. $30,000 of these costs have been incurred as of the date of this Prospectus The Company hopes that these remaining costs will be incurred by the end of October 2021.

(2) Estimated operating expenses for the next 12 months include: rent ($12,000), utilities ($12,000), insurance ($12,000), transfer agent fees ($10,000), audit fees ($20,000), office and admin ($20,000) legal fees ($20,000), SEDAR fees ($5,000) and travel and promotion ($20,000).

(3) This amount may be used for additional exploration expenditures, including expenditures relating to Phase II of the recommended exploration program if warranted based on the results of Phase I, and general working capital. However, at this time, none of these funds have been allocated for any specific exploration expenditures.

The Company intends to spend the funds available to it as stated in this Prospectus. However, there may be circumstances where, for sound business reasons, a reallocation of the funds may be necessary. The amounts set forth above may increase if the Company is required to carry out due diligence investigations with regard to any prospective investment or business opportunity or if the costs of the Prospectus or listing the Common Shares of the Company on the CSE are greater than anticipated.

Since inception, the Company has not generated any cash flow from its operations and has incurred certain operating losses. Such losses and negative operating cash flow are expected to continue since funds will be expended to pay the Company's administrative expenses and to conduct the recommended exploration program on the Sleeping Giant Property.

In the future, the Company may pursue private placement debt or equity financing based upon its working capital needs from time to time, including without limitation, to fund future exploration of the Company's mineral property. However, there can be no assurance that such financing will be available or completed on terms that are favourable to the Company.

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. Please see "*Risk Factors – Negative Cash Flow from Operations*".

DIVIDENDS OR DISTRIBUTIONS

To date, the Company has not paid any dividends on its Common Shares, and the Board does not expect to declare or pay any dividends on the Common Shares in the foreseeable future. Payment of any dividends will be dependent upon the Company's future earnings, if any, its financial condition, and other factors the Board determines are relevant.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Please see the Company's MD&A for the year ended December 31, 2020 and the interim period ended June 30, 2021, which are included in this Prospectus.

DESCRIPTION OF SECURITIES

Common Shares

The Company's authorized capital consists of an unlimited number of Common Shares, of which 19,565,750 Common Shares are issued and outstanding as at the date of this Prospectus. Holders of the Common Shares are entitled to one vote per share at all meetings of the holders of Common Shares of the Company 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 Common Shares are without par value and without restrictions attached. There are no pre-emptive, redemption, retraction, purchase or conversion rights attaching to the Common Shares.

Warrants

As at the date of this Prospectus, the Company does not have any Warrants outstanding.

CONSOLIDATED CAPITALIZATION

The following table sets forth the number of outstanding securities of the Company as December 31, 2020 and as at the date of this Prospectus.

Description of Security	Amount Authorized	Outstanding as at December 31, 2020	Outstanding as at the Date of the Prospectus
Common Shares	Unlimited	9,314,750	19,565,750
Warrants	Nil	Nil	Nil

OPTIONS TO PURCHASE SECURITIES

The Company created a stock option plan that was approved by the Board on May 10, 2021 (the "**Stock Option Plan**"). The purpose of the Stock Option Plan is to assist the Company in attracting, retaining and motivating directors, officers, employees and consultants (together "**service providers**") of the Company and of its affiliates and to closely align the personal interests of such service providers with the interests of the Company and its shareholders.

The Stock Option Plan provides that, subject to the requirements of the CSE, the aggregate number of Common Shares reserved for issuance pursuant to options granted under the Stock Option Plan will not exceed 10% of the number of Common Shares of the Company issued and outstanding from time to time.

The Stock Option Plan is administered by the Board, which has full and final authority with respect to the granting of all options thereunder subject to express provisions of the Stock Option Plan.

Options may be granted under the Stock Option Plan to such directors, employees, consultants or management company employees of the Company and its subsidiaries, if any, as the Board may from time to time designate. The exercise prices shall be determined by the Board, but shall, in no event, be less than the closing market price of the listed security on the CSE on the trading day prior to the earlier of dissemination of a news release disclosing the issuance of the convertible security or the posting of notice of the proposed issuance of the convertible security with the CSE. The Stock Option Plan complies with National Instrument 45-106 *Prospectus Exemptions* and provides that the number of Common Shares which may be reserved for issuance on a yearly basis to any one related person upon exercise of all stock options held by such individual may not exceed 10% of the issued Common Shares calculated at the time of grant. Moreover, the Company cannot issue grants to related persons if in the aggregate the grants would, on a fully diluted basis, exceed 10% of the issued and outstanding Common Shares of the Company.

The Stock Option Plan is the Company's only equity compensation plan. As of the date of this Prospectus, the Company does not have any options outstanding to purchase Common Shares.

PRIOR SALES

The following table sets forth the details regarding all issuances of the Company's securities during the 12 month period before the date of this Prospectus.

Date of Issue	Type of Security	Number of Securities	Issue or Exercise Price per Security	Reason for Issue
April 30, 2021	Common Shares	3,094,000	$0.10	Debt settlement
March 31, 2021	Common Shares	3,657,000	$0.10	Private placement
March 27, 2021	Common Shares	3,500,000	$0.05	Property acquisition
December 15, 2020	Common Shares	3,050,000	$0.05	Private placement

TRADING PRICE AND VOLUME

As of the date of this Prospectus, the Company does not have any of its securities listed or quoted in Canada, 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., or a marketplace outside Canada and the United States of America.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

Escrowed Securities

The policies and notices of the CSE require that securities held by certain shareholders of the Company are required to be held in escrow in accordance with the escrow requirements set out in CSE Policy 2 – *Qualification for Listing*.

Under the applicable policies and notices of the Canadian Securities Administrators securities held by Principals (as defined below) are required to be held in escrow in accordance with the national escrow regime applicable to initial public distributions. Equity securities, including Common Shares, owned or controlled by the Principals of the Company are subject to the escrow requirements.

Principals include all persons or companies that, on the completion of the listing on the CSE, fall into one of the following categories:

(a) directors and senior officers of the Company, as listed in this Prospectus;

(b) promoters of the Company during the two years preceding the listing on the CSE;

(c) those who own and/or control more than 10% of the Company's voting securities immediately after completion of the listing on the CSE if they also have appointed or have the right to appoint a director or senior officer of the Company or of a material operating subsidiary of the Company;

(d) those who own and/or control more than 20% of the Company's voting securities immediately after completion of the listing on the CSE; and

(e) associates and affiliates of any of the above.

The Principals of the Company include all of the directors and senior officers of the Company.

The Company has entered into an agreement (the "**Escrow Agreement**") with the Escrow Agent and the Principals of the Company, pursuant to which the Principals will deposit in escrow their Common Shares (the "**Escrowed Securities**") with the Escrow Agent in accordance with the provisions contained in Form 46-201F1 *Escrow Agreement* applicable to an "emerging issuer". Specifically, the Escrow Agreement provides that 10% of the Escrowed Securities will be released from escrow upon the date of the Company listing its Common Shares on the CSE, and that an additional 15% will be released therefrom upon each six month interval thereafter, over a period of 36 months.

Pursuant to the terms of the Escrow Agreement, the Escrowed Securities may not be transferred or otherwise dealt with during the term of the Escrow Agreement unless the transfers or dealings within the escrow are:

(a) transfers to continuing or, upon their appointment, incoming directors and senior officers of the Company or of a material operating subsidiary, with approval of the Board;

(b) transfers to an RRSP or similar trustee plan provided that the only beneficiaries are the transferor or the transferor's spouse or children or parents;

(c) transfers upon bankruptcy to the trustee in bankruptcy;

(d) pledges to a financial institution as collateral for a loan, provided that upon a realization the securities remain subject to escrow; and

(e) tenders of Escrowed Securities to a take-over bid are permitted provided that, if the tenderer is a Principal of the successor Company upon completion of the take-over bid, securities received in exchange for tendered Escrowed Securities are substituted in escrow on the basis of the successor Company's escrow classification.

The following table sets forth details of the Escrowed Securities.

Name and municipality of residence of security holder	**Designation of class**	**Number of securities held in escrow or that are subject to a contractual restriction on transfer**	**Percentage of class(1)**
Richard Sung Yin Tong Burnaby, British Columbia	Common	975,000	5.0%
Linda Liu Burnaby, British Columbia	Common	375,000	1.9%
James Sung Fu Tong Burnaby, British Columbia	Common	950,000	4.9%
Shan Wei Tong Burnaby, British Columbia	Common	750,000	3.8%
Karim Sayani North Vancouver, British Columbia	Common	112,500	0.6%
Rodney Stevens Delta, British Columbia	Common	210,000	1.1%
Dwayne Yaretz Vancouver, British Columbia	Common	300,000	1.5%
Total		**3,672,500**	**18.8%**

Notes:
(1) Percentage is based on 19,565,750 outstanding Common Shares as of the date of this Prospectus.

PRINCIPAL SECURITYHOLDERS AND SELLING SECURITYHOLDERS

To the knowledge of the Company's directors and officers, there are no persons who beneficially own, control, direct or will own, control or direct as of the date of this Prospectus, directly or indirectly, 10% or more of the issued and outstanding Common as at the date hereof.

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets out particulars of the current directors and executive officers of the Company as at the date of the Prospectus. The term of office of each director will expire at the close of the next annual general meeting, unless such director resigns or otherwise vacates office before that time.

Name, Province or State & Country of Residence, and Position(s) with the Company	Principal Occupation, Business or Employment for Past 5 Years	Date Appointed as Director	Number and Percentage of Common Shares[(1)] Beneficially Owned or Controlled Directly or Indirectly as of the Date of this Prospectus
Don Baxter Ontario, Canada Chief Executive Officer, President and Director	Professional Engineer providing corporate and technical services to clients.	October 14, 2020	Nil
Richard Sung Yin Tong BC, Canada Chief Financial Officer, Secretary and Director	CPA, CGA providing accounting and consulting services to clients.	January 24, 2018	975,000 (5.0%)
Karim Sayani BC, Canada Vice President of Communications	Consultant providing management services to clients.	N/A	112,500 (0.6%)
Rodney Stevens BC, Canada Director	CFA, providing corporate advisory services to mining companies.	April 13, 2021	210,000 (1.1%)
James Sung Fu Tong BC, Canada Director	Consultant providing management services to public and private companies.	January 24, 2018	950,000 (4.9%)
Dwayne Yaretz BC, Canada Director	Consultant providing management services to public and private companies.	November 28, 2020	300,000 (1.5%)
TOTAL			**2,547,500 (13.1%)**

Notes:
(1) Based upon 19,565,750 issued and outstanding Common Shares as of the date of this Prospectus

None of the directors or officers of the Company has the right to acquire any additional securities pursuant to options, warrants, conversion privileges or other rights.

As of the date of this Prospectus, the directors and officers of the Company, as a group, directly or indirectly, beneficially own 2,547,500 Common Shares of the Company, representing approximately 13.02% of the issued and outstanding Common Shares of the Company on an undiluted basis. See "*Principal Shareholders*".

Management of the Company

The following are descriptions of the background of the directors and officers of the Company, including a description of each individual's principal occupation(s) within the past five years.

Don Baxter (age 55) is the Chief Executive Officer, President and a director of the Company. Mr. Baxter is presently Chief Executive Officer and Director of Applied Graphite Technologies. He is also the Chief Executive Officer and a Director of Ceylon Graphite (TSXV: CYL). Don is a "qualified person" as defined in NI 43-101. Prior to this, Don served as President, CEO and Executive Director of Alabama Graphite Corp (TSXV: CSPG), successfully completing the company's disruptive Preliminary Economic Assessment (PEA) and introducing a new, battery-focused strategy. As President and Chief Operating Officer of Focus Graphite Inc. (TSXV: FMS), Don led Focus Graphite to wide recognition in the graphite industry, updated the company's PEA and advanced the company to a completed Feasibility Study. He was also responsible for rapidly advancing the development of value-added graphite products, namely coated spherical purified graphite for the lithium-ion battery sector. Don served as President of Northern Graphite Corporation and was responsible for all technical aspects relating to the Bissett Creek graphite project, including the company's Feasibility Study, metallurgical test work, environmental and mine permitting, as well as commencing detailed engineering to begin plant construction. Don also served as Mine Superintendent at the Kearney Graphite Mine and was Director of Mining at Ontario Graphite Ltd. Don holds a degree in Mining Engineering from Queen's University, and is a Registered Professional Engineer. Don has travelled extensively throughout China and has evaluated several operating projects there as well as meeting with local and provincial authorities.

Don is an independent contractor who expects to spend approximately 30% of his time devoted to the Company. Mr. Baxter has not entered into any non-compete or non-disclosure agreements with the Company.

Richard Sung Yin Tong (age 51) is the Chief Financial Officer, Secretary and a director of the Company. Mr. Tong earned his CGA, CPA designation in 1998 and is a graduate of the University of British Columbia with a Bachelor of Arts, majoring in Economics. Over the last five years, he has provided accounting, consulting, and project management services to various clients, including a number of public companies. Mr. Tong was a Manager with TELUS for seven years where he was primarily focused on business strategy and planning, supporting internet, multimedia, and TELUS TV, within the teams of consumer marketing, venture capital, and finance. Prior to his tenure at TELUS, he was with several smaller companies in the industries of technology, entertainment, retail, mining, and manufacturing. Mr. Tong has spent the last 15 years in consulting roles in accounting and human resources. Mr. Tong was the CFO of Matica Enterprises Inc. (CSE:MMJ) from 2013 to October 2015.

Mr. Tong is an independent contractor who expects to spend approximately 40% of his time devoted to the Company. Mr. Tong has not entered into any non-compete or non-disclosure agreements with the Company.

Karim Sayani (age 62) is the Vice President of Communications for the Company. Mr. Sayani has been a self-employed consultant to private and public companies for the past 30 years. Prior to becoming a consultant, Karim was a broker for four years, in the mid-1980s.

Mr. Sayani is an independent contractor who expects to spend approximately 20% of his time devoted to the Company. Mr. Sayani has not entered into any non-compete or non-disclosure agreements with the Company.

Rodney Stevens (age 48) is a director of the Company. Mr. Stevens is a Chartered Financial Analyst charterholder with over a decade of experience in the capital markets, first as an investment analyst with Salman Partners Inc. and subsequently as a merchant and investment banker. While at Salman Partners, he became a top-rated analyst by StarMine on July 17, 2007 for the metals and mining industry. Mr. Stevens was also a Portfolio Manager registered with Wolverton Securities Ltd. and over the course of his career, he has been instrumental in assisting in financings and mergers and acquisitions activities worth over $1 billion in transaction value.

Rodney is an independent contractor who expects to spend approximately 20% of his time devoted to the Company. Mr. Stevens has not entered into any non-compete or non-disclosure agreements with the Company.

James Sung Fu Tong (age 63) is a director of the Company. Mr. Tong has been involved in the public markets for over 38 years. After receiving his license in 1980, Mr. Tong was a stock broker from 1980 to 1991. Afterwards, he went on to join a number of public companies as a director, officer, or a consultant. Mr. Tong's focus has been on projects related to China trades and investments for the last 25 years. Over the last 10 years, James has been a self-employed business consultant specializing in corporate communications for junior publicly listed companies in industries as diverse as minerals exploration, China SINO JV companies and sustainable green industry related projects. Mr. Tong has been a Consultant with Matica Enterprises Inc. (CSE: MMJ) from 2009 to 2016 and with FTI Foodtech International Inc. (TSX-V: FTI) from 2014 to 2017.

Mr. Tong is an independent contractor who expects to spend approximately 30% of his time devoted to the Company. Mr. Tong has not entered into any non-compete or non-disclosure agreements with the Company.

Dwayne Yaretz (age 60) is a director of the Company. Mr. Yaretz is a seasoned entrepreneur with more than 25 years of experience in corporate leadership. Mr. Yaretz has acted for several private and publicly traded companies in various capacities including President, CEO and Corporate Secretary and is experienced in mergers and acquisitions as well as the financing of numerous ventures, both private and public. Mr. Yaretz has structured initial public offerings and Reverse Takeovers in various business sectors, including mining exploration, technology and manufacturing. Mr. Yaretz has also served on various boards of directors, including for technology companies involved in clean-tech, agri-business, sustainable packaging technologies, consumer electronics and state-of-the-art thermal and infrared imaging cameras deployed in the security and industrial sectors.

Dwayne is an independent contractor who expects to spend approximately 25% of his time devoted to the Company. Mr. Yaretz has not entered into any non-compete or non-disclosure agreements with the Company.

Cease Trade Orders, Bankruptcies or Sanctions

Other than as disclosed below, as at the date of this Prospectus, and within the last 10 years before the date of the Prospectus, neither the CEO or CFO, nor any director (or any of their personal holding companies) of the Company was a director, CEO or CFO of any company (including the Company) that:

(a) was subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days while that person was acting in the capacity as director, CEO or CFO;

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

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

(d) has within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

Richard Tong was the Chief Financial Officer of Matica Enterprises Inc. ("**Matica**") from 2013 to October 2015. On May 4, 2015, the British Columbia Securities Commission issued a management cease trade order (the "**MCTO**") restricting Mr. Tong from trading in securities of Matica due to the failure to file certain financial statements and management's discussion and analysis. On June 10, 2015, the MCTO was revoked as Matica filed all of the documents referenced in the MCTO.

Penalties or Sanctions

No director, officer, insider or promoter of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has: (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

There are potential conflicts of interest to which the directors, officers, insiders and promoters of the Company will be subject in connection with the operations of the Company. Some of the directors, officers, insiders and promoters are engaged in and will continue to be engaged in corporations or businesses which may be in competition with the business of the Company. Accordingly, situations may arise where directors, officers, insiders and promoters will be in direct competition with the Company. The directors and officers of the Company are required by law to act in the best interests of the Company. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives. None of the directors or officers of the Company have entered into non-competition or non-disclosure agreements with the Company. Conflicts, if any, will be subject to the procedures and remedies as provided under the *Business Corporations Act* (British Columbia), the CSE and applicable securities laws, regulations and policies.

EXECUTIVE COMPENSATION

Based on the requirements of Form 51-102F6V *Statement of Executive Compensation – Venture Issuers* ("**Form 51-102V6**") all direct and indirect compensation provided to certain executive officers, and directors for, or in connection with, services they have provided to the Company or a subsidiary of the Company must be disclosed. The Company is required to disclose annual and long-term compensation for services in all capacities to the Company and its subsidiaries for the two most recently completed financial years in respect of the Chief Executive Officer ("**CEO**"), the Chief Financial Officer ("**CFO**") and the most highly compensated executive officers of the Company whose individual total compensation for the most recently completed financial year exceeds $150,000, and any individual who would have satisfied these criteria but for the fact that the individual was not serving as an officer at the end of the most recently completed financial year (the "**Named Executive Officers**" or "**NEOs**").

The compensation provided to directors and NEOs has been disclosed based on the requirements of Form 51-102F6V in the tables below as follows:

(1) Table of compensation excluding compensation securities;

(2) Stock options and other compensation securities; and

(3) Exercise of compensation securities by directors and NEOs.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table states the names of each NEO and director, his annual compensation, consisting of salary, consulting fees, bonuses and other annual compensation, excluding compensation securities, for each of the Company's two most recently completed financial years.

Table of compensation excluding compensation securities							
Name and position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of other compen-sation ($)**	**Total compensation ($)**
Don Baxter Chief Executive Officer, President and Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Richard Sung Yin Tong Chief Financial Officer, Secretary and Director	2020	$36,000	Nil	Nil	Nil	Nil	$36,000
	2019	$36,000	Nil	Nil	Nil	Nil	$36,000
Rodney Stevens Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
James Sung Fu Tong Director	2020	$36,000	Nil	Nil	Nil	Nil	$36,000
	2019	$36,000	Nil	Nil	Nil	Nil	$36,000
Dwayne Yaretz Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil

Stock Option Plans and Other Incentive Plans

The Stock Option Plan is the Company's only equity compensation plan. As of the date of this Prospectus, the Company has not issued any options to purchase Common Shares.

Employment, Consulting and Management Agreements

Management of the Company is performed by the directors and officers of the Company and not by any other person.

There are no plans in place with respect to compensation of the Named Executive Officers in the event of a termination of employment without cause or upon the occurrence of a change of control.

The Company has not entered into any consulting agreements.

Oversight and Description of Director and Named Executive Officer Compensation

Given the Company's size and stage of operations, it has not appointed a compensation committee or formalized any guidelines with respect to compensation at this time. The compensation paid to the Named Executive Officers are determined by the independent Board members. The Board determines the appropriate level of compensation reflecting the need to provide incentive and compensation for the time and effort expended by the Company's officers, while taking into account the financial and other resources of the Company.

Pension Plan Benefits for NEOs

As of the date of this Prospectus, the Company does not maintain any defined benefit plans, defined contribution plans or deferred compensation plans.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Company's directors or officers or any of their respective associates is indebted to the Company or has been subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Pursuant to National Instrument 52-110 *Audit Committees* ("**NI 52-110**"), the Company is required to have an audit committee. The general function of the audit committee is to review the overall audit plan and the Company's system of internal controls, to review the results of the external audit and to resolve any potential dispute with the Company's auditor. In addition, the audit committee must review and report to the directors of the Company on the financial statements of the Company and the auditor's report before they are published.

The Audit Committee Charter of the Company is attached as Schedule "A" to this Prospectus.

Composition of the Audit Committee

The Company's audit committee (the "**Audit Committee**") is currently comprised of Rodney Stevens, Dwayne Yaretz, and Richard Sung Yin Tong. The Audit Committee complies with the audit committee composition requirements applicable to venture issuers in section 6.1.1 of NI 52-110.

Relevant Education and Experience

In addition to their general business experience, each member of the Audit Committee has adequate education and experience that would provide the member with:

(a) an understanding of the accounting principles used by the Company to prepare its financial statements;

(b) the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

(c) 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

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

Specifically, the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

Rodney Stevens, CFA, PM, BA - Mr. Stevens is a Chartered Financial Analyst charterholder with over a decade of experience in the capital markets, first as an investment analyst with Salman Partners Inc. and subsequently as a merchant and investment banker. While at Salman Partners, he became a top-rated analyst by StarMine on July 17, 2007 for the metals and mining industry. Mr. Stevens was also a Portfolio Manager registered with Wolverton Securities Ltd. and over the course of his career, he has been instrumental in assisting in financings and mergers and acquisitions activities worth over $1 billion in transaction value.

Dwayne Yaretz - Mr. Yaretz is a seasoned entrepreneur with more than 25 years of experience in corporate leadership. Mr. Yaretz has acted for several private and publicly traded companies in various capacities including President, CEO and Corporate Secretary and is experienced in mergers and acquisitions as well as the financing of numerous ventures, both private and public. Mr. Yaretz has structured Initial Public Offerings and Reverse Takeovers in various business sectors, including mining exploration, technology and manufacturing. Mr. Yaretz has also served on various Boards of Directors, including technology companies involved in clean-tech, agri-business, sustainable packaging technologies, consumer electronics and state-of-the-art thermal and infrared imaging cameras deployed in the security and industrial sectors.

Richard Sung Yin Tong, CPA, CGA - Mr. Tong has been a CPA, CGA member in good standing since 1998 and is a graduate (1991) of the University of British Columbia with a Bachelor of Arts, majoring in Economics. Mr. Tong was a Manager with TELUS for seven years where he was primarily focused on business strategy and planning, supporting internet, multimedia, and TELUS TV, within the teams of consumer marketing, venture capital, and finance. Prior to his tenure at TELUS, he was with several smaller companies in the industries of technology, entertainment, retail, mining, and manufacturing. Mr. Tong has spent the last 15 years in consulting roles in accounting and human resources. Mr. Tong was the CFO of Matica Enterprises Inc. (CSE:MMJ) from 2013 to October 2015.

Audit Committee Oversight

At no time since incorporation has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee has not yet adopted specific policies and procedures for the engagement of non-audit services. Such matters are the subject of review and pre-approval by the Audit Committee.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by Clearhouse LLP Chartered Professional Accountants for the financial years ended December 31, 2019 and 2020, to the Company to ensure auditor independence. Fees billed for audit and non-audit services in the last fiscal years for audit fees are outlined in the following table.

Nature of Services	Fees Billed by Auditor for the Year Ended December 31, 2020	Fees Billed by Auditor for the Year Ended December 31, 2019
Audit Fees(1)	$9,000	$9,000
Audit-Related Fees(2)	$Nil	$Nil
Tax Fees(3)	$1,250	$1,250
All Other Fees(4)	$Nil	$Nil
TOTAL:	$10,250	$10,250

Notes:

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

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

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax

advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

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

CORPORATE GOVERNANCE

General

Corporate governance refers to the policies and structure of the Board of a company whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the Board from executive management and the adoption of policies to ensure the Board recognizes the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

Effective June 30, 2005, National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**") and National Policy 58-201 *Corporate Governance Guidelines* ("**NP 58-201**") were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices. This section sets out the Company's approach to corporate governance and describes the measures taken by the Company to comply with NI 58-101.

Board of Directors

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

The Company's Board facilitates its exercise of independent judgement in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Company's Board requires management to provide complete and accurate information with respect to the Company's activities and to provide relevant information concerning the industry in which the Company operates in order to identify and manage risks. The Company's Board is responsible for monitoring the Company's officers, who in turn are responsible for the maintenance of internal controls and management information systems.

The following members of the Board are non-independent: Donald Baxter and Richard Sung Yin Tong.

The following members of the Board are independent: James Sung Fu Tong, Dwayne Yaretz and Rodney Stevens.

Other Reporting Issuer Experience

The following directors of the Company are directors of other reporting issuers as of the date of the Prospectus:

Director	Reporting Issuer	Exchange Listed On & Symbol
Don Baxter	Ceylon Graphite Corp.	CYL-TSXV
Dwayne Yaretz	Xander Resources Inc.	XND-TSXV
Rodney Stevens	Discovery Harbour Resource Corp.	DHR-TSXV
Rodney Stevens	NSJ Gold Corp.	NSJ-CSE
Rodney Stevens	Nexus Gold Corp.	NXS-TSXV
Rodney Stevens	Inca One Gold Corp.	INCA-TSXV
Rodney Stevens	Guyana Goldstrike Inc.	GYA-TSXV
Rodney Stevens	Canada One Mining Corp.	CONE-TSXV

Orientation and Continuing Education

When new directors are appointed, they receive an orientation, commensurate with their previous experience, on the Company's business, technology and industry and on the responsibilities of directors.

Board meetings may also include presentations by the Company's management and consultants to give the directors additional insight into the Company's business.

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 directors' 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. Further, the Company's auditor has full and unrestricted access to the Audit Committee at all times to discuss the audit of the Company's financial statements and any related findings as to the integrity of the financial reporting process.

Nomination of Directors

The Company's management is continually in contact with individuals involved in the mineral exploration industry and public-sector resource issuers. From these sources, the Company has made numerous contacts and continues to consider nominees for future board positions. The Company conducts due diligence and reference checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in the area of strategic interest to the Company, the ability to devote the time required and willingness to serve. The Board does not have a nominating committee.

Compensation

The Board as a whole determines salary and benefits of the executive officers and directors of the Company, and determines the Company's general compensation structure, policies and programs.

Other Board Committees

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

Assessments

The Board works closely with management, and, accordingly, are in a position to assess the performance of individual directors on an ongoing basis.

LISTING APPLICATION AND CONDITIONAL LISTING APPROVAL

The Company has applied to list its Common Shares on the CSE. The CSE has conditionally approved the listing of the Common Shares. Listing is subject the Company fulfilling all of the requirements of the CSE.

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, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside of Canada and the United States of America.

RISK FACTORS

An investment in the Common Shares of the Company involves a substantial risk of loss. You should carefully consider these risk factors, together with all of the other information included in this Prospectus. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with the Company's operations. There may be other risks and uncertainties that are not known to the Company or that the Company currently believes are not material, but which also may have a material adverse effect on its business, financial condition, operating results or prospects. In that case, the trading price of the Common Shares could decline substantially, and investors may lose all or part of the value of the Common Shares held by them. An investment in securities of the Company should only be made by persons who can afford a significant or total loss of their investment.

The Company has identified the following risks relevant to its business and operations, which could materially affect the Company's operating results, financial performance and the value of the Common Shares. The information below does not purport to be an exhaustive summary of the risks affecting the Company and additional risks and uncertainties not currently known to the officers or directors of the Company or not currently perceived as being material may have an adverse effect on the business of the Company.

The Company does not expect to pay any cash dividends

The Company may not achieve a level of profitability to permit payments of cash dividends to shareholders. Any future determination to pay dividends on the Common Shares will be at the discretion of the Board, and will depend upon many factors, including the Company's results of operations, financial position, credit terms, general economic factors and other factors as the Board may deem relevant from time to time.

Management and directors

The Company's future success depends on its ability to retain key employees and/or consultants and attract, train, retain and successfully integrate new talent into its management team. The Company's success is highly dependent on its continuing ability to identify, hire, train, motivate and retain appropriate personnel. Competition for such personnel can be intense, and the Company cannot provide assurance that it will be able to attract or retain them.

Current global financial conditions may adversely impact the Company and the value of the Common Shares

Current global financial conditions have been subject to increased volatility, which has negatively impacted access to public financing. These factors may impact the ability of the Company to obtain equity or debt financing in the future and, if obtained, on terms favourable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted, and the value of the Common Shares could be adversely affected.

Impact of the COVID-19 pandemic

The Company's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in Canada. The outbreak has caused companies and various governmental bodies to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the 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. Such public health crises 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 mineral prices, interest rates, credit ratings, credit risk, share prices and inflation. The risks to the Company of such public health crises also include slowdowns or temporary suspensions of operations in locations impacted by an outbreak, interruptions to supply chains and supplies on which the Company relies, restrictions that the Company and its contractors and subcontractors impose to ensure the safety of employees and others, increased labor costs, regulatory changes, political or economic instabilities or civil unrest.

As of the date of this Prospectus, the Quebec provincial government has designated businesses engaged in mineral exploration and development as an “essential service”. Provided the Company’s exploration activities continue to be so designated and the current availability of labour and supplies is not materially affected by new developments respecting COVID-19 or responses thereto, the Company expects that its personnel will be able to carry out its exploration activities significant delays or increases in cost.

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

Dilution

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

Future sales by existing shareholders could cause the Company’s share price to fall

Future sales of Common Shares by the Company or other shareholders could decrease the value of the Common Shares. The Company cannot predict the size of future sales by the Company or other shareholders, or the effect, if any, that such sales will have on the market price of the Common Shares. Sales of a substantial number of Common Shares, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares.

Profitability of the Company

There can be no assurance that the Company’s business and strategy will enable it to become profitable or sustain profitability in future periods and that it will not incur net losses. The Company’s future operating results will depend on various factors, many of which are beyond the Company’s direct control, including the Company’s ability to control its costs and general economic conditions. The Company’s limited operating history makes it difficult to predict future operating results. If the Company is unable to generate profits in the future, the market price of the Common Shares could decline.

Litigation

All industries, including the mining industry, are subject to legal claims, with and without merit. Legal proceedings may arise from time to time in the course of the Company's business. Such litigation may be brought from time to time in the future against the Company. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Other than as disclosed elsewhere in this Prospectus, the Company is not currently subject to material litigation nor has the Company received an indication that any material claims are forthcoming. However, due to the inherent uncertainty of the litigation process, the Company could become involved in material legal claims or other proceedings with other parties in the future. The results of litigation or any other proceedings cannot be predicted with certainty. The cost of defending such claims may take away from management's time and effort and if the Company is incapable of resolving such disputes favourably, the resultant litigation could have a material adverse impact on the Company's financial condition, cash flow and results from operation.

Risks related to possible fluctuations in revenues and results

The Company may experience significant fluctuations in its quarterly and annual results of operations for a variety of reasons, many of which are outside of the Company's control. Any fluctuations may cause the Company's results of operations to fall below the expectations of securities analysts and investors. This would likely affect the ability of an investor to dispose of the Company's Common Shares or the market price of the Common Shares if trading of them is possible in a marketplace.

Negative cash flow from operations

During the fiscal year ended December 31, 2020, the Company had negative cash flow from operating activities. Although the Company anticipates it will have positive cash flow from operating activities in future periods, to the extent that the Company has negative cash flow in any future period, it will need to raise additional funds to cover this short fall.

Going concern risk

The Company's registered independent auditors have issued an opinion on the Company's audited financial statements for the year ended December 31, 2020 which includes a statement describing the Company's going concern status. The conditions set forth indicate that a material uncertainty exists that may cast significant doubt that the Company can continue as an ongoing business for the next twelve months unless the Company obtains additional capital to pay its bills and meet its other financial obligations.

In addition to cash flow from operations, ongoing operations may be dependent on the Company's ability to obtain equity financing by the issuance of securities and to generate profitable operations in the future. Significant amounts of capital expenditures are required in order for the Company to execute its business plan and there are no assurances that the Company will have sufficient funds for this purpose.

Force majeure

The Company's operations may now or in the future be adversely affected by risks outside the control of the Company, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

Risks related to market demands

The markets that the Company participates in may not grow as expected or at all. While the Company's goal is to increase its revenues by expanding its customer base or revenues, there can be no assurance that it will succeed in doing so. As a result, revenues may stagnate or decline, which may increase the Company's losses.

Fluctuation and volatility in stock exchange prices

The market price of a publicly traded stock is affected by many variables, including the availability and attractiveness of alternative investments and the breadth of public market for the stock. In recent years, the securities markets 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.

For instance, the market price for the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond management's control, including the following:

- actual or anticipated fluctuations in the Company's quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which the Company operates;
- addition or departure of the Company's executive officers and other key personnel;
- release or expiration of lock-up or other transfer restrictions on outstanding Common Shares;
- sales or perceived sales of additional Common Shares;
- speculation, whether or not well-founded, about significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors;
- operating and share price performance of other companies that investors deem comparable to the Company;
- changes in global financial markets and global economies and general market conditions; and

- news reports relating to trends, concerns or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which might result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely affected and the trading price of the Common Shares might be materially adversely affected.

Further, there can be no assurance that such variations will not affect the price of the Company's securities in the future and that the price of the Common Shares will not decrease after listing on the CSE.

Market for the Company's securities

There has been no public trading market for the Common Shares. There can be no guarantee that an active and liquid trading market will develop or be maintained, the failure of which may have a material adverse effect on the value of the Common Shares and the ability of an investor to dispose of the Common Shares in a timely manner, or at all. In addition, the market price of the securities of the Company at any given point in time may not accurately reflect the long-term value of the Company.

Reporting issuer status and related requirements

As a reporting issuer, the Company will be subject to reporting requirements under applicable securities laws and stock exchange policies. Compliance with these requirements will increase legal and financial compliance costs, make some activities more difficult, time consuming or costly, and increase demand on existing systems and resources. Among other things, the Company will be required to file annual, quarterly and current reports with respect to its business and results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. In order to maintain and, if required, improve disclosure controls and procedures and internal controls over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm the Company's business and results of operations. The Company may need to hire additional employees and/or consultants to comply with these requirements in the future, which would increase its costs and expenses.

Limited operating history

The Company has a limited operating history on which to base an evaluation of its business, financial performance and prospects. As such, the Company's business and prospects must be considered in light of the risks, expenses, uncertainties and difficulties frequently encountered by companies in the early stage of development, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues.

As a junior mining exploration company, the Company is focused on conducting its proposed exploration program on the Sleeping Giant South Property and the Company's revenues may be materially affected by the risks, difficulties and expenses frequently encountered in the mineral exploration industry. There can be no assurance that the Company will be successful in addressing these risks, and the failure to do so in any one area could have a material adverse effect on the Company's business, prospects, financial condition and results of operations.

Additional financing

The Company expects that it will require equity and/or debt financing to support ongoing operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms which are acceptable. The Company's inability to raise financing to fund ongoing operations, capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon the Company's business, results of operations, financial condition or prospects.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Common Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Competition

There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition, results of operations or prospects of the Company.

Director and officer control of Common Shares

The officers and directors of the Company currently hold (directly or indirectly) approximately 13% of the issued and outstanding Common Shares. The Company's shareholders nominate and elect the Board, which generally has the ability to control the acquisition or disposition of the

Company’s assets, and the future issuance of its Common Shares or other securities. Accordingly, for any matters with respect to which a majority vote of the Common Shares may be required by law, the Company’s directors and officers may have the ability to control such matters. Because the directors and officers control a substantial portion of such Common Shares, investors may find it difficult or impossible to replace the Company’s directors if they disagree with the way the Company’s business is being operated.

Management of growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee and consultant base. The inability of the Company to deal with this growth may have a material adverse effect on the Company’s business, financial condition, results of operations or prospects.

Internal controls

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company’s results of operations or cause it to fail to meet its reporting obligations. If the Company or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market’s confidence in the Company’s consolidated financial statements and materially adversely affect the trading price of the Common Shares.

Conflicts of interest

Certain of the directors and officers of the Company are, or may become directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of the Company and as officers and directors of such other companies.

Fraudulent or illegal activity by employees, contractors and consultants

The Company is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Company that violates, among other things, government regulators, industry standards or laws that require the true, complete and accurate reporting of financial information or data. It may not always be possible for the Company to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against Company, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the Company’s business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Company's operations, any of which could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

Information technology systems and cyber-attacks

The Company's operations depend, in part, on how well it and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

The Company has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Operating risks and insurance

The Company's operations are subject to hazards inherent in its industry, such as equipment defects, malfunction and failures, natural disasters which result in fires, accidents and explosions that can cause personal injury, loss of life, suspension of operations, damage to facilities, business interruption and damage to or destruction of property, equipment and the environment, labour disputes, and changes in the regulatory environment. These risks could expose the Company to substantial liability for personal injury, wrongful death, property damage, pollution, and other environmental damages. The frequency and severity of such incidents will affect operating costs, insurability and relationships with customers, employees, consultants and regulators.

The Company continuously monitors its operations for quality control and safety. However, there are no assurances that the Company's safety procedures will always prevent such damages. Although the Company maintains insurance coverage that it believes to be adequate and customary in the industry, there can be no assurance that such insurance will be adequate to cover its liabilities. In addition, there can be no assurance that the Company will be able to maintain adequate insurance in the future at rates it considers reasonable and commercially justifiable. The occurrence of a significant uninsured claim, a claim in excess of the insurance coverage limits maintained by the Company, or a claim at a time when it is not able to obtain liability insurance, could have a material adverse effect on the Company, the Company's ability to conduct normal business operations and on the Company's business, financial condition, results of operations and cash flows in the future.

Uninsured or uninsurable risk

The Company may be subject to liability for risks against which it cannot insure or against which the Company may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for the Company's normal business activities. Payment of liabilities for which the Company does not carry insurance may have a material adverse effect on the Company's financial position and operations.

Issuance of debt

From time to time, the Company may enter into transactions to acquire assets or shares of other organizations. These transactions may be financed in whole or in part with debt, which may increase the Company's debt levels above industry standards for companies of similar size. Depending on future development plans, the Company may require additional equity and/or debt financing that may not be available or, if available, may not be available on favourable terms to the Company. Neither the Company's articles nor its by-laws limit the amount of indebtedness that the Company may incur. As a result, the level of the Company's indebtedness from time to time could impair its ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise.

Financial projections may prove materially inaccurate or incorrect

The Company's financial estimates, projections and other forward-looking information accompanying this Prospectus were prepared by the Company without the benefit of reliable historical industry information or other information customarily used in preparing such estimates, projections and other forward-looking information. Such forward-looking information is based on assumptions of future events that may or may not occur, which assumptions may not be disclosed in such documents. Investors should research the Company and become familiar with the assumptions underlying any estimates, projections or other forward-looking information. Projections are inherently subject to varying degrees of uncertainty and their achievability depends on the timing and probability of a complex series of future events. There is no assurance that the assumptions upon which these projections are based will be realized. Actual results may differ materially from projected results for a number of reasons including increases in operation expenses, changes or shifts in regulatory rules, undiscovered and unanticipated adverse industry and economic conditions, and unanticipated competition. Accordingly, investors should not rely on any projections to indicate the actual results the Company might achieve.

Risks associated with acquisitions

As part of the Company's overall business strategy, the Company may pursue select strategic acquisitions that would provide additional product or service offerings, additional industry expertise, and a stronger industry presence in both existing and new jurisdictions. Future acquisitions may expose the Company to potential risks, including risks associated with: (i) the integration of new operations, services and personnel; (ii) unforeseen or hidden liabilities; (iii) the diversion of resources from the Company's existing business; (iv) potential inability to generate sufficient revenue to offset new costs; (v) the expenses of acquisitions; or (vi) the potential loss of or harm to relationships with employees, consultants and existing users resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

The Company's mineral property does not contain a known commercially viable mineral deposit

The Company holds mining claims under option, but such claims do not contain any known commercially viable mineral deposits. Both the size of a deposit and the cost of extracting ore are key factors in determining whether a mineral deposit is commercially viable. If the Company does not find any viable mineral reserves on the claims or if it cannot develop a mineral reserve that may be found, either because of insufficient funds or because it will not be economically feasible to do so, the Company may have to cease operations.

Compared to other mineral exploration companies, the Company is very small, has few resources and must limit its exploration

The Company is a small, junior mineral exploration company in an industry dominated by many larger companies that have substantial amounts of capital and management expertise. The Company does not have the human resources or financial resources to compete with senior mineral exploration companies, which could and probably would spend more time and money exploring mineral exploration properties and have better odds of finding a mineral reserve. As a result, the Company must limit its exploration and it may be unsuccessful in finding a mineral reserve or, if it does, it may not have sufficient financial resources or management expertise to effectively develop such a reserve, which means that future investors could lose a portion or all of any funds they invest in the Company.

The Company will have to suspend its exploration plans if it does not have access to all of the supplies and materials needed in order to carry out such plans

Competition and unforeseen limited sources of supplies in the industry could result in occasional spot shortages of supplies and equipment that the Company might need to conduct exploration. If it cannot find the products and equipment needed, the Company will have to suspend its exploration plans until it is able to find the products and equipment that are needed. This could have a negative impact on the Company's share price.

There are inherent dangers involved in mineral exploration and the Company may incur liability or damages as it conducts its business

The search for valuable minerals involves numerous hazards. As a result, the Company may become subject to liability for such hazards, including pollution, cave-ins and other hazards against which the Company cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material adverse effect on the Company's financial position.

If the Company becomes subject to burdensome government regulation or other legal uncertainties, there could be a negative impact on the Company's business

There are numerous provincial and federal governmental regulations that materially affect the operations of mineral exploration and mining companies. In addition, the legal and regulatory environment that pertains to the exploration and development of mineral exploration properties is uncertain and may change. Uncertainty and new regulations could increase the costs of doing business and prevent the Company from exploring or developing mineral deposits. The growth of demand for minerals may also be significantly slowed. This could delay growth in potential demand for and limit the Company's ability to generate revenues. In addition to new laws and regulations being adopted, existing laws may be applied to mineral exploration activities that are carried out by companies in the mining industry, which may negatively affect the Company. New laws may be enacted that may increase the cost of doing business which may have an adverse impact on the Company's financial condition and results of operations.

New mineral exploration companies have a high failure rate

New mineral exploration companies generally encounter numerous difficulties and there is high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration of the mineral properties that the Company hopes to undertake. These potential problems include, but are not limited to, unanticipated problems relating to exploration, and additional costs and expenses that may exceed current estimates. Very few mineral exploration properties actually contain commercially viable mineral deposits. The Company has no history upon which to base any assumption as to the likelihood that its business will prove successful, and the Company can provide no assurance that it will generate any operating revenues or ever achieve profitable operations. If the Company is unsuccessful in addressing these risks, its business could fail.

Fluctuations in commodity prices may adversely affect the Company's prospective revenue, profitability and working capital position

The Company's future revenues and cash flows are subject to fluctuations in commodity prices. Commodity prices are affected by a variety of factors beyond the Company's control including interest rate changes, exchange rate changes, international economic and political trends, inflation or deflation, fluctuations in the value of the Canadian dollar and foreign currencies, global and regional supply and demand, changes in industrial demand and the political and economic conditions of major commodity producing countries throughout the world.

The Company's exploration and development properties may not be successful and are highly speculative in nature

The Company's activities are focused on the exploration for and the possible future development of mineral deposits. The exploration for, and development of, mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge cannot eliminate. While the discovery of a mineral deposit may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical and unpredictable; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of precious metals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital or abandoning or delaying the development of a mineral project. There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries of commercial quantities of such minerals.

The exploration and development of natural resources involve a high degree of risk and few properties which are explored are ultimately developed into producing properties. Although the mineral resource figures set out herein have been carefully prepared by independent mining experts, these amounts are estimates only and no assurance can be given that an identified mineral resource will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions.

Short-term factors, such as the need for orderly development of deposits or the processing of new or different grades, may have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in reserves or resources, grades, dilution estimates or recovery rates may affect the economic viability of a project. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish mineral resources through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that resources will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

Aboriginal title and land claims

The Sleeping Giant South Property may now or in the future be the subject of Aboriginal land claims, which is a matter of considerable complexity. The impact of any such claim on the Company's ownership interest in the Sleeping Giant South 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 Sleeping Giant South 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 and seek the approval of holders of Aboriginal interests in order to facilitate exploration and development work on the Sleeping Giant South Property, and there is no assurance that the Company will be able to establish a practical working relationship with the Indigenous in the area which would allow it to ultimately develop the Sleeping Giant South Property.

Environmental and other regulatory risks may adversely affect the Company

All phases of the Company's operations are subject to environmental regulation in the jurisdiction in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will likely require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties. Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent that such approvals are required and not obtained, the Company may be curtailed or prohibited from continuing its operations or from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

The Company’s operations are subject to receiving and maintaining permits from appropriate governmental authorities. Although the Company's operations currently have all required permits for their operations as currently conducted, there is no assurance that delays will not occur in connection with obtaining all necessary renewals of such permits for the existing operations, additional permits for any possible future changes to operations, or additional permits associated with new legislation. Prior to any development on its property, the Company must receive permits from appropriate governmental authorities. There can be no assurance that the Company will continue to hold all permits necessary to develop or continue operating at any particular property.

Climate change may adversely affect the Company

Governments are moving to enact climate change legislation and treaties at the international, national, state/provincial and local levels. Where legislation already exists, regulations relating to emission levels and energy efficiency are becoming more stringent. Some of the costs associated with meeting more stringent regulations can be offset by increased energy efficiency and technological innovation. However, if the current regulatory trend continues, meeting more stringent regulations is anticipated to result in increased costs.

Title to some of the Company’s mineral properties may be challenged or defective

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to mining claims may be disputed. Although the Company believes it has taken reasonable measures to ensure proper title to its current property, there is no guarantee such title will not be challenged or impaired. Third parties may have valid or invalid claims underlying portions of its interest, including prior unregistered liens, agreements, transfers or claims, including formal aboriginal land claims, informal aboriginal land claims accompanied by hostile activity, and title may be affected by, among other things, undetected defects. As a result, the Company may be constrained in its ability to operate its properties or unable to enforce its rights with respect to its current property or any future properties that it may acquire an interest in. An impairment to or defect in its title to its properties could have a material adverse effect on its business, financial condition or results of operations.

Obtaining and renewing licenses and permits

In the ordinary course of business, the Company will be required to obtain and renew governmental licenses or permits for exploration, development, construction and commencement of mining at the Sleeping Giant South Property. Obtaining or renewing the necessary governmental licenses or permits is a complex and time-consuming process involving public hearings and costly undertakings on the part of the Company. The duration and success of the Company's efforts to obtain and renew licenses or permits are contingent upon many variables not within the Company's control, including the interpretation of applicable requirements implemented by the licensing authority. The Company may not be able to obtain or renew licenses or permits that are necessary to its operations, including, without limitation, an exploitation license, or the cost to obtain or renew licenses or permits may exceed what the Company believes they can recover from the Sleeping Giant South Property. Any unexpected delays or costs associated with the licensing or permitting process could delay the development or impede the operation of a mine, which could adversely impact the Company's operations and profitability.

Insurance and uninsured risks

The Company is exposed to risks inherent in the mining industry, including adverse environmental conditions and pollution, personal injury or death, labour disputes, unusual or unexpected geological conditions, legal liability, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena, property damage, floods, earthquakes, delays in mining and monetary losses and dust storms.

While the Company has obtained insurance to address certain risks in such amounts as it considers being reasonable, such insurance has limitations on liability that may not be able to cover all the potential liabilities and the insurance may not continue to be available or may not be adequate to cover any resulting liability. Moreover, such risks may not be insurable in all instances or, in certain instances, the Company may elect not to insure against certain risks because of high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Company and the occurrence of an event in which the Company is not fully insured against, could have a material adverse effect upon its business, operating results and financial condition.

Dependence on outside parties

The Company will rely upon consultants, engineers, contractors and other parties for exploration, development, construction and operating expertise. Substantial expenditures are required to construct mines, to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract metal from ore and, in the case of new properties, to develop the exploration and mineral processing infrastructure at any particular site. Deficient or negligent work or work not completed in a timely manner could have a material adverse effect on the Company.

Competition

The mining industry is extremely competitive. The Company competes with other companies, some which have greater financial, operational expertise, technical capabilities and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company will be able to compete effectively with these companies.

Land reclamation requirements may be burdensome

Land reclamation requirements are generally imposed on companies with mining operations or mineral exploration companies in order to minimize long term effects of land disturbance. Reclamation may include requirements to:

- control dispersion of potentially deleterious effluents; and
- reasonably re-establish pre-disturbance landforms and vegetation.

In order to carry out reclamation obligations imposed on the Company in connection with exploration, potential development and production activities, the Company must allocate financial resources that might otherwise be spent on exploration and development programs. If the Company is required to carry out unanticipated reclamation work, its financial position could be adversely affected.

Risks relating to health and safety

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities due to accidents that could result in serious injury or death. The impact of such accidents could affect the profitability of the Company's operations, cause an interruption to operations, lead to a loss of licenses, affect the reputation of the Company and its ability to obtain further licenses, damage community relations and reduce the perceived appeal of the Company as an employer.

There is no assurance that the Company has been or will at all times be in full compliance with all laws and regulations or hold, and be in full compliance with, all required health and safety permits. The potential costs and delays associated with compliance with such laws, regulations and permits could prevent the Company from proceeding with the development of a project or the operation or further development of a project, and any noncompliance therewith may adversely affect the Company's business, financial condition and results of operations. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties.

Risks related to infrastructure

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

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not a party to any legal proceedings or regulatory actions against it, nor to the best of its knowledge are any legal proceedings or regulatory actions threatened or pending.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No insider, director or executive officer of the Company and no associate or affiliate of any director, executive officer or insider has any material interest, direct or indirect, in any transaction within the three years before the date of the Prospectus that has materially affected or is reasonably expected to materially affect the Company.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditor of the Company is Clearhouse LLP Chartered Professional Accountants, located at 2560 Matheson Boulevard East, Suite 527, Mississauga, Ontario, L4W 4Y9.

The transfer agent and registrar for the Common Shares of the Company is Capital Transfer Agency ULC, located at 390 Bay Street, Suite 920, Toronto, Ontario, M5H 2Y2.

EXPERTS

The following persons or companies whose profession or business gives authority to a statement made by the person or company are named in the Prospectus as having prepared or certified a part of that document or a report of valuation described in the Prospectus:

1. Remi Charbonneau, Registered Professional Geologist in the Province of Quebec is a "qualified person" as defined in NI 43-101. Remi Charbonneau is the author responsible for the preparation of the Technical Report.

2. The financial statements of the Company included with this Prospectus have been subject to audit by Clearhouse LLP Chartered Professional Accountants and their audit report is included herein. Clearhouse LLP Chartered Professional Accountants is independent of the Company in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

Based on information provided by the persons named above, none of such persons have received or will receive any direct or indirect interests in the property of the Company, nor do they have any beneficial ownership, direct or indirect, of securities of the Company.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the Escrow Agreement and the Purchase Agreement (each as described elsewhere in this Prospectus) are the only material contracts entered into by the Company which are currently in effect.

OTHER MATERIAL FACTS

To management's knowledge, there are no other material facts about the Company which are not otherwise disclosed in this Prospectus.

FINANCIAL STATEMENTS AND MD&A

The following financial statements are attached to this Prospectus:

1. Audited financial statements of the Company for the years ended December 31, 2020 and 2019.
2. MD&A of the Company for the year ended December 31, 2020.
3. Unaudited interim financial statements of the Company for the six month period ended June 30, 2021.
4. MD&A of the Company for the six month period ended June 30, 2021.

Audited financial statements of the Company
for the years ended December 31, 2019 and 2020

Financial Statements of

MUZHU MINING LTD.

As at December 31, 2020 and 2019,
and for the years ended December 31, 2020 and 2019

(Expressed in Canadian dollars)

CLEARHOUSE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Muzhu Mining Ltd.

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Muzhu Mining Ltd. (the Company), which comprise the statements of financial position as at December 31, 2020 and 2019, and the statements of loss and comprehensive loss, statements of cash flows and statements of changes in equity for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern
We draw your attention to Note 2 in the financial statements, which indicates that the Company has an accumulated deficit of $656,337 as at December 31, 2020. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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.

Clearhouse LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
March 5, 2021

MUZHU MINING LTD.
Statements of Financial Position
(Expressed in Canadian dollars)

	As at December 31, 2020	As at December 31, 2019
	$	$
ASSETS		
Current assets		
Cash	99,584	622
GST receivable	23,100	5,541
Prepaid expenses	500	500
	123,184	6,663
Exploration and evaluation assets	221,400	-
	344,584	**6,663**
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	339,180	56,366
Due to related parties	153,941	80,663
	493,121	137,030
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital	507,800	264,000
Subscription receivable	-	60,000
Deficit	(656,337)	(454,366)
	(148,537)	(130,366)
	344,584	**6,663**

Nature of business and going concern (Note 1)
Subsequent events (Note 9)

Approved and authorized for issue on behalf of the Board on March 5, 2021

"Richard Tong"
Director

"Don Baxter"
Director

The accompanying notes are an integral part of these financial statements

MUZHU MINING LTD.

Statements of Comprehensive Loss

For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

	December 31, 2020	December 31, 2019
	$	$
Expenses		
Advertising and promotion	92	100
Consulting fees	112,500	40,577
Professional fees	16,028	18,536
Interest and bank charges	151	102
Office and general	1,200	1,200
Directors fees	72,000	70,655
	201,971	131,171
Net loss and comprehensive loss	**(201,971)**	**(131,171)**
Loss per share – basic and diluted	**$ (0.03)**	**$ (0.02)**
Weighted average number of common shares outstanding – basic and diluted (1)	**6,067,783**	**5,580,000**

(1) Adjusted for 4:3 share consolidation on September 1, 2020 (see note 4).

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

MUZHU MINING LTD.
Statements of Changes in Equity (Deficiency)
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

	Common shares		Subscription Shares	Deficit	Total
	# (1)	$	$	$	$
Balance, December 31, 2018	5,580,000	264,000	25,500	(323,195)	(33,695)
Subscription received	-	-	34,500	-	34,500
Net loss for the year	-	-	-	(131,171)	(131,171)
Balance, December 31, 2019	5,580,000	264,000	60,000	(454,366)	(130,366)
Shares issued for cash	3,500,000	212,500	(60,000)	-	152,500
Shares issued for debt settlement	234,750	31,300	-	-	31,300
Net loss for the year	-	-	-	(201,971)	(201,971)
Balance, December 31, 2020	9,314,750	507,800	-	(656,337)	(148,537)

(1) Adjusted for 4:3 share consolidation on September 1, 2020 (see note 4).

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

MUZHU MINING LTD.
Statements of Cash Flows
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

	December 31, 2020	December 31, 2019
	$	$
Cash provided by (used in):		
Operating activities		
Net loss for the year	(201,971)	(131,171)
Items not affecting cash:		
Consulting fees settled through issue of shares	31,300	-
Net change in non-cash working capital balances related to operations:		
GST receivable	(17,559)	35
Prepaid expenses	-	(500)
Accounts payable and accrued liabilities	282,814	47,504
Due to related parties	73,278	13,856
	167,862	(70,276)
Investing activities		
Exploration and evaluation asset additions	(221,400)	-
	(221,400)	-
Financing activities		
Subscription received	-	34,500
Shares issued for cash	152,500	-
	152,500	34,500
Net change in cash	98,962	(35,776)
Cash, beginning of year	622	36,398
Cash, end of year	**99,584**	**622**

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

NOTE 1 – NATURE OF BUSINESS AND GOING CONCERN

Muzhu Mining Ltd. ("MUZHU" or the "Company") was incorporated under the Business Corporations Act of British Columbia on January 24, 2018. The address of the Company's head office is 4353 Halifax Street, Suite 904, Burnaby, BC, V5C 5Z4 and the registered office is 1021 West Hastings Street, Suite 900, Vancouver, BC, V6E 0C3, Canada.

The Company's objective is to seek opportunities in the exploration, development and mining of precious metals properties domestically and/or internationally. It currently has exploration property agreements in Canada and China.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months. The Company has experienced losses and negative cash flow from operations since incorporation. As at December 31, 2020, the Company had not yet generated revenues and had an accumulated deficit of $656,337. These factors indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete their development, and future profitable production or proceeds from the disposition of its resource property interests. The timing and availability of additional financing will be determined largely by the performance of the Company and market conditions and there is no certainty that the Company will be able to raise funds as they are required in the future.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to reflect these financial statements on a liquidation basis which could differ from accounting principles applicable to a going concern.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. As the Company does not have active operations, the impact of the pandemic has been minimal. Management continues to monitor the situation and take the necessary precautions as deemed appropriate.

Basis of measurement and preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). They are prepared on a historical cost basis, except for certain financial instruments classified as fair value through profit or loss which have been measured at fair value.

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

The board of directors approved these financial statements on March 4, 2021.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

a. Significant accounting judgments and estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Judgements are choices in accounting policies and disclosures which management believes are supported by facts and circumstances existing at the date of the financial statements.

They are as follows:

- The provision of deferred income taxes is based on judgements in applying income tax law and estimates about timing, likelihood and reversal of temporary differences between accounting and tax basis of the assets and liabilities;
- Valuation and recoverability of exploration and evaluation assets. Management considers the economics of the project, including the latest resources prices and the long-term forecasts, and the overall economic viability of the project;
- The judgment made by management that has a significant effect on the financial statements and estimates with a significant risk of material adjustment is the going concern assumption.

b. Income (loss) per share

Basic income (loss) per share is computed by dividing the net income (loss) for the period by the weighted average number of common shares outstanding during the period. To compute diluted income (loss) per share, adjustments are made to common shares outstanding, if applicable. The weighted average number of common shares outstanding is adjusted to include the number of additional common shares that would be outstanding if, at the beginning of the period or at the time of issuance, all options and warrants were exercised. The proceeds from exercise are assumed to be used to purchase the Company’s common shares at their average market price during the period. If this computation is anti-dilutive, diluted income (loss) per share is the same as basic income (loss) per share. For the periods presented, this calculation proved to be anti-dilutive.

c. Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

d. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

<u>Financial assets – Classification</u>

The Company classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through Other Comprehensive Income (“OCI”), or through profit or loss), and
- Those to be measured at amortized cost.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or OCI.

Fair value hierarchy

The following table summarizes the fair value hierarchy under which the Company's financial instruments are valued.

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3 - Inputs for the asset or liability that are not based upon observable market data.

Cash is carried at fair value using a level 1 fair value measurement.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Company classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest method.

- Fair value through OCI ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.

- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the Statement of Loss and Comprehensive Loss in the period in which it arises.

Cash is measured at FVTPL. The Company has not designated any financial assets as amortized cost and FVOCI.

Financial liabilities

The Company classifies its financial liabilities into the following categories:

- Financial liabilities at FVTPL; and
- Amortized cost.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and
- the remaining amount of the change in the fair value is presented in profit or loss.

The Company does not designate any financial liabilities at FVTPL. The Company has designated its accounts payable and due to related parties as amortized cost.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

e. Exploration and evaluation assets

The Company is in the exploration stage with respect to its investment in mineral properties. The Company capitalizes costs directly related to the acquisition, exploration and evaluation of mineral properties. Such costs include, but are not restricted to, geological, geophysical, drilling, trenching and sampling costs including the support costs and supplies required in relation thereto. These assets are recorded at cost as adjusted for impairments in value. Impairment is assessed when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. In assessing impairment, exploration and evaluation assets are grouped into Cash Generating Units,("CGU's"), on the basis of areas of interest. Management groups mineral claims that are contiguous and specific to an area that encompasses the same prospective minerals, into one area of interest and assigns a name to this mineral property. Each named mineral property is considered an area of interest and a CGU.

Although not an exhaustive list, one or more of the following facts and circumstances indicate that a specific CGU should be tested for impairment:

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

An impairment loss may be reversed in a situation where there is a change in the circumstances that had initially dictated that impairment had occurred. An example of such a situation might include, but not be limited to, the re-commencement of exploration activity on a mineral property due to a significant change in commodity prices.

Where the Company's exploration commitments for a CGU are performed under option agreements with a third party, the proceeds of any option payments under such agreements are applied to the CGU to the extent of costs incurred. The excess, if any, is credited to operations. Option payments made by the Company are recorded as exploration and evaluation assets. Options are exercisable entirely at the discretion of the optionee and accordingly, are recorded as exploration and evaluation assets or recoveries when the payments are made or received. The proceeds on the sale of exploration and evaluation assets are applied to the area of interest to the extent of costs incurred and the excess, if any, is credited to operations. In some circumstances option payments received by or made by the Company are made in whole or in part through the issuance of common shares. The value of these payments in shares is calculated using the fair value of the shares on the date of issue.

f. Income taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in the statements of comprehensive loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income. Current tax is the expected tax payable or receivable on the taxable

(Expressed in Canadian dollars)

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to taxable temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

NOTE 3 – ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED:

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. There are presently no new standards, interpretations and amendments to existing standards which may have a significant impact on the Company's financial statements.

NOTE 4 – SHARE CAPITAL

Common shares

The Company's authorized capital consists of an unlimited numbers of common shares without par value. As at December 31, 2020, there were 9,314,750 issued and outstanding common shares. On September 1, 2020, the Company consolidated its common shares on a 4 for 3 basis, which has been applied retrospectively in these financial statements.

a) Issued

	Number of shares	Share capital
Balance December 31, 2019 and 2018	5,580,000	$ 264,000
Common shares issued for cash (i) (iii)	3,500,000	212,500
Common shares issued for debt settlement (ii)	234,750	31,300
Balance, December 31, 2020	9,314,750	$ 507,800

(i) On June 30, 2020, the Company issued 450,000 common shares at $0.133 per share for gross proceeds of $60,000.

(ii) On June 30, 2020 the Company issued 234,750 common shares in exchange for services at a deemed price of $0.133 per share for debt settlement of $31,300.

(iii) On December 15, 2020, the Company issued 3,050,000 common shares at $0.05 per share for gross proceeds of $152,500.

b) Stock Options

The Company does not have a Stock Option Plan (the "Plan") which provides that the number of options granted may not exceed 10% of the issued and outstanding shares. Options granted under the Plan generally have a five-year term and are granted at a price no lower than the market price of the common shares at the time of the grant.

As of December 31, 2020, and 2019, the company has not granted any stock options.

(Expressed in Canadian dollars)

c) Warrants

There are no reportable warrants to report during the year ended December 31, 2020 and 2019.

NOTE 5 – RELATED PARTY TRANSACTIONS AND BALANCES

As at December 31, 2020, the Company has a balance due to directors and officers totalling $153,941 (December 31, 2019 - $80,663). The amounts due to related parties are unsecured, have no terms of repayment and non-interest bearing.

Key management personnel compensation

Key management personnel consist of officers and directors of the Company. Remuneration of key management personnel was $72,000 for the year ended December 31, 2020 (December 31, 2019 - $70,655).

Note 6 - EXPLORATION AND EVALUATION ASSETS

The company's exploration and evaluation properties were as follows:

	Sleeping Giant South Property	XWG Property	Total
Balance December 31, 2019 and 2018	$ -	$ -	$ -
Acquisition	182,888	-	182,888
Geologists and consulting	38,512	-	38,512
Balance, December 31, 2020	$ 221,400		$ 221,400

On September 1, 2020, the Company entered into an Option Agreement with Lingbao Yida Mining Co., Ltd., a private Chinese company, to acquire an undivided 60% interest in the Xia Wa Gou (XWG) mining property, located in the Province of Henan, People's Republic of China.

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

(a) incur minimum Expenditures on the Property (in the ground) of not less than an aggregate of $2,500,000 according to the following schedule:
- (i) $500,000 prior to the first anniversary of the Effective Date;
- (ii) an additional $1,000,000 prior to the second anniversary of the Effective Date;
- (iii) an additional $1,000,000 prior to the third anniversary of the Effective Date;

(b) issuing and delivering to the Optionor and/or its nominees an aggregate of 3,000,000 Common Shares according to the following schedule:
- (i) 1,000,000 Common Shares prior to the first anniversary of the Listing Date;
- (ii) 1,000,000 Common Shares prior to the second anniversary of the Listing Date; and
- (iii) 1,000,000 Common Shares prior to the third anniversary of the Listing Date.

On November 10, 2020 the Company entered into a Purchase Agreement with North American Exploration inc. and Silverwater Capital Corp., private Canadian companies, to acquire a 100% interest in the Sleeping Giant South Property (the "Property"), covering 109 mineral claims in the Quevillon Mining Camp in Quebec.

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

- Make a cash payment of $7,888 (staking costs) on or before December 31, 2020 (paid);
- Issuance of 3,500,000 fully paid and non-assessable common shares of the Company on or before December 31, 2020; and
- Pay a royalty (the "Royalty") equal to 3% of Net Smelter Returns with respect to the Property.

The Sleeping Giant South Property is subject to:

- an option to purchase one-third of the Royalty from North American Exploration inc. and Silverwater Capital Corp. at any time for the sum of $500,000; and
- North American Exploration inc. and Silverwater Capital Corp. shall be paid 20% of the proceeds received on the sale of the Property to a third party.

(Expressed in Canadian dollars)

NOTE 7 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and due to related parties. The carrying value of these financial instruments approximates their fair values due to their immediate or short-term maturity.

Assets measured at fair value on a recurring basis were presented on the Company's statement of financial position as follows:

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	December 31, 2020
Cash	$ 99,594	–	–	$ 99,594

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	December 31, 2019
Cash	$ 622	–	–	$ 622

The Company's financial instruments are exposed to the following risks:

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held at a large Canadian financial institution in interest bearing accounts.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk through its capital management and ensuring that sufficient financial resources to meet liabilities as they come due. As at December 31, 2020, the Company had working capital deficiency of $369,937 (2019 - $130,366). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market Risk

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

Interest Rate Risk

The Company does not have any financial assets exposed to interest rate risk.

Price Risk

The Company is not exposed to price risk.

NOTE 8 – CAPITAL MANAGEMENT

The Company's capital structure consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company has no surplus as at December 31, 2020. There were no changes to the Company's approach to capital management during the period ended December 31, 2020. The Company is not subject to externally imposed capital requirements. The Company may raise additional debt or equity financing in the near future to meet its obligations.

NOTE 9 – SUBSEQUENT EVENTS

On January 15, 2021, the board of directors approved the proposed private placement for the issuance of up to 3,750,000 common shares in the capital of the company at a purchase price of $0.10 per common share for aggregate proceeds of up to $375,000.

MD&A of the Company
for the year ended December 31, 2020

MUZHU MINING LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020

This management's discussion and analysis of the financial condition as of Mar 05, 2021 provides an analysis of he Company's financial results and progress for the year ended December 31, 2020. This MD&A should be read in conjunction with the Company's financial statements for the year ended December 31, 2020 which were prepared in accordance with accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC"). All amounts are expressed in Canadian dollars.

Certain statements and information related to Muzhu Mining Ltd. ("Muzhu" or the "Company")'s business contained in this Management's Discussion and Analysis are of a forward-looking nature. They are based on opinions, assumptions or estimates made by the Company's management or on opinions, assumptions or estimates made available to or provided to and accepted by the Company's management. Such statements and information are reflecting management's current views and expectations of future events or results and are subject to a variety of risks and uncertainties that are beyond management control. Readers are cautioned that these risks and uncertainties could cause actual events or results to significantly differ from those expressed, expected or implied and should therefore not rely on any forward-looking statements.

Overview

Muzhu Mining Ltd. ("MUZHU" or the "Company") was incorporated under the Business Corporations Act of British Columbia on January 24, 2018. The address of the Company's head office is 4353 Halifax Street, Suite 904, Burnaby, BC, V5C 5Z4 and the registered office is 1021 West Hastings Street, Suite 900, Vancouver, BC, V6E 0C3, Canada.

The Company's objective is to seek opportunities in the exploration, development and mining of precious metals properties domestically and/or internationally. It currently has exploration property agreements in Canada and China.

Overall Performance

During the year ended December 31, 2020, the Company was fairly inactive until the second half of the year where it completed financings and entered into transactions as described in Note 6 of the annual financial statements. These transactions were entered into in preparation for a public company listing in 2021.

The Transactions and the Arrangement Agreement are subject to various conditions, including approval of the shareholders of each entity and the exchange.

Results of Operations

Year Ended December 31, 2020 and 2019

The Company reported net loss for the year ended December 31, 2020 of $201,971 compared to the same period of $131,171. Expenses in the year ended December 31, 2020 were $201,971 compared to $131,171 for the same period in the prior year due to an increase in operational activities.

Summary of Annual Results

	December 31, 2020 $	December 31, 2019 $
Net loss	201,971	131,171
Basic and diluted loss per share	(0.03)	(0.02)
Cash	99,584	622

Total Assets	344,584	6,663
Current Liabilities	493,121	137,030
Non-Current Liabilities	-	-

Liquidity and Capital Resources

As at December 31, 2020, the Company has a working capital deficiency of $369,937 compared to a working capital deficiency of $130,366 at December 31, 2019 mainly due to the use of resources to pay for expenditures.

For the year ended December 31, 2020, the Company used cash of $167,862 in operating activities (2019-($70,276)).

The Company's principal assets are at an exploration stage and as a result the Company has no current source of operating cash flows. The Company relies on its ability obtain equity financing to fund administration expenses and future exploration programs. The ability of the Company to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent on the successful completion of a financing or by monetizing assets. There is no certainty that these and other strategies will be successful.

Consulting Fees

The Company incurred Consulting Fees of $112,500 for the period ended December 31, 2020 ($40,577 for the period ended December 31, 2019). The increase in consulting fees is due to the use of strategic advisory services for various options for the company to obtain a public listing, including merger, reverse takeover, partnership, and initial public offering.

Share Capital

The Company's authorized capital consists of an unlimited number of common shares without nominal or par value. As of the date of this MD&A, the Company has 9,314,750 issued and outstanding common shares.

- On June 30, 2020, the Company issued 450,000 common shares at $0.133 per share for gross proceeds of $60,000.
- On June 30, 2020 the Company issued 234,750 common shares in exchange for services at a deemed price of $0.133 per share for debt settlement of $31,300.
- On December 15, 2020, the Company issued 3,050,000 common shares at $0.05 per share for gross proceeds of $152,500.

Warrants

There are no reportable warrants to report during the year ended December 31, 2020 and 2019.

Stock Options

The Company currently does not have a Stock Option Plan.

Related Party Transactions and Balances

As at December 31, 2020, the Company has a balance due to directors and officers totalling $153,941 (December 31, 2019 - $80,663). The amounts due to related parties are unsecured, have no terms of repayment and non-interest bearing.

Key management personnel compensation

Key management personnel consist of officers and directors of the Company. Remuneration of key management personnel was $72,000 for the year ended December 31, 2020 (December 31, 2019 - $70,655).

Subsequent Event

On January 15, 2021, the board of directors approved the proposed private placement for the issuance of up to 3,750,000 common shares in the capital of the company at a purchase price of $0.10 per common share for aggregate proceeds of up to $375,000.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Critical accounting estimates

Estimate of recoverability for non-financial assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs to sell. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value.

Share-based payments

The amounts recorded for share-based payments are based on estimates. The Black Scholes model is based on estimates of assumptions for expected volatility, expected number of options to vest, dividend yield, risk-free interest rate, expected forfeitures and expected life of the options. Changes in these assumptions may result in a material change to the amounts recorded for the issuance of stock options.

Financial Instruments

The Company's financial instruments are categorized in a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - 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., derived from prices); and

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

The Company's financial instruments include cash, advances, and accounts payable.

The fair value of cash is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. The fair value of advances is determined to be "Level 3" as the amount relates to advances made concerning a definitive share purchase agreement; therefore, the inputs are unobservable.

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as of December 31, 2020 , as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1) $	Significant Other Observable Inputs (Level 2) $	Significant Unobservable Inputs (Level 3) $	Total $
December 31, 2020				
Cash	99,584	–	–	99,584
December 31, 2019				
Cash	622	–	–	622

Credit risk

The Company has no significant credit risk arising from operations. The Company does not engage in any sales activities, so is not exposed to major credit risks attributable to customers. The Company's credit risk is primarily attributable to cash. The Company holds its cash with Canadian chartered banks and the risk of default is considered to be remote.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's accounts payable are due within one year. The The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of stock market conditions generally or as a result of conditions specific to the Company. The Company's approach to managing liquidity risk is to ensure it will have sufficient liquidity to meet liabilities when due. As at December 31, 2020 , the Company has cash of $99,584 (December 31, 2019 - $622) to settle current liabilities of $493,121 (December 31, 2019 – $137,030).

Interest rate risk

Interest rate risk is the risk that future cash flows of the Company's assets and liabilities can change due to a change in interest rates. The Company is not exposed to interest rate risk as no financial instruments are interest-bearing. It is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from the financial statements.

Accounting standards adopted in the current period

The following standards were adopted by the Company effective December 1, 2019:

IFRS 16 – Leases

IFRS 16 replaces IAS 17, "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15, "Revenue from Contracts with Customers".

IFRIC 23 – Uncertainty over Income Tax Treatments

IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. Earlier application is permitted. The Interpretation requires: (a) an entity to contemplate whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution; (b) an entity to determine if it is probable that the tax authorities will accept the uncertain tax treatment; and (c) if it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty.

There was no impact upon adoption of these 2 standards.

Risks and Uncertainties

Under Canadian reporting requirements, management of the Company is required to identify and comment on significant risks and uncertainties associated with its business activities.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. As the Company does not have active operations, the impact of the pandemic has been minimal. Management continues to monitor the situation and take the necessary precautions as deemed appropriate.

MUZHU MINING LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020

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Subsequent Event

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Critical accounting estimates

Estimate of recoverability for non-financial assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs to sell. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value.

Share-based payments

The amounts recorded for share-based payments are based on estimates. The Black Scholes model is based on estimates of assumptions for expected volatility, expected number of options to vest, dividend yield, risk-free interest rate, expected forfeitures and expected life of the options. Changes in these assumptions may result in a material change to the amounts recorded for the issuance of stock options.

Financial Instruments

The Company's financial instruments are categorized in a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - 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., derived from prices); and

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

The Company's financial instruments include cash, advances, and accounts payable.

The fair value of cash is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. The fair value of advances is determined to be "Level 3" as the amount relates to advances made concerning a definitive share purchase agreement; therefore, the inputs are unobservable.

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as of December 31, 2020 , as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1) $	Significant Other Observable Inputs (Level 2) $	Significant Unobservable Inputs (Level 3) $	Total $
December 31, 2020				
Cash	99,584	–	–	99,584
December 31, 2019				
Cash	622	–	–	622

Credit risk

The Company has no significant credit risk arising from operations. The Company does not engage in any sales activities, so is not exposed to major credit risks attributable to customers. The Company's credit risk is primarily attributable to cash. The Company holds its cash with Canadian chartered banks and the risk of default is considered to be remote.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's accounts payable are due within one year. The The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of stock market conditions generally or as a result of conditions specific to the Company. The Company's approach to managing liquidity risk is to ensure it will have sufficient liquidity to meet liabilities when due. As at December 31, 2020 , the Company has cash of $99,584 (December 31, 2019 - $622) to settle current liabilities of $493,121 (December 31, 2019 – $137,030).

Interest rate risk

Interest rate risk is the risk that future cash flows of the Company's assets and liabilities can change due to a change in interest rates. The Company is not exposed to interest rate risk as no financial instruments are interest-bearing. It is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from the financial statements.

Accounting standards adopted in the current period

The following standards were adopted by the Company effective December 1, 2019:

IFRS 16 – Leases

IFRS 16 replaces IAS 17, "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15, "Revenue from Contracts with Customers".

IFRIC 23 – Uncertainty over Income Tax Treatments

IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. Earlier application is permitted. The Interpretation requires: (a) an entity to contemplate whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution; (b) an entity to determine if it is probable that the tax authorities will accept the uncertain tax treatment; and (c) if it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty.

There was no impact upon adoption of these 2 standards.

Risks and Uncertainties

Under Canadian reporting requirements, management of the Company is required to identify and comment on significant risks and uncertainties associated with its business activities.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. As the Company does not have active operations, the impact of the pandemic has been minimal. Management continues to monitor the situation and take the necessary precautions as deemed appropriate.

Unaudited interim financial statements of the Company for the six month period ended June 30, 2021

Condensed Interim Financial Statements (Unaudited) of

MUZHU MINING LTD.

As at June 30, 2021 and 2020,
and for the three and six-month periods ended June 30, 2021 and 2020

(Expressed in Canadian dollars)

MUZHU MINING LTD.
Unaudited Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars)

	As at June 30, 2021	As at December 31, 2020
	$	$
ASSETS		
Current assets		
Cash	312,071	99,584
GST receivable	35,358	23,100
Prepaid expenses	500	500
	347,929	123,184
Exploration and evaluation assets (note 6)	276,305	221,400
	624,234	344,584
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	20,230	339,180
Due to related parties (note 5)	12,041	153,941
	32,271	493,121
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (note 4)	1,350,745	507,800
Deficit	(758,782)	(656,337)
	591,963	(148,537)
	624,234	344,584

Nature of business and going concern (Note 1)
Subsequent events (Note 7)

Approved and authorized for issue on behalf of the Board on October 28, 2021

"Richard Tong"
Director

"Don Baxter"
Director

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

MUZHU MINING LTD.

Unaudited Condensed Interim Statements of Comprehensive Loss

For the three and six months ended June 30, 2021 and 2020
(Expressed in Canadian dollars)

	Three months		Six months	
	June 30, 2021	June 30, 2020	**June 30, 2021**	June 30, 2020
	$	$	**$**	$
Expenses				
Advertising and promotion	**10,000**	-	**67,000**	-
Consulting fees	**-**	40,000	**24,000**	55,000
Filing fees	**17,342**	-	**17,342**	-
Professional fees	**42,805**	-	**60,827**	-
Office and general	**69**	318	**176**	636
Directors fees (Note 5)	**-**	18,000	**-**	36,000
Total operating expenses	**70,216**	58,318	**169,345**	91,636
Gain on debt forgiveness (Note 5)	**66,900**	-	**66,900**	-
Net loss and comprehensive loss	**(3,316)**	(58,318)	**(102,445)**	(91,636)
Loss per share – basic and diluted	**$ (0.00)**	$ (0.01)	**$ (0.01)**	$ (0.02)
Weighted average number of common shares outstanding – basic and diluted (1)	**18,579,750**	5,587,525	**13,029,910**	5,583,762

(1) Adjusted for 4:3 share consolidation on September 1, 2020 (see note 4).

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

MUZHU MINING LTD.
Unaudited Condensed Interim Statements of Changes in Equity (Deficiency)
For the six months ended June 30, 2021 and 2020
(Expressed in Canadian dollars)

	Common shares		Subscription Shares	Deficit	Total
	# (1)	$	$	$	$
Balance, December 31, 2019	5,580,000	264,000	60,000	(454,366)	(130,366)
Shares issued for cash	450,000	60,000	(60,000)	-	-
Shares issued for debt	234,750	31,300	-	-	31,300
Net loss for the period	-	-	-	(91,636)	(91,636)
Balance, June 30, 2020	6,264,750	355,300	-	(546,002)	(190,702)
Balance, December 31, 2020	9,314,750	507,800	-	(656,337)	(148,537)
Shares issued for cash	3,657,000	365,700	-	-	365,700
Share issue costs	-	(7,155)	-	-	(7,155)
Shares issued for Sleeping Giant South	3,500,000	175,000	-	-	175,000
Shares issued for debt	3,094,000	309,400	-	-	309,400
Net loss for the period	-	-	-	(102,445)	(102,445)
Balance, June 30, 2021	19,565,750	1,350,745	-	(758,782)	591,963

(1) Adjusted for 4:3 share consolidation on September 1, 2020 (see note 4).

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

MUZHU MINING LTD.
Unaudited Condensed Interim Statements of Cash Flows
For the six months ended June 30, 2021 and 2020
(Expressed in Canadian dollars)

	June30, 2021	June 30, 2020
	$	$
Cash provided by (used in):		
Operating activities		
Net loss	(102,445)	(91,636)
Items not affecting cash:		
Gain on debt settlement	(66,900)	-
Net change in non-cash working capital balances related to operations:		
GST receivable	(12,258)	-
Accounts payable and accrued liabilities	90,449	55,600
Due to related parties	-	35,500
	(91,154)	(536)
Investing activities		
Exploration and evaluation asset additions	(54,904)	-
	(54,904)	-
Financing activities		
Shares issued for cash net of share issue cost	358,545	-
	358,545	-
Net change in cash during the period	212,487	(536)
Cash, beginning of period	99,584	622
Cash, end of period	**312,071**	**86**

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

NOTE 1 – NATURE OF BUSINESS AND GOING CONCERN

Muzhu Mining Ltd. ("MUZHU" or the "Company") was incorporated under the Business Corporations Act of British Columbia on January 24, 2018. The address of the Company's head office is located at 4353 Halifax Street, Suite 904, Burnaby, BC, V5C 5Z4 and the registered office is located at 777 Hornby Street, Suite 600, Vancouver, British Columbia, V6Z 1S4.

The Company's objective is to seek opportunities in the exploration, development and mining of precious metals properties domestically and/or internationally. It currently has exploration property agreements in Canada and China.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months. The Company has experienced losses and negative cash flow from operations since incorporation. As at June 30, 2021, the Company had not yet generated revenues and had an accumulated deficit of $758,782. These factors indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete their development, and future profitable production or proceeds from the disposition of its resource property interests. The timing and availability of additional financing will be determined largely by the performance of the Company and market conditions and there is no certainty that the Company will be able to raise funds as they are required in the future.

These interim financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to reflect these financial statements on a liquidation basis which could differ from accounting principles applicable to a going concern.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. As the Company does not have active operations, the impact of the pandemic has been minimal. Management continues to monitor the situation and take the necessary precautions as deemed appropriate.

NOTE 2 - STATEMENT OF COMPLIANCE

The Corporation applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these condensed interim financial statements are based on IFRS issued and outstanding as of September 13, 2021, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2020. Any subsequent changes to IFRS that are given effect in the Corporation's annual financial statements for the year ending December 31, 2021 could result in restatement of these condensed interim financial statements. These condensed interim financial statements are presented in Canadian dollars, unless otherwise stated.

(Expressed in Canadian dollars)

NOTE 3 – ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED:

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. There are presently no new standards, interpretations and amendments to existing standards which may have a significant impact on the Company's interim financial statements.

NOTE 4 – SHARE CAPITAL

Common shares

The Company's authorized capital consists of an unlimited number of common shares without par value. As at June 30, 2021, there were 19,565,750 issued and outstanding common shares. On September 1, 2020, the Company consolidated its common shares on a 4 for 3 basis, which has been applied retrospectively in these financial statements.

a) Issued

	Number of shares	Share capital
Balance December 31, 2020	9,314,750	$ 507,800
Common shares issued for Sleeping Giant South (i)	3,500,000	175,000
Common shares issued for cash (ii)	3,657,000	358,545
Common shares issued for debt (iii)	3,094,000	309,400
Balance, June 30, 2021	19,565,750	$ 1,350,745

(i) On March 26, 2021, the Company issued 3,500,000 common shares at $0.05 per share to close the acquisition of the Sleeping Giant South property.

(ii) On March 31, 2021 the Company issued 3,657,000 common shares at $0.10 per share for gross proceeds of $365,700.

(iii) On April 30, 2021, the board of directors approved and issued 3,094,000 common shares in the capital of the company at a deemed price of $0.10 per common share for debt settlement of $309,400, of which, $101,000 was due to related parties. The Company recognized $66,900 gain on debt forgiveness in connection with the transaction.

b) Stock Options

On May 10, 2021 the board of directors approved a Share Option Plan (the "Plan") under which it is authorized to grant options to purchase common shares of the Company to directors, senior officers, employees and/or consultants of the Company. The aggregate number of shares of the Company which may be issued and sold under the Plan will not exceed 10% of the total number of common shares issued and outstanding from time to time.

As of June 30, 2021, and December 31, 2020, the company has not granted any stock options.

c) Warrants

There are no reportable warrants to report during the period ended June 30, 2021 and December 31, 2020.

NOTE 5 – RELATED PARTY TRANSACTIONS AND BALANCES

As at June 30, 2021, the Company has a balance due to directors and officers totalling $12,041 (December 31, 2020 - $153,941). The amounts due to related parties are unsecured, have no terms of repayment and non-interest bearing. On April 30, 2021, the board of directors approved and issued 1,010,000 common shares in the capital of the company at a deemed price of $0.10 per common share for debt settlement of $101,000 due to related parties as well as entering into agreements for loan forgiveness in the amount of $61,900 with related parties.

Key management personnel compensation

Key management personnel consist of officers and directors of the Company. Remuneration of key management personnel was $nil for the period three and six months period ended June 30, 2021 (3 months ended June 30, 2020 - $18,000 and six months ended June 30, 2020 - $36,000).

(Expressed in Canadian dollars)

Note 6 - EXPLORATION AND EVALUATION ASSETS

The company's exploration and evaluation properties were as follows:

	Sleeping Giant South Property	XWG Property	Total
Balance December 31, 2019	$ -	$ -	$ -
Acquisition	182,888	-	182,888
Geologists and consulting	38,512	-	38,512
Balance December 31, 2020	$ 221,400	$ -	$ 221,400
Acquisition	-	-	-
Geologists and consulting	54,905	-	54,905
Balance, June 30, 2021	$ 276,305	-	$ 276,305

On September 1, 2020, the Company entered into an Option Agreement with Lingbao Yida Mining Co., Ltd., a private Chinese company, to acquire an undivided 60% interest in the Xia Wa Gou (XWG) mining property, located in the Province of Henan, People's Republic of China.

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

(a) incur minimum Expenditures on the Property (in the ground) of not less than an aggregate of $2,500,000 according to the following schedule:
- (i) $500,000 prior to the first anniversary of the Effective Date;
- (ii) an additional $1,000,000 prior to the second anniversary of the Effective Date;
- (iii) an additional $1,000,000 prior to the third anniversary of the Effective Date;

(b) issuing and delivering to the Optionor and/or its nominees an aggregate of 3,000,000 Common Shares according to the following schedule:
- (i) 1,000,000 Common Shares prior to the first anniversary of the Listing Date;
- (ii) 1,000,000 Common Shares prior to the second anniversary of the Listing Date; and
- (iii) 1,000,000 Common Shares prior to the third anniversary of the Listing Date.

On November 10, 2020 the Company entered into a Purchase Agreement with North American Exploration inc. and Silverwater Capital Corp., private Canadian companies, to acquire a 100% interest in the Sleeping Giant South Property (the "Property"), covering 109 mineral claims in the Quevillon Mining Camp in Quebec.

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

- Make a cash payment of $7,888 (staking costs) on or before December 31, 2020 (paid);
- Issuance of 3,500,000 fully paid and non-assessable common shares of the Company on or before December 31, 2020 (paid March 26, 2021); and
- Pay a royalty (the "Royalty") equal to 3% of Net Smelter Returns with respect to the Property.

The Sleeping Giant South Property is subject to:

- an option to purchase one-third of the Royalty from North American Exploration inc. and Silverwater Capital Corp. at any time for the sum of $500,000; and
- North American Exploration inc. and Silverwater Capital Corp. shall be paid 20% of the proceeds received on the sale of the Property to a third party.

NOTE 7 – SUBSEQUENT EVENTS

On September 01, 2021 the Company allowed its Option Agreement with Lingbao Yida Mining Co., Ltd., a private Chinese company, to acquire an undivided 60% interest in the Xia Wa Gou (XWG) mining property, located in the Province of Henan, People's Republic of China, to expire.

MD&A of the Company
for the six month period ended June 30, 2021

MUZHU MINING LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE 3 MONTH PERIOD ENDING JUNE 30, 2021

This management's discussion and analysis of the financial condition as of October 28, 2021 provides an analysis of the Company's financial results and progress for the period ended June 30, 2021. This MD&A should be read in conjunction with the Company's financial statements for the year ended December 31, 2020 which were prepared in accordance with accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC"). All amounts are expressed in Canadian dollars.

Certain statements and information related to Muzhu Mining Ltd. ("Muzhu" or the "Company")'s business contained in this Management's Discussion and Analysis are of a forward-looking nature. They are based on opinions, assumptions or estimates made by the Company's management or on opinions, assumptions or estimates made available to or provided to and accepted by the Company's management. Such statements and information are reflecting management's current views and expectations of future events or results and are subject to a variety of risks and uncertainties that are beyond management control. Readers are cautioned that these risks and uncertainties could cause actual events or results to significantly differ from those expressed, expected or implied and should therefore not rely on any forward-looking statements.

Overview

Muzhu Mining Ltd. ("MUZHU" or the "Company") was incorporated under the Business Corporations Act of British Columbia on January 24, 2018. The address of the Company's head office is located at 4353 Halifax Street, Suite 904, Burnaby, BC, V5C 5Z4 and the registered office is located at 777 Hornby Street, Suite 600, Vancouver, British Columbia, V6Z 1S4.

The Company's objective is to seek opportunities in the exploration, development and mining of precious metals properties domestically and/or internationally. It currently has exploration property agreements in Canada and China.

Overall Performance

During the period ended June 30, 2021, the Company entered into additional financings and debt settlements to fund operations and prepare its prospectus for submission to the regulatory bodies for a public listing.

Results of Operations

Period Ended June 30, 2021 and 2020

The Company reported net loss for the period ended June 30, 2021 of $102,445 compared to the same period of $91,636. Expenses in the period ended June 30, 2021 were $102,445 compared to $91,636 for the same period in the prior year due to an increase in operational activities, specifically preparing its prospectus for submission to the regulatory bodies for a public listing.

Summary of Quarterly Results

	June 30, 2021 $	June 30, 2020 $
Net loss	102,445	91,636
Basic and diluted loss per share	(0.01)	(0.02)
Cash	312,071	86
Total Assets	624,234	6,127
Current Liabilities	32,271	196,826

Non-Current Liabilities	-	-

Liquidity and Capital Resources

As at June 30, 2021, the Company has a working capital surplus of $315,658 compared to a working capital deficiency of $369,937 at December 31, 2020 mainly due to the completion of financings and debt settlement agreements between December 2020 and June 2021.

For the period ended June 30, 2021, the Company used cash of $(91,154) in operating activities (2020-($536)).

The Company's principal assets are at an exploration stage and as a result the Company has no current source of operating cash flows. The Company relies on its ability obtain equity financing to fund administration expenses and future exploration programs. The ability of the Company to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent on the successful completion of a financing or by monetizing assets. There is no certainty that these and other strategies will be successful.

Advertising and Promotion

The Company incurred advertising and promotion expenses of $67,000 for the period ended June 30, 2021 (Nil for the period ended June 30, 2020) as it prepared for a public listing. The $67,000 costs consisted of marketing strategy, preparation of a marketing campaign, preparation of a PowerPoint presentation deck, the development of a new logo, and the building of a website.

Consulting Fees

The Company incurred Consulting Fees of $24,000 for the period ended June 30, 2021($55,000 for the period ended June 30, 2020). The decrease in consulting fees is due to reduced use of strategic advisory services as the public listing process is underway in the current fiscal year.

Professional Fees

The Company incurred professional fees of $60,827 for the period ended June 30, 2021 (Nil for the period ended June 30, 2020). The increase in professional fees consisted of legal fees, auditor's review fees, and preparation of corporate tax returns for prior years as the Company prepared its prospectus for submission to the regulatory bodies for a public listing.

Share Capital

The Company's authorized capital consists of an unlimited number of common shares without nominal or par value. As of the date of this MD&A, the Company has 19,565,750 issued and outstanding common shares.

- On March 26, 2021, the Company issued 3,500,000 common shares at $0.05 per share to close the acquisition of the Sleeping Giant South property.

- On March 31, 2021 the Company issued 3,657,000 common shares at $0.10 per share for gross proceeds of $365,700.

- On April 30, 2021, the board of directors approved and issued 3,094,000 common shares in the capital of the company at a deemed price of $0.10 per common share for debt settlement of $309,400, of which, $101,000 was due to related parties. The Company recognized $66,900 gain on debt forgiveness in connection with the transaction.

Warrants

There are no reportable warrants to report during the period ended June 30, 2021 and 2020.

Stock Options

On May 10, 2021 the board of directors approved a Share Option Plan (the "Plan") under which it is authorized to grant options to purchase common shares of the Company to directors, senior officers, employees and/or consultants of the Company. The aggregate number of shares of the Company which may be issued and sold under the Plan will not exceed 10% of the total number of common shares issued and outstanding from time to time.

As of June 30, 2021, and December 31, 2020, the company has not granted any stock options.

Related Party Transactions and Balances

As at June 30, 2021, the Company has a balance due to directors and officers totalling $12,041 (December 31, 2020 - $153,941). The amounts due to related parties are unsecured, have no terms of repayment and non-interest bearing. On April 30, 2021, the board of directors approved and issued 1,010,000 common shares in the capital of the company at a deemed price of $0.10 per common share for debt settlement of $101,000 due to related parties as well as entering into agreements for loan forgiveness in the amount of $61,900 with related parties.

Key management personnel compensation

Key management personnel consist of officers and directors of the Company. Remuneration of key management personnel was $nil for the period ended June 30, 2021 (June 30, 2020 - $36,000) as they have agreed to suspend any further charges until agreed upon by both parties.

Subsequent Event

On September 01, 2021 the Company allowed its Option Agreement with Lingbao Yida Mining Co., Ltd., a private Chinese company, to acquire an undivided 60% interest in the Xia Wa Gou (XWG) mining property, located in the Province of Henan, People's Republic of China to expire.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Critical accounting estimates

Estimate of recoverability for non-financial assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs to sell. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value.

Share-based payments

The amounts recorded for share-based payments are based on estimates. The Black Scholes model is based on estimates of assumptions for expected volatility, expected number of options to vest, dividend yield, risk-free interest rate, expected forfeitures and expected life of the options. Changes in these assumptions may result in a material change to the amounts recorded for the issuance of stock options.

Financial Instruments

The Company's financial instruments are categorized in a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - 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., derived from prices); and

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

The Company's financial instruments include cash, advances, and accounts payable.

The fair value of cash is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. The fair value of advances is determined to be "Level 3" as the amount relates to advances made concerning a definitive share purchase agreement; therefore, the inputs are unobservable.

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as of June 30, 2021 , as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1) $	Significant Other Observable Inputs (Level 2) $	Significant Unobservable Inputs (Level 3) $	Total $
June 30, 2021				
Cash	312,071	–	–	312,071
December 31, 2020				
Cash	99,584	–	–	99,584

Credit risk

The Company has no significant credit risk arising from operations. The Company does not engage in any sales activities, so is not exposed to major credit risks attributable to customers. The Company's credit risk is primarily attributable to cash. The Company holds its cash with Canadian chartered banks and the risk of default is considered to be remote.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's accounts payable are due within one year. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of stock market conditions generally or as a result of conditions specific to the Company. The Company's approach to managing liquidity risk is to ensure it will have sufficient liquidity to meet liabilities when due. As at June 30, 2021 , the Company has cash of $312,071 (December 31, 2020 - $99,584) to settle current liabilities of $32,271 (December 31, 2020 – $493,121).

Interest rate risk

Interest rate risk is the risk that future cash flows of the Company's assets and liabilities can change due to a change in interest rates. The Company is not exposed to interest rate risk as no financial instruments are interest-bearing. It is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from the financial statements.

Risks and Uncertainties

Under Canadian reporting requirements, management of the Company is required to identify and comment on significant risks and uncertainties associated with its business activities.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. As the Company does not have active operations, the impact of the pandemic has been minimal. Management continues to monitor the situation and take the necessary precautions as deemed appropriate.

SCHEDULE “A”

MUZHU MINING INC.

(THE “COMPANY”)

AUDIT COMMITTEE CHARTER

I. MANDATE

The Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Muzhu Mining Inc. (the “**Company**”) shall assist the Board in fulfilling its financial oversight responsibilities. The Committee’s primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

1. The quality and integrity of the Company’s financial statements and other financial information;

2. The compliance of such statements and information with legal and regulatory requirements;

3. The qualifications and independence of the Company’s independent external auditor (the “**Auditor**”); and

4. The performance of the Company’s internal accounting procedures and Auditor.

II. STRUCTURE AND OPERATIONS

A. **Composition**

The Committee shall be comprised of three or more members.

B. **Qualifications**

Each member of the Committee must be a member of the Board.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement and cash flow statement.

C. **Appointment and Removal**

In accordance with the Articles of the Company, the members of the Committee shall be appointed by the Board and shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

D. **Chair**

Unless the Board shall select a Chair, the members of the Committee shall designate a Chair by the majority vote of all of the members of the Committee. The Chair shall call, set the agendas for and chair all meetings of the Committee.

E. **Meetings**

The Committee shall meet as frequently as circumstances dictate. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee feels it is necessary or appropriate, at every other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Company.

At each meeting, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Company's financial statements in a manner consistent with Section III of this Charter.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

III. DUTIES

A. **Introduction**

The following functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to the Company's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of, but shall remain subject to, the Board.

B. **Powers and Responsibilities**

The Committee will have the following responsibilities and, in order to perform and discharge these responsibilities, will be vested with the powers and authorities set forth below, namely, the Committee shall:

Independence of Auditor

1. Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and the Company.

2. Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.

3. Require the Auditor to report directly to the Committee.

4. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Company.

Performance and Completion by Auditor of its Work

1. Be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, including resolution of disagreements between management and the Auditor regarding financial reporting.

2. Review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-election by the Company's shareholders of the existing, Auditor for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company.

3. Recommend to the Board the compensation of the Auditor.

4. Pre-approve all non-audit services, including the fees and terms thereof, to be performed for the Company by the Auditor.

Internal Financial Controls and Operations of the Company

1. Establish procedures for:

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

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

Preparation of Financial Statements

1. Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.

2. Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.

3. Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.

4. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

5. Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:

   (a) The adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggested by the Auditor, internal auditor or management.

   (b) The management inquiry letter provided by the Auditor and the Company's response to that letter.

   (c) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

Public Disclosure by the Company

1. Review the Company's annual and interim financial statements, management's discussion and analysis (MD&A) and earnings press releases before the Board approves and the Company publicly discloses this information.

2. Review the Company's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Company's public disclosure

of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.

3. Review disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process of the Company's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

Manner of Carrying Out its Mandate

1. Consult, to the extent it deems necessary or appropriate, with the Auditor, but without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.

2. Request any officer or employee of the Company or the Company's outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

3. Meet, to the extent it deems necessary or appropriate, with management, any internal auditor and the Auditor in separate executive sessions.

4. Have the authority, to the extent it deems necessary or appropriate, to retain special independent legal, accounting or other consultants to advise the Committee advisors.

5. Make regular reports to the Board.

6. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

7. Annually review the Committee's own performance.

8. Provide an open avenue of communication among the Auditor, the Company's financial and senior management and the Board.

9. Not delegate these responsibilities.

B. **Limitation of Audit Committee's Role**

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations.

These are the responsibilities of management and not the auditor.

CERTIFICATE OF THE COMPANY

Dated: October 28, 2021

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

"Don Baxter"	*"Richard Sung Yin Tong"*
Don Baxter Chief Executive Officer, President and Director	Richard Sung Yin Tong Chief Financial Officer, Secretary and Director

ON BEHALF OF THE BOARD OF DIRECTORS

"James Sung Fu Tong"	*"Dwayne Yaretz"*
James Sung Fu Tong Director	Dwayne Yaretz Director