*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws. Accordingly, these securities may not be offered or sold in the United States (as defined herein) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration requirements is available. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See "Plan of Distribution".*

# PROSPECTUS

*Initial Public Offering* July 7, 2021

## CIRRUS GOLD CORP.
## OFFERING: $350,000 (3,500,000 COMMON SHARES)

This prospectus (the "**Prospectus**") qualifies the distribution (the "**Offering**") of 3,500,000 common shares of the Company (the "**Offered Shares**") of Cirrus Gold Corp. (the "**Company**" or "**Cirrus**") at a price of $0.10 per Offered Share (the "**Offering Price**").

The Offering is being made pursuant to an agency agreement (the "**Agency Agreement**") dated July 7, 2021 between the Company and Research Capital Corporation (the "**Agent**") on a commercially reasonable efforts agency basis. The Offering Price was determined by negotiation between the Company and the Agent. See "*Plan of Distribution*".

**Price: $0.10 per Offered Share**

| | Price to the Public [(1)] | Agent's Fee [(2)] | Net Proceeds [(3)] |
|---|---|---|---|
| Per Offered Share | $0.10 | $0.01 per Offered Share | $0.09 per Offered Share |
| Total Offering[(4)(5)] | $350,000 | $35,000 | $315,000 |

Notes:

(1) The Offering Price has been determined by arm's length negotiation between the Company and the Agent, in accordance with the policies of the CSE.

(2) Pursuant to the terms and conditions of the Agency Agreement, the Agent will receive a cash fee (the "**Agent's Fee**") equal to 10% of the gross proceeds of the Offering. The Company will also pay to the Agent on Closing, a corporate finance fee of $40,000 (plus tax) (the "**CF Fee**") of which $30,000 will be payable in cash and $10,000 in Common Shares of the Company (the "**CF Shares**"). Each CF Share will have a deemed price equal to the Offering Price. The CF Shares are not qualified compensation securities and as a result are not qualified for distribution by this Prospectus. The CF Shares will be subject to a four month hold period from the date of issuance in accordance with applicable securities laws. See below and "*Plan of Distribution*" and *"Escrowed Securities"*.

(3) Before deducting the remaining expenses of the Offering, estimated to be $65,000. The Company will pay all the expenses associated with the Offering other than the Agent's Fee, which will be paid by the Company based on the number of Offered Shares sold by the Agent pursuant to the Offering. The Company has paid the Agent a retainer of $15,000 to be applied against the Agent's expenses incurred in connection with the Offering. See "*Plan of Distribution*".

(4) The Company will grant at Closing (as defined herein) to the Agent warrants (the "**Broker Warrants**") exercisable to acquire that number of Common Shares (each, a "**Broker Warrant Share**") as is equal to 10% of the aggregate number of Offered Shares issued pursuant to the Offering at the Offering Price for a period of 24 months from the Closing Date. This Prospectus qualifies the grant of the Broker Warrants. See "*Plan of Distribution*".

(5) The Company has also granted to the Agent an option (the "**Agent's Option**") exercisable in whole or in part, up to 48 hours prior to the closing of the Offering, to offer for sale to the public up to an additional 525,000 Common Shares (the "**Agent's Option Shares**") on the same terms as set forth above. This Prospectus qualifies the grant of the Agent's Option and the distribution of the Agent's Option Shares issuable on exercise of the Agent's Option. See "*Plan of Distribution*".

The following table sets out the maximum number of securities issuable to the Agent assuming the Agent's Option is exercised in full.

| Agent's Position | Size or Number of Securities Available | Exercise Period | Exercise Price |
|---|---|---|---|
| Agent's Option | Offering of up to 525,000 Agent's Option Shares for sale to the public(1) | Any time up to 48 hours prior to the Closing Date | $0.10 per Agent's Option Share |
| Broker Warrants | Broker Warrants to acquire up to 402,500 Broker Warrant Shares(1) | For a period of 24 months from the Closing Date | $0.10 per Broker Warrant Share |
| CF Shares | 100,000 CF Shares | Upon Closing | $0.10 per CF Share(2) |

Note:
(1) This Prospectus qualifies the distribution of the Broker Warrants, the grant of the Agent's Option and any Agent's Option Shares issued upon exercise of the Agent's Option. See "*Plan of Distribution*".
(2) The CF Shares have an issue price of $0.10 per CF Share.

**Investing in the Offered Shares is speculative, involves significant risks, and should only be made by persons who can afford the total loss of their investment. Prospective investors should carefully review and evaluate certain risk factors contained in this Prospectus before purchasing the Offered Shares. See "*Statement Regarding Forward-Looking Information*" and "*Risk Factors*".**

**There is currently no market through which the Common Shares may be sold and purchasers may not be able to resell the Offered Shares purchased under this Prospectus. 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 received conditional approval to list its Common Shares on the Canadian Securities Exchange (the "CSE"). Listing is subject to the Company's fulfilling all of the 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., a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

Subscriptions for the Offered Shares will be received subject to rejection or allotment, in whole or in part, and the Agent reserves the right to close the subscription books at any time without notice. All subscription funds received by the Agent will be held in trust, pending the closing of the Offering (the "**Closing**"). It is expected that the Closing will take place on a date the Company and the Agent may agree, but in any event, on or before a date that is not later than 90 days after the date of the receipt for the (final) prospectus (the date on which Closing occurs being the "**Closing Date**"), or if a receipt has been issued for an amendment to the final prospectus within 90 days of the issuance of such a receipt and in any event, not later than 180 days from the date of the receipt for the final prospectus.

It is anticipated that the Company will arrange for one or more instant deposits of the Offered Shares issued and sold hereunder with CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee through the non-certificated inventory system administered by CDS on the Closing Date, or will otherwise duly and validly deliver the Offered Shares as directed by the Agent on the Closing Date. Except in limited

circumstances, no certificates will be issued to purchasers of the Offered Shares and a purchaser will receive only a customer confirmation from a registered dealer that is a CDS participant and from or through which the Offered Shares are purchased. See "*Plan of Distribution*".

The Company's head office is located at 2710-200 Granville Street, Vancouver, BC V6C 1S4, and its registered office is located at 2600 – 1066 West Hastings Street, Vancouver, BC V6E 3X1.

**AGENT:**

**RESEARCH CAPITAL CORPORATION**
**1075 West Georgia Street**
**Suite 1920**
**Vancouver, British Columbia**
**V6E 3C9**
**Telephone: 604.662.1800**
**Fax: 778.373.4101**

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## GLOSSARY

In this Prospectus, the following capitalized terms have the following meanings, in addition to other terms defined elsewhere in this Prospectus.

"**Agency Agreement**" has the meaning ascribed to such term on the cover page of this Prospectus.

"**Agent**" has the meaning ascribed to such term on the cover page of this Prospectus.

"**Agent's Fee**" has the meaning ascribed to such term on the cover page of this Prospectus.

"**Agent's Option**" has the meaning ascribed to such term on the cover page of this Prospectus.

"**Agent's Option Shares**" has the meaning ascribed to such term on the cover page of this Prospectus.

"**Articles**" means the Articles of the Company under the BCBCA.

"**Audit Committee"** means the Audit Committee of the Board.

"**Author**" has the meaning ascribed to that term under "*Scientific and Technical Information*".

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

"**BCSC**" means the British Columbia Securities Commission.

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

"**Broker Warrants**" has the meaning ascribed to such term on the cover page of this Prospectus.

"**Broker Warrant Shares**" has the meaning ascribed to such term on the cover page of this Prospectus.

"**Cirrus**" or the "**Company**" means Cirrus Gold Corp., a company formed under the laws of British Columbia.

"**CDS**" has the meaning ascribed to such term on the cover page of this Prospectus.

"**CF Fee**" has the meaning ascribed to such term on the cover page of this Prospectus.

"**CF Shares**" has the meaning ascribed to such term on the cover page of this Prospectus.

"**Chuchi South Option**" means the option for the Company to acquire a 100% interest in the Chuchi South Project, pursuant to the Chuchi South Option Agreement.

"**Chuchi South Option Agreement**" has the meaning ascribed to it under "*General Development and Business of the Company – General Development of the Company – Property Agreements – Chuchi South Project*".

"**Chuchi South Project**" has the meaning ascribed to it under "*Scientific and Technical Information*".

"**Chuchi South Technical Report**" has the meaning ascribed to such term under "*Scientific and Technical Information*".

"**Closing**" has the meaning ascribed to such term on the cover page of this Prospectus.

"**Closing Date**" has the meaning ascribed to such term on the cover page of this Prospectus.

"**Code**" means the Code of Business Conduct and Ethics of the Company adopted by the Board on April 16, 2021.

"**Common Share**" means a common share in the capital of the Company, as currently constituted.

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

"**DPSP**" means a deferred profit sharing plan within the meaning of the Tax Act.

"**IFRS**" means the International Financial Reporting Standards as issued by the International Accounting Standards Board and the interpretations thereof by the International Financial Reporting Interpretations Committee and the former Standing Interpretations Committee.

"**MD&A**" means management's discussion and analysis of the Company for the period from the Company's incorporation on October 30, 2020 to the Company's financial period December 31, 2020, and the management's discussion and analysis of the Company for the three months period ended March 31, 2021, contained in this Prospectus.

"**NEO**" means "named executive officer", as such term is defined in NI 51-102.

"**NI 33-105"** means National Instrument 33-105 – *Underwriting Conflicts*.

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

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations*.

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

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

"**NSR**" means net smelter returns.

"**Offered Share**" has the meaning ascribed to such term on the cover page of this Prospectus.

"**Offering**" has the meaning ascribed to such term on the cover page of this Prospectus.

"**Offering Price**" has the meaning ascribed to such term on the cover page of this Prospectus.

"**Option**" means an option of the Company to purchase a Common Share issued pursuant to the Stock Option Plan.

**"Optionor**" means Ronald Bilquist, the optionor pursuant to the Chuchi South Option Agreement.

"**Order**" has the meaning ascribed to such term under "*Directors and Executive Officers – Cease Trade Orders, Bankruptcies, Penalties or Sanctions*".

"**Party**" or "**Parties**" means the Company, the Optionor, or both as applicable.

"**Qualifying Jurisdictions**" means the securities regulatory authorities in the provinces of British Columbia and Alberta.

"**RDSP**" means a registered disability savings plan within the meaning of the Tax Act.

"**Registered Plan**" means a TFSA, RRSP, RRIF, RESP or RDSP.

"**Regulations**" means the regulations under the Tax Act.

"**RESP**" means a registered education savings plan within the meaning of the Tax Act.

"**RRSP**" means a registered retirement savings plan within the meaning of the Tax Act.

"**RRIF**" means a registered retirement income fund within the meaning of the Tax Act.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval.

"**Stock Option Plan**" means the stock option plan of the Company adopted by the Board on January 18, 2021, as amended from time to time.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended from time to time.

"**TFSA**" means a tax-free savings account within the meaning of the Tax Act.

"**U.S. Securities Act**" has the meaning ascribed to such term on the cover page of this Prospectus.

"**United States**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

"**US dollars**" or "**US$**" means the currency of the United States.

## ABOUT THIS PROSPECTUS

An investor should rely only on the information contained in this Prospectus and is not entitled to rely on parts of the information contained in this Prospectus to the exclusion of others. The Company has not, and the Agent has not, authorized anyone to provide investors with additional, different or inconsistent information. If anyone provides investors with additional, different or inconsistent information, including information or statements in media articles about the Company, investors should not rely on it.

The information contained in this Prospectus is accurate only as of the date of this Prospectus or the date indicated, regardless of the time of delivery of this Prospectus or any sale of the Offered Shares. The Company's business, financial condition, operating results and prospects may have changed since the date of this Prospectus.

The Company and the Agent are not offering to sell the Offered Shares in any jurisdiction where the offer or sale of such securities is not permitted. For investors outside the Qualifying Jurisdictions, neither the Company nor the Agent has done anything that would permit the Offering or possession or distribution of this Prospectus in any jurisdiction where action for that purpose is required, other than in the Qualifying Jurisdictions. Investors are required to inform themselves about, and to observe any restrictions relating to, the Offering and the possession or distribution of this Prospectus.

Any graphs, tables or other information demonstrating the historical performance or current or historical attributes of the Company or any other entity contained in this Prospectus are intended only to illustrate historical performance or current or historical attributes of the Company or such entities and are not necessarily indicative of future performance of the Company or such entities.

This Prospectus includes summary descriptions of certain material agreements of the Company (see "*Material Contracts*"). The summary descriptions disclose provisions that the Company considers to be material, but are not complete and are qualified by reference to the terms of the material agreements, which will be filed with the Canadian securities regulatory authorities and will be available under the Company's profile on SEDAR at www.sedar.com. Investors are encouraged to read the full text of such material agreements.

## MEANING OF CERTAIN REFERENCES

Unless otherwise noted or the context otherwise indicates, "Cirrus" or the "Company" refers to Cirrus Gold Corp. as constituted on the date of this Prospectus. Where the context requires, all references in this Prospectus to "Offered Shares" include the Broker Warrant Shares that may be issued pursuant to the exercise of any Broker Warrants, and Agent's Option Shares that may be issued pursuant to the exercise of the Agent's Option. See "*Plan of Distribution"*. Unless otherwise indicated, all information in this Prospectus assumes that none of the Broker Warrants have been exercised.

## STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Prospectus contains "forward-looking information" within the meaning of applicable Canadian securities laws. Forward-looking information includes statements that use forward-looking terminology such as "may", "could", "would", "will", "should", "intend", "target", "plan", "expect", "budget", "estimate", "forecast", "schedule", "anticipate", "believe", "continue", "potential", "view" or the negative or grammatical variation thereof or other variations thereof or comparable terminology. Such forward-looking information includes, without limitation, statements with respect to the Company's expectations, strategies and plans for the Chuchi South Project, including the Company's planned exploration; the results of future exploration, estimated completion dates for certain milestones and the Company's plans with respect to the Chuchi South Project; the costs and timing of future exploration and development; expectations regarding consumption, demand and future price of gold; future financial or operating performance and condition of the Company and its business, operations and properties, including expectations regarding liquidity, capital structure, competitive position and payment of dividends; the Offering and the terms and anticipated timing thereof, including the anticipated Offering Price and gross proceeds; the intended use

of the net proceeds of the Offering; the adequacy of funds from the Offering to support the Company's business objectives, including with respect to its exploration, development and production activities; the possibility of entering judgments outside of Canada; the Offered Shares, being "qualified investments" under the Tax Act and the Regulations; plans regarding the Company's compensation policy and practices; plans regarding the future composition of the Board; the Company's proposed application to list the Common Shares on the CSE as of the day before the Closing of the Offering and anticipated timing thereof; and, any other statement that may predict, forecast, indicate or imply future plans, intentions, levels of activity, results, performance or achievements of the Company.

Furthermore, such forward-looking information involves 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 expressed or implied by such forward-looking information. Such risks include, without limitation:

- the widespread impact of the novel coronavirus ("**COVID-19**") as a global pandemic, including travel restrictions which may impact upon the Company's planned activities at the Chuchi South Project;
- natural disasters, geopolitical instability or other unforeseen events;
- gold prices are volatile and may be lower than expected;
- mining operations are risky;
- resource exploration and development is a speculative business;
- the successful operation of exploration activities at the Chuchi South Project depend on the skills of the Company's management and teams;
- operations during mining cycle peaks are more expensive;
- title to the Chuchi South Project may be disputed;
- the Company's interests in the Chuchi South Project are held pursuant to option agreements;
- Aboriginal title claims may impact the Company's interest in the Chuchi South Project;
- the Company may fail to comply with the law or may fail to obtain or renew necessary permits and licenses;
- compliance with environmental regulations can be costly;
- social and environmental activism can negatively impact exploration, development and mining activities;
- the mining industry is intensely competitive;
- inadequate infrastructure may constrain mining operations;
- the Company may incur losses and experience negative operating cash flow for the foreseeable future;
- the Company's insurance coverage may be inadequate to cover potential losses;
- the directors and officers may have conflicts of interest with the Company;
- future acquisitions may require significant expenditures and may result in inadequate returns;
- the Company may be subject to costly legal proceedings;
- the Company will incur increased costs as a result of complying with the reporting requirements, rules and regulations affecting public issuers;
- the Chuchi South Project is located in an underdeveloped rural area;
- the Company may not use the proceeds from the Offering as described in this Prospectus;
- the Company may not be able to obtain sufficient capital to pursue all of its intended exploration activities or continue on a going concern basis;
- the Company may be negatively impacted by changes to mining laws and regulations;
- the Company may expand into other geographic areas, which could increase the Company's operational, regulatory and other risks;
- investors may lose their entire investment;
- there is no existing public market for the Common Shares;
- dilution from equity financing could negatively impact holders of Common Shares;
- a purchaser of the Offered Shares under the Offering will purchase such Offered Shares at a premium to the current book value per Offered Share;
- stock exchange listing is not certain;

- equity securities are subject to trading and volatility risks;
- sales by existing shareholders can reduce share prices;
- the Company is not likely to pay dividends for an extended period of time;
- public companies are subject to securities class action litigation risk; and
- global financial conditions can reduce the price of the Common Shares.

Although the Company has attempted to identify important factors that could cause actual actions, events, conditions, results, performance or achievements to differ materially from those described in forward-looking information, there may be other factors that cause actions, events, conditions, results, performance or achievements to differ from those anticipated, estimated or intended. See "*Risk Factors*" for a discussion of certain factors investors should carefully consider before deciding to invest in the Offered Shares.

The Company cautions that the foregoing lists of important assumptions and factors are not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, the forward-looking information contained herein. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information.

Forward-looking information contained herein is made as of the date of this Prospectus and the Company disclaims any obligation to update or revise any forward-looking information, whether as a result of new information, future events or results or otherwise, except as and to the extent required by applicable securities laws.

## SCIENTIFIC AND TECHNICAL INFORMATION

Except as otherwise disclosed, scientific and technical information relating to the mineral claims located in Omineca Mining Division, British Columbia (the "**Chuchi South Project**") contained in this Prospectus is derived from, and in some instances is a direct extract from, and based on the assumptions, qualifications and procedures set out in, the technical report entitled "*NI 43-101 Technical Report on the Chuchi South Project*" with an effective date of July 7, 2021, (the "**Chuchi South Technical Report**"). Hardolph Wasteneys, Ph.D., P.Geo (the "**Author**"), reviewed and approved the scientific and technical information relating to the Chuchi South Project contained in this Prospectus and is a "qualified person" and "independent" of the Company within the meanings of NI 43-101. Reference should be made to the full text of the Chuchi South Technical Report, which is available for review under the Company's profile on SEDAR at www.sedar.com.

## MARKETING MATERIALS

Any "template version" of any "marketing materials" (as such terms are defined in National Instrument 41-101 – *General Prospectus Requirements*) that are utilized by the Agent in connection with the Offering will be incorporated by reference into the (final) prospectus to which this Prospectus relates. However, any such "template version" of "marketing materials" will not form part of the (final) prospectus to the extent that the contents of the "template version" of "marketing materials" are modified or superseded by a statement contained in the (final) prospectus. Any "template version" of "marketing materials" filed under the Company's profile on SEDAR after the date of the (final) prospectus and before the termination of the distribution under the Offering (including any amendments to, or an amended version of, any "template version" of any "marketing materials") will be deemed to be incorporated into the (final) prospectus.

## NON-IFRS MEASURES

Financial results of the Company are prepared in accordance with IFRS. The Company utilizes certain non-IFRS measures such as working capital. The Company believes that these measures, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the

underlying performance of the Company. Non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

**Working Capital**

Working capital is determined based on current assets and current liabilities as reported in the Company's financial statements. The Company uses working capital as a measure of the Company's short-term financial health and operating efficiency. The following table provides a calculation of working capital based on amounts presented in the Company's audited financial statements as at December 31, 2020 and unaudited interim financial statements as at March 31, 2021.

| | December 31, 2020 | March 31, 2021 |
|---|---|---|
| Current Assets | $176,256 | $96,718 |
| Less: Current Liabilities | $51,867 | $18,067 |
| Working Capital | $124,389 | $78,651 |

## ELIGIBILITY FOR INVESTMENT

In the opinion of MLT Aikins LLP, legal counsel to the Company, based on the current provisions of the Tax Act and the Regulations, and any specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, the Common Shares, at any particular time, will be qualified investments for trusts governed by Registered Plans or DPSPs, provided that at such particular time the Common Shares are listed on a "designated stock exchange" for the purposes of the Tax Act (which currently includes the CSE) or the Company qualifies as a "public corporation" (as defined in the Tax Act).

The Common Shares are not currently listed on a "designated stock exchange" and the Company is not currently a "public corporation", as those terms are defined in the Tax Act. The published administrative position of the Canada Revenue Agency is that a share will only be considered to be listed on a designated stock exchange for purposes of the qualified investment rules when such listing is full and unconditional, and that a mere approval or conditional approval is insufficient. The Company has advised that it intends to apply to list the Common Shares on the CSE as of the day before the Closing of the Offering, followed by an immediate halt in trading of the Common Shares in order to allow the Company to satisfy the conditions of the CSE and to have the Common Shares listed and posted for trading prior to the issuance of the Common Shares on the Closing of the Offering. The Company must rely on the CSE to list the Common Shares on the CSE and have them posted for trading prior to the issuance of the Common Shares on the Closing of the Offering and to otherwise proceed in such manner as may be required to result in the Common Shares being listed on the CSE at the time of their issuance on Closing. There can be no assurance that the Common Shares will be fully and unconditionally listed (if at all) on the CSE or on any other designated stock exchange, as of Closing.

If the Common Shares are not listed on the CSE at the time of their issuance on the Closing of the Offering and the Company is not a "public corporation" at that time, the Common Shares will not be qualified investments for trusts governed by Registered Plans or DPSPs at that time. **Should the Common Shares be acquired or held by a trust governed by a Registered Plan or DPSP at a time when such shares do not constitute a qualified investment for the Registered Plan or DPSP, adverse tax consequences not described herein are expected to arise for the Registered Plan, DPSP, or annuitant, holder or subscriber thereunder, including that the Registered Plan, DPSP, or annuitant, holder or subscriber may be subject to penalty taxes. The rules governing such consequences are complex and will differ between particular Registered Plans and DPSPs.**

Notwithstanding that the Common Shares may be qualified investments, the holder, subscriber or annuitant of a Registered Plan (the "**Controlling Individual**") will be subject to a penalty tax in respect of the Common Shares acquired by the Registered Plan if such securities are a prohibited investment for the particular Registered Plan. A Common Share generally will not be a "prohibited investment" for a Registered Plan provided that the Controlling Individual deals at arm's length with the Company for the purposes of the Tax Act and does not have a "significant interest" (as defined in subsection 207.01(4) of the Tax Act) in the Company. In addition, the Common Shares will not be a prohibited investment if such securities are "excluded property" (as defined in the Tax Act for purposes of the prohibited investment rules) for a Registered Plan.

**Prospective purchasers who intend to acquire Common Shares through a Registered Plan or DPSP should consult their own tax advisors having regard to their particular circumstances.**

## PRESENTATION OF FINANCIAL INFORMATION AND ACCOUNTING PRINCIPLES

The Company presents its financial statements in Canadian dollars. The audited financial statements of the Company as at December 31, 2020, and the unaudited interim financial statements as at March 31, 2021, have been prepared in accordance with IFRS. Certain financial information set out in this Prospectus is derived from such financial statements. The financial statements are attached as Appendix "B" to this Prospectus.

## PROSPECTUS SUMMARY

The following is a summary of the principal features of the Offering and is qualified in its entirety by, and should be read together with, the more detailed information, financial data and statements and MD&A contained elsewhere in this Prospectus. This summary does not contain all of the information a potential investor should consider before investing in the Offered Shares. Please refer to the "Glossary" for a list of defined terms used herein.

## CIRRUS GOLD CORP.

Cirrus Gold Corp. was incorporated under the *Business Corporations Act* (British Columbia) (the "**BCBCA**") on February 5, 2020, under the name Cirrus Gold Corp. The Company has no subsidiaries. The financial year end of the Company is December 31.

The principal business of the Company is the exploration and development of mineral properties in British Columbia. Since incorporation, the Company has entered into the Chuchi South Option Agreement regarding the Chuchi South Project. The Company has also undertaken exploration activities at the Chuchi South Project.

The Chuchi South Project is the mineral project material to Cirrus for the purposes of NI 43-101.

See "*Corporate Structure*" and "*General Development and Business of the Company*".

## THE OFFERING

| | |
|---|---|
| **Issuer:** | Cirrus Gold Corp. |
| **Offering:** | 3,500,000 Offered Shares (not including the Agent's Option Shares). |
| **Offering Price:** | $0.10 per Offered Share. |
| **Agent's Fee:** | Pursuant to the terms and conditions of the Agency Agreement, the Company has agreed to pay to the Agent the Agent's Fee equal to 10% of the gross proceeds of those Offered Shares sold pursuant to the Offering. In addition, on Closing, the Agent will be paid the CF Fee of $40,000 (plus tax), $30,000 payable in cash and $10,000 in CF Shares. |
| **Broker Warrants:** | On Closing, the Company will grant to the Agent the Broker Warrants exercisable to acquire that number of Broker Warrant Shares equal to 10% of the aggregate number of Offered Shares issued pursuant to the Offering at the Offering Price for a period of 24 months after the Closing Date. This Prospectus qualifies the grant of the Broker Warrants. See "Plan of Distribution". |
| **Agent's Option** | The Company has granted to the Agent the Agent's Option, exercisable, in whole or in part, at any time up to 48 hours prior to the Closing Date to offer for sale to the public up to an additional 525,000 Agent's Option Shares. This Prospectus qualifies the grant of the Agent's Option and the distribution of the Agent's Option Shares issuable upon exercise of the Agent's Option. See "*Plan of Distribution*". |

**Use of Proceeds:** Assuming the Agent's Option is not exercised, the net proceeds to the Company from the Offering will be $220,000, after deducting the Agent's Fee of $35,000, the cash portion of the CF Fee in the amount of $30,000, and estimated remaining expenses of the Offering of $65,000. As of May 31, 2021, the Company has working capital of $72,571. When combined with the net proceeds of the Offering, the Company anticipates having $292,571 in available funds (before deducting taxes payable on the CF Fee).

Assuming the Agent's Option is exercised, the net proceeds to the Company from the Offering will be $267,250, after deducting the Agent's Fee of $40,250, the cash portion of the CF Fee in the amount of $30,000, and estimated remaining expenses of the Offering of $65,000. As of May 31, 2021, the Company has working capital of $72,571. When combined with the net proceeds of the Offering, the Company anticipates having $339,821 in available funds (before deducting taxes payable on the CF Fee).

The Company intends to use the available funds (i) to fund exploration and development activities on the Chuchi South Project, (ii) to complete Phase I of the work program recommended pursuant to the Chuchi South Technical Report (see "*Chuchi South Project – Recommendations*"), and (iii) for general and administrative purposes, option payments and working capital requirements, as indicated in the following table:

| **Principal Purposes** | **Available funds** |
|---|---|
| Completing Phase I of the work program recommended pursuant to the Chuchi South Technical Report | $110,657 |
| General and administrative costs | $90,000 |
| Option payments for the next 12 month period | $30,000 |
| Unallocated working capital | $61,914 |
| **Total** | **$292,571** |

While the Company intends to spend the net proceeds from the Offering as stated above, there may be circumstances where, for sound business reasons, funds may be re-allocated at the discretion of the Board or management. See "*Use of Proceeds*".

Proceeds raised pursuant to the exercise of the Agent's Option, if any, are intended to be allocated to general and administrative purposes and working capital requirements.

**Risk Factors**

Cirrus is a mining company and as such is subject to a number of significant risks due to the nature of its business. See "*Risk Factors*" for a discussion of certain factors investors should carefully consider before deciding to invest in the Offered Shares.

Risks related to the Company include, without limitation:

- the widespread impact of COVID-19 as a global pandemic;
- natural disasters, geopolitical instability or other unforeseen events;
- gold prices are volatile and may be lower than expected;
- mining operations are risky;
- resource exploration and development is a speculative business;
- the successful operation of exploration activities at the Chuchi South Project depend on the skills of the Company's management and teams;
- operations during mining cycle peaks are more expensive;
- title to the Chuchi South Project may be disputed;
- the Company's interests in the Chuchi South Project are held pursuant to option agreements;
- Claims of Aboriginal rights, including Aboriginal title, may impact the Company's interest in the Chuchi South Project;
- the Company may fail to comply with the law or may fail to obtain or renew necessary permits and licenses;
- compliance with environmental regulations can be costly;
- social and environmental activism can negatively impact exploration, development and mining activities;
- the mining industry is intensely competitive;
- inadequate infrastructure may constrain mining operations;
- the Company may incur losses and experience negative operating cash flow for the foreseeable future;
- the Company's insurance coverage may be inadequate to cover potential losses;
- it may be difficult to enforce judgments and effect service of process on directors and officers;
- the directors and officers may have conflicts of interest with the Company;
- future acquisitions may require significant expenditures and may result in inadequate returns;
- the Company may be subject to costly legal proceedings;
- the Company will incur increased costs as a result of complying with the reporting requirements, rules and regulations affecting public issuers;
- the Chuchi South Project is located in an underdeveloped rural area;
- product alternatives may reduce demand for the Company's products;
- the Company may not use the proceeds from the Offering as described in this Prospectus;
- the Company may not be able to obtain sufficient capital to pursue all of its intended exploration activities or continue on a going concern basis;
- the Company may be negatively impacted by changes to mining laws and regulations;
- the Company relies on international advisors and consultants;
- disruptions in international and domestic capital markets may lead to reduced liquidity and credit availability for the Company;
- the Company may expand into other geographic areas, which could increase the Company's operational, regulatory and other risks;
- investors may lose their entire investment;
- there is no existing public market for the Common Shares;
- dilution from equity financing could negatively impact holders of Common Shares;
- a purchaser of the Offered Shares under the Offering will purchase such Offered Shares at a premium to the current book value per Offered Share;
- the stock exchange on which the Company proposes to be listed may delist the Company's securities from its exchange, which could limit investors' ability to make

transactions in the Company's securities and subject the Company to additional trading restrictions;

- equity securities are subject to trading and volatility risks;
- sales by existing shareholders can reduce share prices;
- the Company is not likely to pay dividends for an extended period of time;
- public companies are subject to securities class action litigation risk;
- if securities or industry analysts do not publish research or publish inaccurate or unfavourable research about the Company's business, the price and trading volume of the Common Shares could decline; and
- global financial conditions can reduce the price of the Common Shares.

## SUMMARY OF SELECTED HISTORICAL FINANCIAL INFORMATION

The following table sets out certain selected historical financial information of the Company for the periods and as at the dates indicated. This information has been derived from the audited and unaudited financial statements and related notes thereto included in this Prospectus. The Company prepares its financial statements in accordance with IFRS. Investors should read the following information in conjunction with those financial statements and related notes thereto, along with the MD&A. See "*Selected Historical Financial Information".*

| | **As at and for the period ended December 31, 2020 (audited)** | **As at and for the period ended March 31, 2021 (unaudited)** |
|---|---|---|
| Current assets | $176,256 | $96,718 |
| Working capital [(1)] | $124,389 | $78,651 |
| Exploration and evaluation assets | $114,101 | $146,601 |
| Current liabilities | $51,867 | $18,067 |
| Shareholder's equity | $233,402 | $225,252 |
| Net income (loss) | $(71,948) | ($47,670) |
| Basic net income (loss) per share | $(0.02) | $(0.00) |
| Diluted net income (loss) per share | $(0.02) | $(0.00) |

Note:
(1) Working capital is the measure of current assets less current liabilities. See "*Non-IFRS Measures***".**

## CORPORATE STRUCTURE

The Company was incorporated under the BCBCA on February 5, 2020 under the name Cirrus Gold Corp. The Company's head office is located at 2710-200 Granville Street, Vancouver, BC V6C 1S4, and its registered office is located at Suite 2600 – 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1. The Company has no subsidiaries.

## GENERAL DEVELOPMENT AND BUSINESS OF THE COMPANY

### General Development of the Company

#### *History*

The Company was incorporated in the Province of British Columbia on February 5, 2020. Since its inception, the Company has completed private placement financings, raising a total of $290,500 through the sale of shares. The Company issued 2,000,0000 Common Shares at $0.005 per Common Share for gross proceeds of $10,000 on February 5, 2020. On July 23, 2020, the Company issued an aggregate of 4,775,000 Common Shares at $0.02 per Common Share for gross proceeds of $95,500. The Company issued a further 3,700,000 Common Shares at $0.05 per Common Share for gross proceeds of $185,000 between December 23, 2020 and December 31, 2020. See "*Prior Sales*". The funds have been used to complete the Company's business to date and to cover the costs associated with the Offering.

On February 10, 2020, the Company entered into the Chuchi South Option Agreement with the Optionor. The Optionor is an arm's length party to the Company. See "*General Development of the Company – Property Agreements*". Pursuant to the Chuchi South Option Agreement, the Company issued to the Optionor 150,000 Common Shares on March 10, 2020, then a further 150,000 Common Shares on February 10, 2021. See "*General Development and Business of the Company – Property Agreements – Chuchi South Option Agreement*".

#### *Property Agreements*

*Chuchi South Option Agreement*

Pursuant to the Chuchi South Option Agreement, the Optionor granted the Company the exclusive right and option to earn and acquire an 100% interest in British Columbia mineral claims number 605066, 605070, 605545, 605546, 699944, 1018074, 1018115, 1057288, 1048262, 1063139, and 1070119, subject to the Optionor retaining a 2% NSR royalty. The mineral claims are located in British Columbia and comprise the "Chuchi South Project".

To exercise the Chuchi South Option, whereby the Company may acquire an 100% interest in the Chuchi South Project, the Company will (i) incur at least $350,000 in expenditures, (ii) pay to the Optionor $510,000 in cash, (iii) issue 1,500,000 Common Shares to the Optionor, and (iv) reimburse the Optionor for $20,000 in expenditures, pursuant to the chart below:

| Payment Period | Expenditures | Repayment of Expenditures | Cash Payment | Share Payment |
|---|---|---|---|---|
| Within 5 calendar days of the effective date of the Chuchi South Option Agreement | - | - | $5,000 (paid) | - |
| Within 30 calendar days of the effective date of the Chuchi South Option Agreement | - | $20,000 (paid) | - | 150,000 (issued) |
| On or before the first anniversary of the effective date of the Chuchi South Option Agreement | $100,000 (incurred) | - | $25,000 (paid) | 150,000 (issued) |
| On or before the second anniversary of the | $100,000 | - | $30,000 | 200,000 |

| | | | | |
|---|---|---|---|---|
| effective date of the Chuchi South Option Agreement | | | | |
| On or before the third anniversary of the effective date of the Chuchi South Option Agreement | $150,000 | - | $50,000 | 1,000,000 |
| On or before the fourth anniversary of the effective date of the Chuchi South Option Agreement | - | - | $50,000 | - |
| On or before the fifth anniversary of the effective date of the Chuchi South Option Agreement | - | - | $350,000 | - |
| **TOTAL:** | **$350,000** | **$20,000** | **$510,000** | **1,500,000** |

The Cash Payment and Share Payment will be paid according to the following breakdown:

- 85% to the Optionor;
- 7.5% to Thomas Settterfield, or to his nominee as directed by Mr. Setterfield; and
- 7.5% to David Lefebure, or to his nominee as directed by Mr. Lefebure.

Upon Cirrus incurring the expenditures listed above, making the payments stated above, and issuing the Common Shares pursuant to the chart above, Cirrus will be deemed to have exercised the Chuchi South Option. Upon exercise of the Chuchi South Option, the Company will acquire in aggregate a 100% interest in the Chuchi South Project, subject to the Optionor retaining a 2% NSR royalty, of which the Company may repurchase in entirety at any time for a cash payment of $1,500,000. The Company shall be the operator of the Chuchi South Project.

**Business of the Company**

***Principal Operations***

The principal business of the Company is the exploration and development of mineral properties in British Columbia. The Company has an interest in thirteen mineral claims in British Columbia, the Chuchi South Project, pursuant to the Chuchi South Option Agreement. The Chuchi South Project is the mineral project material to the Company for the purposes of NI 43-101.

***Competitive Conditions***

The Company's primary business is the exploration and development of mineral properties, with a primary focus on copper-gold exploration in British Columbia. The Company has made every effort to create a competitive advantage through its selection of management and technical team. In particular, the Company's CEO and technical team provide local geological expertise and an understanding of the social, environmental and logistical needs of working in British Columbia.

The exploration industry is competitive, and the Company competes with many exploration and mining companies possessing similar or greater financial and technical resources for the acquisition of mineral claims and other mineral interests. The Company also competes with other exploration and mining companies and other third parties for equipment and supplies in connection with its exploration activities, as well as for skilled and experienced personnel. See "*Risk Factors – Risks Related to the Company - The mining industry is intensely competitive*".

***Specialized Skills and Knowledge***

The nature of the Company's business requires specialized skills, knowledge and technical expertise in the areas of geology, environmental compliance, and mineral resource estimation and economic assessment. In addition to the specialized skills listed above, the Company also relies on staff members,

contractors and consultants with specialized knowledge of logistics and operations in British Columbia and local community relations. In order to attract and retain personnel with the specialized skills and knowledge required for the Company's operations, the Company maintains competitive remuneration and compensation packages. To date, the Company has been able to meet its staffing requirements.

### *Social and Environmental Policies*

The Company places great emphasis on providing a safe and secure working environment for all of its contractors and consultants and recognizes the importance of operating in a sustainable manner. The Company has adopted the Code, that sets out the standards which guide the conduct of its business and the behavior of its directors, officers, employees and consultants. The Code, among other things, sets out standards in areas relating to the Company's commitment to health and safety in its business operations and the identification, elimination or control of workplace hazards; promotion and provision of a work environment in which individuals are treated with respect, provided with equal opportunity and is free of all forms of discrimination and abusive and harassing conduct; and ethical business conduct and legal compliance.

## MATERIAL PROPERTY

### Chuchi South Project

Except as otherwise disclosed, scientific and technical information relating to the Chuchi South Project contained in this Prospectus is derived from, and in some instances is a direct extract from, and based on the assumptions, qualifications and procedures set out in the Chuchi South Technical Report entitled "*NI 43-101 Technical Report on the Chuchi South Project*" with an effective date of July 7, 2021. Such assumptions, qualifications and procedures are not fully described in this Prospectus and the following summary does not purport to be a complete summary of the Chuchi South Technical Report. Reference should be made to the full text of the Chuchi South Technical Report, which is available for review under the Company's profile on SEDAR at www.sedar.com.

### Project Description, Location and Access

The Chuchi South Project is located about 185 km NW of Prince George, BC (Fig. 3) and 100 km NNW of Fort St James, British Columbia in the Omineca Mining Division straddling NTS 1:50,000 topographic maps sheets 93N/01 and 02 in UTM Zone 10. It constitutes thirteen (13) mineral claims numbered in Table 1 and amounting to 3118.7 hectares in the British Columbia Mineral Title Online cell system which lists Ronald Bilquist as sole owner of each. The center of the Property, located at a cell claim corner, is at latitude: 55° 13' 3"N, Longitude 124° 31' 14" W, or in UTM Zone 10 coordinates at 403256 E, 6120055 N, in the NAD83 datum. Other large claim blocks adjoin on the north and west boundaries of the Property.

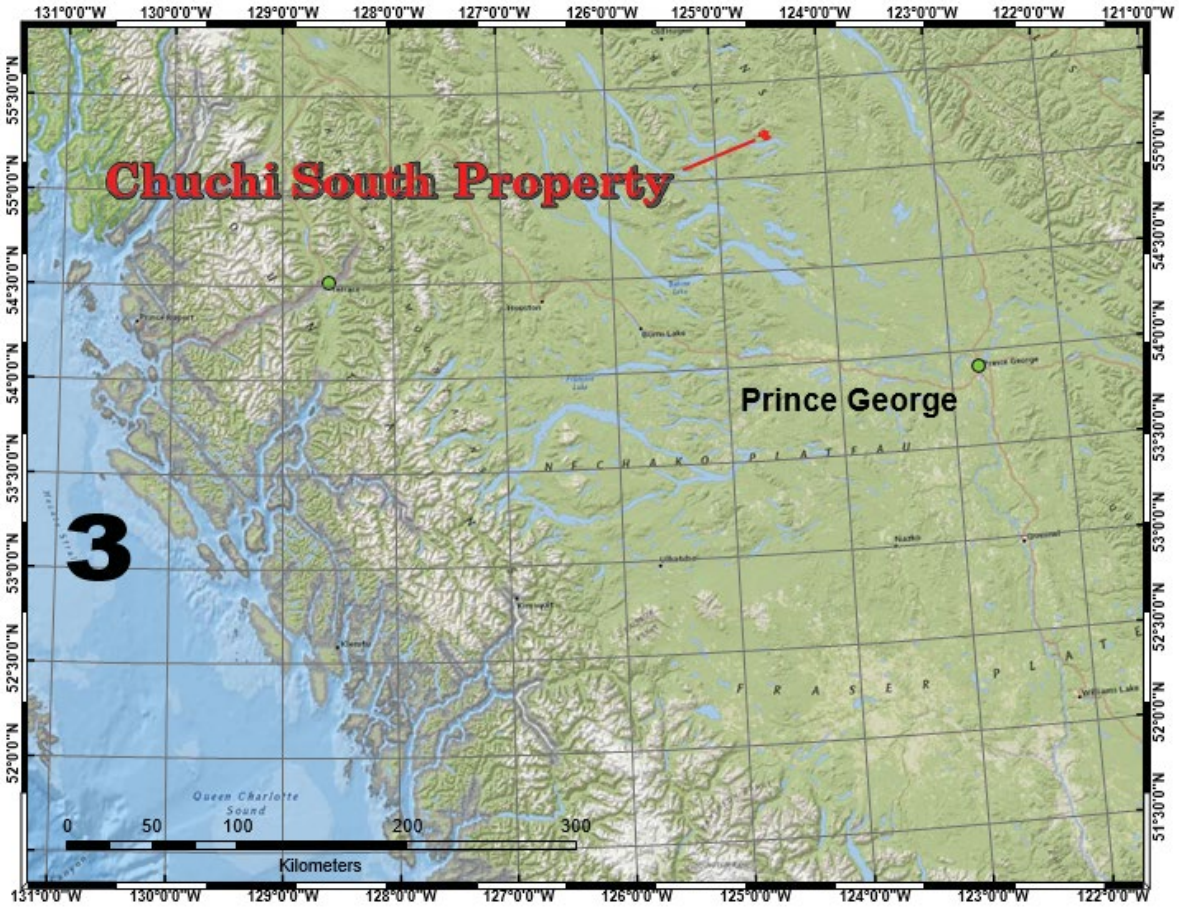



**Figure 3: Location of the Chuchi South Project in north central British Columbia.**
Map drawn in ArcGIS by the author using National Geographic Topographic base map and current Mineral Titles files for October 20, 2020.

The claims establish subsurface rights to the owner for minerals (base and precious metals) as outlined in the *Mineral Tenure Act* of British Columbia (the "***Mineral Tenure Act***") Ronald J. Bilquist's South Claims are listed in the British Columbia Mineral Titles On-line system (http://www.mtonline.gov.bc.ca/), the boundaries of which are predetermined by geographically defined cells conforming to a provincial mineral titles grid system. Neither the claims nor the Property boundary have been surveyed or marked on the ground, nor is this required for resolution of Property issues. The claim boundaries are shown on a physiographic map in Figure 4.

| Tenure No. | Claim Name | Issue Date | Good to Date | Hectares | *FMC No.* | OWNER |
|---|---|---|---|---|---|---|
| 1063139 | CHUCHI 9 | 2019-09-16 | 2022-07-15 | 276.7 | 102389 | BILQUIST, RONALD JOHN |
| 605066 | CHUCHI 1 | 2009-05-28 | 2022-07-15 | 406.1 | 102389 | BILQUIST, RONALD JOHN |
| 605545 | CHUCHI 3 | 2009-05-28 | 2022-07-15 | 129.2 | 102389 | BILQUIST, RONALD JOHN |
| 605546 | CHUCHI 4 | 2009-05-28 | 2022-07-15 | 92.3 | 102389 | BILQUIST, RONALD JOHN |
| 1018115 | CHUCHI 7 | 2013-03-26 | 2022-07-15 | 55.4 | 102389 | BILQUIST, RONALD JOHN |
| 1018074 | CHUCHI 6 | 2013-03-26 | 2022-07-15 | 147.6 | 102389 | BILQUIST, RONALD JOHN |
| 1070119 | CHUCHI 10 | 2018-08-05 | 2022-07-15 | 221.4 | 102389 | BILQUIST, RONALD JOHN |
| 1057288 | CHUCHI 8 | 2017-12-30 | 2022-07-15 | 129.1 | 102389 | BILQUIST, RONALD JOHN |
| 605070 | CHUCHI 2 | 2009-05-28 | 2022-07-15 | 276.9 | 102389 | BILQUIST, RONALD JOHN |
| 699944 | CHUCHI 5 | 2010-01-15 | 2022-07-15 | 276.8 | 102389 | BILQUIST, RONALD JOHN |
| 1048262 | SRM 093.028 | 2016-12-04 | 2022-07-15 | 36.9 | 102389 | BILQUIST, RONALD JOHN |
| 1078066 | CHUCHI 11 | 2020-08-17 | 2021-08-17 | 240.0 | 102389 | BILQUIST, RONALD JOHN |
| 1078065 | CHUCHI 12 | 2020-08-17 | 2021-08-17 | 830.3 | 102389 | BILQUIST, RONALD JOHN |
| | | | Total Area | **3118.7** | | |

**Table 2: Bilquist tenures in the Chuchi South claim group as of October 15, 2020.**

Retention of the Chuchi South Property requires filing Statements of Work with the British Columbia Mineral Titles System reflecting expenditures on qualifying exploration and development work. On the basis of the *Mineral Tenure Act* the required work must amount to a minimum of $5/ha/ year for the first 2 years the claims are held, and then $10/ha/year for the next 2 years, $15/ha/ year for the next 2 years and finally $20/ha/year for each subsequent year. Technical reports (assessment reports) must be filed and accepted after review by the British Columbia Ministry of Mines describing the applicable work with cost statements justifying the exploration expenditures.

For advanced exploration work, Notice of Work (NOWs) applications will be necessary to permit future mechanically assisted exploration (diamond drilling, trenching, etc.) and certain types of geophysical surveys (IP). The Nation Lakes are within the Arctic watershed in an area of prolific salmon, Arctic char, and trout fishing lakes and subject to considerable environmental interest and regulatory oversight. However, the Property is moderate in relief, mantled in stable and permeable till and gravels and is not traversed by any known fish-bearing streams or sensitive wildlife habitats, all of which mitigate any risk of environmental damage from exploration activities. In addition the Property has an existing dense system of industrial roads built for logging and previous mineral exploration programs that will allow reasonable access for exploration drilling, which would facilitate approval of required permits requested from the British Columbia mines regulatory authorities, by minimization of new disturbances. The author is unaware of other liabilities, environmental or otherwise, on the Chuchi South Project.

The Property is underlain by Crown land with no known adverse claims to mineral rights, including by aboriginal groups. However, aboriginal rights and land title are complex and evolving areas of liability for resource projects in British Columbia and proponents of projects are advised to consult with and maintain relations with local indigenous groups. Logging rights are maintained under Timber Farm Licenses (TFLs) and roads are considered part of the provincial Forest Service Road network and thus not subject to closure by the TFL owner, except locally during logging operations for safety reasons. Future access via the road system may be affected by eventual cessation of logging activity in the area and maintenance of the roads. However, the main forest service road, which lies 20 kilometers to the east of the claims is a main access route from Fort St James north to Germansen Landing. This road also connects with a mainline road from MacKenzie farther to the east.

There are no known environmental liabilities, significant factors and risks that affect access, title, or the right or ability to perform work on the Property.

The current and previous mineral tenures were all staked after the expiry of previous claims, and, thus, there are no inherited royalty or Net Smelter Returns attached to the Property except as provided in the Property Option Agreement between Cirrus and the Vendors, which is further discussed below.

**History**

***Tro-Buttle Exploration Jay Claims***

One of the first assessment reports on the Property concerns the Jay claims on which Tro-Buttle exploration conducted a soil geochemical survey in 1967 (Dirom, 1968). At the time large claim blocks had been staked north and south of Chuchi Lake and south of Witch Lake by Serem to the NW, Noranda and others. The Jay claims are shown on Figure 6 relative to the present Property boundaries.

The soil geochemical survey analysed Cu, Mo and Zn only. Copper and Zn were analysed by Atomic Absorption Spectroscopy, which had a 1 ppm detection limit. Threshold values were determined by cumulative frequency logarithmic plots and judged to be 150 ppm for copper with 48 out of the 392 samples classified as anomalous and 180 ppm for zinc with 20 samples classified as anomalous. Molybdenum was measured by a colorimetric method involving a stannous chloride ammonium thiocyanate extraction, but all samples were below 6 ppm, with only a dozen above 3 ppm and considered by Dirom (1968) to be trivial.

On Figure 7 the author has highlighted copper values above 100 ppm and 150 ppm. Two distinct areas are highlighted as copper anomalies by the values above 150 ppm: One is near the Coho Zone and the other south of the Rig Breccia. No distinct pattern is revealed by values above 100 ppm Cu.

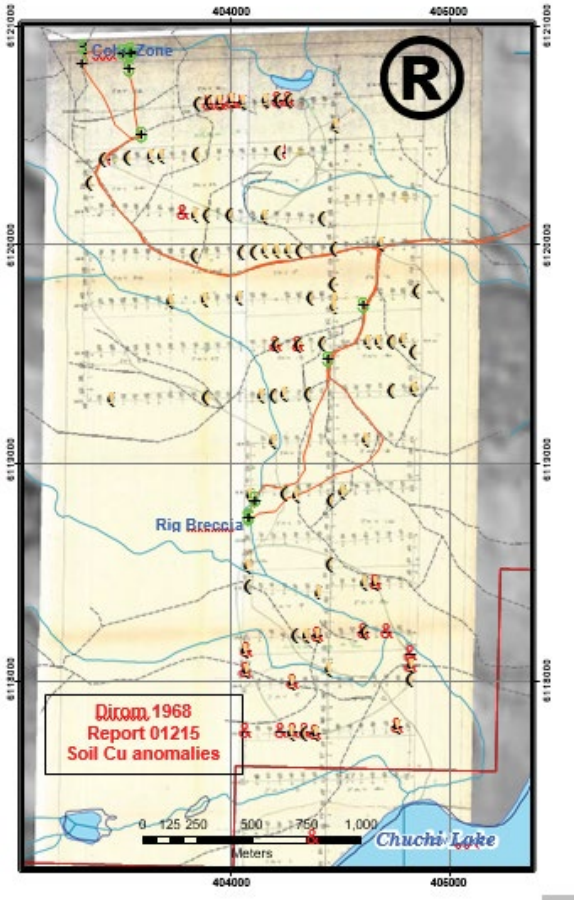



**Figure 7: Copper soils anomalies in 1967 grid in SE part of Property**

Soils samples with copper in above 100 ppm are highlighted in tan circles; above 150 ppm in red. Original map labels read top to bottom, Zn. Cu. Mo. Some high Zn occurs with the copper anomalies, but Mo is below 6 ppm in all analyses.

The SE border of the Property are shown in red line adjacent to the north shore of Chuchi Lake. The Jay Group claim block is covered by the grid and the claims shown in Figure 6.

The author's traverse track and observation stations are shown to the Coho Zone and the Rig Breccia.

Map drawn in ArcGIS 9.3 by the author November 2020.

***Serem Limitee: S.R.M. Claims***

NW of the Jay claims of Tro-Buttle (Fig. 6), Serem Ltee held the S.R.M. claims and in 1971 completed geological mapping, geochemical soil sampling, and a ground magnetometer survey on grid lines. The surveys reported in Tegart (1972)were instigated by prospecting finds of chalcopyrite in volcanic rocks. The results of the soil geochemical survey, shown in Figure 8, revealed a sinuous anomaly parallel to the strike of volcanic strata in the NW of the Chuchi South Project and other scattered anomalies in the central part. Only Cu, Zn, and Mo were analysed by methods similar to those employed by Dirom (1968) using AAS. Threshold values for copper of 111 ppm over syenite and 100 ppm over volcanics were calculated graphically. The author has highlighted values of copper symbolized for over 100 ppm and 150 ppm in Figure 8. A coincident molybdenum anomaly was observed in the sinuous copper anomaly with a threshold for Mo calculated at 47 ppm.

Magnetometer results showed little direct correlation with the geochemical anomalies, but magnetic highs appeared over ultrabasic rocks and diorites containing disseminated pyrrhotite. The geochemical anomalies lie downslope of the magnetic highs and below outcrops below outcrops of tremolite-actinolite altered ultrabasics. Geological mapping showed that the claims straddle the contact between a syenite body to the north and volcanics to the south. Faults evident as lineaments on airphotos and breccia zones in ravines on the ground were assumed to break the volcanics into blocks forming roof pendants in the syenite. The syenite is described by Tegart (1972; also possibly after the Armstrong, 1949 GSC Memoir 252) as being zoned inwards from a dioritic composition to monzonite and syenite in the core. The diorite

has a mesocratic hypidiomorphic granular texture consisting of 50% plagioclase, 20% orthoclase and 30% biotite, augite and hornblende with up to 4% apatite and 4% magnetite. The pluton becomes more leucocratic towards the core with increased orthoclase content, but also alteration of augite to actinolite and development of secondary chlorite and biotite. Syenite is described in the core having an orange colour and composed entirely of orthoclase and quartz. In the west of the claims the syenite hosts silicious dykes containing unspecified amounts of galena. It was concluded that the highest value prospect from the survey was the coincident Cu-Mo anomaly in the NW corner of the Chuchi South Project.

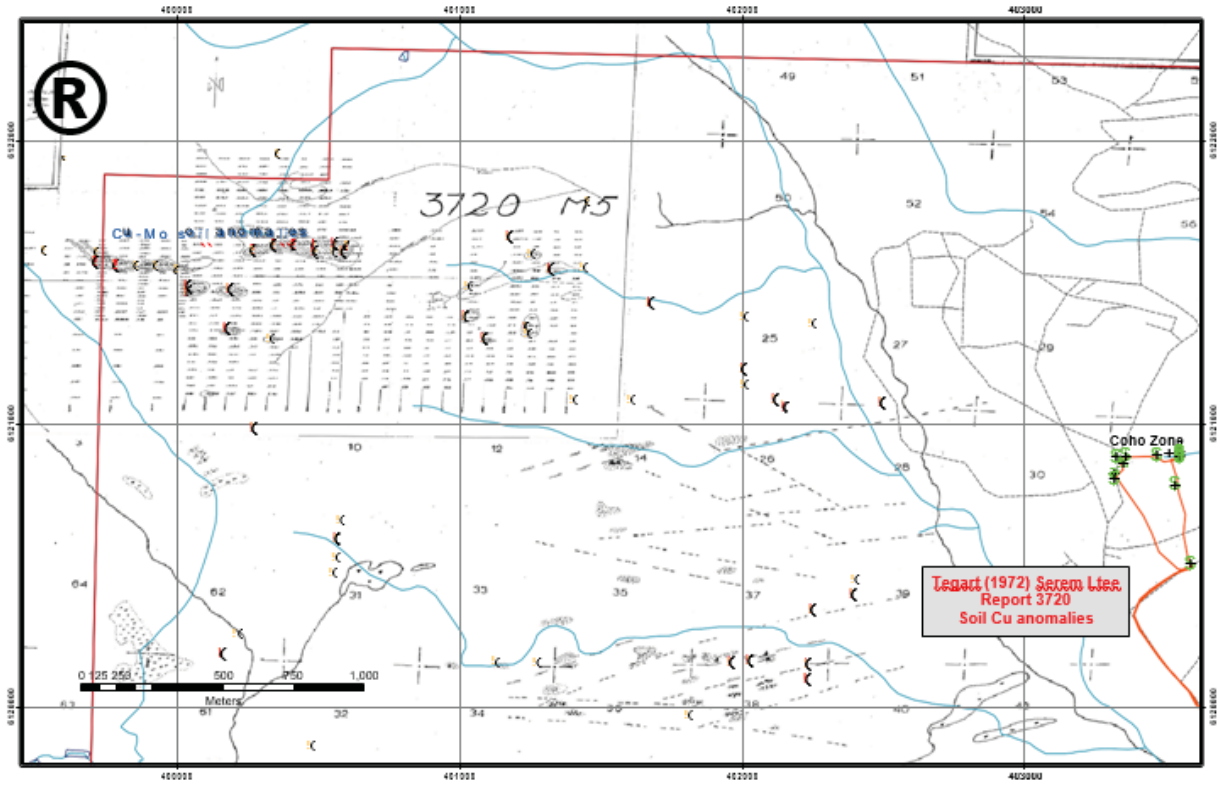



**Figure 8: SRM Claim group Copper anomalies 1972**
Georeferenced map of geochemical sampling grid in the northwestern part of the Chuchi Property. the boundary of which is shown in Red, is from Tegart (1972), assessment report number 3720 in the BC ARIS. Copper anomalies have been selected by the author as above 100 ppm in tan and above 150 ppm in red.
Hand written annotations on the original map at the plotted sampling sites read Cu, Zn, Mo in ppm. Gold was not analysed. The author's September 9 track and stations at the Coho Zone are marked at the right of the figure. Drawn in ArcGIS 9.3 by the author November 2020.

### *Exploration Programs in the 1980s*

Following the work of Serem and Tro-Buttle in the 1960s and early 70s little exploration work was completed in the bounds of the Property until the late 1980s after the significant discovery of the Mount Milligan Cu-Au Alkalic porphyry deposit in 1987 and proximity to exploration work 5 km north on the Phil claims by Selco and BP in the mid-1980s. The present area of the Chuchi South Project was at that time mainly divided into two properties; the Skook claims in the southeast and the Klaw claims covering the westerly and northerly parts. The Skook claims were staked in 1987 by Nation River Resources who explored them in 1987 (Campbell, 1990) before optioning them to BP-Resources Ltd in 1991 who explored them by airborne magnetometer (Humphreys, 1991), IP, soil geochemistry, geological mapping and diamond drilling (Barrie et al., 1991).

The Klaw set of claims was called the Chuchi Property and was staked by Noranda Exploration Company Limited in the fall of 1987 and June of 1988 prompted by anomalous stream geochemistry. Initial soil geochemistry over a very large grid area in 1988 showed a large copper anomaly, and smaller scattered gold and copper anomalies (Campbell, 1989), which prompted follow-up geochemistry and ground magnetometers surveys on small grids (Campbell and Bradish, 1990). In the fall of 1989, six short diamond drill holes were cored yielding minor intersections of copper mineralization in one hole (Campbell, 1990). Also that fall Noranda contracted 23 line km of airborne EM and magnetometer surveying over parts of the claims bordering the Skook claim block. The following year BP Resources optioned the Klaw claims and explored them (Barrie et al., 1991) in concert with comprehensive work on the Skook option (Barrie et al., 1991).6.3.1 Skook Property; Nation River Resources: Campbell, 1988, AR 18073 In late 1987 and early 1988 Nation River Resources undertook the first significant work in the Skook claim area since the soil geochemical work reported by Dirom (1968). Figure 9 shows a summary of soil contours from the Dirom (1968), and the new work by Nation River, which outlined a new copper gold anomaly in soils and rocks about 1 km SW of the author's Rig Breccia field stations on the map. The report concluded that mineralization occurs in three zones associated with hypabyssal alkalic intrusions ranging from gabbro to trachyandesite cutting Takla volcanics and sediments near the southern margin of the Hogem batholith. Grab samples returned up to 13.4 ppm gold, 16.6 ppm silver and 2.3% zinc. Chip samples across one metre returned values of up to 4.3 ppm gold and 53 ppm silver (Fig. 9). Ten rock samples have petrographic reports.

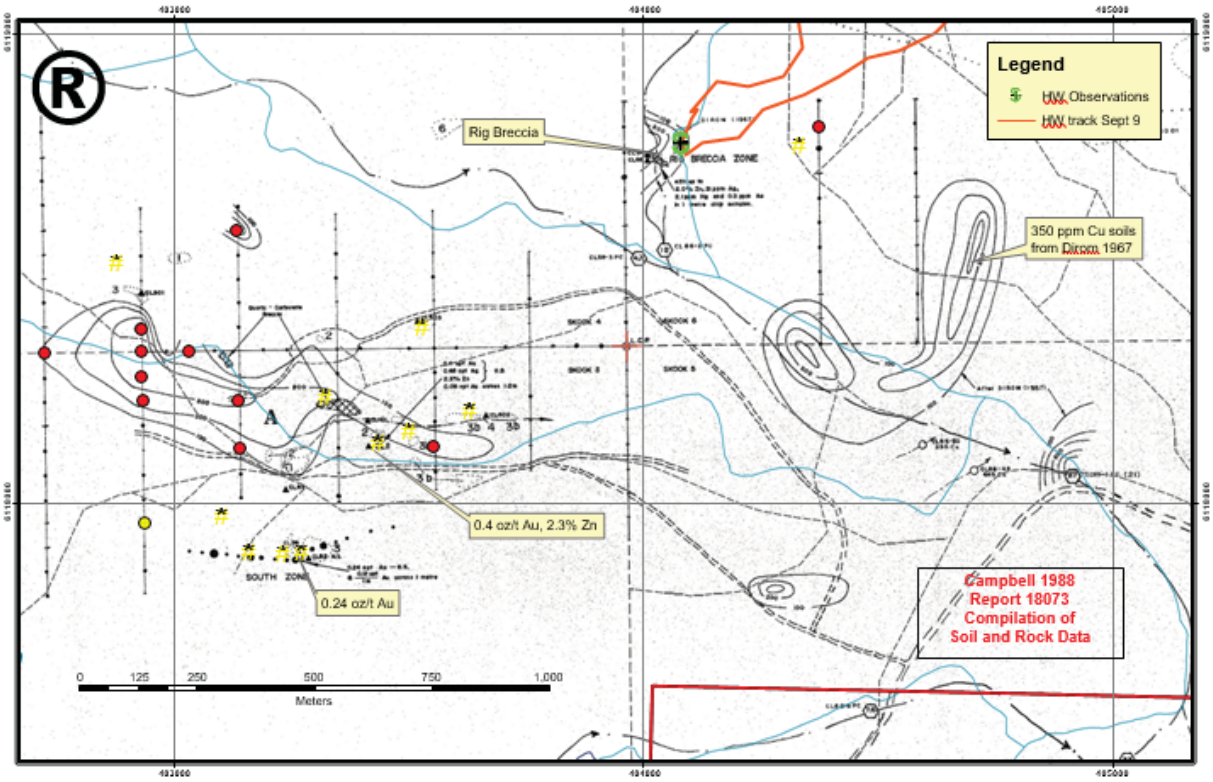



**Figure 9: Compilation of Soil and Rock Data in Report 18073**
This map georeferenced by the author from Campbell, (1988) shows results of 99 rock analyses at several prospects in the Skook Claims as well as 173 soil sample analyses on the soil grid. The area is in the southern part of the Property: for reference a segment of the boundary is shown in red and the author's traverse track and observation point at the Rig Breccia showing are indicated.
Anomalous Au or Cu in soils are highlighted by red circles (Cu > 500 ppm or Au > 40 ppb) and fall within contours drawn by Campbell (1988). Anomalous rock analyses are indicated by yellow triangles for Cu > 500 ppm or Au > 100 ppb. Contours for anomalous soils from the Dirom (1967) survey is located in the eastern part of the map. Several rock samples are anomalous in gold, copper, silver, arsenic and mercury at the sites

indicated. Map drawn by the author by georeferencing Figures 4 a, b, and c from Report 18073 (Campbell, 1988) in ArcGIS, November 2020.

***KLAW claims, Noranda***

Noranda expanded its claims in the area after the 1987 discovery of Mt Milligan by staking the Klaw claims to cover several reconnaissance stream geochemical anomalies and a roadside geochemical anomaly detected earlier in the year. A mix of reconnaissance and detailed grid soil geochemistry amounting to 789 samples defined copper and gold anomalies in the area of the current Property (Campbell, 1988). The reconnaissance samples were analyzed by AAS for copper, zinc, lead, silver, arsenic and gold, whereas the tighter grid samples were only analysed for copper and gold all at the Noranda Lab in Vancouver. The originally mapped values for gold and copper were digitized from georeferenced map images by T.N. Setterfield for GIS use and symbolized in Figure 10 to show the distribution of anomalous results for both copper and gold. In one area around the present Coho Zone (Fig. 9) anomalous concentrations in soils ranged up to 2200 ppm Cu over an area roughly 2 km in east - west dimension. Anomalous gold values are more sporadic, but range up to 1000 ppm in and possibly peripheral to the copper anomaly.

Geological mapping was very limited in the 1988 survey work owing to a scarcity of outcrop on the property. Outcrops were generally found to be isolated in areas of high relief and major intervening areas are covered by glacial overburden. Rocks observed by Campbell (1989) were mainly andesites and siltstones, which have been intruded by several gabbro and diorite dykes. The andesites are typically pale green, massive to weakly porphyritic, moderately silicified and have minor epidote alteration. The siltstones are medium to dark grey, usually hornfelsed, mottled and highly fractured and contain up to 2% pyrite. The diorite and gabbro occur as small dykes cutting the strata and probably causing the hornfelsing and alteration. The diorite is vaguely porphyritic, shows minor saussuritic alteration and trace disseminated pyrite and chalcopyrite.

***KLAW claims, Noranda***

Work by Noranda continued on the Klaw claims in 1989 (Campbell and Bradish 1990) with more soil geochemistry and a grid based magnetometer survey on part of the Klaw property. The soil geochemistry program added 155 samples to the grid and analysed them for copper and gold, but only revealed spot anomalies throughout the new grid areas. Ten rock samples from outcrops found on the grid lines were also analysed but returned low values of copper ranging from 42 to 258 ppm and gold, ranging from 7 samples below detection of 5 ppb and the remaining 3 up to 170 ppb. Pyrite and pyrrhotite were observed in the rocks. The magnetometer survey was ground based and completed by company personnel on the two small grids over about 12 km of lines. An intensely magnetic feature with an E-W trend was revealed in the north-central part of the Klaw property, but the grid areas were too small to define any large bodies conclusively.

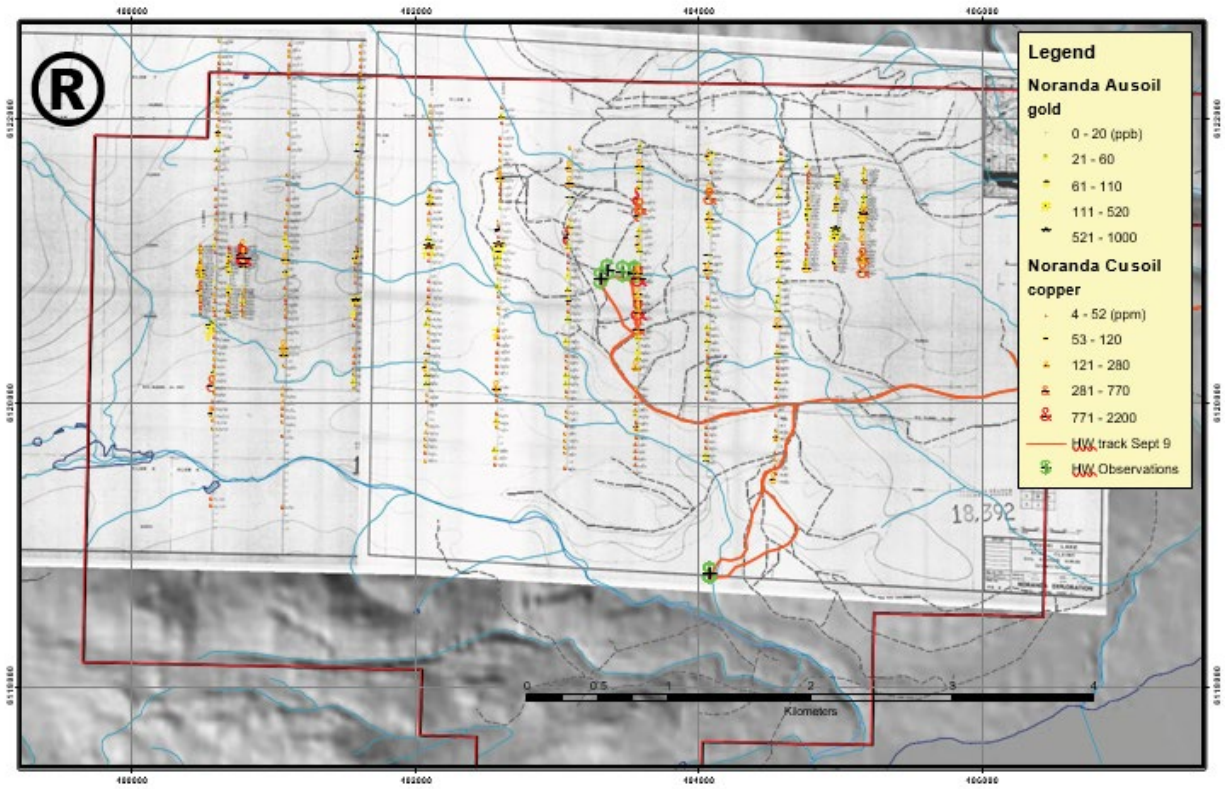
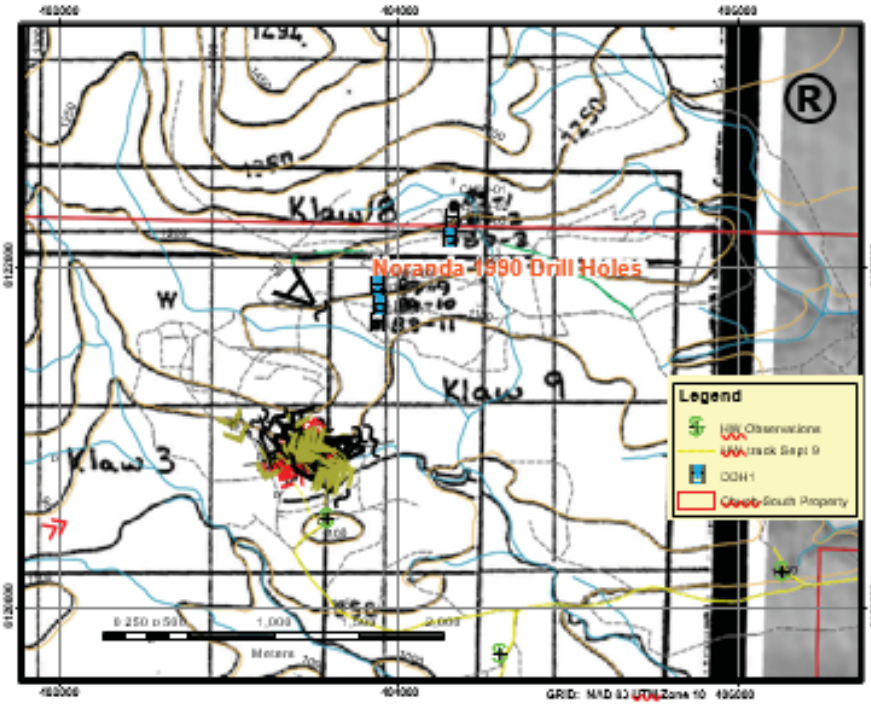



**Figure 10: Noranda Soil Grid 1989 on the north half of the Chuchi South Project**

Soil grid maps from assessment report 18392 have been georeferenced and values for gold and copper plotted thereon have been digitized as shown in the legend. Soils lines in the main property grid are at 500 m intervals. Copper is represented by graduated hexagons and gold by yellow triangles. The authors inspections track and geology stations are shown for reference as is the outer claim boundary. Map drawn by the author in ArcGIS 9.3 using a shapefile of Cu-Au data compiled from georeferenced maps by T.N. Setterfield, November 2020.

***Klaw claims, Noranda***

In the fall of 1989 Noranda drill tested some of the geochemical anomalies defined in the 1989 survey work (Campbell, 1990). Six holes with a total length of core of 619.9 meters were drilled near the northern boundary of the Chuchi South Project (Fig. 11). The drilling intersected zones of anomalous copper values but the highest grade section was only 3900 ppm Cu over 3 . 5 metres in hole CH-89-09. The first hole CH-89-01 intersected biotite-hornblende feldspar porphyritic diorite over its 100 meter length and showed variations in



pyrite from trace to 10% in short intervals and trace chalcopyrite in the 66.35 to 73.95 m interval and some massive chalcopyrite in a 5 cm vein at 72.85 m. Hole CH89-02 and 03 cut the same rock type with perhaps lesser amounts of pyrite and alteration. The 3 southern drill holes CH89-09 to 11 intersected a mix of feldspar porphyritic diorite and more mafic diorite. The weakly mineralized interval in CH89-09 occurred at 84.2 to 87.7 (3900 ppm Cu) meters across a transitional increase in the mafic content of a dioritic rock and several chalcopyrite occurrences were noted in the mafic diorite. The report refers to the degree to which the drilling results explained the geochemistry and IP anomalies. No IP work prior to the BP option was found by the author, although it may have been only reported internally by Noranda. The report may, instead, have been considering a combined Dighem EM and magnetometer survey flown in the fall of 1989 for Noranda (Campbell, 1990).

***Klaw claims, Noranda Airborne Geophysics***

In the fall of 1989 Noranda flew a Dighem IV combined EM/resistivity/Magnetometer/ VLF survey along 23.2 line km of the Klaw claims including the Klaw 8 and 9 and Norn claims referred to the report as the Chuchi-B group of claims (Campbell, 1990). None of the HEM conductors identified in the survey were definitively interpreted as bedrock features. However, the EM responses associated with one highly magnetic unit merit investigation on the ground. The northern border of the area covered corresponds roughly to the six drill holes completed by Noranda in 1990 (Campbell, 1990), but it is not clear if this survey provided any criteria for selection of drill targets. The TMI image from the airborne magnetometer survey is shown overlaid with soil geochemical results and the locations of drill holes in Figure 12.

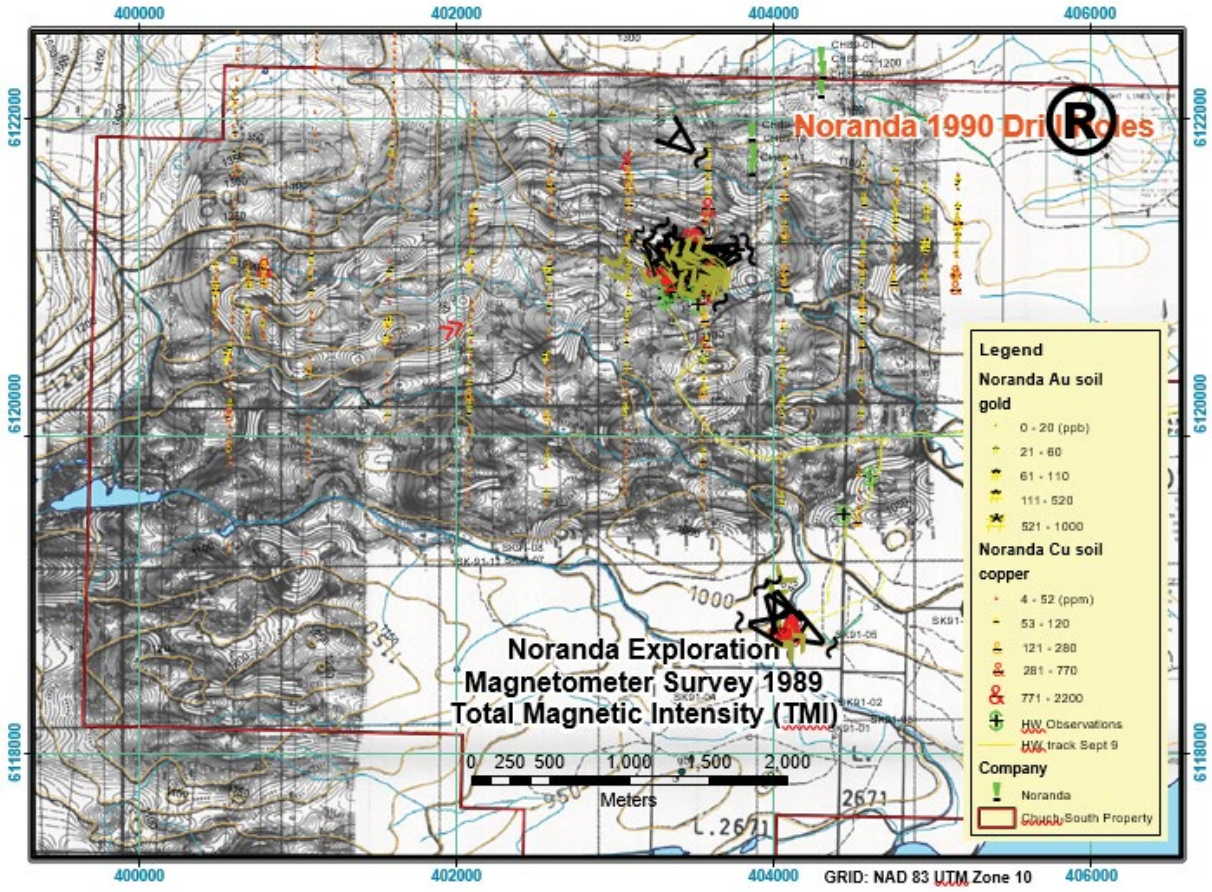



**Figure 12: Noranda 1990: Combined Airborne Magnetometer TMI, geochemistry and drill holes.**
Drawn in ArcGIS 9.3 by the author November 2020.

### *The BP Resources Option*

The major part of the Chuchi South Project was explored in a comprehensive exploration program in 1991. In late 1990 BP-Resources Ltd optioned the Skook Property from Nation River Resources and the Klaw Property from Noranda. Starting in the fall of 1990 they began a comprehensive exploration program on the Skook and Klaw (aka Chuchi-B claims). An airborne magnetometer survey was flown in late 1990 to cover the entire Skook Property and was reported by Humphreys (1991). Noranda had previously completed an airborne magnetometer survey of the optioned ground in a combined airborne Dighem® -Mag-VLF survey and the magnetometer data was presumably adequate (Campbell, 1990).

Then between March and September, 1991 on the Skook Property, BP carried out 76.8 line-kms of linecutting, 66.5 line kms of IP-resistivity surveying, soil geochemistry, geologic mapping and rock sampling, and 1,243 m of diamond drilling in eleven drill holes (Barnes et al., 1991). BP explored the adjacent Klaw Property in July and August 1991 and completed 24.5 line-kms of linecutting, 20.6 line-kms of IP-resistivity surveying, geologic mapping and rock sampling, and diamond drilling comprising one drill hole of 121.9 m length (Barrie et al., 1991).

Little new work has been conducted on the Property since the BP-Resources program in 1991. Subsequent work by Nation River Resources consisted of an excavator trenching program (Campbell, 1995) and a minor drilling program (Campbell, 2003). High Ridge Resources held claims over the area of the Noranda Klaw claims as an extension of the BP-Chuchi deposit area to the north, but the review by Rebagliati (2005) focused only on the northern area. Nation River Resources presumably forfeited the Skook claims sometime in the next several years before the ground was staked largely by Ron Bilquist in 2010.

The BP Resources Program on the Skook and Klaw Properties is reviewed below.

### *Skook Claims 1990*

As a preliminary to their comprehensive exploration program on the Skook claims in 1991 BP flew (between December 2 and 6, 1990) 210 line kilometers of combined helicopter- borne magnetic, electromagnetic and VLF-EM Survey over the claims contracted to Aerodat Limited of Mississauga, Ontario (Humphreys 1991). The purpose of the survey was to find magnetite - bearing intrusions that may host alkalic porphyry copper-gold deposits. It is not clear how the EM data was utilized in the subsequent exploration since the main characteristics of the Mt Milligan discovery had been coincident mag highs, IP chargeability, and copper-gold soil anomalies. The Skook magnetic survey area has a high dynamic range of about 2000 nanoTeslas (nT) in magnetic amplitude from 57871 to 60166 nT. Three magnetic highs were noted by the interpretation report including a prominent domain over most of the northern portion of the survey (and the Skook claims) and two smaller elliptical bodies on the NW and SW corner of the block.

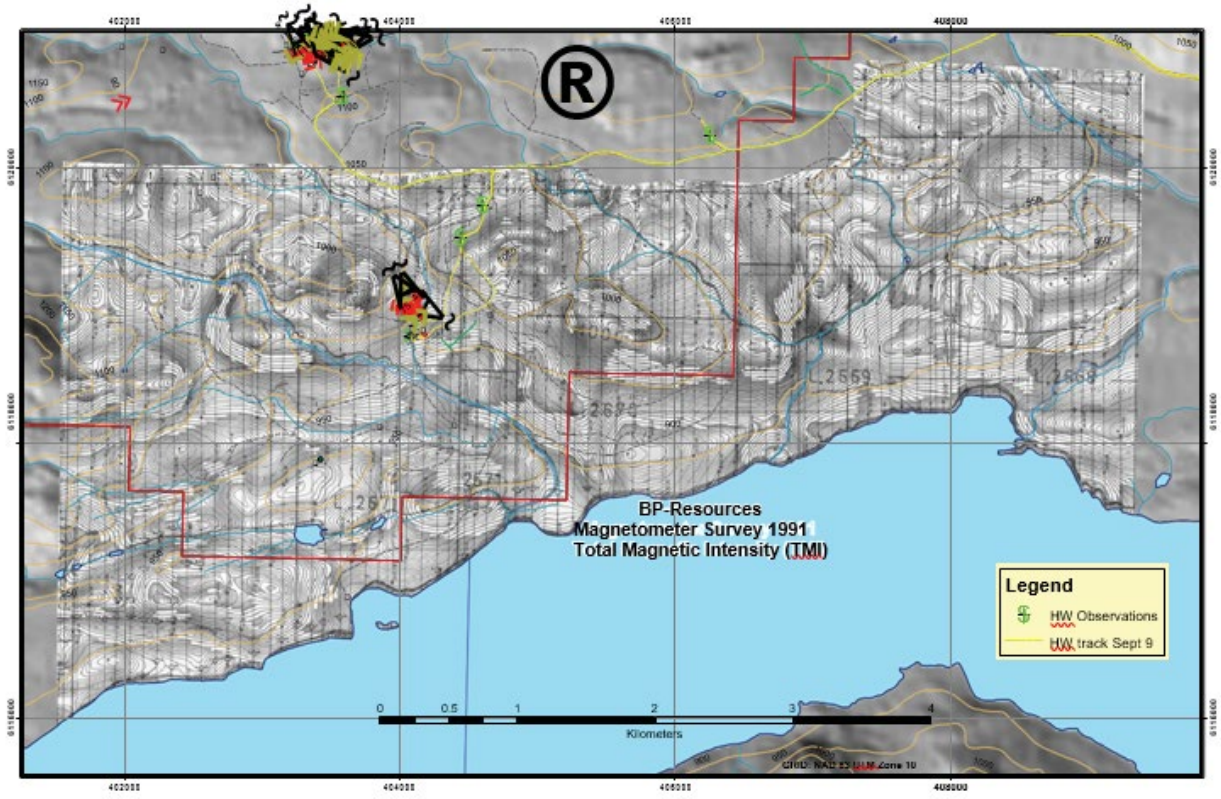



**Figure 13: BP-Resources Airborne Magnetometer TMI map of the Skook claims**
Drawn in ArcGIS 9.3 by the author November 2020.

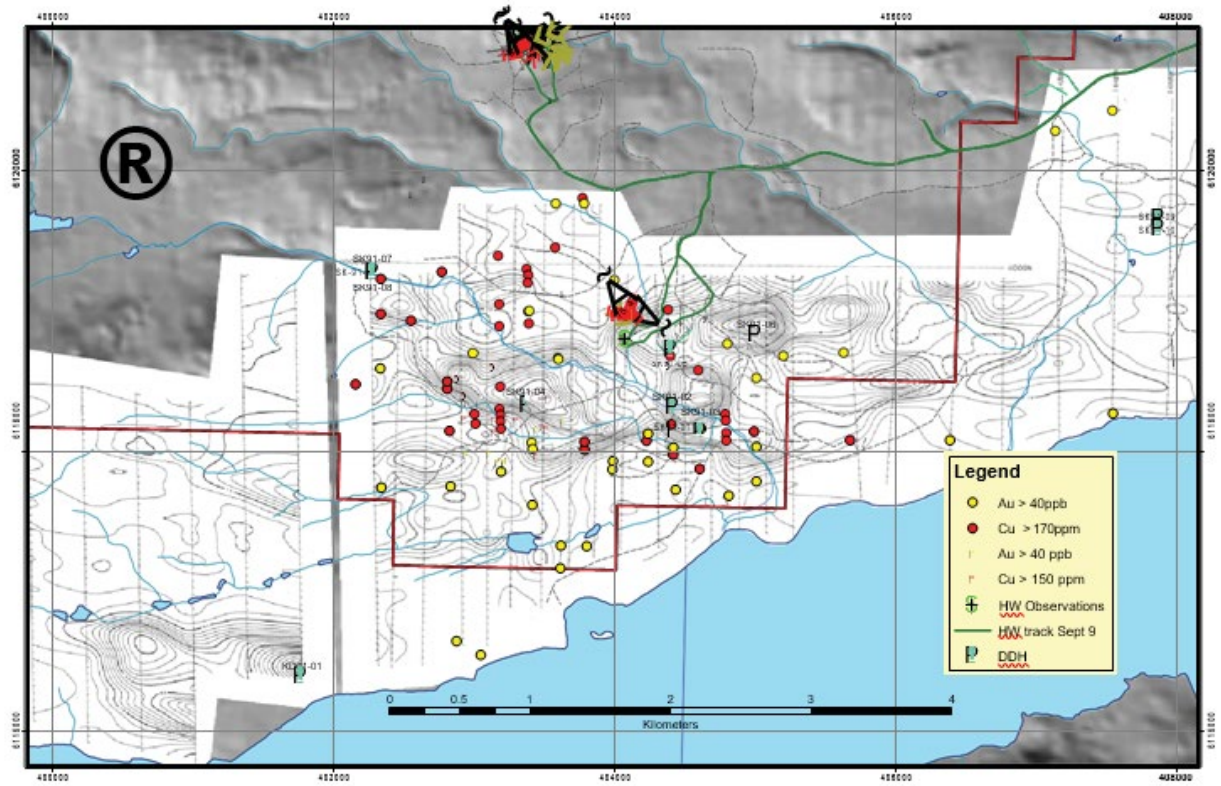


**Figure 14: Geophysical and Geochemical Surveys by BP 1991**
The map shows B&W contour plots of Induced Polarization surveys by BP on the optioned Skook claims, now the southern part of the Property, and to the west on the KLAW claims, which partly overlap the Property. The densely contoured areas are high chargeability anomalies. Overlaid on the IP map are anomalous Cu (red) and Au (yellow) in soil samples from the IP grid lines (BP survey in circles, and older geochem survey from report 18073 in squares). BP tested several of the coincident geophysical and geochemical anomalies by eleven diamond drill holes indicated by symbol in the legend. The southern claim boundary is shown as well as the author's traverse route and stations for reference. Drawn in ArcGIS 9.3 by the author November 2020.

### *BP Resources Option of the Skook Claims 1991*

In 1991 BP surveyed the entire area of the Skook claims with IP (Fig. 14) and geochemistry to add to the airborne magnetometer survey completed the previous fall (Barnes et al., 1991). IP anomalies were classified by degree of chargeability and coincident resistivity to establish priority for exploration. The highest priority anomalies occur where high chargeability anomalies are coincident with high or moderate resistivity, which may be an indicator of disseminated sulphide in normally resistive igneous rocks. Low priority anomalies were classified by high chargeability anomalies accompanied by low resistivity, or high conductivity, that may be the result of natural conductivity from graphitic content such as in argillites which may also have high disseminated authigenic pyrite and no potential for porphyry type mineralization.

Such a low priority anomaly occurs in the SW of the Skook claims and was classified by Barrie et al. (1991) as "formational". High priority IP anomalies combined with spatially coincident magnetic highs and soil copper anomalies might have high potential for porphyry copper mineralization and several occurrences in the BP work became drill targets.

The main exploration effort on the Skook claims by BP covered most of the Skook claim area within the Chuchi South Project with an IP - resistivity survey and soil geochemistry overlapping the previous partial geochemical coverage Nation River to determine drilling targets. Eleven drill holes totalling 1,243 m were completed on coincident magnetic, high priority IP chargeability anomalies and geochemical highs. Except for the magnetic survey, shown in Figure 12, the results of the BP soil geochemistry and the previous Nation River anomalies for Cu and Au are superimposed on the IP chargeability plan maps for the Skook and Klaw survey in Figure 13. Drill targets are also shown in Figure 13. The soil geochemical anomalies highlighted on Figure 13 indicate a broad area about 1 km SW of the Rig Breccia showing. Soil geochemistry yields anomalous (> 100 ppm) copper in the northwest and central portions of the grid. The northwestern anomalous zone corresponds roughly to a west-northwest trending creek in which quartz-chalcopyrite veins have been found. No corresponding source has been found for the central copper anomaly. Gold-in-soil values greater than 17 ppb are erratically distributed in the central-southern portion of the grid, an area predominantly covered by glacial till.

IP-resistivity surveys delineated a large chargeability anomaly, considered to represent a sulphide system, covering most of the northern and central portions of the grid. Diamond drilling tested a number of areas with coincident chargeability, copper-in-soil and magnetic anomalies. Drilling results indicate that much of the large chargeability anomaly is due to pyrite mineralization within Hogem monzonite and hornfelsed sediments. Drill holes SK91-07, 08 and 11 intersected narrow zones of structurally-controlled pyrite-chalcopyrite mineralization within K-feldspar - altered monzonite and sediments. The best intersection was 1.27% Cu and 706 ppb Au over 8 m.

Geological mapping was limited by a paucity of outcrop in the relatively low relief area of the Skook claims. Barrie et al. (1991) reported that the property is underlain by several phases of alkalic plutonic rocks, which comprise the southeastern extremity of the Upper Triassic-Lower Jurassic Hogem Batholith. They were able to observe that the intrusions cut co-magmatic alkalic to intermediate augite and plagioclase-phyric flows and tuffs and related fine-grained sediments of the Takla Group.

They concluded the exploration program on the optioned Skook claims by recommending additional work to test zones where lower order geophysical anomalies coincided with areas where geological evidence suggests that structural preparation and or intrusive centres exist.

***BP Resources option of the Klaw Claims 1991***

From early July to early August, 1991, BP carried out 24.5 line-kms of linecutting, 20.6 line-kms of IP-resistivity survey, geologic mapping and rock sampling, and diamond drilling comprising one drill hole of 121.9 m length (Barrie et al., 1991).

The property is underlain by a number of phases of alkalic plutonic rocks which comprise the southeastern extremity of the Upper Triassic-Lower Jurassic Hogem Batholith. Similarly to their survey of the Skook claims they observed that the intrusions in the Klaw claims cut co-magmatic alkalic to intermediate augite and plagioclase-phyric flows and tuffs of the Takla Group. Widespread fracture-controlled propylitic alteration, accompanied by pyrite, pyrrhotite and rare chalcopyrite mineralization, is present in Takla Group rocks along the southern contact of the batholith. As well, narrow, structurally controlled, high-grade occurrences of chalcopyrite with locally enhanced gold values, are present within an alkali gabbrodiorite phase of the Hogem in the northeastern portion of the claims.

IP-resistivity surveys in the southern portion of the claims delineated a large chargeability anomaly trending east-west over 1200 m with a north-south width of approximately 500 m. Drill Hole KD91-01, near Chuchi Lake and off the Property tested the eastern periphery of this chargeability anomaly and intersected plagioclase porphyritic monzonite with 1-3 % pyrite and 2-4% pyrrhotite. Barrie et al. (1991) suggest that a relatively high gold background of 10-40 ppb is evident in the drill core.

***Exploration Since the 1991 BP Option***

**Nation River Resources 1995**

After the return of the Skook claims (Fig. 15) to Nation River Resources in late 1992 from BP's option, additional exploration work had to be done to maintain the tenures. In 1995 Nation River carried out an excavator trenching program and minor geological mapping designed around geological similarities to the Red Mountain gold deposit near Stewart, BC. The similarities stated in Campbell (1995) included alteration assemblages, topology of plutons intruding volcanics, and silver, zinc, arsenic and cadmium geochemical anomalies in the rock. Part of the similarities were attributed by Campbell (2003) to the WIT showing on the east end of Nation Rivers Skook property, which was a discovery by Noranda drilled in the 1960s for which a small resource (Botel, 1965) had been calculated and which is considered an adjacent property and not within the Chuchi South Project.

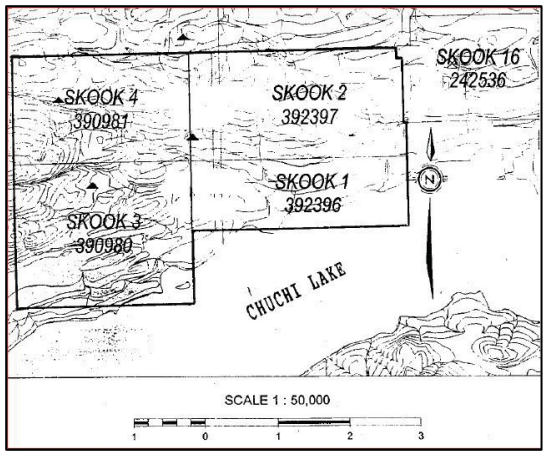



**Figure 15: Skook 1-4 Mineral Claims 1995**

The trenching program was located in the central Skook claims about 900 meters SW of the Rig Minfile showing. It opened up 268 linear meters of overburden covered rock along some existing roads, removing 2800 cubic meters of till and rock in the "South" and "CL11" area. Twenty three rock samples were obtained from the trenches of which 3 returned gold assay between 1 and 3 g/t gold and 4 others returned copper assays between 1000 and 2900 ppm Cu. One 0.45 m interval sample returned 3.03% Zn, 1900 ppm Cu, and a 0.25 m interval 852 ppm Cu, 1.69% Pb , 1212 ppm Zn and 1.48 g/t Au.

## Nation River Resources Drilling 2002

In late 2002, Nation River Resources drilled about 202 meters of BQ core in two holes on the Skook 1 and 2 claims (Fig. 15) (Campbell, 2003). The work followed up on trenching in

1995 (Campbell, 1995). One hole was drilled to 100 meters in trench CL11 encountered 33 m of siltstone and 60 meters of lapilli tuff, crystal tuff and fine tuff, carbonate alteration and 2 to 5% pyrite. The best assay was only 83 ppb Au over 0.5 m. The other hole extended BP hole SK91-04 by 20 meters and encountered siltstones and tuffs and a maximum gold assay of 376 ppb over 1 meter at a depth of 112 meters. No other significant assays or geological information were obtained.

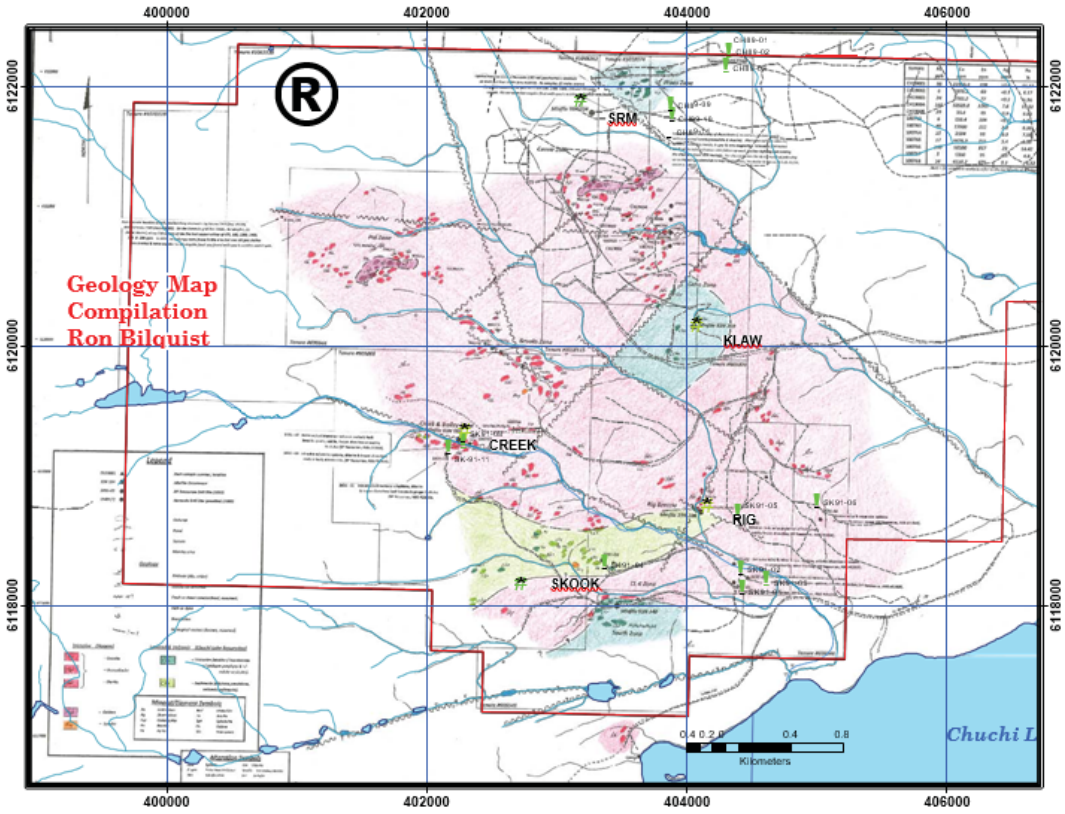



**Figure 16: Geological Map of the Chuchi South Project by Ron Bilquist**
The map represents the compilation of mapping projects by Bilquist between 2010 and 2019 presented in a series of annual assessment reports (Bilquist, 2010 - 2019).
Diamond drill locations from Noranda and BP Programs are shown as green circle-dots for reference. Accumulated geochemical and geophysical data, reviewed above is not shown for clarity. Bilquist's map was georeferenced in ArcGIS. Figure drawn by the author in ArcGIS 9.3 December, 2020.

## Bilquist Property Assessment Work

In 2008, prospector Ron Bilquist started staking the present Property and began a series of annual prospecting and mapping programs (Bilquist, 2010, 2011, 2012, 2013, 2014, 2015, 2017, 2018, and 2019) in the area eventually expanding the claims to the present configuration. His working geological map is shown in Figure 16.

There are 8 assessment reports filed by Bilquist in the ARIS system between 2010 and 2020: numbers 31649, 32584, 33403, 34770, 35417, 36951, 37713, and 38713. They progressively document different sectors of the property and employ rock sampling and assaying, K-feldspar staining of cut slabs, thin section descriptions and geological mapping. Evidence of the work from the 1991 BP program was found

including drill core, but access throughout the area was impeded by regrowth in clear cut areas and especially along branch roads which had grown up in alders.

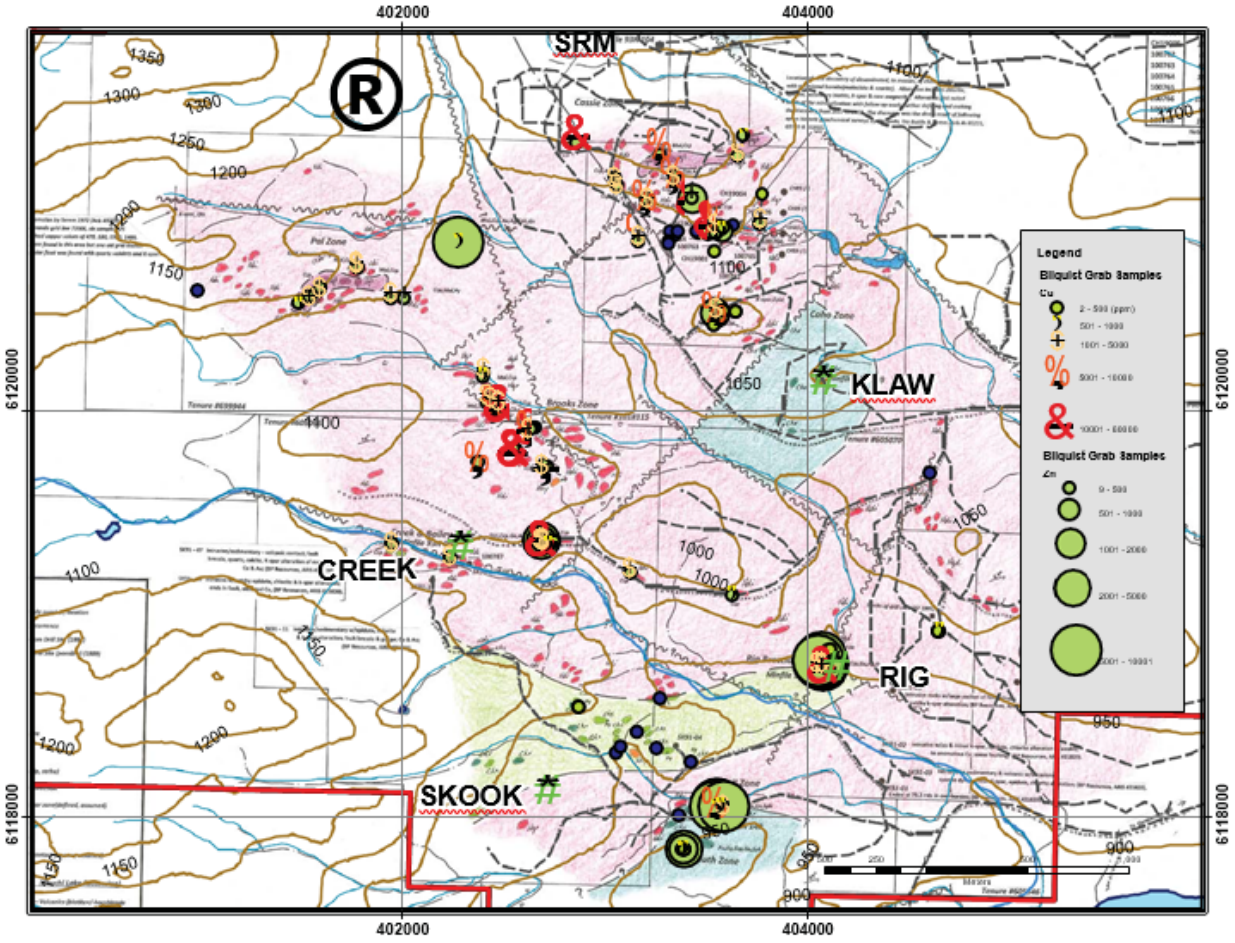



**Figure 17: Copper and Zinc Assays in Rocks: Bilquist Prospecting**
Copper assays for grab samples compiled from Bilquist records for prospecting between 2002 and 2019 are shown with the range of symbol shapes and sizes in the legend. Zinc values are shown in green circles in proportion to value and plotted beneath the copper symbols such that the zinc symbol only appears where gold is low or zinc very high. Minfile showings are shown for reference.
Map drawn by the author in ArcGIS 9.3 December, 2020, using geochemical database compiled by Bjorkman.

Bilquist collected and assayed 111 mineralized rock samples, which are plotted by symbolized values for copper-zinc and gold-arsenic in Figures 17 and 18, respectively. The Coho Zone between the SRM and KLAW Minfile sites has a generally high concentration of copper assays exceeding 10,000 ppm (or 1%), but fewer high gold assays possibly reflecting geochemical zonation. Areas with gold assays above 500 ppb (0.5 g/t) also do not always coincide consistently with the high copper assays. Calculated correlation coefficients for gold are low with copper (0.25) in this data set, but high for Sb (0.80) and Bi (0.92). Copper is more highly correlated with Pb (0.63), Zn (0.63), Ag (0.77) and Co (0.79) than with gold and moderately correlated with Bi (0.47).

General inspection of assay locations on the map shows that Pb and Zn are commonly high at the Rig showing accompanied by Ag and sporadically by Cu which distorts the correlation calculations for the whole data set. Gold is correlated with As and Sb at the CL11 showing in the southern sector of the map about 1 km east of the Skook showing and this is shown on Figure 18 by using larger symbols for As overlapped by the gold symbols.

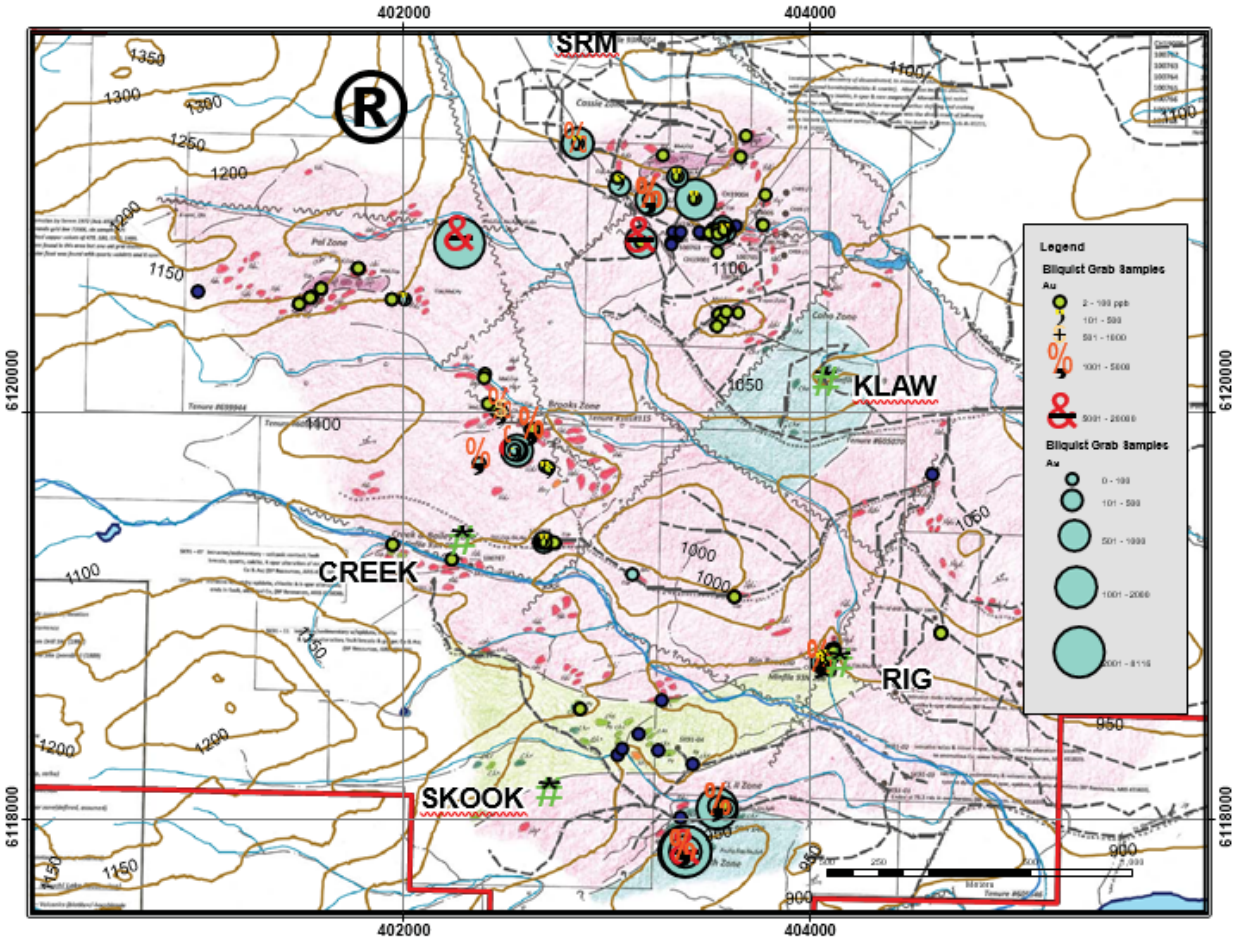



**Figure 18: Gold and Arsenic Assays in Rocks: Bilquist Prospecting**
Gold assays for grab samples compiled from Bilquist records for prospecting between 2002 and 2019 are shown with a range of symbols are gauged in the legend. Arsenic values are plotted under the gold symbols using proportional sized pale blue circles. Minfile showing are shown for reference.
Map drawn by the author in ArcGIS 9.3 December, 2020, using geochemical database compiled by Bjorkman.

Generally, Bilquist observed different mineral associations in the different mineralized zones and this is corroborated by the assays. The zone between the KLAW and SRM showings was characterized by chalcopyrite in fractures. The Rig and CL-11 zones at the south extent of the present claim block had observable sphalerite and galena.

Bilquist systematically recorded rock textures in photographs of slabbed rocks and obtained petrographic descriptions of many igneous rocks from the Property. These may be useful in establishing rock units for geological mapping.

## Geological Setting and Mineralization

### *Regional Geology*

The Chuchi South Project is a part of the Nation Lakes Porphyry Camp of Nelson and Bellefontaine (1996) (Fig. 22) and is located within the central Quesnel terrane, in the physiographic region known as the Intermontane Belt of the Canadian Cordillera. The Quesnel terrane is one of several allochthonous terranes that docked with the North America craton during the Mesozoic and that are composed of belts of volcanic arc strata, coeval plutons and derived terrigenous and marine sedimentary rocks. The Quesnel Terrane is fault bounded and wedged between highly deformed oceanic crustal domain known

and the Wolverine Metamorphic Complex (WMC) on the east, and the Cache Creek Complex on the west (Fig. 19). The WMC is a narrow and limited body of gneissic rocks wedged between the Quesnel Terrane and thrust faulted sedimentary rocks of the cratonic margin. The Cache Creek Terrane or Complex is widely distributed and appears to be coupled with the Quesnel Terrane throughout the Province although it is generally of Permian age. It varies in character from ophiolitic complexes largely represented by seas of serpentinites, such as in the Turnagain district to the north and marine carbonates and siliciclastics in the region west of the Nation Lake Camp. The Nation Lakes Camp rocks are dominated by the Upper Triassic - Lower Jurassic Takla Group sedimentary and volcanic rocks, and coeval and younger intrusive rocks including the Hogem Batholith (Fig. 19). The Takla Group stratigraphy is broadly correlative with Nicola Group rocks in southern B.C. and Stuhini Group rocks in northern B.C. (Richards, 1976; Monger, 1977) and shares a common augite phyric character in their mafic members. The Takla Group strata north of Chuchi Lake and underlying the Chuchi South Project are informally named the Chuchi Lake Succession (Nelson and Bellefontaine, 1996) and are comprised of intercalated volcanic and sedimentary rocks. Throughout the region of the Nation Lakes Camp Nelson and Bellefontaine mapped several similar packages of volcanic strata, but considered that the diversity of rock types within each area made it tenuous to adequately correlate them despite the similarities so decided to use the term successions to distinguish packages of volcanic strata. Their rationale was that the differences in the strata reflected independent volcanic centers that may have been simultaneous or diachronous, but thick glacial overburden resulted in a lack of extensive outcrop.

The Takla Group volcanics of the region are comprised of basalts, andesites, and latites occur as augite porphyritic and/or plagioclase porphyritic flows and flow breccias with lesser tuffs. The basalts and to some degree the andesitic rocks are distinctive in being augite, plagio- clase and in fine detail apatite porphyritic and having a general paucity of hornblende. The somewhat unusual modal mineralogy corresponds to a distinctly alkalic composition due to high potassium contents, which classifies them as absarokites (basaltic) and shoshonites (andesitic) of the shoshonite suite. There are mappable units of vesicular flows and flow breccias, with amygdule filling of calcite, epidote and probably altered zeolites. These flows and flow breccias are gradational with maroon and grey agglomerates that contain fragments of monzonite diorite, ash and ash-crystal tuff, siltstone, and black shale. The agglomerates have carbonate-rich fragments and a calcareous matrix locally. The sedimentary rocks are greywacke, siltstone, black shale and hornfelsed varieties of these rocks (argillite), all intercalated with ash and ash-crystal tuff beds locally. Macrofossils found in shales in the area have been identified as Pleinsbachian giving an age of 193-196 Ma for the strata (Nelson and Bellefontaine (1996).

The major intrusions of the region are the Hogem and Germansen Batholiths (Fig. 19, 20 and 22). The Hogem is dominantly alkalic in composition ranging from alkalic gabbros to alkali feldspar granites with monzonite and monzodiorites being volumetrically superior and spatially is a suite of separate intrusions. In contrast the Germansen is a nearly monolithic alkali feldspar granodiorite pluton. Hogem Batholith Intrusive Suite is generally hypidiomorphic granular in texture, but also contains aplitic, pegmatitic and K-feldspar porphyritic varieties.

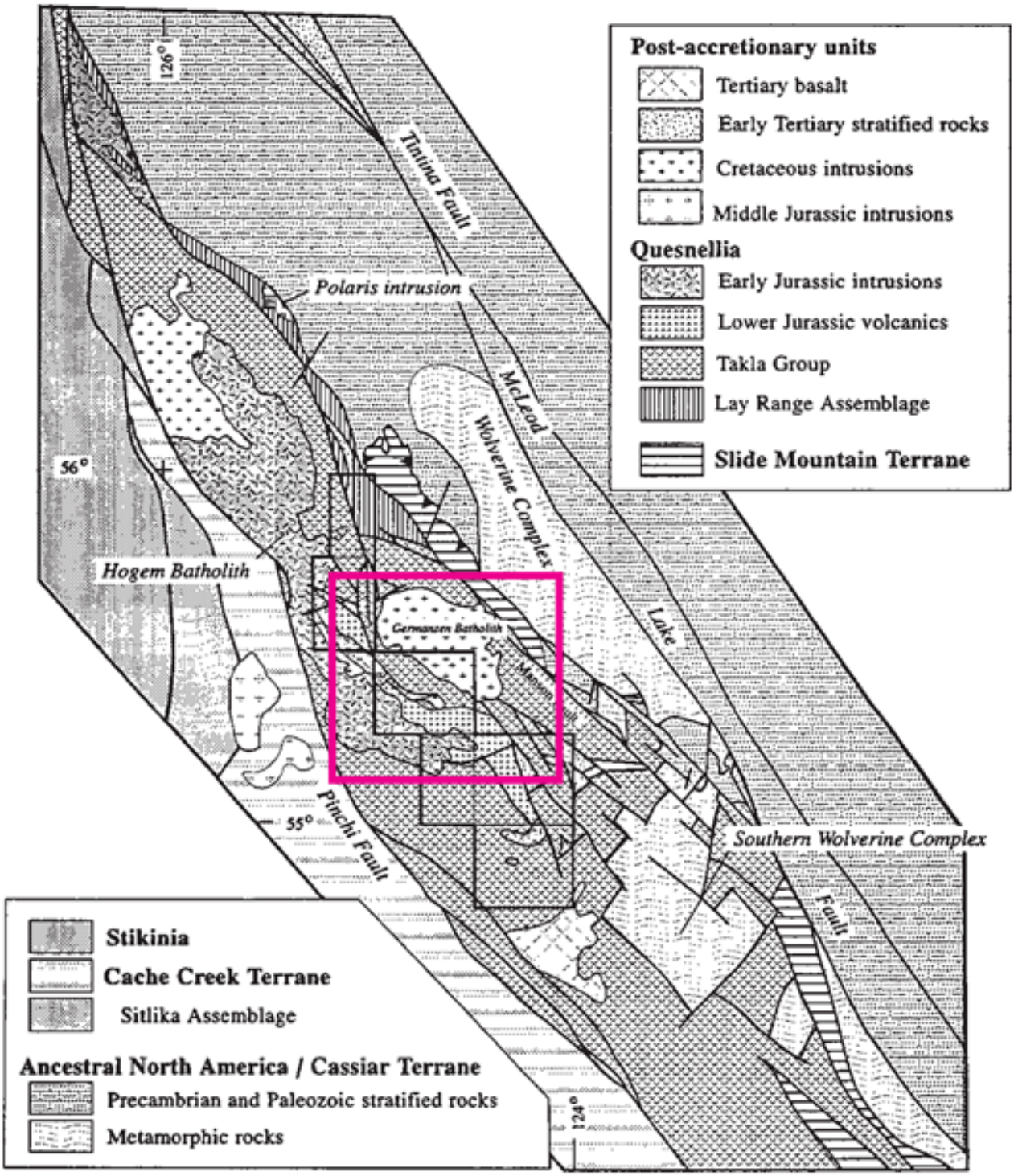



**Figure 19: Regional Geology and Tectonic Setting for the Nation Lakes Camp**
The Germansen Batholith at the center of the map lies north of the Chuchi Lake area. The outline of Regional Geology Map in Figure 20 (below) is shown in red. Scale is given by latitude and longitude reference marks. North is up.
Quesnellia is bounded by the Pinchi Fault and the McLeod Lake - Tintina Faults. The Cache Creek Terrane lie to the west of the Pinchi Fault. The Slide Mountain Terrane, the Wolverine Complex are metamorphic complexes thrust onto the east side of Quesnellia and separating it from cratonic North American strata,

Map from Fig. 2b in BCGS Bulletin 99 on the Nation Lake Porphyry Camp (Nelson and Bellefontaine, 1996).

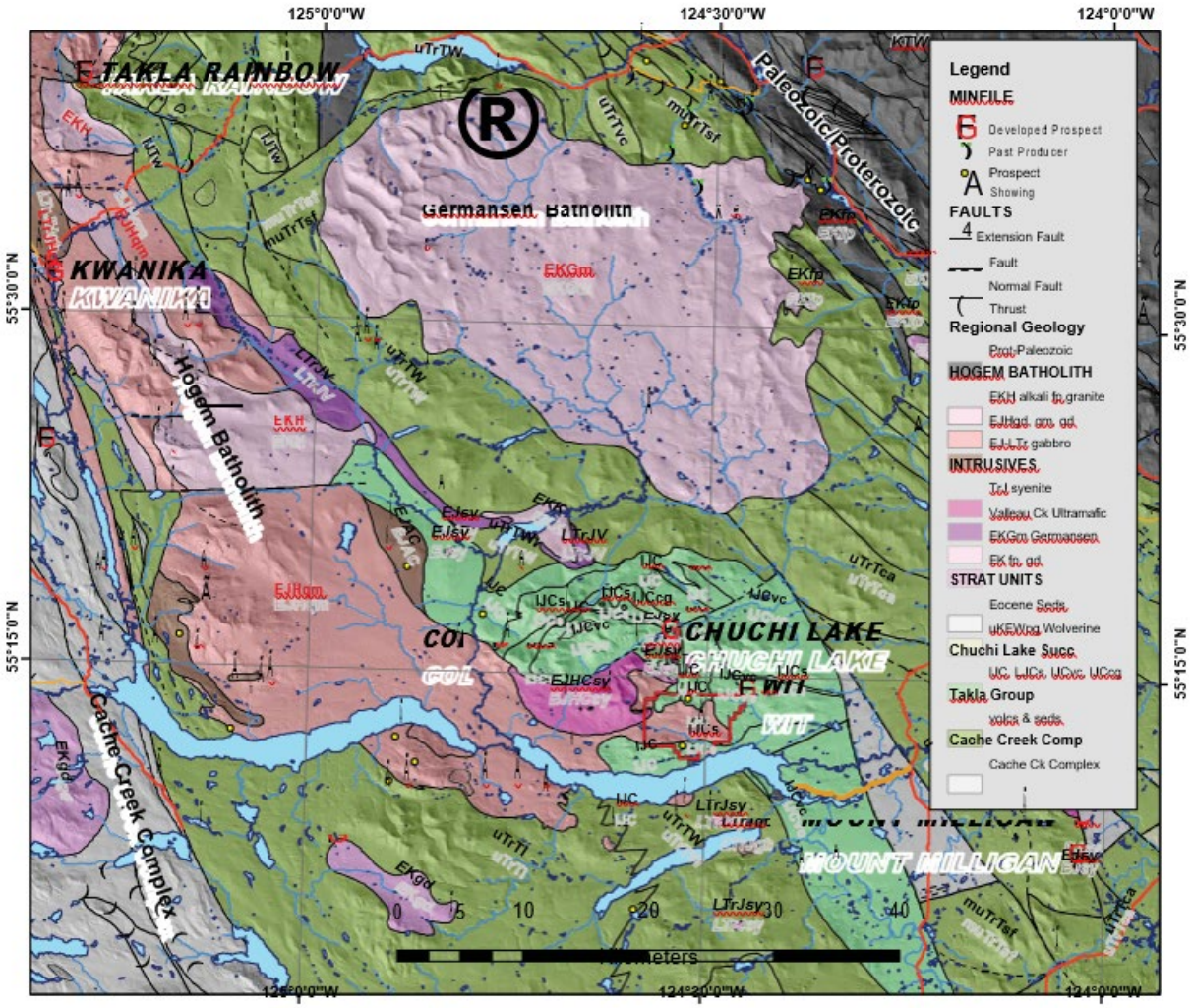



**Figure 20: Regional Geology: Hogem Batholith region**
Map shows main stratigraphic and intrusive units of the region subdivided into groups. Significant alkalic porphyry deposits at Kwanika, Takla-Rainbow, Col, Chuchi Lake, and the Mount Milligan Cu-Au Mine, are labelled. The Quesnel Terrane is truncated on both sides by major dextral faults, which juxtapose the Cache Creek oceanic crust terrane Complex on the west and the Slide Mountain oceanic crust and deformed continental crust on the east. The Hogem Batholith intrudes coeval volcanic strata of the Takla Group and defined younger volcanic successions. The Chuchi-South Property, Chuchi Lake deposit and Mount Milligan all lie at the southern tip of the Hogem batholith.
Map drawn from BCGS GIS files (downloaded from Mapplace) using ArcGIS 9.3 by the author November, 2020.
Figure is adapted from Logan et al. (2010) by the author in ArcGIS 9.3 November, 2020.

It is subdivided on the basis of modal mineralogy and phenocryst content into four groups: i) syenite, quartz syenite, alkali feldspar granite which cores the batholith in this area; ii) alkali gabbro - diorite, which underlies a significant part of the area north of Chuchi Lake; iii) K-feldspar monzonite, locally porphyritic, and surrounding the more syenitic core phase; and iv) monzodiorite, which surrounds, and may be a fractionated equivalent to the alkali gabbro-diorite. Probably the most important or key porphyritic textural rock types in relation to porphyry-type mineralization are the crowded feldspar porphyritic monzonites, which contain large, closely spaced, plagioclase phenocrysts. The plagioclase monzonite diorite porphyry rocks are further subdivided on the basis of the presence of significant (>2%) primary and or deuteric magnetite content. The magnetite-rich variety, characteristic of the MBX intrusion at the Mt Milligan Mine

and the core of the BP-Chuchi copper-gold system north of the Property, contains augite and biotite. Both plagioclase porphyries are believed to be hypabyssal, and genetically related to the compositionally identical plagioclase and augite porphyritic flows and breccias of the Chuchi Lake Succession described above. Nelson and Bellefontaine (1996) also describe distinctive augite-plagioclase porphyritic flows in a ridge south of the BP-Chuchi deposit in which the plagioclase crystals are up to 1 cm in length. The phenocrysts are commonly clusters or bundles of synneused (i.e. welded along common crystal faces) crystals resulting in a ragged termination of the phenocrysts. Blocky augite phenocrysts up to 8 mm across accompany the plagioclase megacrysts.

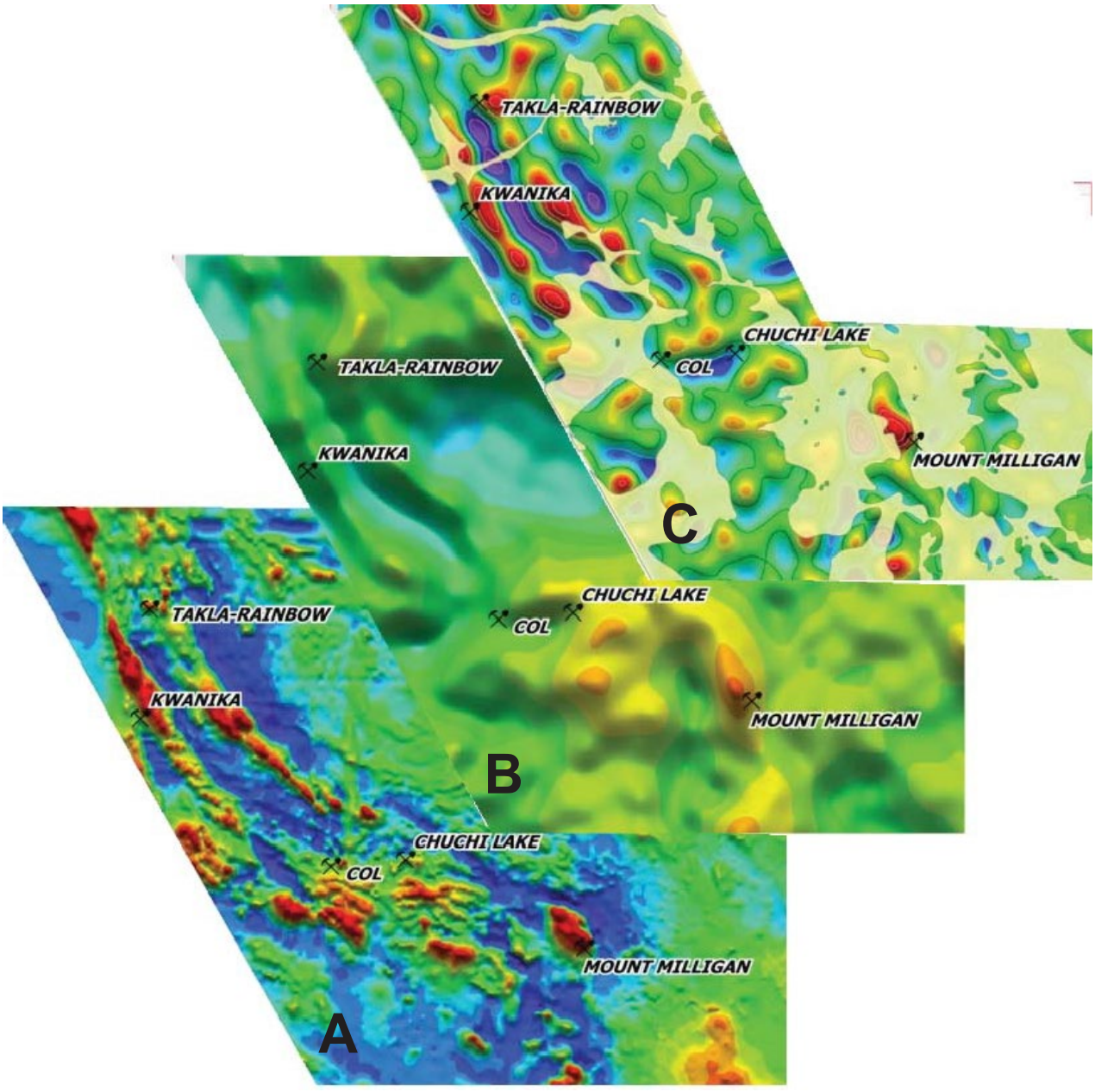



**Figure 21: Geoscience BC Quest Geophysics of the Quesnel Terrane: Nation Lakes Area**

Images from the Bedrock geology of the QUEST map area, Central BC (Logan et al., 2010) showing continuity of plutonic complexes under cover to the southeast of the Hogem Batholith towards Mount Milligan. A: NRCAN Total field Airborne Magnetics; B: Geoscience BC QUEST

Bouguer Gravity Image; C: Unconsolidated Quaternary till and gravel mantling Geoscience BC Second Vertical Derivative of the Bouguer Gravity Image.

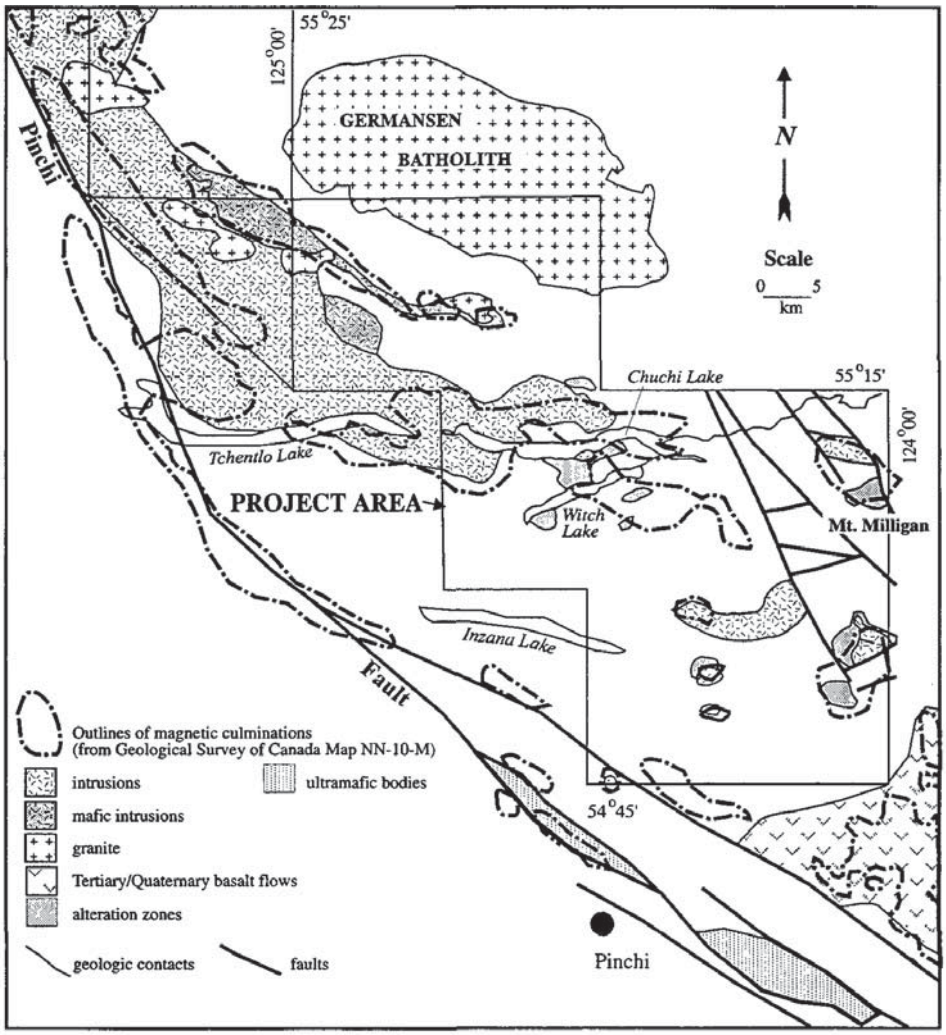



**Figure 22: The Nation Lake Porphyry Camp**
The project area noted on the map is the area mapped by Nelson and Bellefontaine (1996) in the period 1990 to 1993. That geological mapping project was a response to the increased exploration activity spurred by the discovery of Mt Milligan in an overburden covered area in 1987.

The full extent of the Hogem Batholith is obscured at its southern end by widespread and in places thick glacial tills, glaciofluvial and glaciolacustrine deposits. Airborne geophysical surveys under the auspices of the Geological Survey of Canada and Geoscience BC have covered the extent of the Quesnel terrane to help understand the intermittent clustering of porphyry deposits along it 1000 km length from Copper Mountain in the south to Kemess and Lorraine in the north (Logan et al., 2010). Airborne magnetometer was completed by the GSC and airborne gravity under the QUEST BC project funded by Geoscience BC in 2008. Sections of these surveys from the map publication by Logan et al. (2010) at their northern end are shown juxtaposed in Figure 20 to illustrate the inferred continuation of elements of the Hogem batholith under the Mount Milligan copper gold porphyry deposit, which lies some 32 kilometers SE of the Property.

Regionally the stratigraphy has 20° - 45° dips to the south. There are two notable exceptions: in the Chuchi deposit area to the northwest, dips are 30° - 50° to the east and southeast, and in the central Skook area to the south dips are 20° - 30° to the east. The east-trending dips may be attributed to the

emplacement of adjacent intrusions that postdate sediment deposition. Faults generally follow creeks or other physiographic linear features (Bilquist, 2019). The sense of displacement is usually difficult to discern due to the discontinuous nature of the volcanic and sedimentary stratigraphy.

### *Stratigraphic Units of the Nation Lakes Camp*

The Nation Lakes Camp includes the areas around the BP-Chuchi deposit, the Chuchi South Project and the Mt Milligan deposit. The original stratigraphic group defined for the region is the Upper Triassic Takla Group and is made up of dominantly volcanic strata and related reworked volcanics and sedimentary rocks. Nelson and Bellefontaine recognized several distinguishable and somewhat mappable volcanic sections or units, which had very similar sets of lithologies, but too much diversity between them to directly correlate under the requirements for strict formational status and not enough outcrop to map out facies changes between them. Instead they termed them, less formally, “Successions” under the names Slate Creek, Plughat Mountain, Inzana Lake, Chuchi Lake, Twin Creek, Witch Lake, Willy George, and Lay Range. Of these most were retained in the broad regional Takla Group except for the Chuchi Lake Succession and the Twin Creek Succession which they separated from the Upper Triassic Takla Group on the basis that they were seen to stratigraphically overly the other successions (the base of the Twin Creek succession overlies has a well-exposed unconformity on Upper Triassic volcanics) and by their demonstrably Lower Jurassic age fossils (Chuchi Lake Succession has Pliensbachian ammonites that are younger than the youngest known Takla Group in the region) and geochronological evidence. The Chuchi Lake Succession was demonstrated to overly the Witch Lake Succession south of Chuchi Lake and Nelson and Bellefontaine’s recognition of the close spatial relations of intrusive and extrusive units at Mount Milligan in stocks connecting to sills that grade into texturally recognizable extrusive pyroclastic units shows the importance of detailed geological mapping. The Chuchi Lake Succession underlies all of the ground in the vicinity of the Chuchi South Project and the description below is adapted from Nelson and Bellefontaine (1996):

### *Chuchi Lake Succession*

The Chuchi Lake succession defined in Figure 22, is named for excellent exposures on the north shore of Chuchi Lake where it is subdivided into map units lJC, lJCs, lJCvc, lJCag on Figures 20 and 24 (current BCGS digital map files). It also outcrops extensively in the mountains between Klawdetelle Creek and the Klawli River. Although some dark green, augite phyric basalt flows within it resemble the Triassic augite porphyries, as a whole the Chuchi Lake succession has a distinctive character. Unlike the underlying Witch Lake succession (uTrTW on Fig. 24), it is compositionally and texturally heterogeneous, with feldspar-phyric volcanic lithologies predominant. In further contrast, it shows evidence of deposition in a partly subareal environment: maroon colours and large, irregular amygdules are common and lahars form part of the section. One such lahar in a roadside exposure north of the east end of Chuchi Lake is a grey-green to maroon, highly heterolithic, but plagioclase-dominated, matrix-supported volcanic conglomerate breccia. It directly overlies a thin volcanic sandstone bed that contains abundant wood fragments on bedding planes, further evidence of near-shore deposition. Black, remnant cores of carbonaceous material with reaction rims denote wood fragments caught up in the hot lahar along with brachiopods that show it was deposited in a shallow marine setting.

The Chuchi Lake succession includes heterolithic volcanic agglomerates and lapilli tuffs, plagioclase and plagioclase augite-phyric latites and andesites, lesser augite (minor olivine) - phyric basalts and trachytes. Internal facies variations from flow to fragmental occur within individual eruptive units. Local flow packages show consistency in rock textures and even in the shapes of phenocrysts. They grade laterally into heterolithic agglomerates and lahars, which represent much broader textural and compositional parentage. Flows are especially prominent from the north shore of Chuchi Lake to Klawdatelle Creek and northwestwards towards ‘Adade Yus Mountain.

Considerable overall facies variation is characteristic. A sedimentary marker horizon, unit lJCs on Figures 20 and 24, provides a convenient reference line 20 kilometres long. This marker horizon dips moderately south and extends northwestwards from the roadside lahar exposure discussed above through the BP-Chuchi alteration halo, where sediments outcrop minimally but are intersected in many drill holes. North

of Klawdetelle Creek, the sediment horizon is exposed in the cirques of ‘Adade Yus Mountain, where it dips gently south and strikes nearly east-west with an estimated thickness of 250 metres. It pinches out into volcanic flows toward the west.

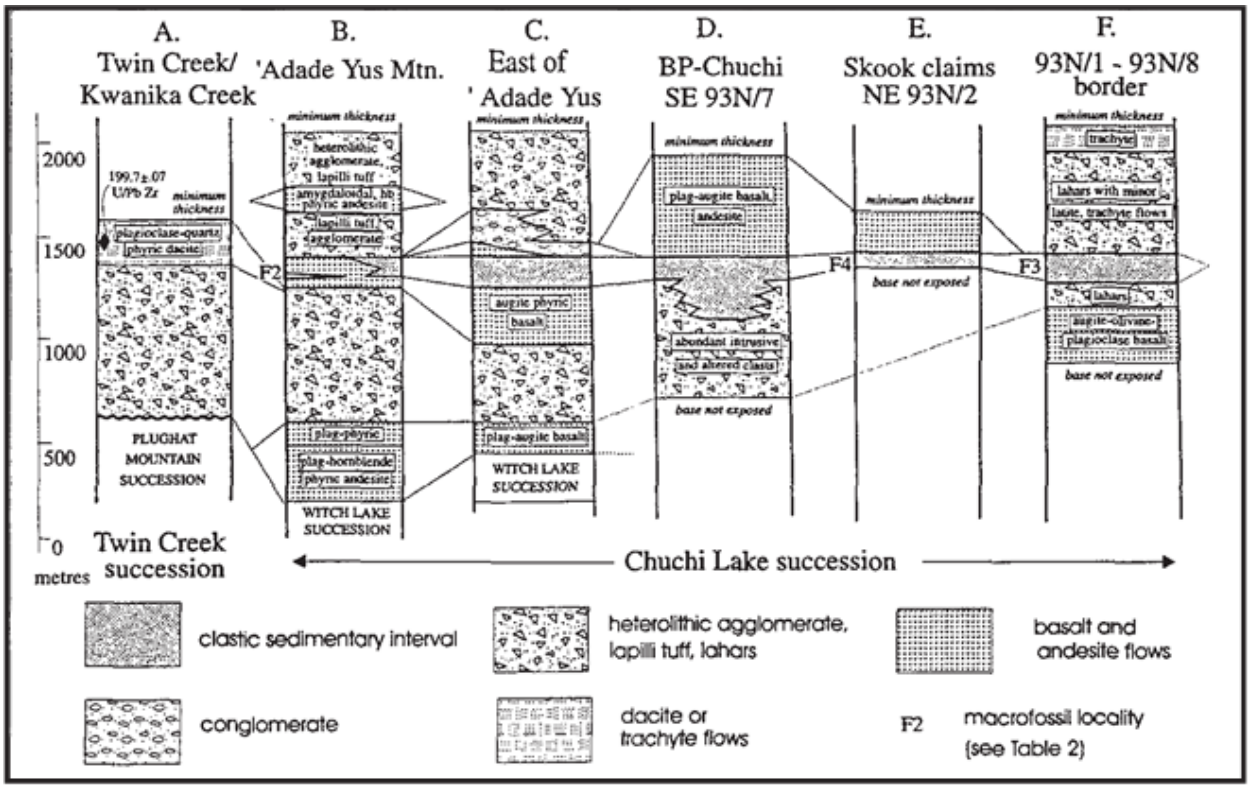



**Figure 23: Stratigraphic Columns for the Nation Lakes Camp**
The diagram is from Figure 5 in Nelson and Bellefontaine, (1996). Columns D and E represent the Chuchi South Project.

The sediments include brown-weathering sandstone, siltstone, dark grey shale and variable amounts of cherty, pale green dust tuff. The external relationships of the sedimentary marker illustrate the petrologic and lithologic variability of the Chuchi Lake succession shown by the stratigraphic columns on Figure 23. On ‘Adade Yus Mountain, a lower sedimentary interval, 10 metres thick, is interbedded with green and maroon amygdaloidal clinopyroxene - plagioclase-phyric and aphanitic basalt flows 150 metres below the main sedimentary unit. The major interval of sediments is overlain by heterolithic agglomerates with plagioclase -augite, augite+plagioclase, plagioclase + acicular hornblende porphyry clasts and locally altered and pyritized monzonite fragments. This unit is indistinguishable from the heterolithic agglomerate that lies below the sediments. East of ‘Adade Yus Mountain (a 1900 meter peak 10 km N of the west end of Chuchi Lake, Fig. 20), the sediments contain abundant fine-grained tuff and overlie a green porphyritic agglomeratic flow unit with plagioclase laths, up to 1 centimetre in size, and lesser augite. The sediments coarsen upwards into thick sandstone beds with abundant rip-up clasts of shale. These are overlain by pebbly grit and conglomerate with clasts of pink glassy flow-banded trachyte, welded trachytic tuff, quartz-jasper veins, subvolcanic intrusions and strongly epidotized volcanic rocks which represent both local and exotic source rocks. These conglomerates are overlain by heterolithic agglomerate.

East of the “elbow” in Chuchi Lake (Fig. 24), the sedimentary interval IJCs lies between identical heterolithic lahars. This package overlies an augite-olivine phyric basalt flow that outcrops on the prominent ridge along the southern border of NTS 93N/08, just north of the mapped area. The basalt may correlative with the flows below the sediments on ‘Adade Yus Mountain. On the BP-Chuchi property, the sediment package overlies and also interfingers with heterolithic agglomerates and lapilli tuffs that contain abundant crowded porphyry intrusive clasts. As well, it is intruded by crowded monzonite porphyry. Textures indicative of intrusion into soft sediments are seen in drill core: these are discussed further in the

property description. The age of the monzonite at BP-Chuchi is 188.5+2.5 Ma by uranium-lead dating of zircons (Mortenson et al. 1993).

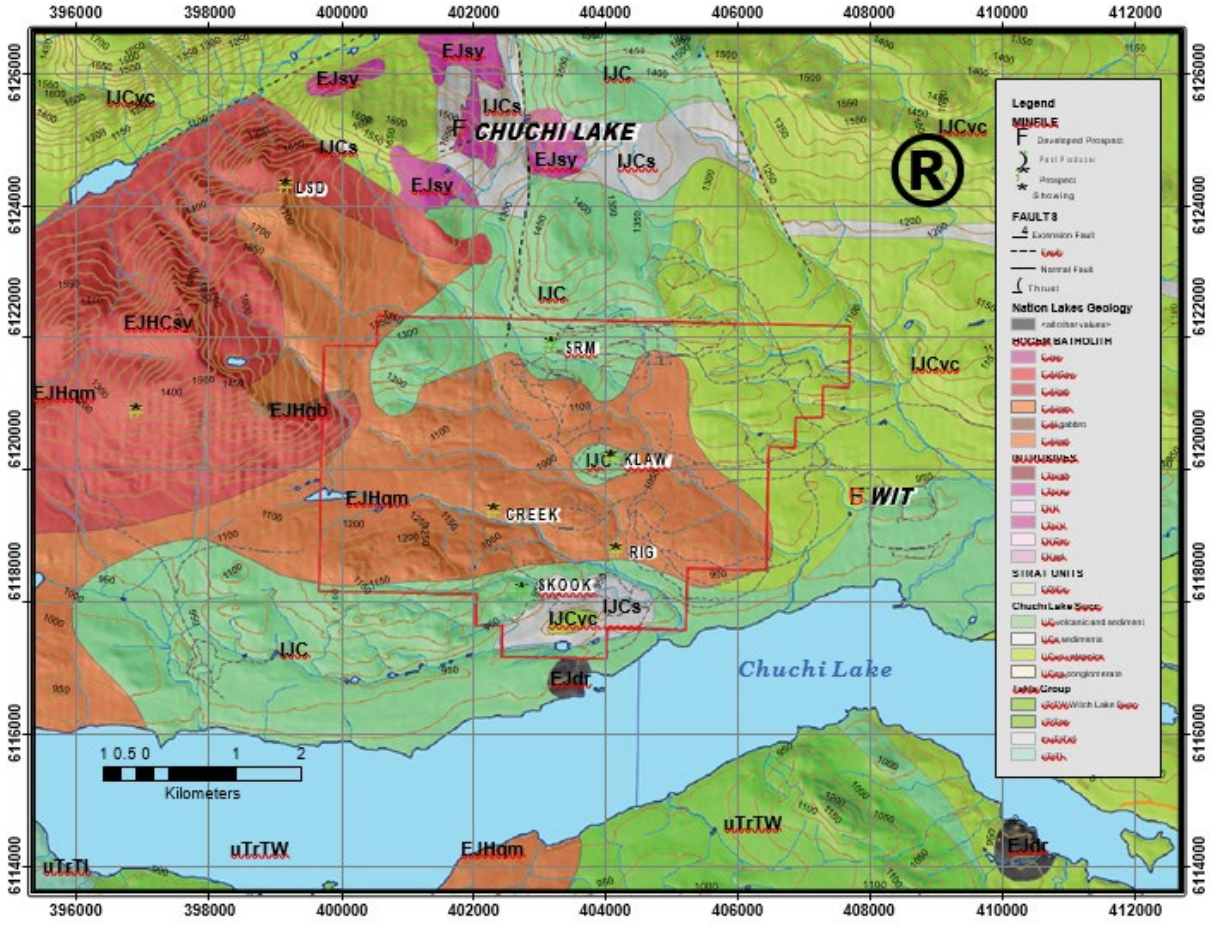



**Figure 24: Geology of the Chuchi South area**
Minfile showings and developed prospects in the vicinity of the Property are labelled with names referred to in this report. Geological information is from GIS files downloaded from BC Government websites. Unit labels are described in the text. Drawn by the author December, 2020, using BC Geological Survey GIS data for geology.

The sedimentary interval is capped by a distinctive suite of plagiclase and augite-phyric intermediate flows with large phenocrysts. The flow unit continues south, interrupted by an apophysis of the Hogem batholith, to the Skook claims. There volcanic flows overlie an inlier of the marker horizon, consisting of sandstones, siltstones and white weathering cherty tuffs with limy nodules.

The Chuchi Lake succession (units lJC, lJCs, lJCvc, lJCag on Fig. 24) overlies the Witch Lake succession (uTrTW) south of Chuchi Lake, along a northwesterly trending, unexposed contact that parallels the regional strike (Fig. 20). Maroon, large-plagioclase phyric latite outcrops on the south shore of the lake and in the lower canyon of the Witch Lake outlet creek. Farther south, heterolithic, green to slightly maroon agglomerate and lapilli tuff are assigned to the Chuchi Lake succession.

The total thickness of the Chuchi Lake succession north of Chuchi Lake is about 1650 metres (Fig. 23). Its top is

**Figure 25: Crowded feldspar porphyritic shoshonite**
From outcrop at the eastern edge of the Property

eroded and its basal contact is only exposed on one ridge 5 kilometres north of Klawdatelle Lake (Fig. 24) There, augite-porphyry lapilli tuffs pass upwards, apparently in a transitional contact, into dull maroon, heterolithic plagioclase -augite phyric agglomerates. At this locality there is no suggestion of unconformable relationships between the two successions. However, between western Chuchi and Witch lakes, a few outcrops of maroon plagioclase porphyritic flows and fragmentals occur within an area otherwise underlain by dark green augite porphyritic agglomerates and volcanic sediments of the Witch Lake succession. The maroon rocks are archetypical of the Chuchi Lake succession (Fig. 25 and 26) and may represent its base. If this interpretation is correct, then the base of the Chuchi Lake succession here is morphologically irregular and lithologically abrupt and thus may be a unconformity. This interpretation agrees with the clearer basal contact relations of the Twin Creek succession to the north.

The sources of Chuchi Lake pyroclastic and flow deposits were evidently large magma chambers in which considerable differentiation occurred. Mafic to felsic, and alkalic to subalkalic lithologies are intermixed, with no clear stratigraphic evolution from one to the other. The plagioclase (-augite-hornblende) porphyries contain from 70 to 80% plagioclase and from zero to 15% matrix potassium feldspar. They range from andesites and dacites to latites. The flows between Chuchi Lake and the BP-Chuchi property contain large, isolated plagioclase phenocrysts. They are interbedded with large-augite -phyric basalts. By contrast, clasts in the lahars tend to be more crowded with smaller plagioclase phenocrysts: their textures most resemble the high-level intrusions. Perhaps the intrusions and the lahars were associated with more explosive volcanic events.

The most felsic flow and fragmental units occur in the uppermost exposed part of the Chuchi Lake succession east of the “elbow” in Chuchi Lake. Dark maroon felsic latite to trachyte flows, some plagioclase phyric and others very fine grained to nearly glassy, contain a high percentage of matrix potassium feldspar and large, irregular, amygdules partly filled with calcite and albite. A single large- plagioclase intrusion and flow unit, with individual phenocrysts averaging several centimetres long, is exposed north of Chuchi Lake. Although megacrystic intrusions are fairly common near Heidi Lake and elsewhere, this is the only documented volcanic occurrence of megacrystic feldspar porphyry in the map area. Farther north and down-section, a partly welded trachyte tuff-breccia, unique in the map area, is cut off by the Hogem batholith. It contains a few clasts of coarse grained syenite.

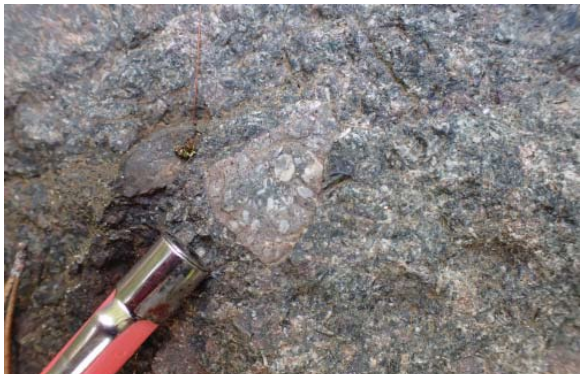


**Figure 26: Chuchi Lake Succession**
Crystal Lithic tuff at the eastern boundary of the Property.

Hornblende porphyry with acicular phenocrysts occurs as clasts in polymictic breccias at the base of the Chuchi Lake succession between Witch and Kutcho Lakes, and also up-section north of Chuchi Lake. This textural variant is also seen in dykes. In some exposures the acicular hornblende porphyries, whether dykes or clasts in fragmental deposits, contain small inclusions of hornblendite, clinopyroxenite (strongly actinolitized), and amphibolite.

Three collections of ammonites and two collections of brachiopods were made from the sedimentary marker unit in the Chuchi Lake succession by Nelson and Bellefontaine (1996). The ammonites were identified by Howard Tipper of the Geological Survey of Canada as Early Pliensbachian and Late Pliensbachian from 3 different sites in the area, and probably equivalent to each other indicating that the intravolcanic sedimentary marker is Pliensbachian. The volcanic rocks above it represents the youngest volcanism in Quesnellia so far documented (late Pliensbachian or possibly younger). The monzonite intrusion on the BP-Chuchi property appears to have intruded the sedimentary interval prior to lithification. Its age, 188.5 ± 2.5 Ma. provides a possible absolute date on the Pliensbachian.

**Igneous Intrusive Units of the Chuchi Lake Area and the Nation Lakes Camp**

The Takla Group (Fig. 20 of the Technical Report) and associated Lower Jurassic volcanic units, including the Chuchi Lake Succession (Figs. 20 and 24), in the region extend south from the main exposure of the Hogem Batholith and are cut by a myriad of igneous intrusions ranging in size from metre-wide dykes to composite bodies of more than 10 square kilometers in extent. The intrusions are largely recognized as sources of the mafic to felsic volcanics of the Chuchi Lake Succession (Nelson and Bellefontaine, 1996). The intrusions are extremely variable in composition, texture and size, but are predominantly alkalic in the range of monzonites and monzodiorites. Textures range from sparsely porphyritic with large phenocrysts to the “crowded porphyries”, a texture that has been linked to alkalicsuite porphyry copper-gold systems throughout British Columbia.

The main compositional subdivisions of the intrusive igneous units have been mapped, geochemically and petrographically analysed, and described by Nelson and Bellefontaine (1996) and their definitions and descriptions from the Chuchi Lake area are adapted in sections 0 to below. Geographic references in the original descriptions are located on maps in this report where known, or on OF1992-04 map from Nelson et al. (1992), but some unknown references have been removed. Property names referred to by Nelson and Bellefontaine (1996) are dated to the 1990s, and many no longer exist.

***Syenite:***

Coarse-grained, equigranular syenites contain sparse to moderately abundant 5 to 8 mm plagioclase phenocrysts in an interlocking mafic-poor matrix of orthoclase and plagioclase. They form small intrusions west of Dem Lake (30 km south of the Property), within the Dem alteration halo, and 6 kilometres south of Witch Lake (Fig. 20). They are also found as inclusions in a welded trachyte tuff breccia of the Chuchi Lake succession. In one dyke south of Witch Lake, large, centimetre-sized, tabular white plagioclase and pink orthoclase phenocrysts occur in a felsic matrix. North of Heidi Lake (in the Mt Milligan area (see Figs. 20 and 36), orthoclase megacrysts are present in a dyke which occurs in a swarm with sparsely porphyritic monzonites and latites. This dyke is late in the intrusive sequence. Dykes of similar texture and composition post-date mineralization in the MBX stock (Fig. 36), as observed in core.

***Monzonite:***

In general, coarse-grained monzonite is restricted to the Hogem intrusive suite, the intrusion on Mount Milligan (Fig. 36) and the Max pluton, where it underlies extensive areas and commonly grades in to more mafic compositions. A very small plug or dyke of equigranular, medium-grained, grey-green hornblende monzonite is exposed 3.5 kilometres southeast of ‘Adade Yus Mountain (4 km south of Klawdetelle Lake west edge Fig. 24).

***Crowded Plagioclase Porphyritic Monzonite:***

This lithology is key to porphyry copper-gold deposits in the Nation Lakes area, as it is throughout Quesnellia (Nelson and Bellefontaine, 1996). It makes up the MBX and Southern Star stocks at the Mt. Milligan deposit (Fig. 36) and is also seen north of Heidi Lake, at BP-Chuchi, the Tas (37 km SSE of the Property), and in the Witch alteration halo south of Chuchi Lake. Farther north, a small, pink, crowded plagioclase-acicular hornblende porphyritic monzonite crops out in a glacial gully 4 kilometres north of Klawdetelle Lake (Fig. 24). Its margins are composed of intrusive breccias with clasts of monzonite and volcanic lithologies. In general the crowded porphyritic monzonites are quite felsic and poor in mafic minerals. Plagioclase phenocrysts 1 to 2 mms in size predominate, loosely touching each other to create a fine grained intrusive texture in hand sample. Hornblende, clinopyroxene and biotite may also be present. The MBX and Southern Star stocks (Fig. 36) and the intrusion on the BP-Chuchi property are plagioclase-biotite-augite porphyries. These are the only instances of phenocrystic biotite in crowded porphyritic monzonite in the area. The fine grained interstitial groundmass is mostly plagioclase and potassium feldspar, with minor quartz, some of which may be secondary. Texturally, these rocks are transitional between intrusive and extrusive. In thin section they strongly resemble some extrusive latite

clasts that make up pyroclastic units in the Chuchi Lake and Twin Creek successions, although none of these contain biotite.

Several U-Pb, zircon ages have been obtained from the from the crowded-porphyritic monzonites to monzodiorites. One is 204.2 ±2.9 Ma or earliest Jurassic, coeval with the oldest potassium-argon ages of the Hogem intrusive suite and with the Triassic-Jurassic hiatus shown by the unconformity near Twin Creek. The intrusion at BP-Chuchi was dated in this study at l88.5 ± 2.5 Ma by U-Pb titanite. Geologic relations, discussed in the BP-Chuchi property description, suggest that it was intruded during the late Pleinsbachian intravolcanic sedimentary interval, which represents a volcanic lull during the accumulation of the Chuchi Lake succession. Uranium-lead zircon ages from the Heidi Lake suite at the Mt. Milligan deposit (Fig. 36) are 189, 183. and 182.5 Ma, with the oldest age from near Heidi Lake and the younger ones from the North Slope and the Southern Star stock (Mortensen et al., 1995). A U-Pb age from rutile in the Rainbow dyke obtained by Nelson and Bellefontaine (1996), 182 ±4 Ma agrees with the younger ages of Mortensen et al. (1995). The youngest ages from the Heidi Lake suite provide a reasonable limit to Quesnel arc plutonism and are younger than any known Chuchi Lake succession volcanism.

***Sparsely Porphyritic Latite:***

Plagioclase hornblende and\or clinopyroxene porphyritic latite occurs mainly as dykes. Small, elongate plagioclase phenocrysts with subordinate hornblende and or clinopyroxene are sparse in a very fine grained, pale greenish groundmass that consists of plagioclase, potassium feldspar, and mafic minerals. Many such dykes occur south of Heidi lake on the western fringes of the Mt. Milligan deposit (Fig. 36). They have also been mapped near Mitzi Lake, north and south of Chuchi lake. They occur either as isolated bodies or as parts of larger intrusive suites. The composition, mineralogy and texture of these intrusive rocks are comparable to some of the extrusive plagioclase-phyric latites within the Witch Lake and Chuchi Lake successions and may be feeders to these more evolved volcanic flows.

Acicular hornblende+plagioclase porphyritic latite is highly distinctive intrusive type, which contains abundant needle-like hornblende crystals between 5 mm and 1 cm long. More irregular or blocky hornblendes may also be present, as well as xenoliths of hornblendite and amphibolite. The groundmass consists of plagioclase, orthoclase and smaller hornblende and augite crystals. Dykes of this lithology occur immediately west and south of the Mt. Milligan deposit (Fig. 36), near Mitzi Lake, and south of Chuchi Lake (Fig.14). Their composition, mineralogy and texture are comparable to extrusive hornblende porphyries near Rainbow Creek and along the outlet of Witch Lake (Fig.20). A few true andesite (potassium feldspar free) dykes have an identical field character to these hornblende latites and can only be distinguished by feldspar staining.

***Diorite-Monzodiorite:***

Coarse-grained diorites intrude the Inzana Lake (Fig. 20 & 22) succession north of Benoit Lakes and on the Tas claims (37 km SSE of the Property). The Tas pluton is unusual for the Early Jurassic suite in that it is generally orthoclase poor, mostly diorite to granodiorite, although syenite with large orthoclase phenocrysts is also present. Crowded plagioclase porphyritic diorite occurs on top of the hill on the Tas property, south of Chuchi Lake, and in a dyke north of Chuchi Lake that cuts the Chuchi lake succession. On the Tas, plagioclase-hornblende porphyry intrudes earlier, blocky hornblende phyric andesite dykes. South of Chuchi Lake, the crowded porphyritic diorite shows intrusive-breccia and shattered textures in thin section. Megacrystic plagioclase (+augite) porphyritic diorite is restricted to the Kalder pluton. Large, pale greenish plagioclase phenocrysts over a centimetre in size, and much smaller blocky augites, occur in a fairly dark green, very line grained groundmass. The groundmass contains plagioclase and secondary actinolite needles.

***Sparsely Porphyritic Andesite:***

A swarm of hornblende porphyritic andesite dykes is exposed on the hill at the centre of the Tas property. Well-formed blocky hornblende phenocrysts, roughly 5 mms in length, and smaller plagioclase crystals are sparse to abundant in a dark green, nearly aphanitic groundmass of plagioclase and hornblende.

Scattered examples of these “Tas” dykes are seen as far west as Inzana Lake (Fig. 22; 10 km S of the west end of Witch Lake). A swarm of large- hornblende porphyritic dykes occurs south of Witch Lake. ‘The large blocky hornblende crystals in these dykes are strongly reminiscent of the dykes on the Tas property.

***Gabbro:***

Coarse-grained hornblende-rich gabbros form a small part of the intrusive suite on Mount Milligan. A small coarse grained augite biotite magnetite gabbro body is exposed near the northwestern corner of NTS 93N/l. Its composition ranges from monzodiorite to hornblendite over a few metres; it varies in texture from an intrusive breccia to hornblende pegmatite. The gabbro and hornblendite clasts that occur as xenoliths in the Tas crowded porphyries and in intrusive and extrusive acicular hornblende - biotite porphyries may well have been derived from such a source.

***Sparsely porphyritic basalt:***

Clinopyroxene phyric basalt dykes and plugs, the intrusive equivalents of the Witch Lake augite porphyries are rare and small, but are notable in occurrences north of Heidi Lake.

***Ultramafites:***

Coarse-grained hornblendite and clinopyroxenite are most common as small pods enclosed in diorite, part of the Valleau Creek intrusive suite. They also occur in widespread localities as inclusions in volcanic clasts and in hypabyssal intrusions (see discussion following). Three instances of coarse-grained biotite-bearing clinopyroxenite were noted in the project area. Two are isolated dykes: one on the Tas property (NTS093W16) and one in the northwestern corner of NTS 93N-11.

***Geochemistry of the Igneous Rocks***

The igneous geochemistry of the Takla Group, Chuchi Succession, the Hogem batholith and many of the numerous Early Jurassic intrusion in the area is dominantly alkalic, or using volcanic parlance belonging to the shoshonitic association. The high K2O and K2O/Na2O characteristic of shoshonites is caused by lower degrees of partial melting of mantle peridotite enriched by fluids from the subducted slab than for calc-alkaline melts. The high K2O suppresses the early crystallization of hornblende (Loucks, 2014) by reactions such as:

1) $NaCa_2(Mg_4Al)(Al_2Si_6)O_{22}(OH)_2 + SiO_2(m) + KAlSi_3O_8(m)$ ► Ca + Na plagioclase + augite+biotite

2) $NaCa_2(Fe_4^{2+}Fe^{3+})(Al_2Si_6)O_{22}(OH)_2 + 0.5\ Fe_2Si_2O_6(m) + KAlSi_3\ O_8\ (m)$ ► Ca + Na plag + magnetite + augite + biotite

The effect of this geochemistry is to produce the characteristic modal mineralogy of many of the rocks see in the Nation Lakes Camp. Augite, biotite and magnetite are common phenocryst phases in the basaltic and andesitic members, which should instead be termed absarokites and shoshonites, respectively. Hornblende phenocrysts are not uncommon, but augite typically appears first. Pressure (P), Temperature (T) and $\mathit{f}H2O$ have significant effects on the order of phenocryst crystallization as explained in Figure 28. In the matrix of the mafic volcanics, potassium feldspar is common according to the petrographic observation of Nelson and Bellefontaine (1996). In the author’s experience studying shoshonites of the Altiplano of southern Peru, the potassium feldspar is sanidine, and often contains skeletal apatite crystals.

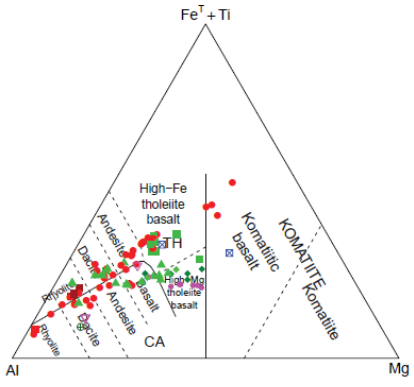



**Figure 27: Jensen Cation plot of the Nation Lakes Camp Igneous Rocks**
Red symbols are intrusives; green and purple, volcanics. Drawn in GCDkit 4.1.

Nelson and Bellefontaine (1996) collected a large suite of volcanic and intrusive samples from 3 main areas in the Nation Lakes Camp including around Mt Milligan and Chuchi Lake Fig. 22). They were very careful in selecting rocks that did not have significant alteration and in particular, any trace of potassic alteration. All of the potassium feldspars were primary igneous crystals and therefore the K2O present was attributed to original igneous compositions and contained in potassium feldspars and biotite (J.L. Nelson, pers. comm., Dec, 2020). They analysed the suite for major and trace elements and some plots of the data are presented below to document the nature of the shoshonitic geochemistry. Rare Earth Elements ("**REEs**") were not analyzed by Nelson and Bellefontaine (1996). A similar study was undertaken by Barrie (1993) examining the shoshonitic petrochemistry of the Chuchi Lake and Mt Milligan areas. He analysed whole rock compositions including REEs, but his samples were collected to test the potential of alteration indexes using K2O/ Sr ratios and the relative enrichment of LREEs vs HREEs and enrichment or depletion of high field strength elements and would have to be examined separately to characterize initial shoshonitic petrochemistry. Barrie (1990) concluded that the ratio K2O*100/Sr shifted above 1 when significant potassic alteration was present in a the shoshonitic rock from the area.

The Jenson cation ternary diagram (Fig. 27) shows that the suite is generally coherent and representing a fractionation series from high Mg basalts to felsic rocks in both the volcanic and intrusive samples.

The standard classification diagram for plutonic rock, the Total Alkali Silica, "**TAS**" diagram Middlemost (1994) (Fig. 30) shows a similar coherent fractionation trend throughout the igneous suite with compositions of plutonic rocks overlapping those of volcanics. The fractionation trend evolves from gabbros through the silica saturated alkaline line of monzogabbros, monzodiorites, monzonites to syenites.

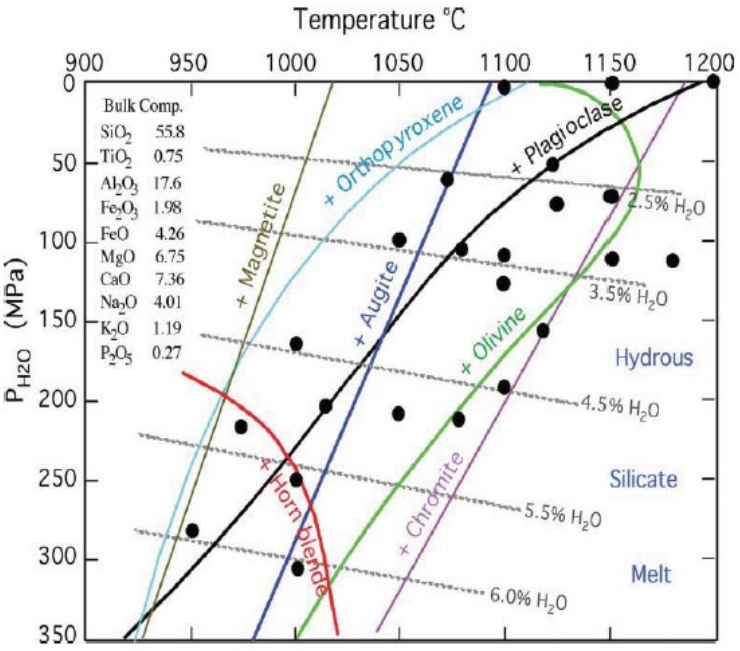



**Figure 28: P-T *f*H2O effect on phenocryst mineralogy (Loucks, 2014)**
Varying the wt% H2O dissolved in the silicate melt strongly affects the order of mineral crystallization from the melt—and consequently the relative rates of depletion or accumulation of various trace elements in the melt—as illustrated by this map of phase assemblages in a series of experiments on a basaltic-andesite arc magma of the composition shown in the inset. Each black dot represents an experiment in which the crystallizing mineral assemblage was identified, and the melt's content of dissolved H2O (dotted grey contours) was determined from the composition of the quenched glass. At PH2O ¼ 0 (dry), the crystallization order of silicates from the cooling melt is plagioclase first, followed by olivine, orthopyroxene and then augite. At PH2O >350 MPa and > 6.5 wt% H2O dissolved in the melt, plagioclase is the last of those silicates to crystallize, and hornblende is first. Saturation curves for magnetite and orthopyroxene in the hydrous melts are based on lower- temperature experiments.

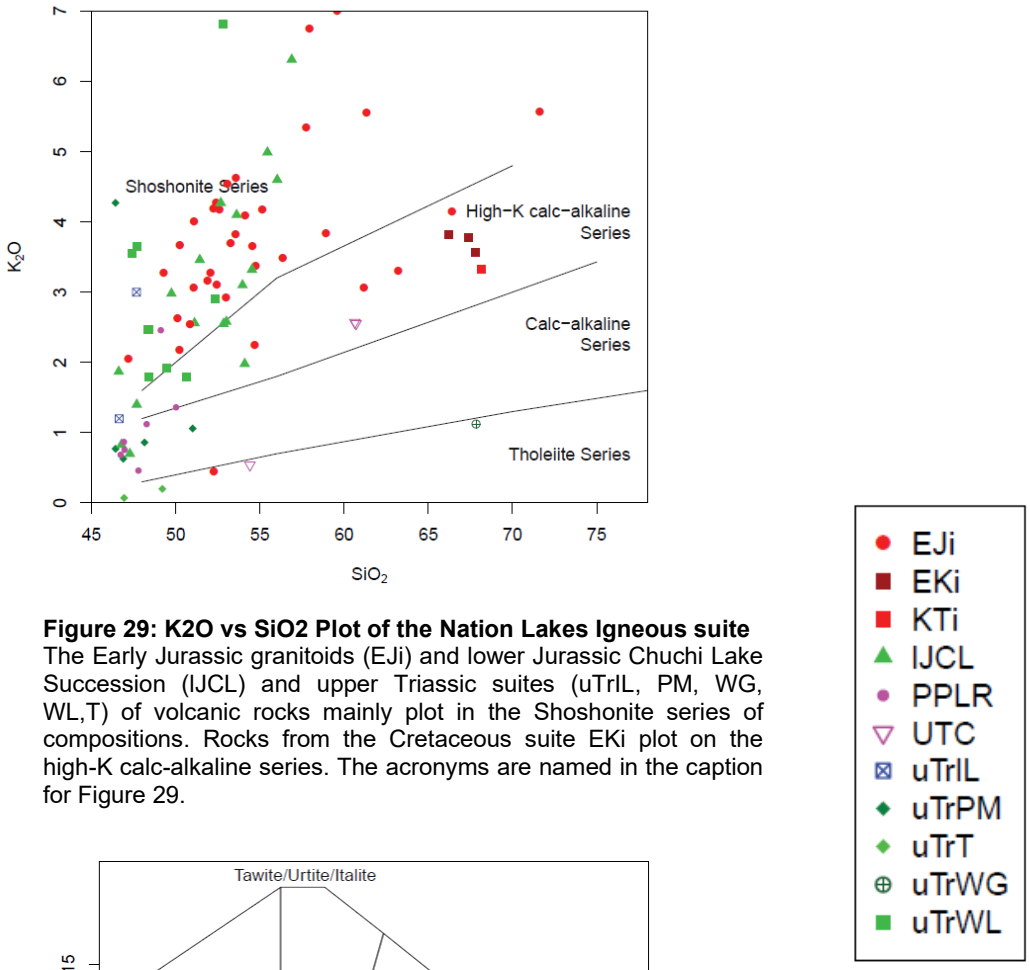



**Figure 29: K2O vs SiO2 Plot of the Nation Lakes Igneous suite**
The Early Jurassic granitoids (EJi) and lower Jurassic Chuchi Lake Succession (IJCL) and upper Triassic suites (uTrIL, PM, WG, WL,T) of volcanic rocks mainly plot in the Shoshonite series of compositions. Rocks from the Cretaceous suite EKi plot on the high-K calc-alkaline series. The acronyms are named in the caption for Figure 29.

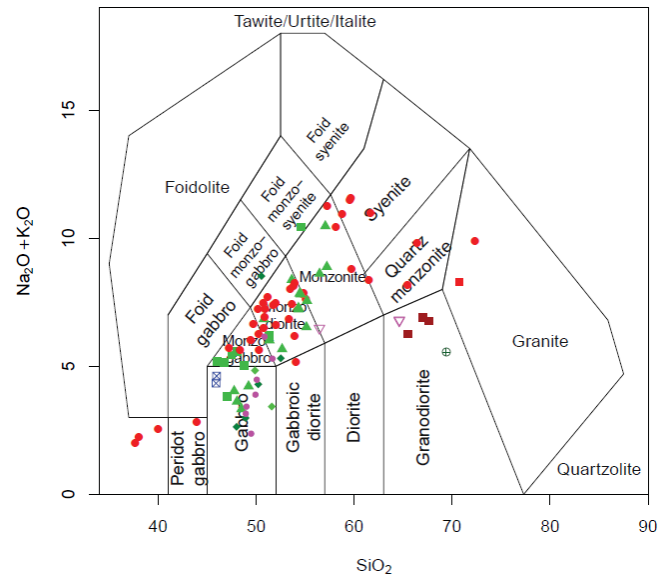



**Figure 30: TAS plot of the Nation Lakes Igneous suite**
EJi, EKi and KTi are igneous intrusions. The remainder are lower Jurassic (IJCL= Chuchi Lake Succession) and upper Triassic volcanic strata (e.g. uTrWL= Witch Lake succession). A fairly coherent igneous fractionation trend is shown from gabbros through monzogabbro. monzodiorite, monzonite and syenite. Cretaceous (EKi) and Tertiary (KTi) rocks are from different magma suites. Drawn in GCDkit 4.1 by the author, Dec, 2020. (Janousek et al. 2006).

The definitive classification diagram for the igneous spectrum is the K2O-SiO2 diagram of Peccerillo and Taylor (1976) (Fig. 29) on which the Triassic and Jurassic rocks convincingly plot in the Shoshonite Series. This diagram shows the fractionation trend of K2O and other major elements are shown on an array of similar diagrams in Figure 31 ( the Harker diagram), which show compatible and incompatible fractionation trends typical of igneous suites showing the early extraction of Mg, Fe, Ti and Ca into crystallizing minerals such as olivine, pyroxenes and titanomagnetite resulting in negative slopes on the corresponding diagrams. Incompatible elements such as K and Na show positive sloping trends while P and Al show more complex crystallization trends. Binary plots of P2O5 versus TiO2 are useful for distinguishing different igneous suites within a region as in Figure 32 where rocks from the Lay Range (PPLR) Cretaceous granitoids (EKi) stand apart in tight clusters signifying different parental magmas.

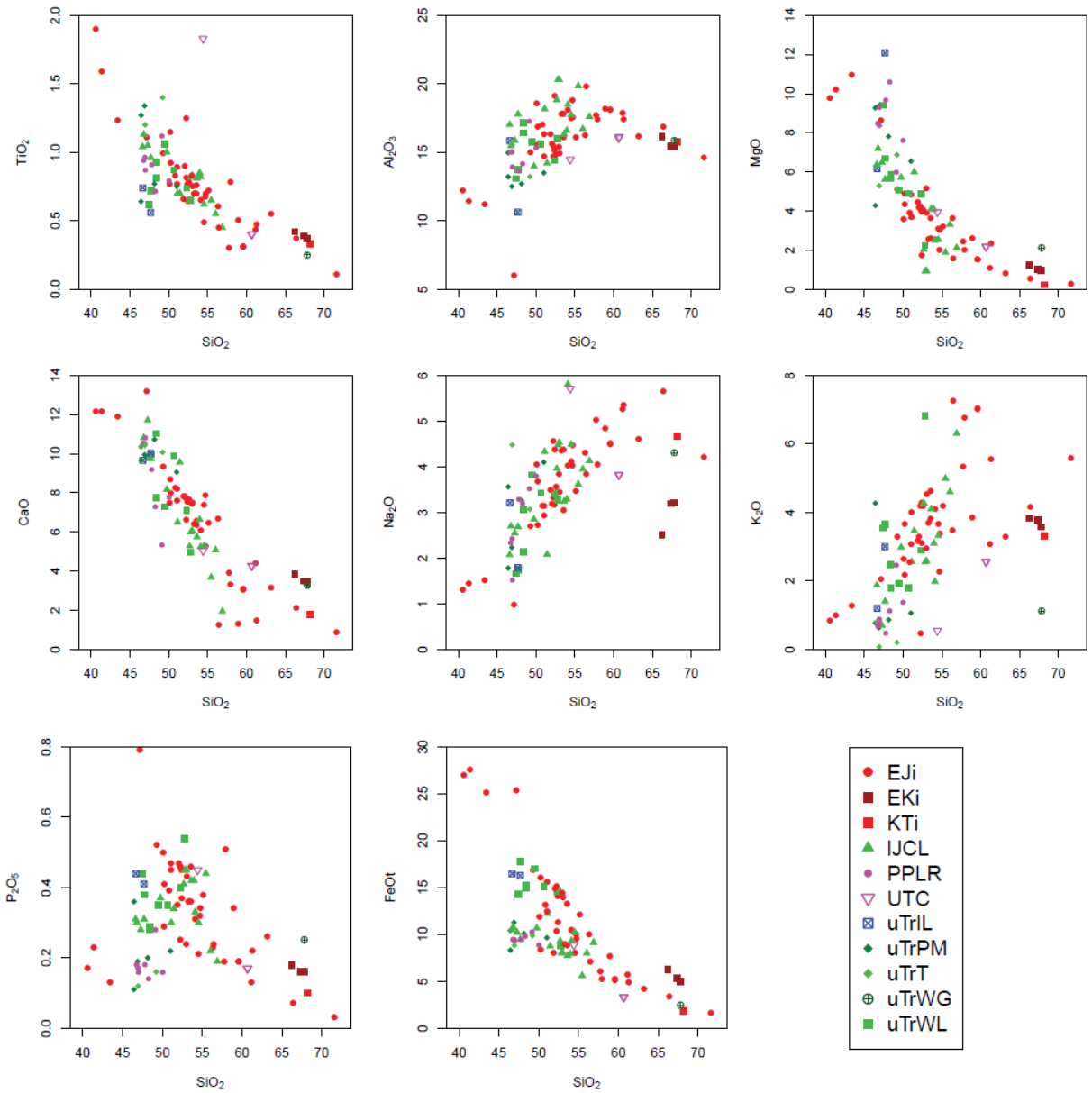



**Figure 31: Harker Diagrams for the Nation Lakes Igneous rocks**
Major oxides plotted against SiO2, which serves as a fractionation index show compatible (MgO, FeO, CaO) and incompatible (Na2O) behaviour. Acronyms in the legend are named in Fig. 28.

Differentiating between potentially ore producing magmas and unproductive ones in volcanic arcs has been attempted by compositional discrimination based on theories around crystallization processes. Loucks (2014) compiled a global reference suite of unaltered granitoid compositions associated with major porphyry copper and copper-gold ore deposits and compared them with barren granitoids from major volcanic arc segments. Hydrated magmas are postulated to be the most productive, but they cannot be identified readily by any direct analysis of volatile/H2O content in the crystalline rocks. Instead various ratios that proxy for high volatile content are attempted. Loucks presented diagrams plotting the ratios of Al2O3/TiO2, Sr/Y and V/ Sc against the common fractionation index SiO2 and found that the field of productive magmas were distinguishable. The Al2O3/TiO2 vs SiO2 diagram of Loucks (2014) is shown in Figure 33 overlaid by compositional points for intrusions and volcanics of the Nation Lakes Camp. Many of the more evolved Jurassic intrusions plot well within the field of productive granitoids.

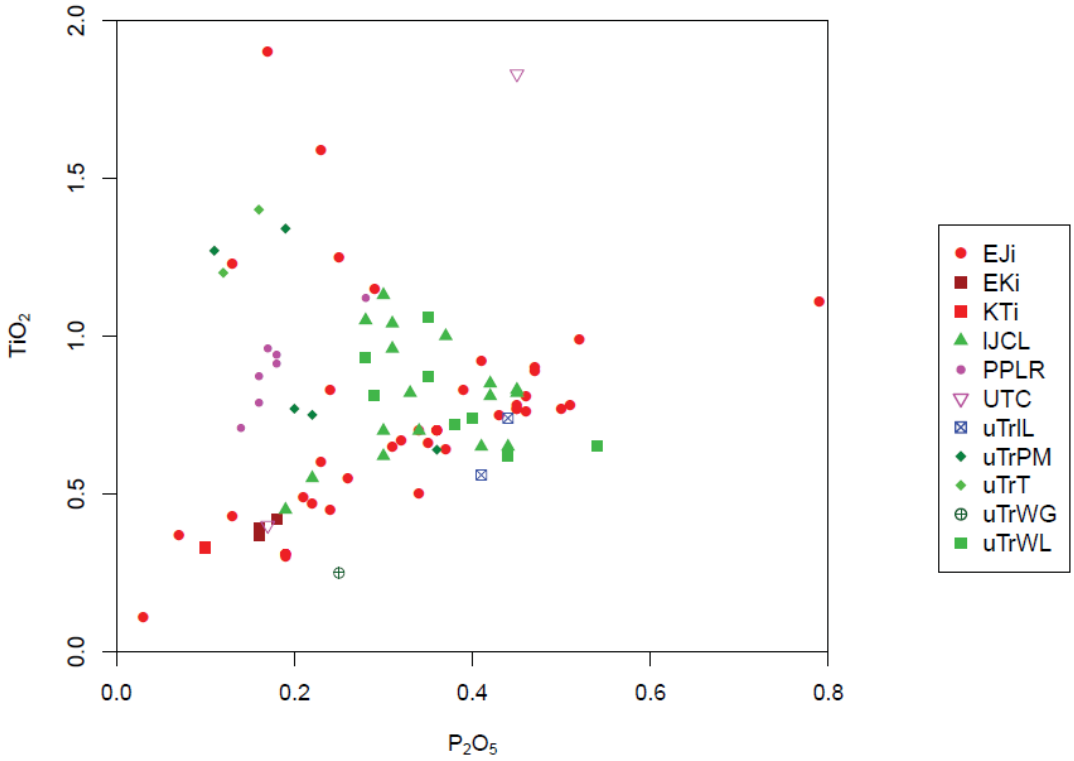


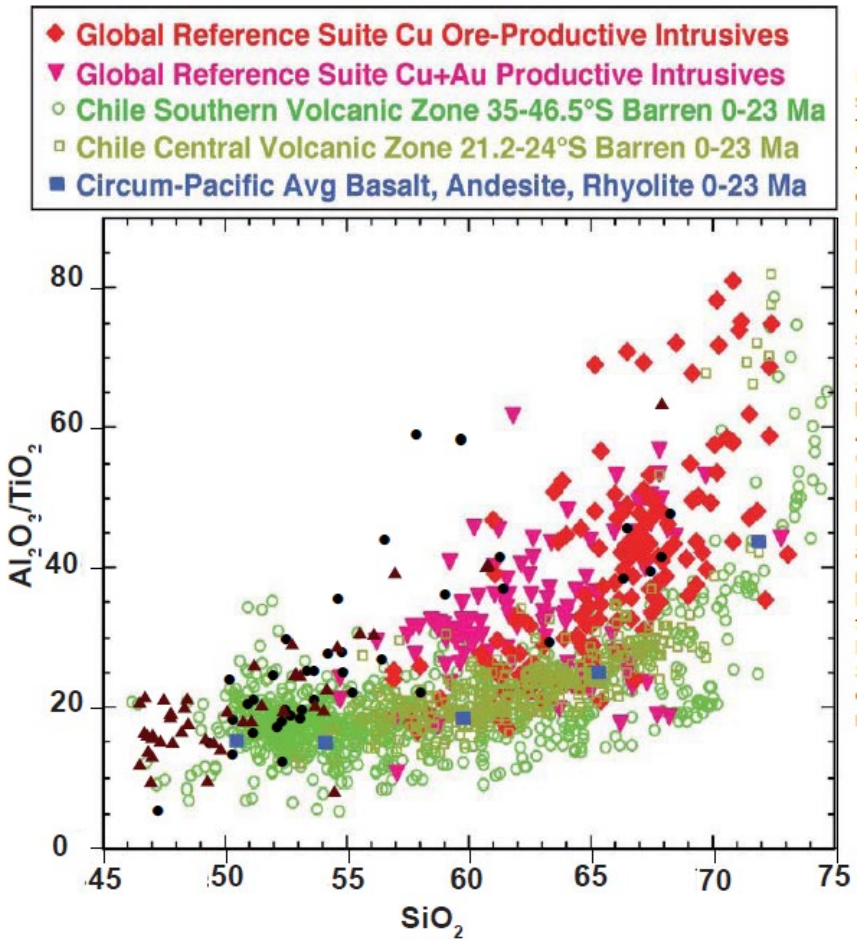

**Figure 32: P2O5 - TiO2 diagram for the Nation Lake Camp igneous rocks**
This binary combination of a compatible HFS element, Titanium as TiO2 and a less compatible element Phosphorus as P2O5) is useful for distinguishing different magmatic groups within a region. It ca be seen that the main trend of the intrusions aligns along a linear path and that geographically separate groups such as the PPLR (Permian Penn Lay Range) volcanics plot in a separate cluster indicative of a different parental magma.

This ratio diagram shows that the igneous differentiation trend leading to magmatic-hydrothermal Cu-ore-forming intrusions extends to compositions that are significantly more aluminous than the unproductive arc reference suites, and average volcanics of continent-margin arcs. Higher dissolved H2O contents and/or higher total pressure tend to shift the relative positions of plagioclase and titanomagnetite and hornblende in the crystallization sequence of calc-alkaline magmas, diminishing plagioclase production and advancing hornblende production at the expense of plagioclase, because hornblende consumes plagioclase-forming components of the melt. These relations cause initially tholeiitic, mantle-derived basaltic magmas to differentiate by crystal-liquid segregation along a more strongly calc-alkalic differentiation trend, which corresponds to a trend of more strongly increasing Al2O3/TiO2 in the melt as magmatic differentiation proceeds. In potassic magmas, hornblende crystallization is delayed for the same hydration levels because of the effect of high K2O on hornblende, which is replaced in the sequence by augite, biotite and titanomagnetite. Copper-ore-forming arc magmas are the most extreme

representatives of the calc-alkalic differentiation trend, which as explained above is a variation on the trend for shoshonitic or alkalic magmas.

Another ratio diagram utilized by Loucks (2014) is Sr/Y vs SiO2 which also shows evolution by differentiation to higher ratios of Sr/Y for productive than unproductive or less hydrated magmas (Fig. 34). Again several points from the Nation Lakes suite plot within the fertile granitoid field although several also plot at low ratios.

Another interesting diagram by Loucks plots the ratio of V/Sc against SiO2 and again shows a significant increase in the ratio with advanced differentiation for productive/hydrated granitoids compared to barren ones. However, Loucks (2014) cautions that for potassic magmas these relations are not perceived because of the early crystallization of titanomagnetite which incorporates vanadium readily in contrast to the case in calc-alkaline magmas where it is incompatible in hornblende and thus accumulates in the melt resulting in higher V/Sc with increasing differentiation.




Red symbols are least-altered samples of intrusions parental to major copper ( molybdenum) ore deposits; inverted pink triangles are least-altered samples of intrusions that exsolved hydrothermal fluids that produced major gold-rich porphyry and high-sulfidation and skarn deposits of Phanerozoic age worldwide. These ore-forming suites are compared with all available analyses of volcanic and hypabyssal intrusions in two latitude intervals of the Chilean Andes that lack known significant copper ore deposits in the 23–0 Ma time frame. Blue squares represent average continental- margin arc basalt, basaltic - andesite, andesite, dacite and rhyolite from compilations for Neogene and Quaternary suites from the Andes, southern Alaska, Kamchatka, Japan, Ryukyu arc, Sunda arc and New Guinea. The data have been compiled from many published sources.

**Figure 33: Al2O3/TiO2 vs SiO2 diagram for productive and barren intrusives**
The base diagram from Loucks (2014) is overlaid by points from the Nation Lakes Camp shown as black circles for intrusions and dark red triangles for volcanics.

Titanomagnetite is part of the assemblage, along with biotite and augite, that is favoured resulting from the suppression of hornblende crystallization reaction by high K2O in the melt, a primary distinguishing factor in shoshonitic magmas. Also owing to suppressed hornblende crystallization by elevated K2O content in the melt, highly potassic-alkalic arc magmas characteristically have undepleted yttrium in

addition to the magnetite-induced vanadium depletion as seen in some of the points from the Nation Lakes in Figure 34. Consequently, in strongly potassic magma series, the V/Sc ratio evolves to low values with increasing SiO2, just as in tholeiitic magmas that are too H2O poor to crystallize early and abundant hornblende. Unfortunately, the data set from Nelson and Bellefontaine did not contain Sc analyses. Five complete whole analyses from the current Cirrus exploration program Figure 34: Sr/Y vs SiO2 for global reference suite and Nation Lakes granitoids The base diagram is from Loucks (2014). Points from the Nations Lakes suite are plotted in black for intrusions and brown triangles for volcanics. were available, but all are in a narrow range of low SiO2 outside the range of comparison for the fertile granitoids.

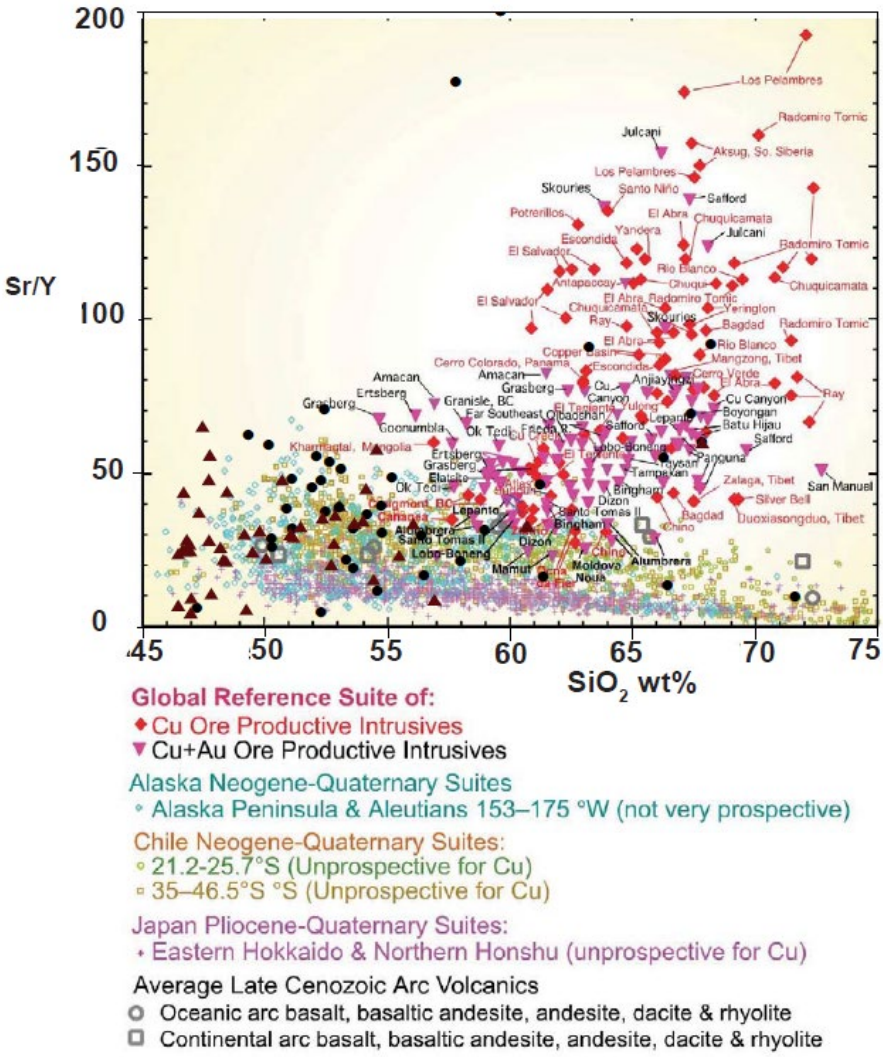



**Figure 34: SrN vs S102 for global reference suite and Nation Lakes granitoids**
The base diagram is from Loucks (2014). Points from the Nations Lakes suite are plotted in black for intrusions and brown triangles for volcanics.

**Structure and Metamorphism**

Metamorphic grades throughout the project area relatively low generally attaining only prehnite-pumpellyite facies, but locally ranging up to greenschist facies. Minerals typical of low grade in the area viewed away from mineralization are epidote, chlorite, albite, carbonate and minor or rare pumpellyite and

prehnite. Plagioclase phenocrysts appear relatively fresh with twinning visible and only a minor amount of sericitic alteration and albite (Nelson and Bellefontaine, 1996). At greenschist grade actinolite replaces or overgrows augite. Contact metamorphism is present as flinty hornfels of submicroscopic biotite turning the rock brown or lavender or at higher grades near big intrusions, as a coarse grained hornfels of biotite and

actinolite, as well as small domains of epidote and garnet. The north shore of Chuchi Lake has an occurrence of hornfels related to the Hogem Batholith that passes outwards into pristine prehnite-pumpellyite facies volcanic.

Penetrative fabrics are rare and most evidence of structural deformation is localized along discrete planar structures as breccias, fractures zones and fault gouge. The gentle attitudes of regional bedding, where not disturbed by later high-angle faults, are displayed clearly north Chuchi Lake. Excellent exposures on, and east side of, 'Adade Yus Mountain (Nelson and Bellefontaine, 1996) show the general attitudes of regional bedding and the often strongly discordant orientations of individual beds within them. There the Chuchi Lake succession volcanics generally dip to the south at 15º, in contrast to highly disrupted thin-bedded sandstone and shale of the sedimentary marker which display steep dips and tight folds. East of Valleau Creek, the basal contact of the Witch Lake succession is nearly horizontal, but bedding and foliation in the Inzana Lake tuffs and slates are very steep to vertical. The only major fold in the area involves the Chuchi Lake, Witch Lake and Inzana Lake successions south of Chuchi Lake. They are folded into gently northwest- plunging, upright open anticline with Inzana Lake sediments in its core and on the west limb, where they interfinger with Witch Lake basalts.

A marked structural break coincides with the southern tail of the Hogem batholith under Chuchi Lake (Fig. 24). South of the lake, interfingering Witch Lake and Inzana Lake successions strike northeast and dip gently to moderately northwest forming the hinge of a very gentle northwest trending regional anticline. This fold is apparently truncated under Chuchi Lake suggesting the presence of a fault. The fault is inferred to have formed at a point of structural weakness along the plunge depression of the anticline. The open nature of the fold and the gentle dips of bedding on both sides of Chuchi Lake, suggest that the fold opens further to the north and loses its identity. Movement on the Chuchi Lake fault probably predated emplacement of the Hogem intrusive complex, since it does not offset the strong magnetic anomaly associated with the monzonite. Instead, the fault may have acted as a guide, deflecting the southern end of the batholith to the east. The east-trending magnetic signature of the batholith continues in the subsurface as shown by the Geoscience BC and GSC magnetometer and gravity data (Fig. 21). The two satellite bodies of coarse-grained monzonite on the south side of Chuchi Lake represent culminations on the undulating top of the buried batholith.

Other possible early faults include east-northeasterly trending fault along Klawdetelle Creek and a northerly striking fault on the BP-Chuchi property that terminates against the Klawdetelle fault. Both of these structures offset the sedimentary marker unit in the Chuchi Lake succession. On the BP Chuchi property the sedimentary marker is comparatively thick and contains lapilli and crystal tuffs, full of intrusive material, derived from a local source. This local anomalous facies may reflect fault control. The Klawdetelle fault seems also seems to have exerted control over the northwestern margin of the Chuchi syenite, a late phase of the Early Jurassic Hogem intrusive suite. Therefore this fault, like the Chuchi Lake fault was probably active between deposition of the Chuchi Lake succession and the latest Early Jurassic intrusions.

**Mineralization in the Vicinity of the Property**

In addition to the observations at various mineralized sites on the Property by Cirrus and the author in Item 9 Exploration (below), a summary of economic geology highlights is found in the descriptions of mineral showings and occurrences produced by BCGS geologists from assessment reports and geological surveys and are know in British Columbia as Minfile records. Minfiles are GIS-based and accessible online through the Mapplace website and by web links available in offline GIS files. There is a high concentration of Minfiles within the Property boundaries resulting from reports of mineralization, geophysical and geochemical anomalies and drill intersections. Much of the information in the Minfiles

has been previously reviewed in the History section, but they are useful site specific records that augment both the historical chronology and results of exploration campaigns. Minfiles description below were gleaned from Nelson and Bellefontaine (1996) and the BC Geological Survey website, Mapplace. Locations of Minfiles are shown on Figure 35. The descriptions are focussed on geological details at the expense of immaterial property transactions that add no context to the showings' importance.

***BP-Chuchi/Rio-Klaw Halo (Minfile 093N 159)***

The BP Chuchi/Rio Klaw system is located 5 to 10 kilometers north of the Property on Figure 34 and labelled KLAW. It is an extensive intrusive complex and alteration halo that lies in an incised north-south pass south of Klawdetelle Creek. The centre of the system is on the former Phil claim block ca. 1985, which was bought by Digger Resources Inc. from Mark Rebagliati in 1986. BP Resources Canada Limited acquired an option from Digger Resources and drilled in 1989 to 1991 (Wong, 1990, Wong and Barrie, 1991). The northern extension on the Klaw claims was drilled by Rio Algom Exploration Inc. in 1990 and 1991 (Campbell, 1990a. 1991a,b). The alteration system is bounded to the east by a north-trending fault, and to the north by the fault along Klawdetelle Creek. Within it, biotite-bearing crowded plagioclase phyric monzonite stocks intrude the sedimentary horizon of the Chuchi Lake succession and branch out into sill-swarms (Wong and Barrie, 1991).

In many instances in drill core, hornfelsed sedimentary rocks show soft-sediment deformation, and are intimately intercalated with monzonite: this association is considered to indicate intrusion of the monzonites while the sediments were still unlithified (Wong and Barrie, 1991; Barrie, 1993) producing peperite textures. The fine-grained, well-bedded sandstones, siltstones and tuffs grade downwards into massive, coarse lapilli tuffs and agglomerates. Intrusive clasts form a large percentage of the fragmental material, from agglomerates to crystal tuffs. Crowded plagioclase porphyry clasts, with small blocky plagioclase crystals less than 2 mms across, are common and identical to the later porphyries that intrude the sediments. Clasts with pink secondary potassium feldspar, magnetite and epidote are also present. Sulphide- bearing porphyritic monzonite clasts occur clustered in heterolithic lapilli tuff in the Chuchi Lake succession north of Klawdetelle Creek. Grab samples from an area rich in rusty fragments yielded results up to 840 ppb gold and 224 ppm copper (Nelson and Bellefontaine, 1996).

Rapid volcanic - sedimentary facies changes have been interpreted over short distances between drill holes and exposed sections between Klawdetelle Creek, with mainly black argillites and a few kilometers south where drills cut fragmental-rich sedimentary sections. The sedimentary section is overlain by a suite of plagioclase-augite and augite-plagioclase-phyric flows and minor, thin crystal tuffs all of the same shoshonitic composition.

A brecciated feldspar megacrystic augite porphyry dyke cuts the crowded porphyry monzonite in a BP diamond drill hole and indicates a connection between the hypabyssal intrusions and sedimentation. Shallow plutonic rocks both occur as clasts in proximal sedimentary units and intrude them. Nelson and Bellefontaine interpreted this mixed relationship as evidence of intrusion before lithification similar to VMS environments where explosive breccia textures result from magmas intruding wet muds. The predominance of sills over dykes suggests that they were intruded before lithification was complete.

Both the monzonites and the sedimentary rocks at B.P. Chuchi are extensively altered. Secondary potassium feldspar occurs in pink veinlets in the monzonite with magnetite, pyrite and chalcopyrite. The sedimentary rocks show a strong biotite hornfels overprint, with subsequent mottling by potassic and propylitic alteration. Hairline veinlets with bleached alteration envelopes and magnetite veinlets and disseminations are also characteristic of alteration. The BP-Chuchi or North Chuchi Halo is shown in Figure 35, Maps of the geophysical and geochemical anomalies at the BP-Chuchi Halo are shown in Figures 61 to 63 along with a table of significant drill intersections (Table 3) from the BP Resources exploration programs between 1989 and 1991 in Item 13: Adjacent Properties.

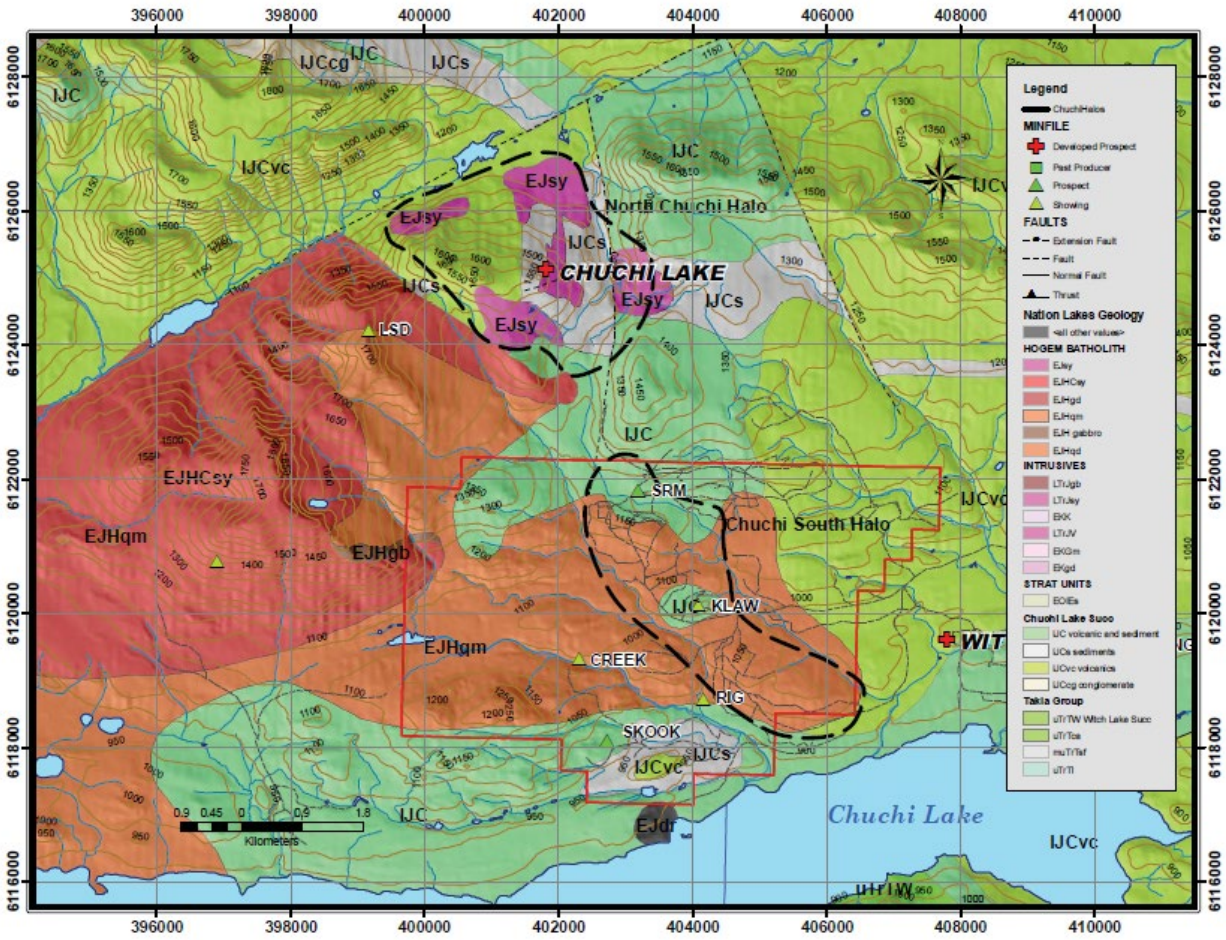



**Figure 35: Alteration-Mineralization Haloes of the Chuchi Lake area**
Dashed lines show the interpreted limit of combined alteration, chargeability anomalies, airborne magnetic highs and some geochemical signatures. Drilling within the North Chuchi Halo by BP has confirmed the presence of a significant copper- gold porphyry deposit system. Drilling within the Chuchi South Halo is considerably less extensive.
Geological information is from GIS files downloaded from BC Government websites. Map drawn by the author in ArcGIS 9.3, December, 2020.

***Skook Halo (Minfiles 093 - 140, 208, 209: on the Property)***

The Skook alteration system contains several small showings and occurs primarily within the sedimentary unit of the Chuchi Lake succession near its contact with the Hogem intrusive suite. The CL-I1 zone is the area of most intense alteration and highest density of crowded feldspar porphyritic monzonite intrusions. It is exposed in an east-trending gully in a logging cut. The sediments are bleached and hornfelsed: alteration minerals include potassium feldspar, chlorite-sericite, epidote, biotite, calcite and minor tourmaline (Campbell, 1988). These rocks contain disseminated pyrite, pyrrhotite, and minor chalcopyrite and bornite. White weathering siliceous tuffs with limy nodules have weak skarn or lower greenschist mineral assemblage including garnet and chlorite. A polymetallic quartz vein contains sphalerite, galena and chalcopyrite. The best assay results on grab samples from this locality are 13.4 g/t gold, 16.6 g/t silver, and 2.3% zinc (Campbell, 1988). Interpretations of some of the mineralization suggest a epithermal vein system near the Takla-Hogem contact.

***Col Halo (Minfile 093N 101)***

The Col occurrence (Fig. 19) was found about 1969 and is located 5 kilometres north of the west end of Chuchi Lake and 1 kilometre east of the Klawli River within alkaline intrusive rocks near the contact with volcanic flows of the Lower Jurassic Chuchi Lake Succession. Medium to coarse grained hornblende monzonite and lesser pink, fine to medium-grained syenite with aplite and pegmatite are the main intrusive phases. Copper mineralization, including chalcopyrite, bornite and malachite, is concentrated along steep, 140°-trending parallel fractures, surrounded by envelopes of salmon pink potassium feldspar-rich alteration 1 to 4 cm thick. These zones may also contain quartz, minor magnetite, and hairline seams of tremolite/actinolite and chlorite. Some outcrops are so heavily striped with alteration zones that they take on a gneissic appearance. Although some of the zones appear to be late magmatic syenitic dykes, most appear to be the result of metasomatic alteration of the monzonite. A later crosscutting set of steep fractures strikes 050º, but contains only minor mineralization. A trench on the Col showings averaged 2.2 g/t gold and 3.16% copper over a 4-metre interval (Nebocat and Rotherham, 1988).

Numerous exploration programs ensued during the 1970s and 80s involving Falconbridge, Kookaburra Gold, Asarco, Nation River, Solomon and others. Sporadic programs concentrated in the late 80s totalled 1700 soil samples, 45 line kilometers of IP, 1258 kilometers of airborne magnetometer surveys, over 4700 meters of diamond drilling and 490 meters of trenching along with much rock assaying. A few attempts were made to publish resource calculations, but they were not adequately documented and at least one was considered to be flawed.

Garnett (1978) reports a potassium-argon biotite age of 179 ±5 Ma from medium grained monzonite sampled from drill core on the Col property. This comparatively young age may reflect resetting by the late-stage Chuchi syenite, of which the syenite dykes are likely offshoots.

***Chuchi Halo (Minfile 093N 104, SRM)***

The SRM (Klaw) occurrence covers several small mineral showings straddling the contact between green and maroon augite plagioclase porphyritic flows and agglomerates of the Lower Jurassic Chuchi Lake Succession and Early Jurassic intrusive rocks of the Hogem Intrusive Complex. The showings include sparse, fracture-controlled chalcopyrite with pink orthoclase, epidote and magnetite, as well as barren orthoclase veins and zones of disseminated iron sulphides. Scattered blebs of chalcopyrite are also present in flows of the Chuchi Lake succession near the margin of the intrusive suite, and chalcedonic quartz breccia veins and small swarms of quartz veinlets contain minor chalcopyrite. The vein swarms have an average width of 4 metres and strike 110 to 115 degrees. These sparse showings are grouped into the Chuchi alteration halo, (see Figure 35) a weak zone with some resemblance to the Col, which similarly lies near the contact between the Hogem intrusive suite and the Takla Group volcanics.

***Wit (Minfile 093N 141)***

The Wit prospect is located a few kilometers east of the Property and 1.4 kilometres north of the north shore of Chuchi Lake (Fig. 35) within Chuchi Lake Succession subaerial volcanics. The main showing is an irregular epithermal vein (5 metres wide by 20 metres vertical) of banded white and grey quartz and chalcedony that is exposed in and around a trench. Results of two drill holes in 1991 (Barnes et al., 1991) indicate that the vein system dips almost vertically and has a true width of 31 metres. The vein hosts small pods and disseminations of galena and sphalerite with possible argentite and tetrahedrite. The surface showing has been interpreted as the top of a larger epithermal system, and drilling by BP in 1991 discounted theories that the mineralization was the top of a porphyry system. Barite lenses and stockworks as well as strongly oxidized and limonitic zones have also been documented.

One drill intersection measured by Barnes et al. (1991) at 22 to 24 m in hole SK91-09 yielded 2.5 % Zn and 0.9 % Pb. Another 2-metre section in SK91-10 at 70 - 72 m analysed 0.5 % Zn, 0.15 % Pb and 97 g/t Ag. Gold values from the 1991 program were low, mostly between 0.2 and 0.6 g/t, except for one value of 1.3 g/t over 2 metres in SK91-10.

The host rocks are maroon and green matrix-supported polymictic breccias and lahars of the Chuchi Lake succession. The volcanics are in places scoriaceous and amygdaloidal and have calcite, albite and celadonite vesicle infillings. Sulphides are also found disseminated in the hostrocks and in fracture fillings. A syenite dyke, 9 metres thick, intrudes the volcanics.

The Wit showings (093N 141) were discovered in 1964 and subsequently explored by Vanmetals Exploration, Noranda, Royal Canadian Ventures, and Nation River Resources who did geological mapping, soil surveys, IP surveys and trenching. In 1994 a nineteen trench excavator program resulted in the discovery of high grade zinc, lead, silver in a brecciated matrix of barite and galena including: 12.14% combined lead-zinc, 31.8 g/t Ag and 0.69 g/t Au across 5 metres in the nineteenth trench (Nelson and Bellefontaine, 1996). The surface showing seems to be the top of a larger epithermal system. The best assays that were obtained from the trenched area on the surface contained 10.5% zinc. 1.87% lead and 148 g/t silver. Barite lenses and stockworks as well as strongly oxidized and limonitic zones have also been documented by previous workers on the property

***Witch Halo (Minfile 093N 084) Moss Showing***

The broad Witch alteration halo, located between Chuchi and Witch Lakes (Fig. 6, 20), covers an area of 3 by 5 kilometres. It was explored by Rio Algom Exploration Inc. (Campbell, A.E., 1990; Campbell and Donaldson, 1991). Volcanic rocks of the Witch Lake succession including augite phyric flows and fragmentals, aphanitic volcanics and minor tuffs, host the alteration system. Biotite hornfelsing is widespread, overprinted by patchy potassic and propylitic alteration. Pyrrhotite, pyrite and minor and chalcopyrite occur throughout the area. Secondary magnetite is locally abundant. Skarn occurs in several areas at the expense of limy tuffaceous sediments. Skarn minerals include epidote, garnet and diopside. In one thin section, diopside skarn is overprinted by secondary potassium feldspar. In comparison to the B.P.-Chuchi Rio-Klaw halo, the volume of exposed hypabyssal intrusive rock is very small. Crowded plagioclase porphyritic monzonite forms many scattered stocks and dykes, with associated, more widespread intrusive breccias. The breccias are easily confused with surface fragmentals, except that they are more disorderly and the clasts are entirely intrusive. Their matrix is composed of fine fragmental material and alteration minerals.- They compare with the intrusive breccias on the BP Chuchi/Rio-Klaw properties. This region is also intruded by several phases of the Hogem intrusive suite including coarse-grained equigranular monzonite, sericite- bearing potassium feldspar pegmatite and coarse-grained syenite. The best-developed surface mineralization on the property is at the Moss showing. It consists of minor fracture coatings and blebs of chalcopyrite associated with abundant pyrite and pyrrhotite in a gossanous host (Campbell and Donaldson, 1991). Propylitic, potassic and carbonate alteration are so intense within this zone that original lithologies are not distinguishable in outcrop or thin section.

Trench sampling has outlined a zone grading 1.6 g/t Au and 0.12 % Cu over 56 metres east-west in one trench, and 1.1 g/t Au and 0.016 % Cu over 34 metres north-south in another (Campbell and Donaldson, 1991). Nine diamond-drill holes were drilled in 1991 in and around the Moss prospect. The best intersection obtained was 0.064 g/t Au and 0.035 % Cu. Drilling beneath and adjacent to the mineralized trenches encountered only anomalous gold and copper grades.

**Deposit Types**

***Alkalic copper-gold porphyry deposits***

The alkalic / shoshonitic lithogeochemistry of the upper Triassic and lower Jurassic volcanic strata and coeval intrusive, plutonic rocks is a distinctive and dominant feature of the geology of the Nation Lakes Porphyry Camp. The forms and styles of copper and gold sulphide mineralization, morphology and proximity of porphyritic igneous intrusions, related alteration assemblages, and geophysical patterns regionally and locally around prospective mineralized zones indicates the presence of porphyry copper-gold mineralization typical of alkaline porphyry copper-gold deposits found elsewhere in Quesnellia, such as the Copper Mountain, Afton, Mount Polly and the nearby Mt. Milligan deposits. These large multi-million tonne deposits are readily amenable to low cost, bulk tonnage, open pit mining methods (Fitzgerald et al., 2020).

The most salient example of this deposit type is located 35 kilometres to the south west of the Chuchi South Project where a cluster of porphyry copper-gold deposits is referred to as the Mt. Milligan deposits (Fig. 20 and 36). The Mt. Milligan property is underlain by volcanic rocks of the Witch Lake Succession of the Takla Group (Nelson and Bellefontaine, 1996). The shosho- nitic mafic and intermediate volcanic rocks are intruded by coeval plutons of the Mount Milligan intrusive complex which consists predominantly of monzonite with minor diorite/monzodiorite and gabbro/monzogabbro that are compositionally identical to the volcanics.

***Geology of the Mount Milligan Copper-Gold Porphyry Deposit***

At Mount Milligan, the main stocks that host the copper-gold mineralization are magnetite phyric, crowded plagioclase porphyry monzonites (Rebagliati, 2005; Nelson and Bellefontaine 1996) (Fig. 36) named the MBX, Southern Star, Goldmark and North Slope stocks. The Mt. Milligan Main deposit occurs within the MBX stock and in the adjacent latitic, andesitic to high-potassium basaltic, and trachytic volcanic rocks of the Witch Lake Succession. It comprises the Magnetite Breccia (MBX) zone, the 66 zone, the West Breccia (WBX) zone and the Deep West Breccia (DWBX) zone. The Southern Star deposit occurs within the Southern Star stock and adjacent andesitic to high-potassium basaltic volcanic rocks of the Witch Lake Succession.

The MBX stock (400 m diameter) and the Southern Star stock (800 m by 300 m) are small biotite-and quartz-bearing crowded porphyritic monzonite that are later phases within the Heidi Lake intrusive suite of small plutons scattered east of Heidi Lake to the Great Eastern Fault. The suite includes hornblende sphene-bearing, quartz-and biotite-free monzonites, and orthoclase-megacrystic monzonites to syenites are post-ore. The MBX and Southern Star stocks both plunge moderately west intruding NE dipping Witch Lake pyroclastic and epiclastic strata, all of augite phyric basalt derivation. Primary potassium feldspar occurs as sanidine in a very fine grained groundmass around unaltered phenocrysts. Within the deposit area the Witch Lake basalts are described as latites and trachytes and are commonly potassically altered. The potassium feldspar in them is of secondary origin in fractures and amygdules and tiny patches in primary augite (replaced early in the alteration sequence by pseudomorphic actinolite) and plagioclase phenocrysts. In the laminated epiclastic siltstone and greywacke. secondary potassium feldspar forms clumps and lenses along bedding planes, accompanied by pyrite and epidote (Nelson and Bellefontaine, 1996).

Copper and gold mineralization is associated mainly with the potassic alteration, except in the 66 zone where gold-rich copper-poor mineralization is associated with propylitic alteration. Sericitic alteration, affecting plagioclase phenocrysts in the stocks and related dykes, overprints the potassic alteration. Potassic alteration is most intense in the contact zones of the MBX and Southern Star stocks where it was probably focused by magmatic hydrothermal breccias and indicated better by the presence (in addition to secondary potassium feldspar) of hydrothermal biotite, bornite, chalcopyrite, and magnetite (DeLong et al., 1991). Propylitic alteration occurs as a widespread zone that is peripheral to, but locally cross-cuts, and sometimes overlaps potassically altered rocks. It is characterized by epidote, with varying amounts of albite, calcite, chlorite and pyrite (DeLong et al., 1991) and is developed best in andesitic and latitic volcanic rocks. Propylitization extends up to 2 km from the monzonite stocks.

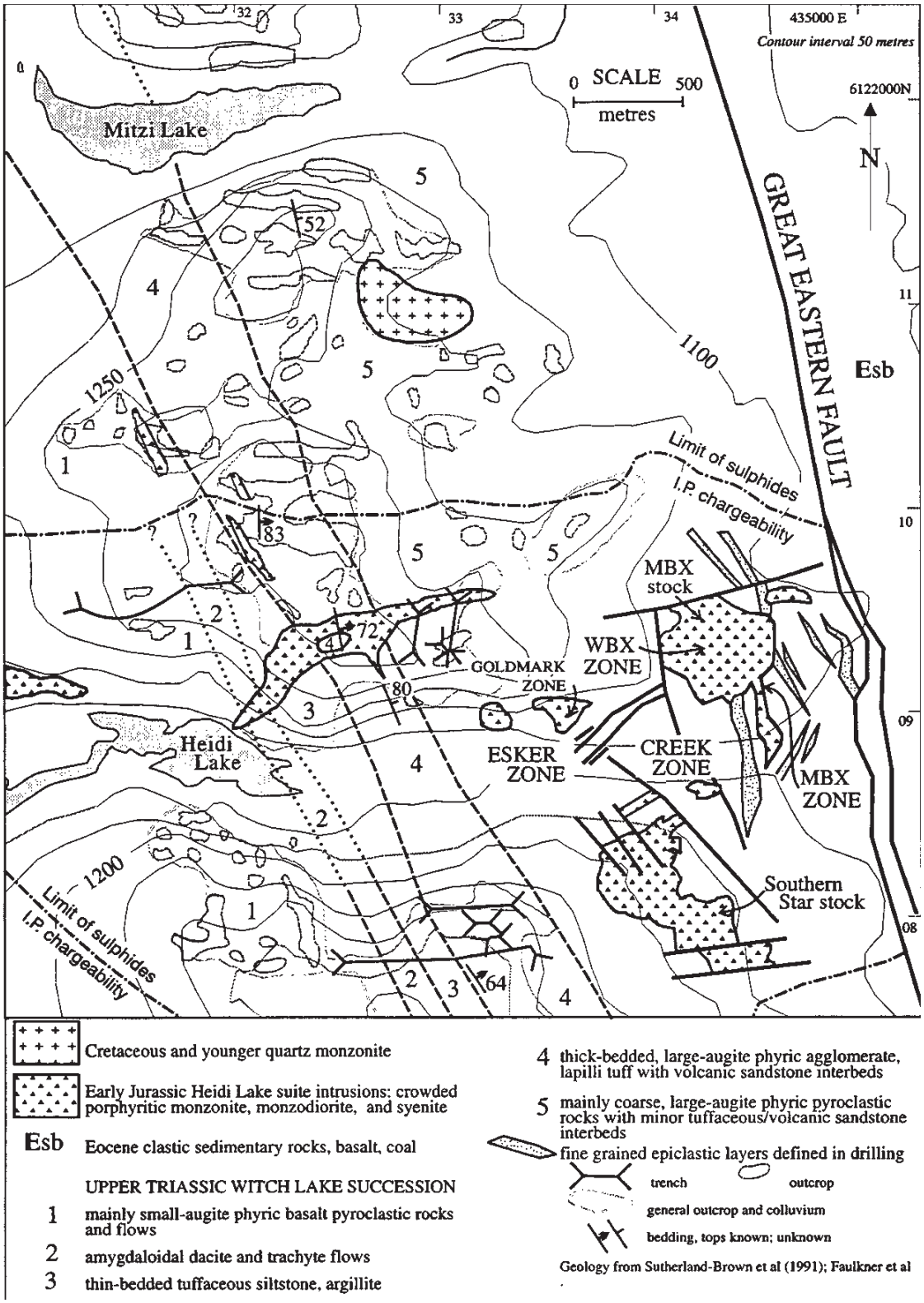



**Figure 36: Geological Map of the Mount Milligan Mine district**
The map shows the small scale of the MBX and Southern Star stocks related to the mineralized bodies at the MBX, Esker, Creek, and WBX zones. Note the limit of the chargeability anomaly around the area. The map area is about 32 kilometers SE of the Chuchi South Project. (Map from Fig. 26 in Nelson and Bellefontaine (1996).)

Copper-gold mineralization forms a central core around the MBX and Southern Star stocks, whereas gold-only, or copper-poor, mineralization characterizes the outer portion of the Mt. Milligan system. Gold-copper mineralization correlates with intense potassic alteration, except for gold-pyrite with propylitic and minor albitic alteration in the 66 zone (Sketchley et al., 1995). The copper-to-gold ratio is highest in the Southern Star stock. Mineral assemblages are simple: chalcopyrite, pyrite, magnetite and minor bornite. The gold-rich 66 zone developed by bedding-parallel infiltration and replacement of volcanic sediments and andesite of the Witch Lake succession above and spreading away from the MBX stock. Sporadic supergene alteration is also recognized in the MBX and WBX zones (Rebagliati, 2005).

Polymetallic veins are widely distributed in volcanic rocks around the entire periphery of the Mt. Milligan deposits and cross-cut previously developed propylitic alteration. They contain mostly pyrite with lesser chalcopyrite, sphalerite, galena, molybdenite, arsenopyrite, tetrahe-drite-tennantite and gold, and a minor amounts of quartz, K-feldspar and carbonate gangue.

The original configuration of the deposits can be inferred by rotating the NE dipping Witch Lake stratigraphic section to horizontal, which reveals the MBX and Southern Star stocks as upwards flaring pipes with laccolithic offshoots into surrounding strata( Nelson and Bellefontaine, 1996). Phreatomagmatic breccias may have been triggered by and overprinted cone sheet fractures around the pipes.

Important principles for exploration for this type of deposit in the region that were gleaned from the discovery of Mount Milligan are: 1. The small size of the monzonite intrusions hosting the copper gold sulphide deposits (about 400 m in diameter); 2. The crowded plagioclase porphyry texture of the host rocks; 3. The displacement and masking of geochemical signatures by glacial dispersion from mineralized outcrops, subsequent covering by unrelated surficial material and and hydromorphic dispersion from transported and in place mineralized rock; 4. The geophysical signature of nearly coincident IP chargeability and magnetic anomalies and; 5 Shoshonitic lithogeochemistry of potential host rocks and related volcanics.

The discovery by drilling of the MBX zone in 1967 was famously targeted on a geochemical anomaly, and coincident magnetic and IP anomalies, in an area where the soil geochemistry was considered to be at high risk of being transported. Geochemical exploration programs should include detailed surficial geology to classify the material in which anomalies are found and predict the how geochemical anomalies from buried mineralization can be dispersed, or transported. Figure 37 from Blaine and Hart (2012) shows the surficial geology of the Mount Milligan deposit area and the results of B Horizon soil geochemistry for copper. Heberlein (2010) did extensive studies on the effectiveness of different geochemical extractions and soil horizons and Mount Milligan and concluded that deep overburden and soil profile disturbance greatly diminished the response of most methods. Figure 37 shows 5 types of non-insitu geochemical expressions; glacial dispersion of mineralized material in tills, downslope colluvial erosion of mineralization or mineralized glacial till, an anomaly from the peripheral halo of the deposit, hydromorphic dispersion by groundwater directly from mineralization or perhaps transported mineralization in till or colluvium and enrichment of the soils by heavy minerals.

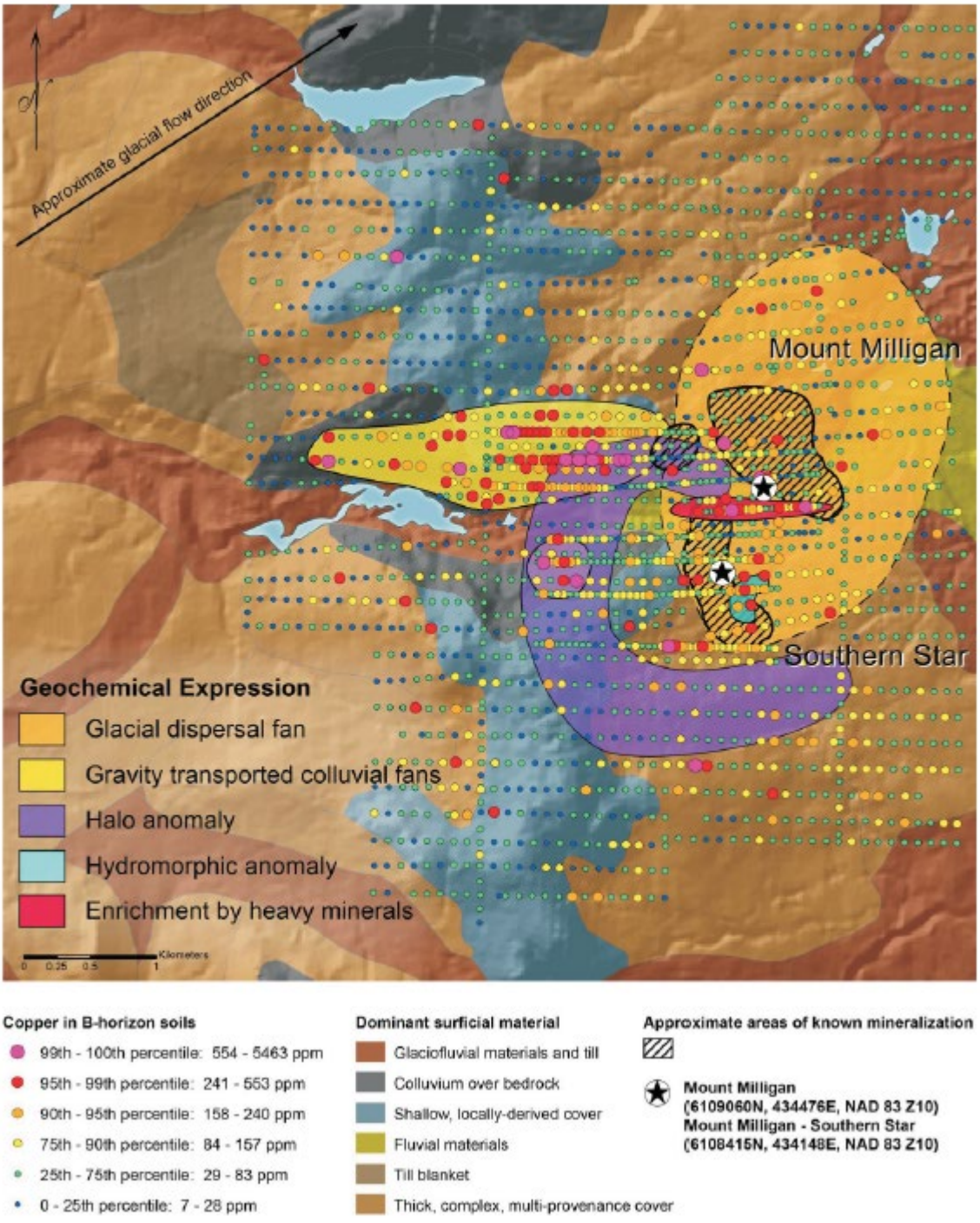



**Figure 37: Copper distribution in B-horizon soils at the Mount Milligan porphyry deposit**
The map illustrates the high dependence of the distribution of geochemically anomalous soils relative to the discovered deposits (hashed areas) on glacial dispersion and subsequent surficial processes.
Map is Figure 3 in Blaine and Hart (2012); Geoscience BC Report 2012-1

Geophysical programs at a minimum need detailed airborne magnetometer survey maps of total magnetic intensity (TMI) and the first derivative of the TMI and Induced Polarization surveys over magnetic highs and their periphery. Magnetic anomalies may reflect both primary magnetite in monzonites and monzodiorite and secondary magnetite usual in potassically altered rocks. IP

chargeabilty anomalies have to be prioritized by the resistivity of the rocks to differentiate natural formational anomalies in conductive sediments from ones in fractured, mineralized igneous rock.

The intrusions and coeval volcanics have distinctive crowded plagioclase phenocryst textures, may be augite phyric and have high K2O/Na2O ratios above 1 indicative of shoshonitic magmas. The actual size of the intrusive body responsible for the mineralization may be small and represent a late stage high level pluton derived by differentiation from a larger and deep pluton. Ascent to shallow levels of the small plutons may have been facilitated by structural channeling such as syn-volcanic faults. Diatreme structures and breccias may be present reflecting the shallow level of intrusion and volatile rich magma.

## Exploration

### *Introduction*

Two exploration programs were conducted on the Chuchi South Project on behalf of and for Cirrus in 2020. In September from the 5th to the 10th Drs. T.N. Setterfield and K. Bjorkman, both exploration geologists, and property owner Ronald Bilquist, professional prospector, mapped and sampled various parts of the Property. The author arrived on September 8th and was guided to two sites in the Property on the 9th where he examined the geology and collected 7 check samples of mineralization. The work for Cirrus resulted in the collection and chemical analysis of 47 grab sample plus blanks for a suite of elements plus gold. Five of the rocks were additionally analyzed by whole rock methods for major elements and REEs. Eleven rocks collected additionally from other sites were sectioned and examined petrographically under contract to Craig Leitch Ph.D. The geochemical data is reviewed below.

In October, the company contracted Peter E. Walcott and Associates Limited ("**Walcott**") to complete an airborne magnetometer survey of the entire Property and produce contour maps of the magnetic field and first vertical derivative. The data and preliminary interpretation are shown below.

The program was directed by Dr. Setterfield as due diligence on acquiring an option on the Property and to prepare for further exploration by evaluating mineralized showings and prioritized potential exploration targets. Field work by Bjorkman (Fig. 38) involved precise geological mapping using an Arrow® 100 GPS receiver with submeter accuracy to outline outcrop areas, and delineate contacts of lithologic and alteration units. Bilquist was mainly employed finding showings that had been reported by earlier exploration programs and prospecting for new ones. The program was of short duration (one week) and intended as a due diligence on the Property. Two main areas were focused on where Ron Bilquist and previous operators had reported interesting results. The first was the Coho Zone in the north central part of the Property, which was near to existing road access. The second was in the south of the Property in the vicinity of the Rig Breccia showing and the CL-II showings. The objective of the geological mapping in the time available was to accurately represent a few small areas to provide context for sampling rather than attempt to cover the whole Property superficially.

Field work in the area was aided by a complex of old roads, but inhibited by an advanced stage of second growth after logging that began in the mid 1970s. Many old roads were overgrown with alder and spruce to a state where travel was easier away from the roads, but where significant amounts of deadfall still impeded progress. The main objective of the exploration work was to rediscover old showings, make geological observations for detailed mapping, and collect samples for analysis to

**Figure 38: Exploring an old Trenching area**
Bjorkman and Setterfield conferring over the location and identity of linear spoil piles assumed to be from a shallow stripped area or trench dug in the 1980s.
The area is covered with a moderate till veneer and is located near the Coho Zone. Second growth pine forest dominates this low dry area.
Photo by the author September 9, 2020.

corroborate new field observations and previous exploration work. Much of the current effort in field work was around locating and discerning mineralized outcrops buried under moss, undergrowth and deadfall that had accumulated since the last intensive exploration in the early 1990s.

The author examined two showings and the areas around them. The first is known as the Coho Zone and is located on the south flank of a deep talus-filled E-W oriented linear ravine cutting bedrock in monzonitic intrusive rocks. It was accessed by hiking north from a deactivated logging road through moderately dense bush and swamp. The mineralized rock consisted of altered and fractured intrusive rocks field classified as diorites. The second site is known as the Rig Breccia and was reached by a 30 minute hike through dense spruce and pine bush from an inactive logging road and lay in a steep sided south-flowing creek ravine. The main showings at the Rig Breccia were shallow historical excavations into the ravine banks into an E-W fault zone consisting of significant widths of argillicly altered rock, clay gouge and lenses of silicified breccias of monzonitic rock The sites had previously been mapped and partially sampled by Bjorkman and Setterfield following the previous prospecting field work of Bilquist.

**Mineralized Rock Sampling Methods**

Rock samples collected by Cirrus were typically selected as single grab samples, or smaller chunks of rock from mineralized zones in outcrops making up a weight of about 1 kg. The samples were principally selected to represent different styles of mineralization and establish the possible range of concentrations of economic elements in the rock, in this case copper, gold, silver, zinc and lead. Only a few of samples were taken as chips across approximately measured intervals where the rock was more homogeneously mineralized or where a planar mineralized lens or vein structure of significant width was identified. In general individual samples were not collected with the intent of accurately representing large volumes of rock, they were collected to represent local observations by the geologist about the strength and type of mineralization. Five of the samples were collected for lithogeochemistry to aid in igneous classification. These rocks were sampled from least altered, unmineralized zones to ensure accuracy of the classification. Samples were located using hand-held GPS units including a high precision, sub meter accuracy ARROW® 100 GPS. Sample sites were marked with flagging tape numbered with the sample number. Assays are symbolized for copper and gold in Figures 39 and 42.

**Significant Results of the Chuchi South Project Exploration**

***The Coho Copper zone***

Copper±lead±gold±zinc mineralization occurs as quartz-carbonate-sulphide veining associated with an east-west fault zone. The fault is expressed by a steep-sided east-west oriented ravine up to 15 meters deep (Frontispiece). The host rock is field classified as diorite and is probably monzodioritic in composition. Fresh diorite in the area (north and south of the mineralized zone) has a moderate to high magnetic susceptibility reflecting modal magnetite of primary origin. In the Coho mineralized area the altered diorite has lost some magnetite by alteration to propylitic assemblages and has a lower magnetic susceptibility. The altered and mineralized diorite has a width of 30m and was traced out for a strike length of at least 350m, but cannot be followed farther across swamps and overburden.

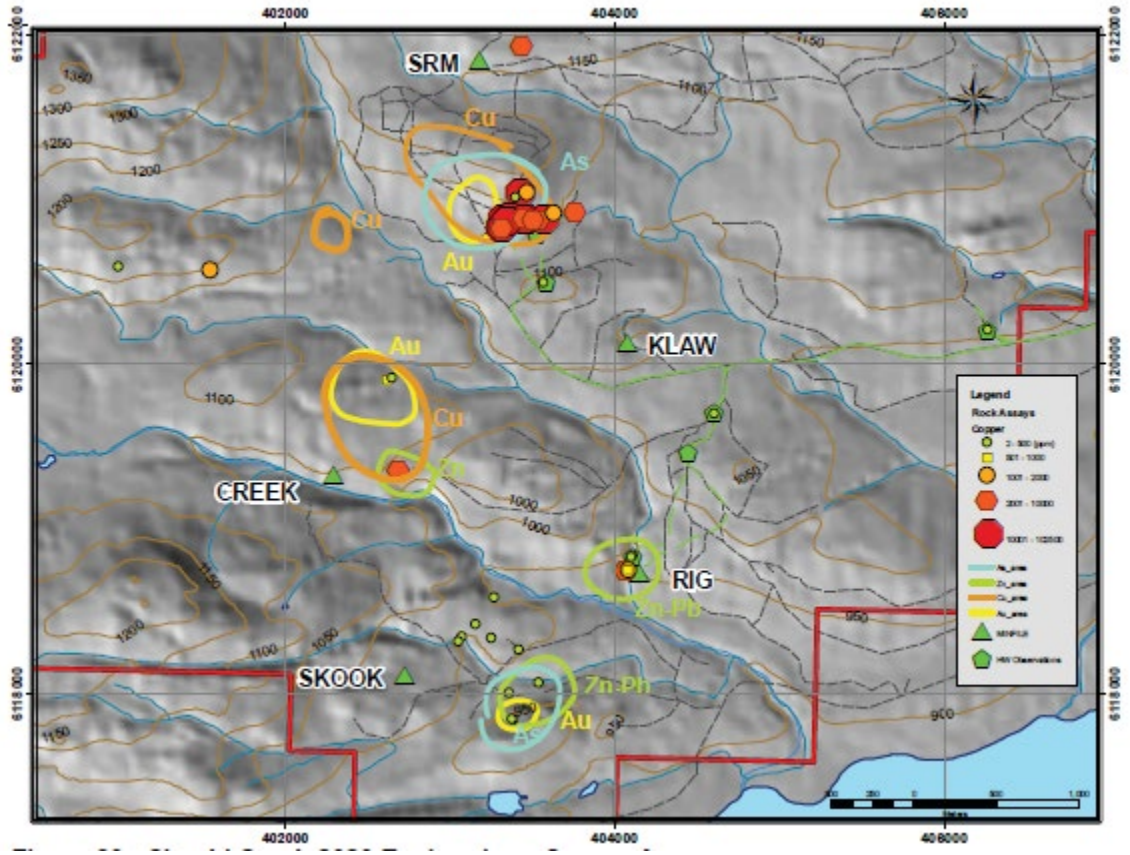



**Figure 39: Chuchi South 2020 Exploration: Copper Assays**
Assayed samples are symbolized for ranges of copper content as shown in the legend. Coloured lines represent anomalously mineralized areas for Cu, Au, Zn and As determined by Bilquist's rock sampling between 2002 and 2019. All 47 rock samples collected for Cirrus in 2020 are shown. Some anomalous areas were not sampled.
Drawn by the author in ArcGIS 9.3, December, 2020.

The mineralization observed in the flanks of the ravine consists of veins of 10-30 cm thick, banded sulphides and quartz with fine sphalerite, chalcopyrite, galena and minor sphalerite. Fine quartz-chalcopyrite-pyrite-malachite veinlets and fracture coatings are mainly found on the south side of the east-west fault, and these veinlets that dips steeply to the southwest and northeast (Fig. 44).

At the far west of the mapped extent, previous trenching has apparently exposed the main fault structure. Just east of the workings a 2 m wide strongly altered dark siliceous dyke contains 10 to 15% disseminated chalcopyrite. It is difficult to tell the orientation of the dyke, but it seems to cross cut the main structure in the valley. South of the western trenching, there is a subparallel fault zone oriented at 260 degrees and dipping north at 75 degrees with associated copper mineralization. The mineralization was noted over a width of 11 meters and occurs approximately 55 meters south of the main mineralized fault. North of the Coho Zone ravine, quartz, epidote and potassic alteration (Fig. 40 and 41) were observed in the dioritic rocks, but little chalcopyrite associated with the alteration and joint sets.

Other fault related mineralization and alteration to the north and south of the Coho copper zone (Fig. 44) includes a chalcopyrite-quartz mineralized fault breccia 160 m north of the main fault. This fault dips steeply north, is 5-6m wide and was traced for 50 meters along strike.


**Figure 40: CH18213 Monzodiorite from the Coho Zone**
Sawn sample from Ron Bilquist's 2018 exploration of the Coho Zone showing potassic alteration 403534E; 6120424 N. Photo by Ron Bilquist.


**Figure 41: Photo CH18218 potassically altered veinlet in Monzodiorite from the Coho Zone**
Sawn sample from Ron Bilquist's 2018 exploration of the Coho Zone showing strong potassic alteration along a planar structure. Epidote alteration crosses the potassic zone along fine filaments sulphide mineralization along fractures Cu=73ppm 403645E; 6120491 N.

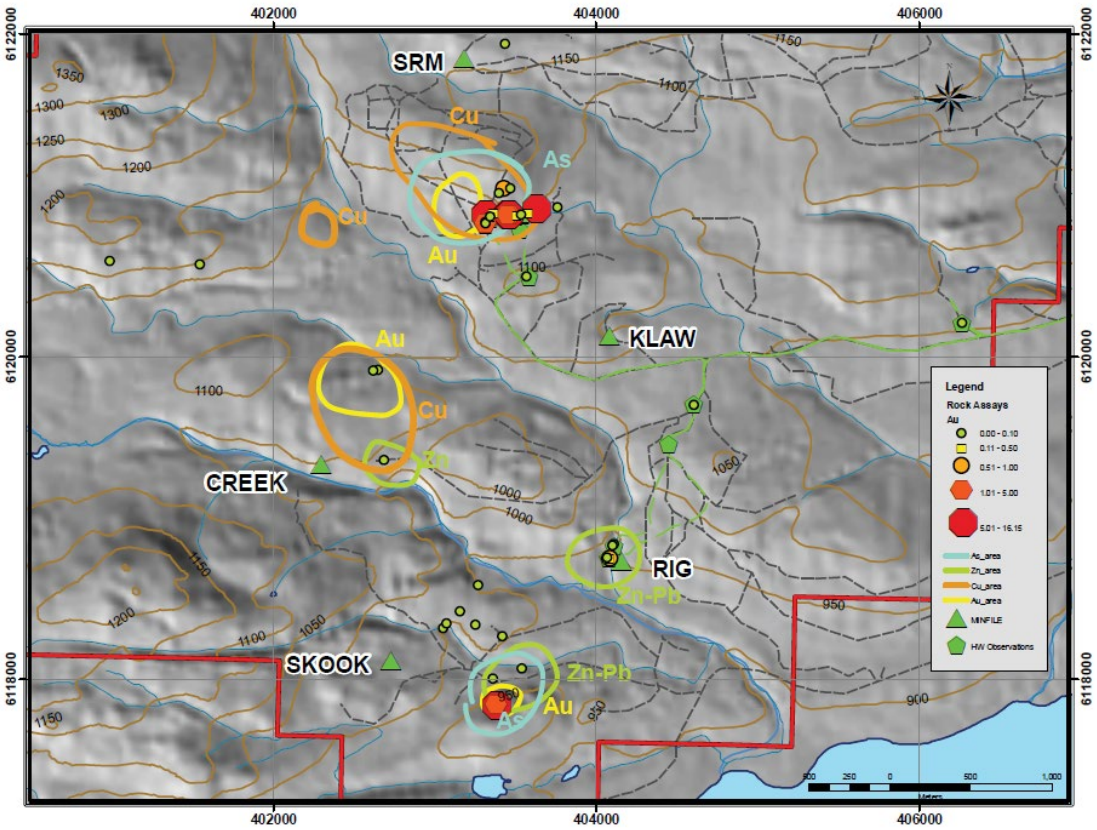



**Figure 42: Chuchi South 2020 Exploration: Gold Assays**
Assayed samples are symbolized for ranges of gold content as shown in the legend. Coloured lines represent anomalously mineralized areas for Cu, Au, Zn and As determined by Bilquist's rock sampling between 2002 and 2019. All 47 rock samples collected for Cirrus in 2020 are shown. Some anomalous areas were not sampled. Drawn by the author in ArcGIS 9.3, December, 2020.

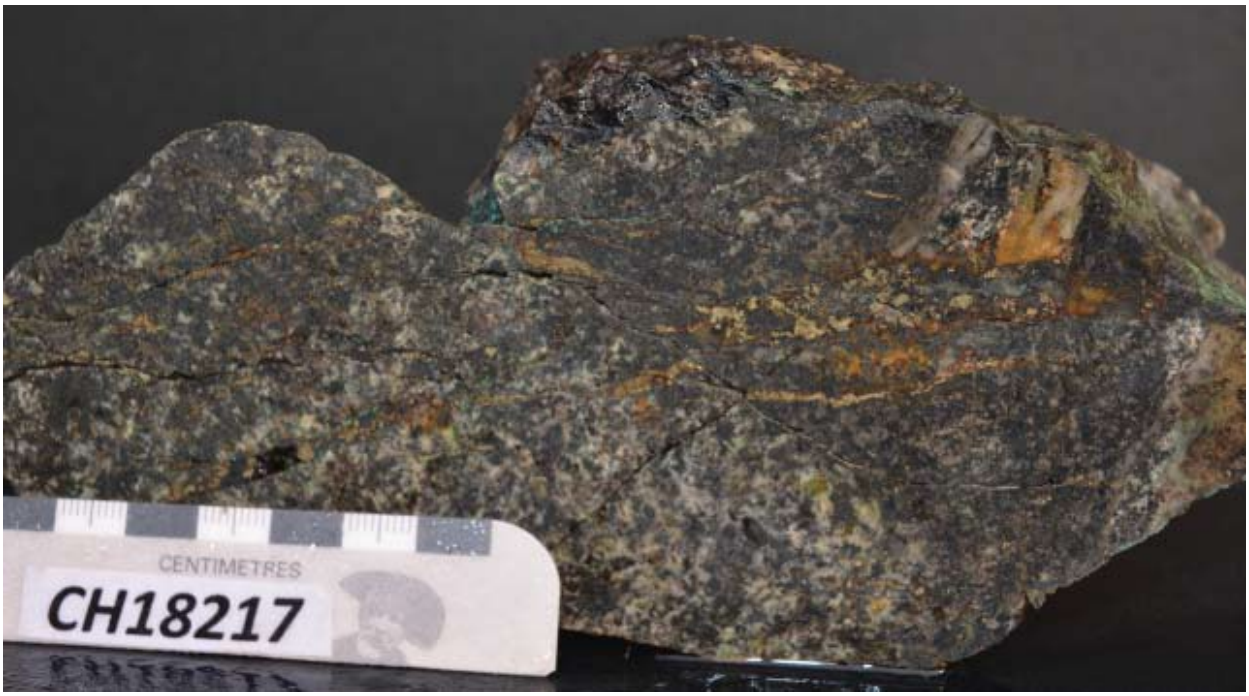



**Figure 43: CH18217 Sheeted veinlets in Monzodiorite from the Coho Zone**
Sawn sample from Ron Bilquist's 2018 exploration of the Coho Zone showing sulphide mineralization along fractures in diorite. Cu=1.49% Ag=11 g/t, Au =0.025 g/t 403538E; 6120887 N. Photo by Ron Bilquist.

Potassic alteration was noted 350 meters south of the mineralized zone also in dioritic rocks.

***Rig Breccia***

The Rig Breccia showing is exposed in the steep banks of a 10 to 15 meter deep ravine in which a south flowing creek incises an area of extensive till blankets concealing bedrock. The Rig Breccia showing is characterized by a several meter wide fault zone that cuts dioritic and volcanic rocks and is variably altered to clay gouge with lenses of silicified or chalcedony- cemented breccia of dioritic fragments. Strong sericite-quartz pyrite alteration extends north in diorite. South of the fault gouge there is a quartz breccia with forest green altered chlorite fragments. The fragments appear to be very fine-grained and potentially of distinct character to the intrusive to the north. This fault sequence as observed on the west side of the creek, includes a strongly quartz chlorite altered breccia in the south, then a 2-4 m wide fault zone with quartz- sphalerite-galena-pyrite veining and gouge.

Altered diorite was mapped along the river for 95 m to the north. At 78 m north of the main Rig Breccia showing, there is another discrete quartz chlorite breccia. It is surmised that a fault runs along the creek, but the fault zone is not offset in its strike on the east side of the creek. There are many joints dipping north-northeast and south-southwest, but their relationship to the mineralization is unclear.

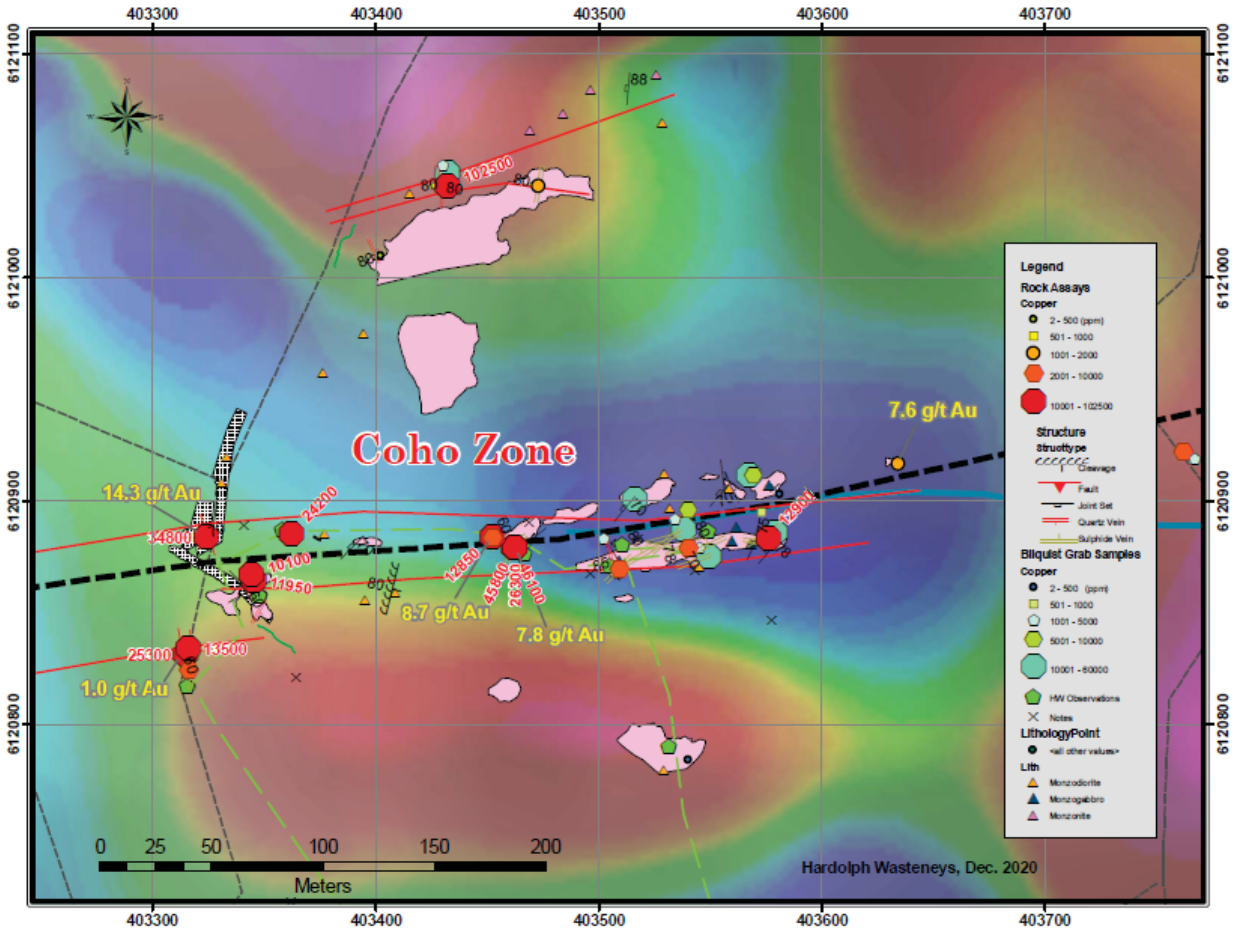



**Figure 44: Coho Zone Geology and Rock Assay Map**
Map background is the First Derivative of the Total Magnetic Intensity by P.E. Walcott & Associates (see description below). The ravine and underlying fault appear to coincide with a magnetic lineation on the shoulder of a large magnetic high on the TMI map. Rock assays are symbolized by concentration intervals of copper and labelled where over 10,000 ppm. Gold assays are labelled in yellow only for sites > 1.0 g/t and are not symbolized. Samples from previous work by Bilquist are symbolized by grade interval in blue and green toned symbols and not labelled. Outcrop mapping and structural interpretation by Bjorkman using sub-meter precision GPS. Grid is in UTM Zone 10 NAD 83 at 100 meter intervals.
Map drawn by the author in ArcGIS 9.3, December, 2020

***Mineralized Rock Sample Assay Interpretation***

Analytical results were obtained for 47 samples collected and assayed by Cirrus in the September, 2020 survey as well as an additional seven, collected and assayed by the author.

The data were initially scanned in tabular format for obvious anomalous concentrations and trends and then statistically analyzed using box plots and correlation coefficient calculations of significant elements to reveal systematics of the mineralization. Maps showing sample points and symbolized by grade intervals show the ranges of copper and gold throughout the Property in Figures 39 and 42.

The samples were separated into 4 groups on a map of the Property shown in Figure 39 and 42, in proximity to the Coho Zone, Rig Breccia, areas underlain by Chuchi Lake Succession volcanics, and the 7 rocks collected by the author as check samples from the Rig and Coho Zones. Boxplots of nine elements that appear to show some sort of systematic variation are plotted in Figure 45 using GCDkit 4.1 (Janousek et al., 2006). The boxplots for Au, Ag, Bi, Cu, Pb, Zn, As, and Sb, graphically show anomalous chemical behaviour usually by a wide range of outlier points above a tight box containing the Inter Quartile Range ("**IQR**"), or second (25 to 50%ile) and third quartiles (50 to 75%ile) of sample concentrations. In contrast, iron (Fe) has a box plot displaying a "normal" distribution of values with a very minor range of outliers. These elements were selected by trial and error and scanning the tables of data for elements significantly above detection limits and showing a wide range of concentration.

To explore the correlation between elements, a chart of correlation coefficients and graphical binary plots of the same set of elements was constructed in GCDkit 4.1. This is displayed in Figure 46 which is symbolized to indicate sample groups. Many other pairs of elements also have high correlation coefficients, but were not selected for the chart because they were reflected primary rock forming processing not considered important in mineralization. Several of the elements such as Pb, Zn and As have extremely anomalous distributions of values indicated on the boxplots by a narrow IQR and whiskers plotting almost coincidentally as a thick line with a string of outliers above. Iron, as mentioned above, graphically shows a normal boxplot distribution. Interestingly, Au, Ag, Cu and Bi all show similar distributions with the median value line plotting at the base of the IQR box and a separate "whisker" above, and many outliers. This may be interpreted as showing that these elements (Au, Ag, Cu and Bi) are more widely present in significant quantities in most of the sampled rocks in contrast to the Pb, Zn and As which may be at background levels in many samples and heavily concentrated in a few.

Correlation coefficients shown in Figure 46 for the nine selected elements reveal clues about the mineralizing system. Amongst an expected association of Cu, Pb, and Zn the coefficients are very low and instead Cu is correlated with As (0.40) and Sb (0.76) possibly signalling sulphosalt minerals or falerz (tetrahedrite-tennantite series. Pb is correlated with Bi (0.71) possibly in bismuthinite and As (0.61). Zn, although present in many analyses ranging from is 19 to 17400 ppm has a median of only 142 ppm and an average of 916 which is consistent with a high degree of skewness or kurtosis indicating what can be seen by inspection of tabulated values, that there are only a few samples with appreciable Zn present. Copper also has a high range from 42 to 102500 ppm in the 54 samples, but the median value is 1745, which would commonly correlate with visible chalcopyrite or at least malachite staining on the rock.

Gold meanwhile is strongly correlated with Ag (0.77), Bi (0.58), As, (0,56), and S (0.57), but less strongly with Cu (0.30) and Pb (0.40). The significance may be partly spatial if a model for Cu-Au porphyries is employed which would predict zoning of copper with gold in the core potassic-altered zone surrounded by a peripheral high-gold - low-copper zone in propylitically altered rocks. The presence of other anomalous elements is also consistent with peripheral zones in which tennantite and polymetallic Pb-Zn mineralization may be present in veins.

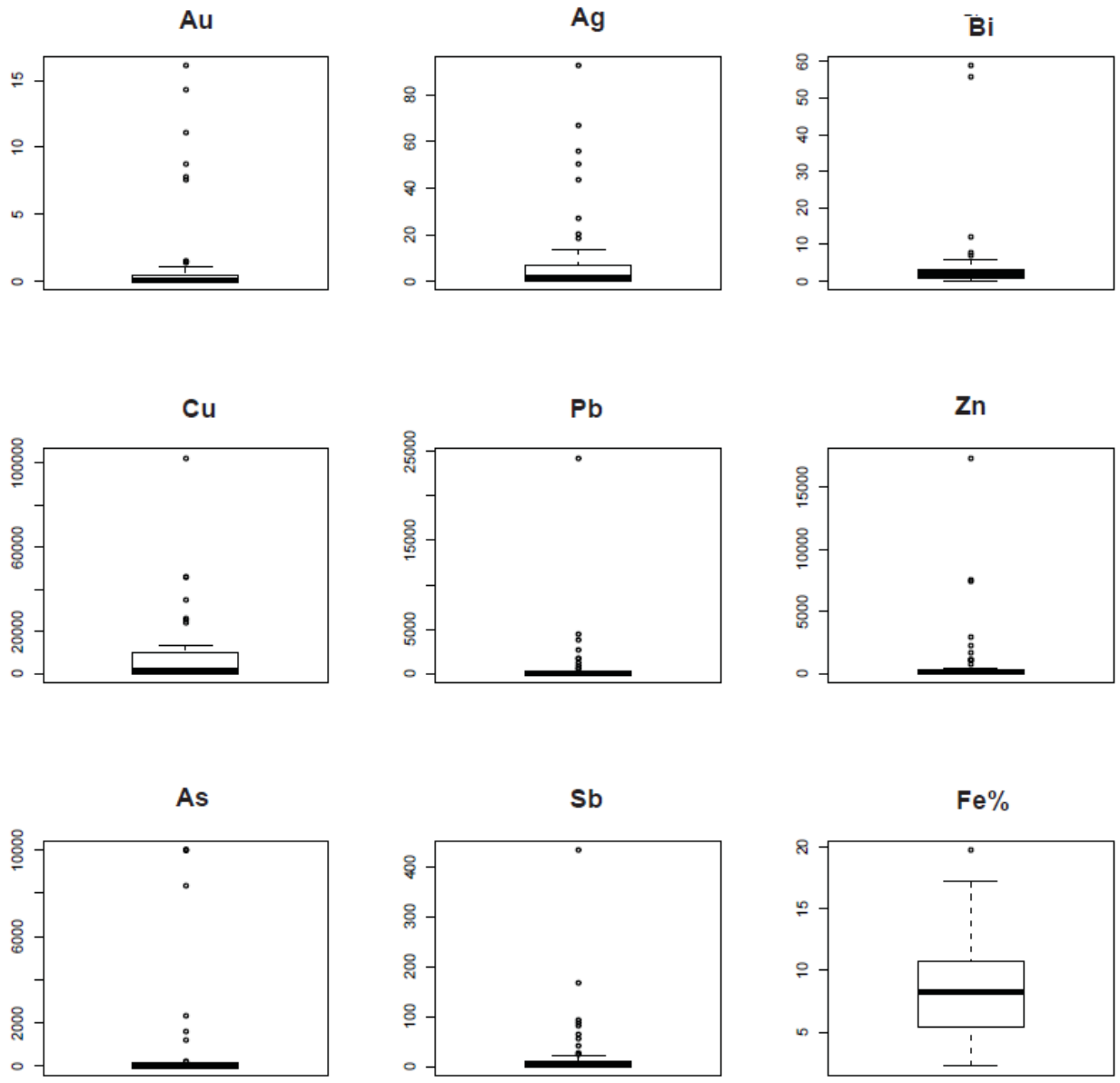



**Figure 45: Boxplots for 9 selected elements in the rock data set grouped by occurrence.**
The boxplots provide a visual profile of the statistical distribution of concentrations of mineralizing elements for all of the samples collected at the various showings on the Chuchi South Project in 2020. All concentration axes in ppm appropriate to the range of concentration of each element except Fe in %. Scales are linear. The rectangular "boxes" within each graph enclose the second and third quartiles of samples spanning the Inter Quartile Range ("**IQR**"); the dark line is the median value, the whiskers either side of the box represent 1.5 time the IQR, and outliers are spots beyond the whiskers.
Boxplots drawn in GCDKit 4.1 (Janousek et al., 2006) by the author November, 2020.

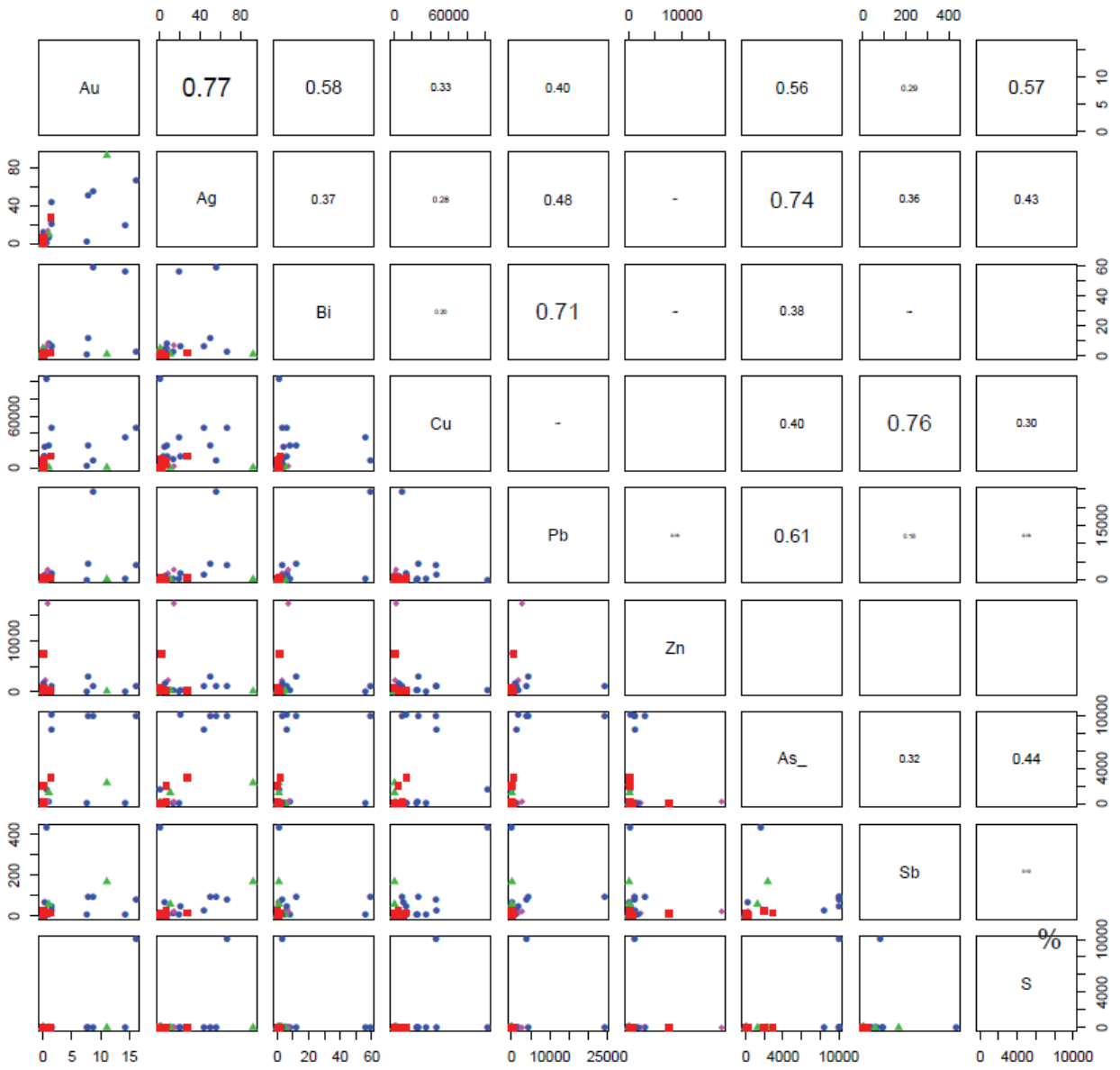



**Figure 46: Element Correlation chart for the Chuchi South rock samples**
A selected subset of elemental correlations relevant to mineralization is shown. Axes are in ppm, except S in % and scaled linearly. Symbols in the graphs are in 4 groups representing the Coho Zone, the Rig Breccia, Takla volcanics and the author's check samples from the Coho zone and the Rig Breccia. Correlation coefficients are shown in the upper right in text size proportional to strength of correlation. For example Cu has a high correlation with Sb at 0.76. Silver is also highly correlated with As with a coefficient of 0.74. The modest correlation coefficients for As with Au an Ag (and others) may be compromised by the capping of 4 As analyses at the overlimit value of 10,000 ppm some of which may be proportionately higher.
Calculations and graphing by the author using GCDKit 4.1 (Janousek et al., 2006)

A simple geochemical indication of the alteration of the host rocks is in the K/Na ratio from the ICP data set, which may not fully reflect total K and Na values because of possible incomplete dissolution in strong acids. Values of K/Na near 1 are consistent with generally low values of Au, Cu, Ag, Zn, Pb, As, and Sb. Values of K/Na ranging upwards to 60 are proportional to anomalous concentrations of the same mineralizing elements. The alteration has most strongly affected Na apparent from a distribution between 0.01% and 4.11% and a median value of 0.26% with an average of 1.05% likely indicative of Na depletion. K, also appears to have some unnaturally low values at a minimum of 0.04% and maximum of

5.65%, but its median value is 2.5% and average 2.34%, which is close to a normal distribution if not pointing to some enrichment. Potassic alteration is apparent in many samples of rocks from the area, but there is no unambiguous way of attributing how much potassium has been added to the rock. This is made particularly ambiguous by the shoshonitic/alkalic primary composition of the monzodiorite and mafic volcanics, which are high in K2O and have typical K2O/Na2O ratios above 1.0. in unaltered rocks. Ca appears to be similarly depleted in some mineralized rocks compared to more typical values expected for volcanics or monzodiorites.

Binary logarithmic plots of Au vs Cu and Au vs Ag illustrate the correlation between these elements in Figures 47 and 48. Statistical values for the 47 grab samples collected for Cirrus plus the author's 7 check sample show a good range of copper and gold grades ranging for gold from sub detection 0.005 g/t to 16.15 g/t and for copper from 42 to 102500 ppm (10.2%). Moreover, over half the numbers for gold are over 0.053 g/t with and average of 1.41 g/t and for copper half are over 1745 ppm and with an overall average of 8720 ppm (or 0.87 %). At the Coho Zone grades are generally higher with half the gold values above 0.3 g/t and averaging 2.88 g/t and for copper half the values are over 1.295% (12950 ppm) averaging 1.95% (19500 ppm). In Figure 47 a hint of spatial mineralogical/metal zoning is shown by a line between most of the samples from the Coho Zone and other parts of the Property suggesting that Coho may be a higher copper zone.

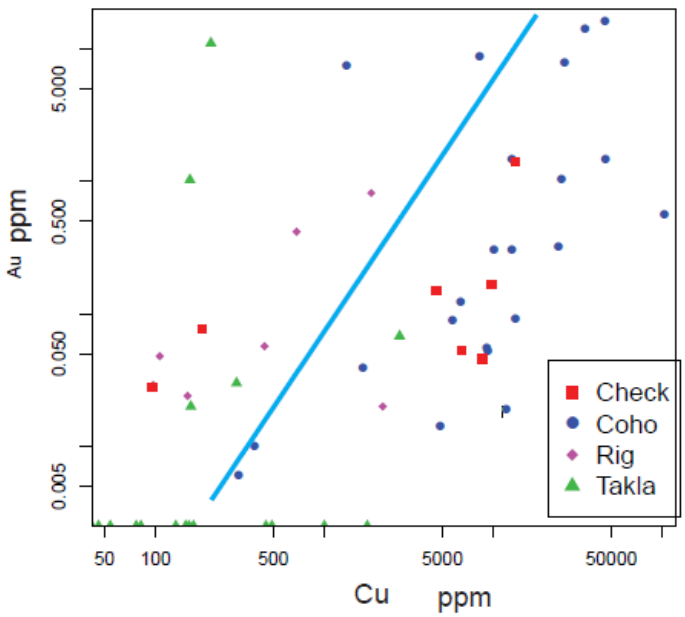



**Figure 47: Graph of Copper vs Gold in rocks from the Chuchi South Project.**
Concentrations of Cu and Au in ppm are plotted on logarithmic scales. The blue line roughly separates samples representing the Coho Zone and the rig and other areas underlain by volcanics.
The author's check sample are indicated by red squares. The geochemical data-set shown here is from Cirrus and excluded field blanks.
Graph rendered in GCDkit 4.1 (Janousek et al., 2006) by the author November, 2020.

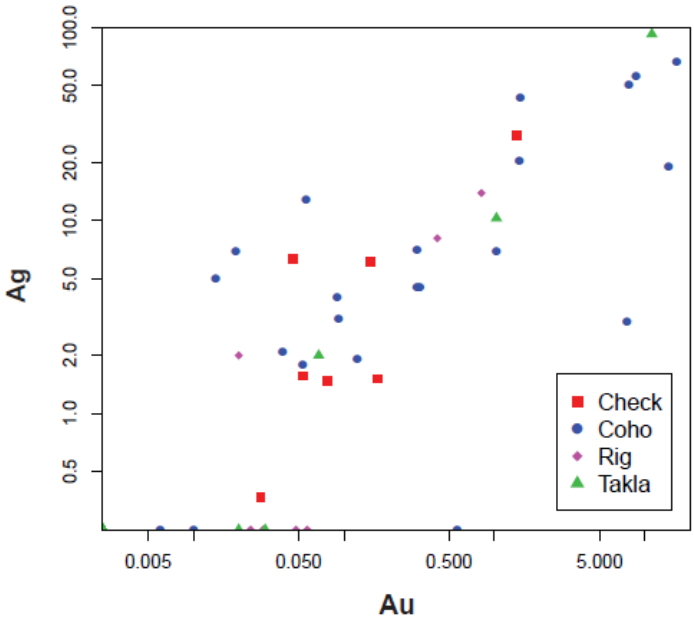



**Figure 48: Graph of gold vs silver in rock samples from the Chuchi South Project**
Samples are classified by occurrence using symbols in legend. The array of points shows a good trend and is consistent with the high correlation coefficient for au and Ag. Concentrations of Au and Ag in ppm are plotted on logarithmic scales. Symbols indicate groups identified in the legend.
Field blanks not included in this plot.
Graph rendered in GCDkit 4.1 (Janousek et al. 2006) by the author, June, 2019.

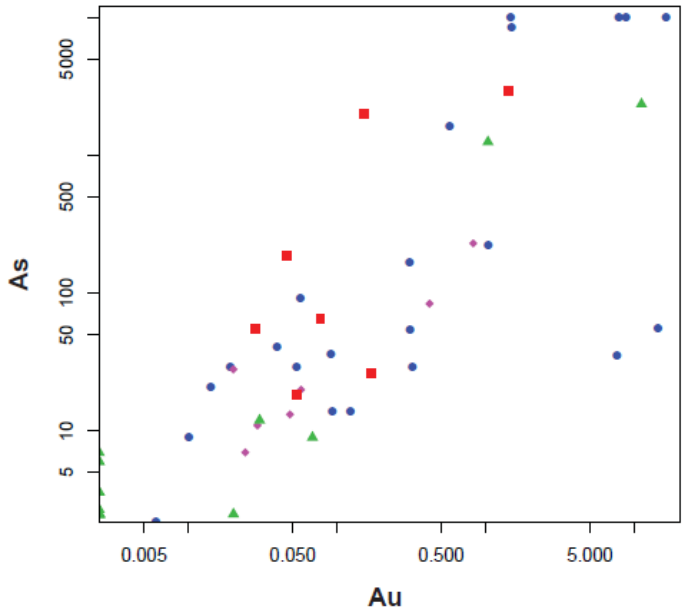



**Figure 49: Graph of gold vs arsenic in rock samples from the Chuchi South Project**
Samples are classified by occurrence using symbols in legend. Concentrations of Au and As in ppm are plotted on logarithmic scales. Symbols indicate groups identified in the legend. Graph rendered in GCDkit 4.1 (Janousek et al. 2006) by the author, June, 2019.

***Lithogeochemistry of the Chuchi-South granitoids***

The lithogeochemistry of the granitoids of the Nation Lakes Camp is a fundamental parameter in assigning porphyry type mineralization to the copper-gold alkalic porphyry association. High K2O contents and moderate total alkalis are compositional requirements along with K2O/Na2O ratios generally above 1 as reviewed above under Regional Geology. Five samples of igneous rocks (sample No. B0026760 to -764) were analysed for whole rock data are generally classified on a standard total alkali silica (TAS) diagram in Figure 50 (Middlemost, 1994), which subdivides the rocks into various granitoids. Two of the rocks were clearly identified as granitoids, one (-762) is a plagioclase porphyritic basalt from the Chuchi Lake Succession, -761 is described as a highly altered diorite from near the Rig Breccia Zone and -764 is from the South zone and described as a sandstone. However, all of the Chuchi-South samples plot in the field of Monzodiorites shown in Figure 50. Furthermore, K20 contents of 4 of the 5 rocks also plot in the Shoshonitic field of the K2O-SiO2 classification diagram of Peccerillo and Taylor (1976) (Fig. 51). The altered Rig Breccia sample has the lowest total alkalies and unlike the others plots in the high-K calc-alkaline series field of Figure 51. The rock from the Coho Zone, B0026760, is described in the field as a "diorite" with minor potassic alteration, which may have affected its classification. Even the rock described as sandstone plots compositionally the same as the monzodiorites and the shoshonitic volcanic corroborating the conclusions of Nelson and Bellefontaine (1996) that sedimentation was coeval with magmatism resulting in intrusion into unlithified sediments and rapid erosion and deposition of igneous derived sediments.

The compositional relationship of the samples is further elucidated by the P2O5-TiO2 graph which can be used to test differentiation trends. Phosphorus and titanium are both relatively immobile elements, not easily affected by hydrothermal alteration. On Figure 52, rocks from the Nation Lakes dataset of Nelson and Bellefontaine (1996) show at least two differentiation trends corresponding to the main Hogem Batholith arc and a separate area in the Lay Range (an area in the Nation Lakes Camp mapped by Nelson and Bellefontaine, 1996). The Chuchi rocks plot close to the Hogem trend except for a slight deviation by the volcanic sample.

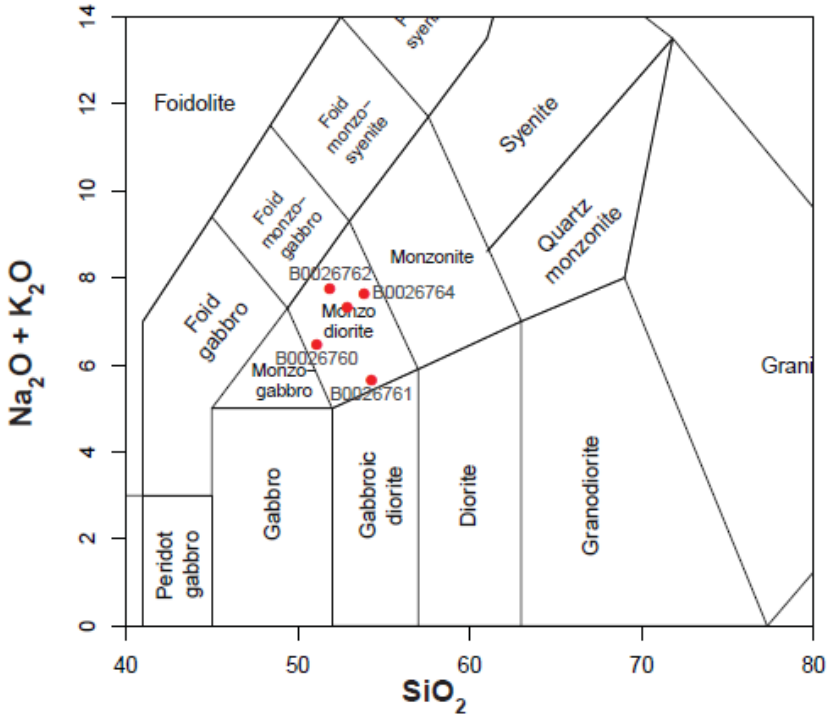



**Figure 50: Total Alkali Silica Plot of Middlemost, 1994) for classification of volcanic rocks.**

The five granitoid rocks collected during the 2020 exploration program plot in the monzodiorite field of the Total Alkali-Silica classification diagram of Middlemost (1994). For comparison with regional rock compositions see Figure 29.

Plotted by the author in GCDkit4.1 (Janousek et al., 2006) November, 2020.

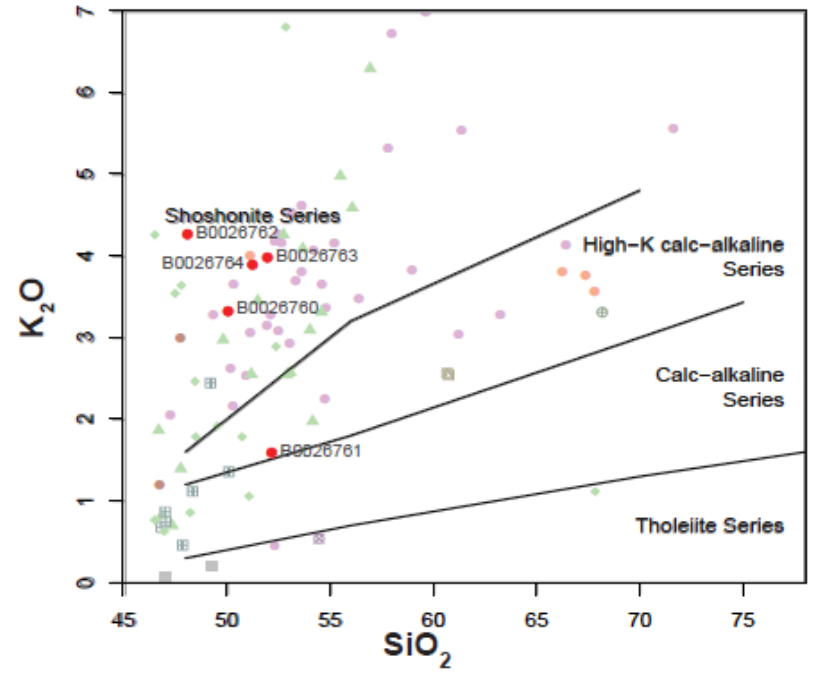
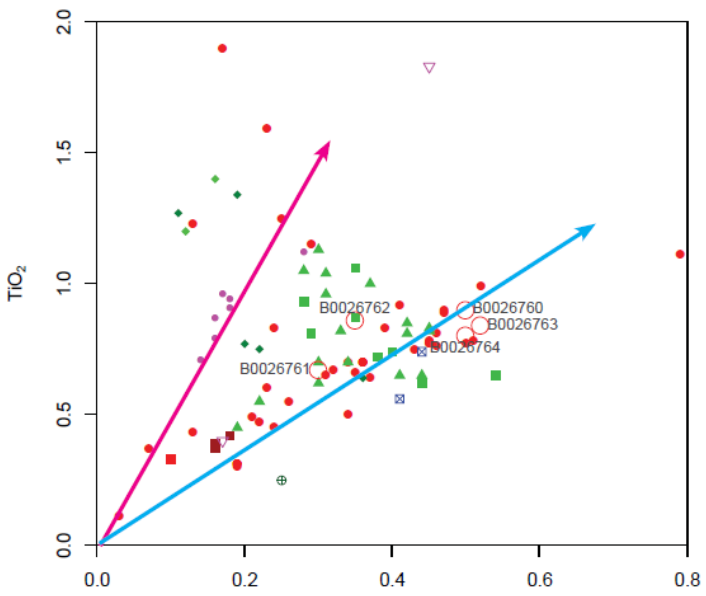



**Figure 51: Chuchi Lake granitoids in the Shoshonite Suite**

This classification diagram is the simplest and most definitive for distinguishing shoshonites (unaltered) from normal calc-alkaline rocks. The five whole rock samples from the exploration program are shown with black circles and labelled.

Analyses from Nelson and Bellefontaine examined in Regional Geology, in background. Four of the Chuchi-South granitoids plot in the Shoshonite series plot of Peccerillo and Taylor (1976). Plotted by the author in GCDkit4.1 (Janousek et al., 2006) November, 2020.



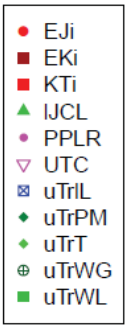



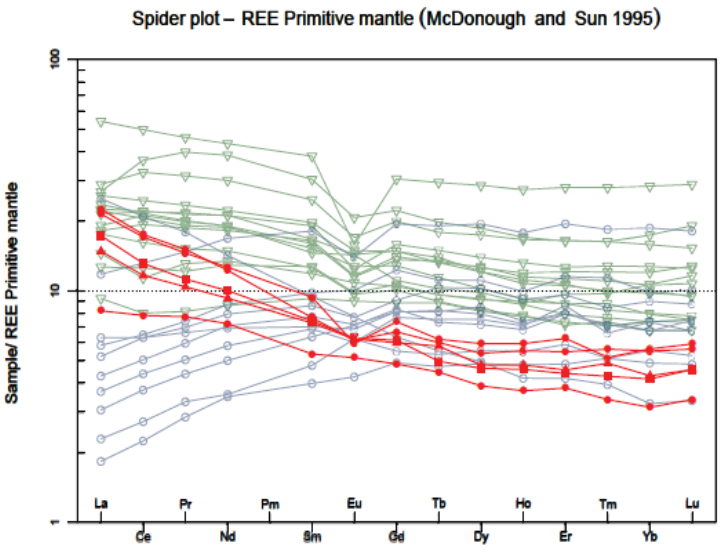

**Figure 52: Chuchi South P2O5 - TiO2 compared with regional rocks**

Legend shows symbols for groups of igneous rocks from the Nation lakes Camp. Chuchi South rocks are shown as large red hollow circles.

The pink lines shows a differentiation trend for a suite for rocks from the Lay Range in contrast to the blue line which shows the main trend of differentiation within the Hogem Batholith.
Five whole rock samples from the Cirrus exploration program are plotted as open red circles.
Drawn in GCDkit 4.1 by the author, December, 2020.

Rare earth elements ("**REE**"s) are a series of elements that are powerful diagnostic petrogenetic indicators. The increase in absolute REE contents in the melts at constant ratios of Light REEs ("**LREE**") to Heavy REEs ("**HREE**") (commonly cited as the Ce/Yb ratios) is because of the incompatible element behaviour of REEs, which concentrate in residual melts as compatible minerals are fractionated away by crystal settling. Within the series from LREEs to HREEs the degree of incompatibility decreases allowing them to be sensitive indicators of magmatic processes. Plots of the REE composition of a rock normalized by some commonly known REE composition such as chondrites or primitive mantle show trends called spider grams and can reveal commonalities and differences in origin of a suite of rocks.

The 5 rock samples plotted on the REE spider diagram of McDonough and Sun (1995) in Figure 53 show very similar trends with only one rocks showing a slight Eu anomaly typical of the effects of plagioclase fractionation removing Eu from the melt. The REE trends are not dissimilar to those of calc-alkaline rocks such as a suite of Jurassic intrusions from Vancouver Island (the Island Plutonic Suite; "**IPS**", Wasteneys, 2018b). Shoshonites are similar to calc-alkaline rocks in origin, but have steeper a LREE trend indicating LREE enrichment.




Plotted by the author in GCDkit4.1 (Janousek et al., 2006).

**Figure 53: Primitive Mantle**
Normalized REE Spider plot of Chuchi Lake igneous rocks.
The diagram plots REE concentrations measured in the rocks normalized by REE concentrations defined by McDonough and Sun (1995) from primitive mantle rocks.
Near parallel trends are displayed for the Chuchi granitoids (indicated by red s mbols and lines) and show moderate LREE enrichment indicated by steep slopes from La to Sm.
'By comparison, typical calc-alkaline ganitoids from the Jurassic Vancouver Is and Plutonic Suite (pale green) show flatter LREE patterns and more pominent Eu anomalies and plot at higher REEs overall indicative mainly of g eater degree of fractionation. MORB rocks from rift related dykes (pale blue) have marked LREE depletion, but similar HREEs.

In strong contrast, a suite of gabbroic dykes from the Anyox area have Mid-Ocean Ridge Basalt ("**MORB**") compositions and a diagnostic positive sloping LREE trend or LREE depletions caused by depletion of the mantle source more the high degrees of partial melting needed for ocean floor production from mantle peridotites (Wasteneys, 2018a).

In addition to REEs, LILE (Large Ion Lithophile Elements Cs, Rb, Ba. and U), HFSEs (High Field Strength Elements ("**HFSE**"): Th, Nb, Ta, and Zr) that are incompatible in melts show other diagnostic aspects of the petrogenesis of the rocks such as the contributions and effects from subducting slabs on the mantle melts. In Figure 54 the five Chuchi monzodiorites and shoshonites are shown in contrast to the suite of granitoids from the Island Plutonic Suite (Wasteneys, 2018b), which are typical calc-alkaline rocks ranging from gabbros to granites.

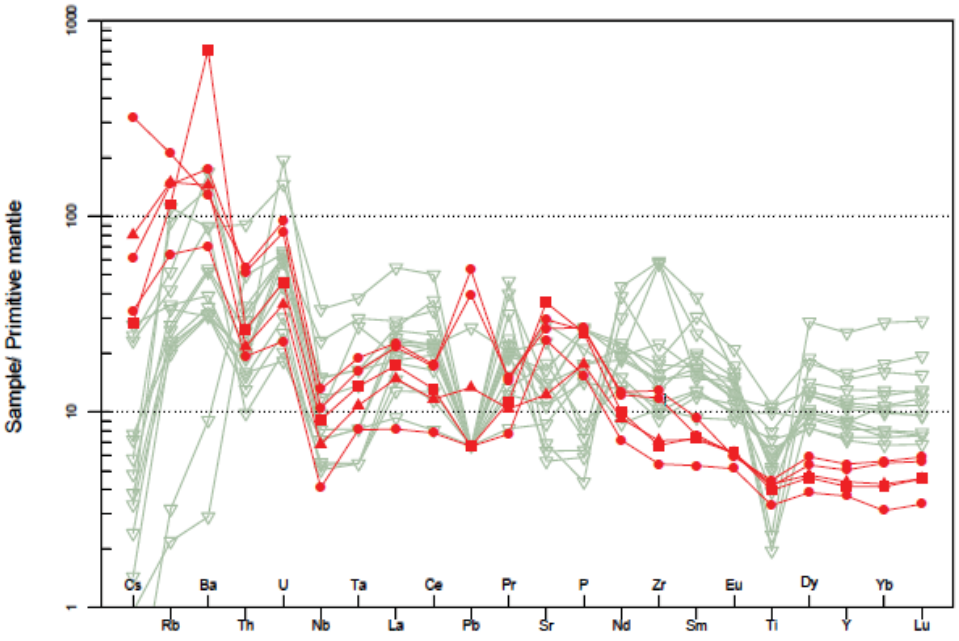



**Figure 54: Extended REE Spider plot of Chuchi Lake igneous rocks.**

The five monzodiorites are plotted on a background of lines for a calc-alkaline pluton on northern Vancouver Island (same rocks used for Fig. 43) .

The diagnostic calc-alkaline patterns are displayed by IPS granitoids indicated by the strong depletion in Nb, Ta, and Ti.

Plotted by the author in GCDkit4.1 (Janousek et al., 2006) November, 2020.

Strong depletion of selected HFSE is a characteristic of calc-alkaline petrogenesis caused by fluids from the subducted slab changing the pE to more oxidizing conditions which makes the HFSE behave compatibly and thus be retained in the non-melted peridotite. Fluid mobile elements like the LILEs Ba, Rb, U, and Sr also infiltrate the mantle wedge above the subducting, dehydrating slab and add these elements to melts. Thorium is less mobile in fluids and so not transferred the same way and results in a low Th/U. The shoshonites show the effect of LILEs addition to the melt in the mafic rocks relative to the more evolved granitoids from the Island Plutonic Suite. Titanium is depleted in the IPS relative to the compositions of the shoshonites because it is compatible in hornblende, which was crystallizing early. Sr is also depleted in the IPS relative to the Chuchi shoshonites because of early plagioclase crystallization in which Sr substitutes for Ca. Phosphorus ("**P**") is depleted in the IPS rocks and enriched in the Chuchi shoshonites indicating relative roles of apatite crystallization depleting P in the IPS and perhaps accumulation in the shoshonites similar to the behaviour of Sr and plagioclase.

Overall, the Chuchi shoshonites show similarities to calc-alkaline petrogenesis, but with greater LILE enrichment, which would include K2O. Aspects of the general importance of shoshonite geochemistry relative to the copper-gold porphyry alkalic association were discussed about under Regional Geology.

***Airborne Magnetometer Survey of the Property***

Cirrus contracted Peter E. Walcott & Associates to conduct an airborne magnetometer survey of the full extent of the Property in October, 2020. The job was completed on October June 14, 2019 and two contour maps were delivered including a Total Magnetic Intensity (TMI) and First Vertical Derivative (1VD) shown on Figures 56 and 57.

***Airborne Magnetic Survey Specifications***

The airborne magnetic survey as described by Alex Walcott (pers. comm., Nov, 2020) was conducted using a stinger type system mounted on an ASTAR helicopter operated by Silver King Helicopters Ltd of Smithers, British Columbia. The stinger unit consists of three main components – C-824 Cesium Magnetometer™ manufactured by Geometrics San Jose, California, Bartington Mag-03 Fluxgate™, and Optilogic RS-400™ Laser Range Finder. The C-824 Cesium Magnetometer is an extremely sensitive magnetic sensor capable of providing sensitivity up to 0.01 nT and sampling rates up to 1000 Hz. On this survey a sampling rate of 50 Hz was employed. The Mag-03™ was connected to a Kana8™ 24-bit digitizer inside the helicopter, where the analog output from the X, Y, and Z components where digitized and synchronized to a GPS timing signal. The respective digital outputs, were connected to a logging computer where the respective input was synchronized to an NTP time server, utilizing a GPS timing signal. Flight line navigation data and helicopter height data was obtained using Hemisphere R330 GNSS™ receiver and Optilogic RS400™ laser range finder with a 10 Hz update rate. Data logging and navigation were carried out utilizing Picoenviotech ANAV™ software on a Panasonic CF-19 Toughbook™ computer with a secondary 7" daylight viewable pilot navigation monitor. The ground station consisted of two GSM 19 Overhauser™ magnetometers to measure variations in the total intensity of the earth's magnetic field to an accuracy of plus or minus one nT during the period of the survey. The survey coverage consisted of some 52 east-west orientated flight lines at 100 meter intervals and 8 orthogonal N-S tie lines at 500 meter spacings (Fig. 55).

***Data Processing and Presentation***

The survey data was processed using Geosoft Oasis Montaj software, utilizing base station data to correct for diurnal magnetic drift and then corrected for positioning errors due to instrument delay (lag). The data from the four tie lines was used to level (adjust) the main flight line data after which the data was "gridded" on a 20 meter cell size using Geosoft Bigrid software algorithm. The gridded data was filtered using Geosoft MagMap software module for evaluation and presentation. The magnetic data for the survey is presented as colour-scaled Contours of Total Magnetic Intensity ("**TMI**") and Contours Calculated First Vertical Derivative ("**1VD**"). Results of the TMI and 1VD are presented below for interpretation.

***Interpretation***

In general TMI images are negatively affected by increases in clearance height of the sensor above the ground as well as by the depth of overburden. Within the Property, most second growth trees are moderately short and local topographic relief is low so the profiles are interpreted as accurately representing the underlying bedrock. Local surficial geology (see Figure 4 in Item 5.5 above) consists of till veneers and till blankets, which are mainly less than 5 meters thick, except for a few isolated depression-filling features. The first derivative image compensates for variations in height above ground and local relief by calculating a pseudo gradient measured in nT/m which displays the gradient of the magnetic field being measured.

The TMI image in Figure 56 shows several prominent curvilinear bodies, interpreted in Figure 58, with high magnetic responses between 56500 nT and 57600 nT, the maximum field intensity in the Property. A single linear feature is also apparent truncating some of the large magnetic bodies. the largest of the magnetic bodies is a 5 km long sigmoidal body that tapers from a few hundred meters width at each end to about 600 meters in the center.

**Figure 55: Linepath Map for the Chuchi-South Airborne Magnetic Survey**
The Property boundary corresponds to the outer limits of the 52 E-W flight line and the 8 N-S tie lines. Claim lines are also shown in the same line type as the flight lines. Map coordinates are in UTM zone 10 NAD 83. Map provided by Peter E. Walcott and Associates Limited, November, 2020

An approximate outline of the body is interpreted in Figure 58 using the 1VD image as a guide to possible vertical contacts, which commonly are shown by the “zero” nT/M contour. It probably corresponds to a plutonic body, likely a monzodiorite, with high magnetic susceptibility intruding into Chuchi Lake succession volcanics and sediments, which provide a lower magnetic contrast. A narrower sinuous body lies to the west of the sigmoidal body and may be a dyke intruded during the main phase of plutonism owing to its curvilinear shape. A third body lies in the south central part of the Property and may also correspond to a pluton of about 800 meters diameter with a tapered NW end. Its southern edge appears to be truncated by a fault evident on the 1VD image as a linear alignment of the zero contour across the width of the property and beyond to the east in the magnetic contour map from the BP option of the Skook Property (Barrie et al., 1991). South of the line is a magnetic low area that geological mapping has shown to be a more sedimentary part of the Chuchi Lake Succession (Barrie et al., 1991).

A comparison in Figure 58 of the TMI maps from the Chuchi South survey with those from the airborne magnetic survey done during the BP Resources option of the Skook claims in 1991 (Barrie et al. 1991), shows good correspondence and allows extrapolation of the large scorpion tailed feature to the east as well as the linear fault. Smaller areas of ground based magnetic surveys were completed on Noranda’s Klaw claims in the northern part of the Property in 1989, (Campbell and Bradish, 1990), with readings above 57000 nT indicating a mag high within the present large feature. Noranda subsequently conducted an airborne survey on the Klaw and Norn claims, presently the west and north parts of the Property, which is also shown overlaid by the present TMI in Figure 56. It was more difficult to interpret having only had minimal processing by correction of diurnal variations and it is not possible to determine what decisions Noranda made using it.

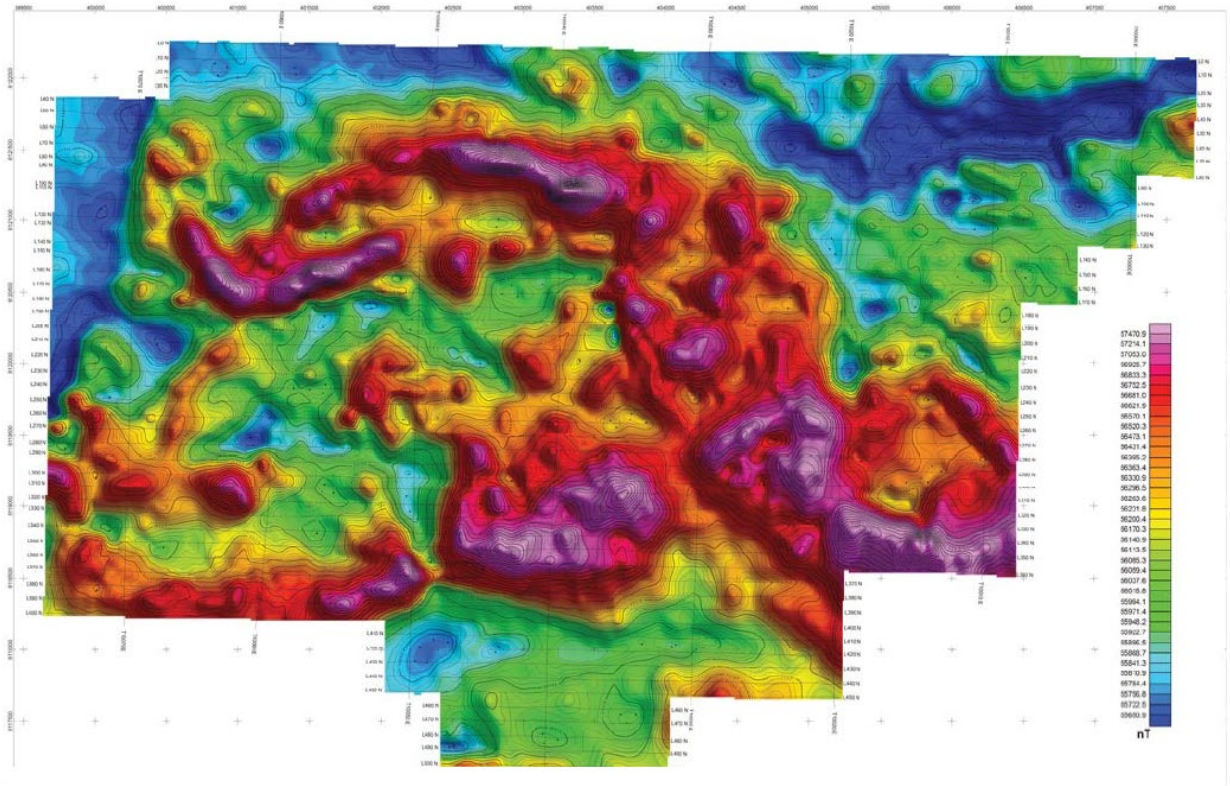



**Figure 56: Total Magnetic Intensity from the Chuchi South Airborne Magnetometer Survey.**
Survey map is from Peter E. Walcott & Associates Ltd.

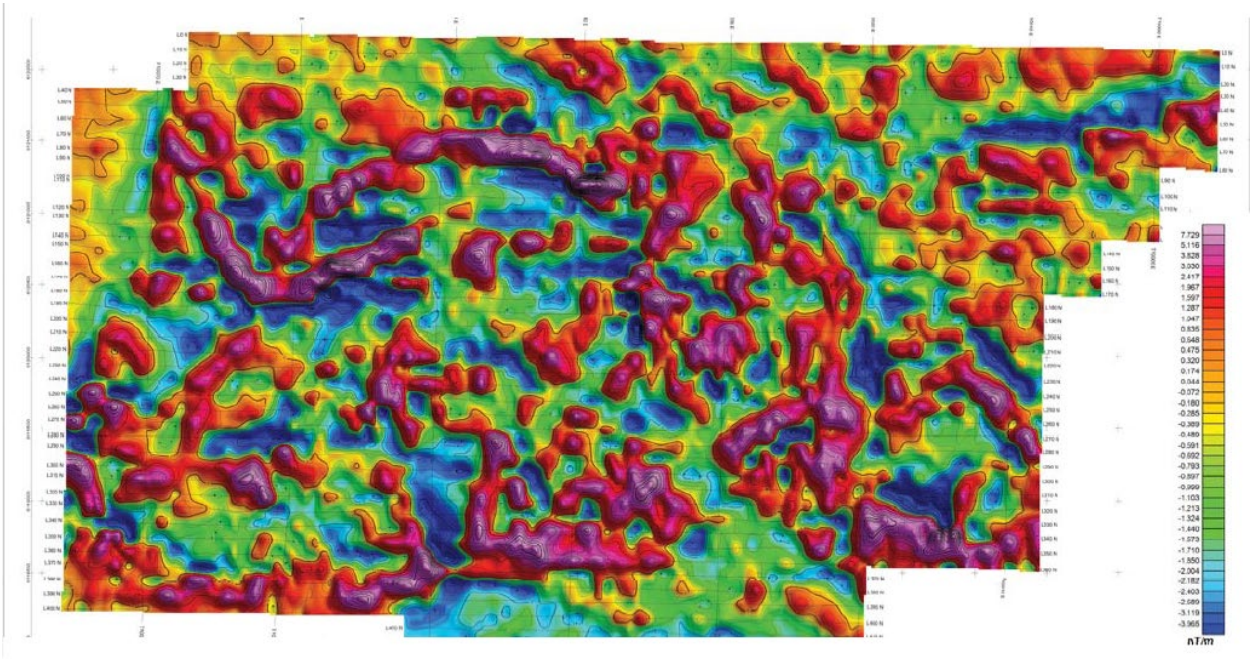



**Figure 57: First Vertical Derivative of the Total Magnetic Intensity: Chuchi South Airborne Magnetometer Survey.**
Note scale is in nT/m and not the same as the scale in the TMI map. Survey map is from Peter E. Walcott & Associates Ltd.

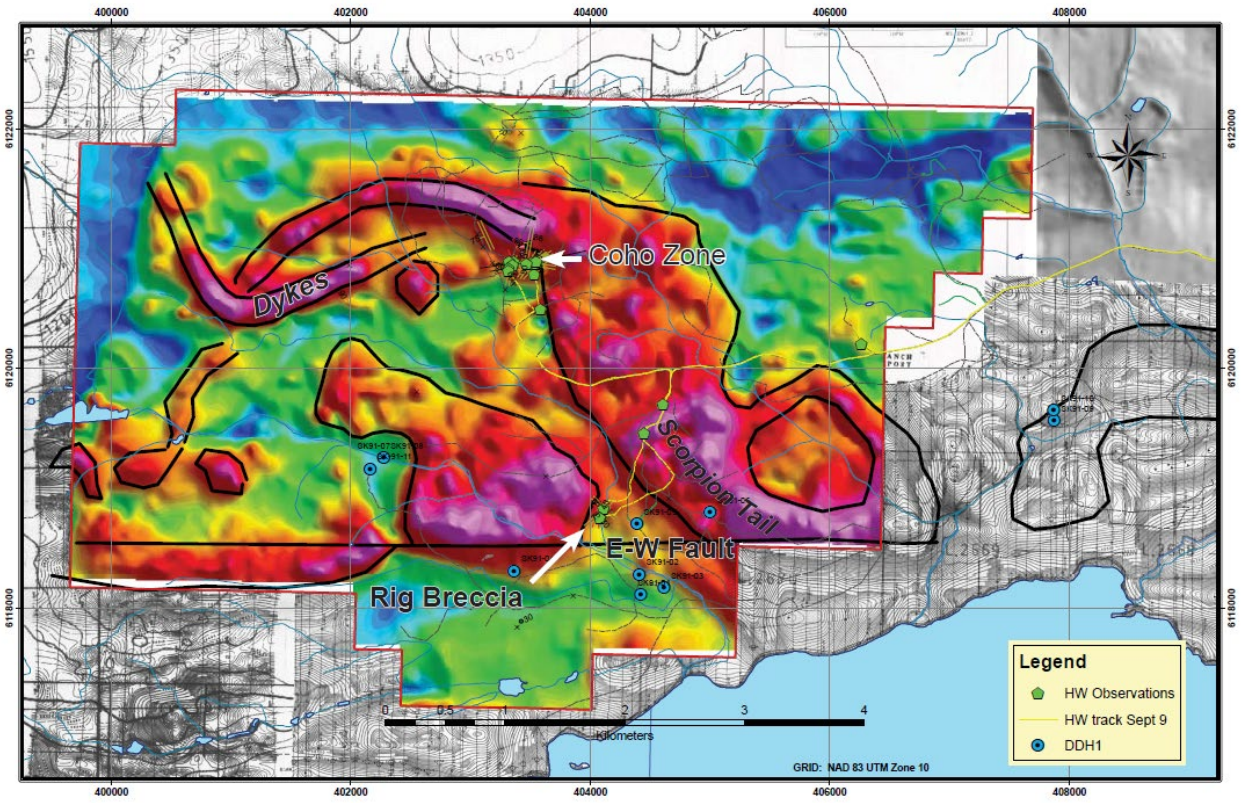



**Figure 58: Interpretation of the Chuchi South 2020 Airborne Magnetic Survey Map**

The TMI map from Figure 56 is shown here overlaid by the claim boundaries of the Property. Georeferenced black and white contour TMI maps from airborne magnetics surveys by the 1990-1992 BP Resources option of the Skook property (Humphreys, 1991 report 21108; SE part of the map), and the 1990 Noranda survey of the KLAW and Norn claims Campbell, 1990 report 20865). Drill hole locations from the Barrie et al. (1991) and Barnes et al. (1991) BP exploration programs which utilized the mag maps and an IP survey of the Skook claims.

The new airborne magnetometer survey shows good correlation with the Skook survey and allows extrapolation of the large sigmoidal scorpion feature to the east as well as the linear E-W fault. The lack of processing in the Noranda TMI contours makes it more difficult to interpret than the coloured TMI contour image of the Property produced by P. E. Walcott and Associates.

Black interpretation lines were drawn by the author using the 1VD map and following alignments of the “zero” contour. The curved lines may correspond to the contacts of plutonic bodies intruding volcanics or sediments. A possible fault structure, labelled “E-W Fault” appears to truncate the intrusive bodies outlined to the north. The Noranda contours appear more akin to a 1VD map because of their random complexity than a TMI map. Low magnetic areas in blue and green in the NE of the Property are an area of Takla group volcanics of the Chuchi Lake Succession.

For reference the author’s traverse track of September 9 is shown in yellow. Drawn by the author in ArcGIS 9.3, November, 2020.

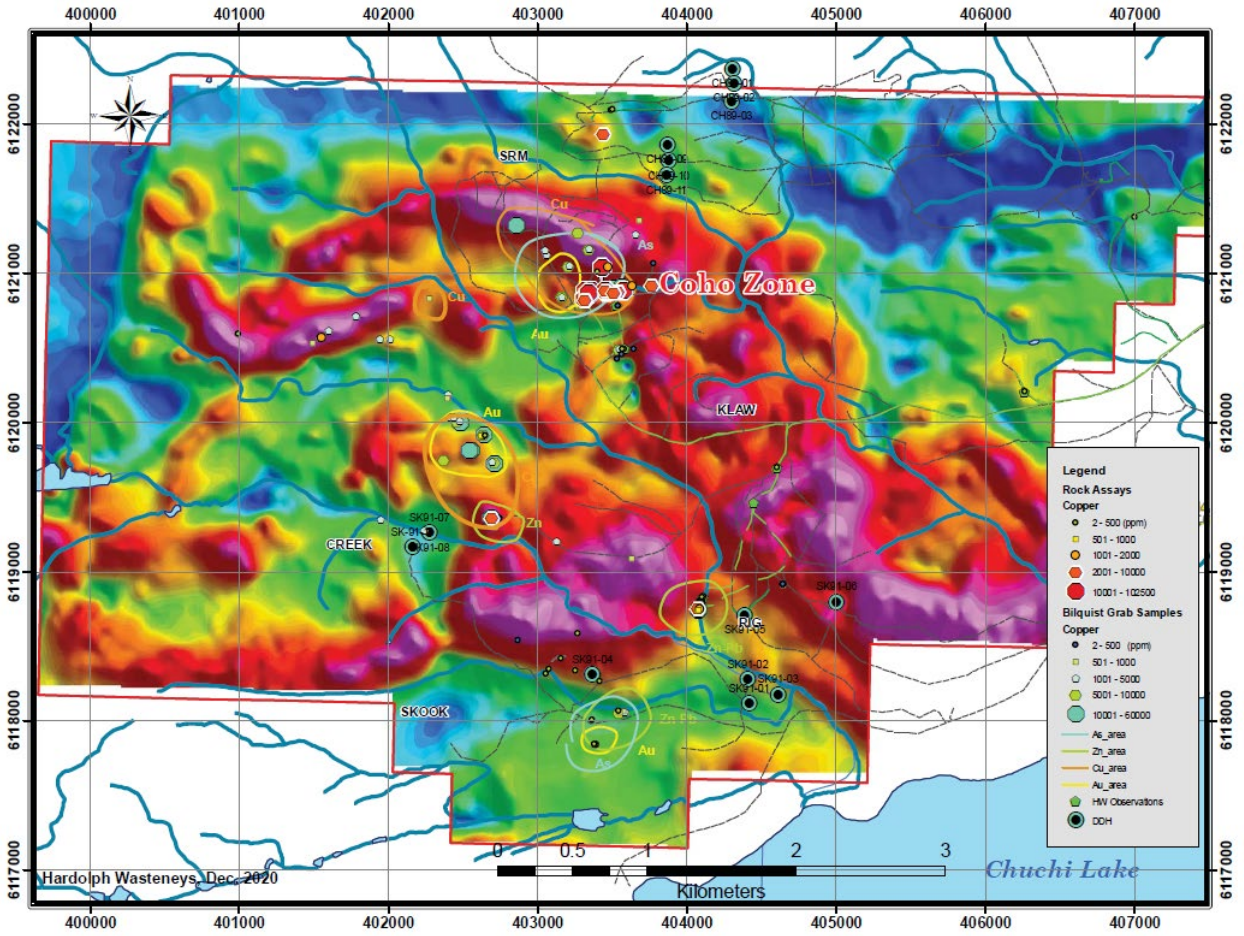



**Figure 59: Total Magnetic Intensity Map and Rock Sample Assays**
The TMI image is overlain by historical diamond drill holes north of the Coho Zone mag high, south of the Rig Breccia and the E-W fault on Figure 58 in an area of magnetic low, and near the Creek showing, also a magnetic low. Only one hole was drilled in a magnetic high 1 km east of the Rig showing. Values of copper for samples collected in 2020 by Cirrus and previous ones by Ron Bilquist are symbolized in the legend.
For reference the author's traverse track of September 9 is shown in yellow. Drawn by the author in ArcGIS 9.3, November, 2020.

Comparing the company's data set for rock assays with the TMI in Figure 59 shows that many high values for copper are within magnetic highs possibly corresponding to area of potassic alteration. Sericitic alteration-related magnetite destruction would be expected to create magnetic susceptibility lows and many of the historic drill holes are located in such zones.

A new work in progress geological compilation map is shown in Figure 59 representing an attempt to subdivide the major intrusive bodies with respect to their magnetic response on the new airborne survey images with petrographic descriptions, whole rock analyses, and field descriptions from previous and current work.

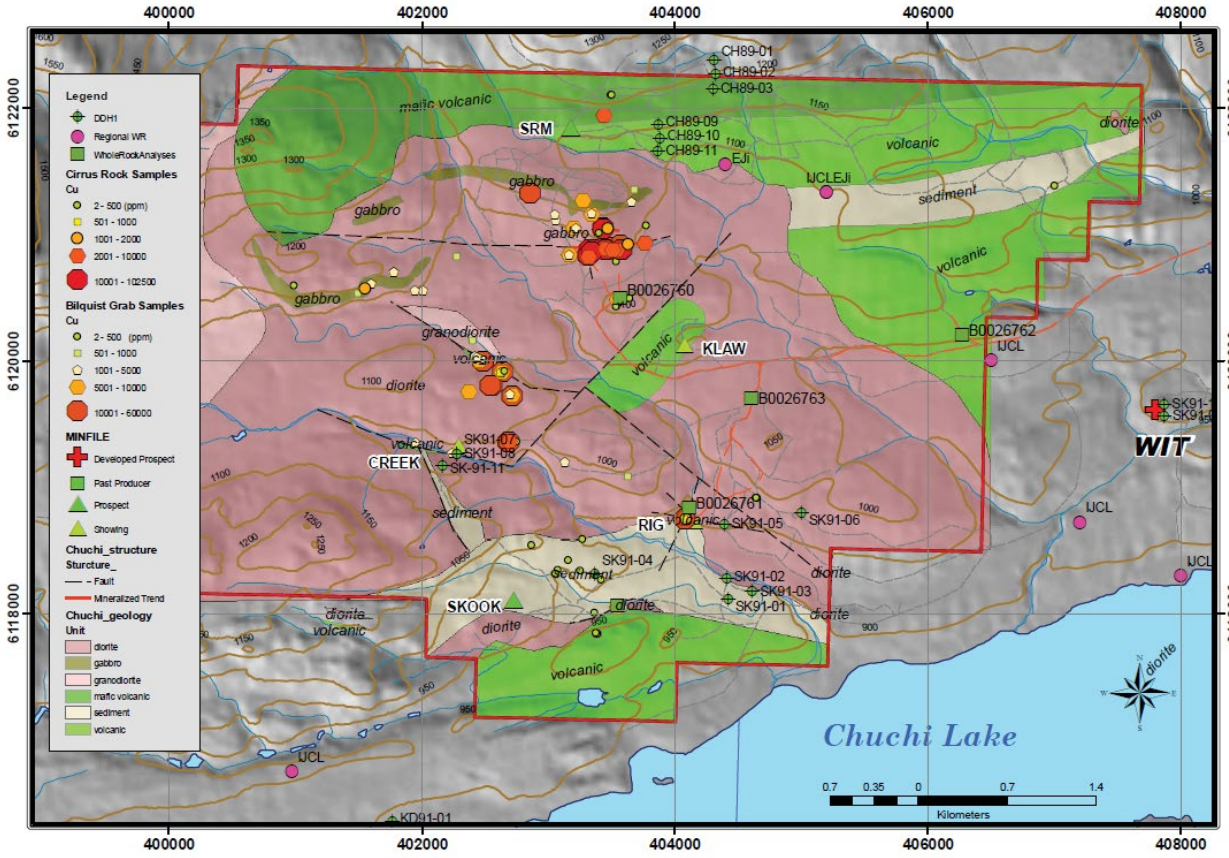



**Figure 60: Geological Interpretation of the Chuchi South Project**
Compilation of data and geological interpretation by Dr. K. Bjorkman using historical and new field data and the airborne magnetic imagery. Incorporates mapping by Bilquist (2010 to 2019) and previous explorers (e.g. Barrie et al, 1991). Rock sample geochemistry is symbolized for copper from Cirrus and Bilquist data sets.
Whole rock sample location from Cirrus and Nelson and Bellefontaine (1996) data. Drill hole locations are compiled from Barnes et al., (1991 SK series), Barrie et al. (1991; KD series), Campbell (1989; CH series). Map drawn in ArcGIS by the author using above data sources. The author's track from Sept 9, 2020 shown in orange dashed line.

## Drilling

Historical exploration diamond drilling has been undertaken at the Chuchi South on the Property mainly during the BP-Chuchi option project in 1990 and minor follow-up work by Nation Lakes Resources in the few year after. All of the results of the drilling that are available are disclosed in Item 6 History, above.

## Sample Preparation, Analyses and Security

### *Geochemical Analyses*

Cirrus collected 47 mineralized and significantly altered specimens from several showings previously known or discovered by prospecting and mapping within the Property. Collection sites were clearly marked as observed by the author in his Property visit and recorded by GPS coordinates and field notes that were compiled in a spreadsheet. Samples were collected into 6 ml plastic sample bags with sample number tags and sealed with plastic zip ties. Locations were recorded by the crew using either handheld Garmin GPS units (Setterfield, and Bilquist) or for detailed precision geological mapping by Bjorkman, Collector™ for ArcGIS, an ESRI application, in conjunction with an Arrow 100™ GPS Receiver, which gives a typical accuracy of 40-80 cm dependent on terrain and tree cover. The Midland Valley application

Clino MOVE was also used to record field photos and structural data using a smart phone device. Sample sites were marked in the field with labelled flagging tape.

During the exploration program Cirrus's rock samples were stored in locked vehicles or cabins to prevent public tampering until shipped. Rocks were shipped directly to ALS Canada Ltd ("**ALS**") on Dollarton Highway in North Vancouver by Cirrus personnel. Reasonable security measures were taken for the exploration samples, given that the results are NOT being relied upon for resource estimates. As a quality control measure, Cirrus inserted 4 field blanks randomly into the 47 sample batch, consisting of pieces of commercially available marble.

The author's field examination included collecting 7 mineralized rocks, 5 from the Coho Zone, and 2 from the Rig Breccia (Fig. 39). The author delivered his rock samples directly to a shipping facility in Prince George for transport to the ALS Global laboratory in North Vancouver, BC.

At the ALS laboratory, the samples were catalogued, dried, crushed, split and pulverized using standard rock and soil preparation procedures. The rocks collected by Cirrus were analysed for 33 elements by ALS protocol ME-ICP61 (Inductively coupled plasma - atomic emission spectroscopy "**AES**") and for gold by method Au-AA23 using a 30 gram split. The author's field examination rocks were analysed by ALS protocol ME-MS61 (Inductively coupled plasma - mass spectrometric analysis), which provided results for 48 elements at lower detection limits than by ME-ICP61 varying from 1 to 2 orders of magnitude (details in ALS Schedule of Services and Fees). Gold was also analysed by method Au-AA23 from a 30 gram split of the pulp. Both protocols, ME-MS61 and ME-ICP61, involve 4 acid dissolution ($H_3ClO_4$ -$HNO_3$ - HCl; dry down and re-dissolution in HCl) and common crushing (70% <2 mm), riffle splitting, and pulverizing (85%< 75µm) specifications.

Whole rock analysis of 5 samples collected by Setterfield and Bjorkman for Cirrus utilized ALS method CCP-Pkg03 which involves selected procedures for each type of element to ensure complete dissolution of particular elements from the most refractory minerals, and measurement of all of each element in the avoiding analytical overlaps. Major elements were measured by fusing a portion of the rock powder with lithium metaborate prior to XRF analysis. Trace elements, and REEs were analyzed by 2 ICP MS methods involving either direct dissolution of an aliquot of the rock powder or of the lithium metaborate fused powder. Carbon and Sulphur were analyzed by Leco furnace.

ALS quality control methods included inserting into the laboratory sample stream a series of appropriate certified rock standards that allow a statistical assessment of accuracy relative to established concentrations of various elements. Precision is assessed by the degree of variation of concentrations reported for an element in successive analyses of the same standard and by reanalysis of a small number of randomly selected field samples. Furthermore, ALS inserts a series of blanks in the laboratory analytical stream to detect contamination. Elements that returned concentrations above the analytical limit for ME-ICP61 or ME-MS61 were reanalyzed using a sequence of quantitative methods for higher concentrations of base and precious metals as required.

The data provided to the author by Cirrus included sample site coordinates, material descriptions, site coordinates, and ALS data files and certificates of analysis of all analytical results as well as QA/ QC data. The author's QA/QC review initially involved scanning the laboratory analytical data in tabular form for unusual trends indicative of laboratory cross contamination such as observing high concentrations of an element at the beginning of an analytical series (assuming that samples were run in order) that declined exponentially in successive samples. No unusual trends were observed, which was further confirmed by a lack of significant departure from normal values in the laboratory and marble field blanks. From reviewing the QA/QC data the author concluded that the analyses were statistically accurate and precise. It was therefore concluded that the data set results were representative of natural element concentrations in rocks.

The author compiled the analytical and sample coordinate data into ArcGIS and checked coordinates for map plotting. In the data compilation in an excel spreadsheet, the author replaced element concentrations

that were reported as below detection limit (e.g. <10 ppm) with a numerical value of half the detection limit (e.g. 5 ppm) to allow numerical processing of the data.

ALS is a certified commercial lab with ISO 9001:2000 certification and no connection to Cirrus or the author other than a regular service provider - client relationship. The laboratory in North Vancouver has also been accredited to ISO 17025 standards for specific laboratory procedures by the Standards Council of Canada (SCC). ALS is a subsidiary of ALS Global, which is a leading testing, inspection, certification and verification company head quartered in Brisbane, Australia that services multiple industries globally and employs over 13,000 staff in over 65 countries.

The author acknowledges that reasonable sampling methodology and secure chain-of- custody were adequately maintained during the course of the project. As mentioned above Cirrus's samples were stored in locked facilities until shipped, and the author's samples were in his custody until directly shipped in a secure container to ALS facilities. In any case the project work was in a remote area and accommodations were at a private fishing lodge with no other guests than the project team. The author's samples were analysed under the author's own account at ALS without indication of source and results delivered directly to the author. The author is unaware of any problem with the analytical procedures, field locations, or data handling that would have an adverse affect on the quality of the data that is represented in this report.

**Data Verification**

The Technical Report includes data from the following categories:

- Historical exploration data including field geological descriptions, geochemical data for rocks and soils, geophysical data from Induced Polarization surveys and airborne magnetometer surveys, and diamond drilling.
- Current exploration data including 47 rock samples from the Property.
- Current exploration data from a Property-wide airborne magnetometer survey.

The author reviewed the historical exploration data in assessment reports available in the public domain on the British Columbia Assessment Report Information System and assessed their reliability by their internal consistency with respect to quality controls described and in relation to known geology of the areas surveyed.

The author verified the Cirrus rock geochemical data by analysis of 7 check samples collected from outcrops at significantly mineralized locations reported by Cirrus and shown on Figure 39. Five samples were collected from outcrops judged by the author to be representative of various parts of the Coho Zone showings and two from the Rig Breccia showing, and these were analysed by ALS using ME-MS61 for a suite of 48 elements and Au-AA23 for gold.

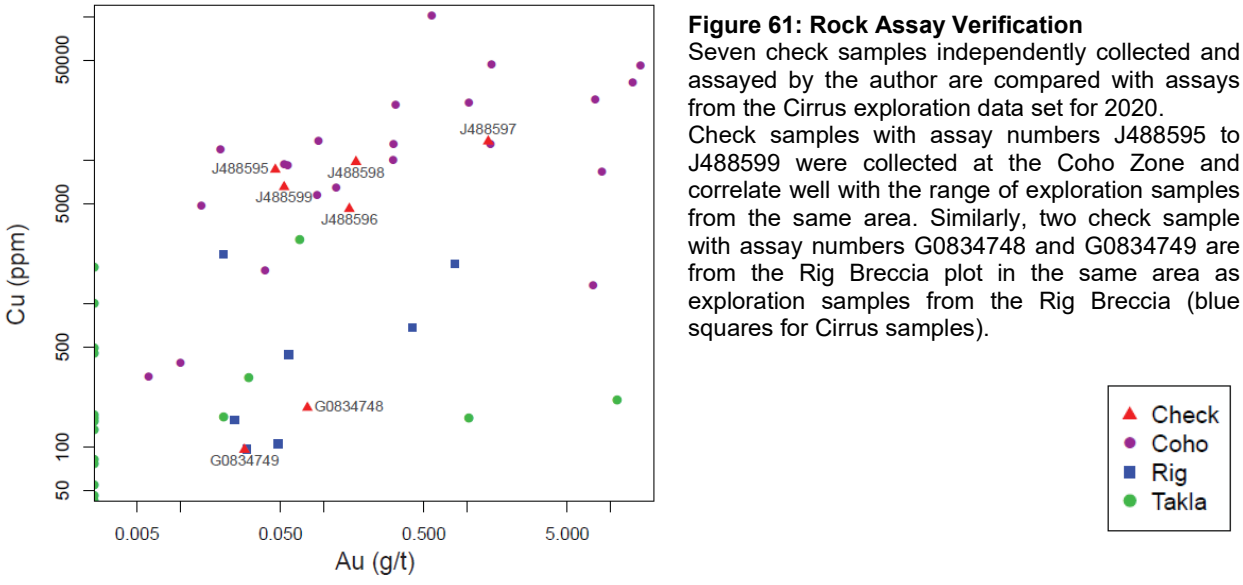



**Figure 61: Rock Assay Verification**
Seven check samples independently collected and assayed by the author are compared with assays from the Cirrus exploration data set for 2020.
Check samples with assay numbers J488595 to J488599 were collected at the Coho Zone and correlate well with the range of exploration samples from the same area. Similarly, two check sample with assay numbers G0834748 and G0834749 are from the Rig Breccia plot in the same area as exploration samples from the Rig Breccia (blue squares for Cirrus samples).

ME-MS61 has lower detection limits than the ME-ICP61 method used by Cirrus at the same laboratory. Results of the author's check analyses are well within the range of element concentrations obtained in Cirrus's samples from the same showings (Fig. 61).

The combined check sample and Cirrus exploration geochemical dataset was also examined by the author in statistical plots (box plots and correlation diagrams) and variation diagrams for trends and patterns that might highlight both natural variations and unusual inconsistencies in the individual data points. All of the variations and trends appeared to be of natural origin revealing important aspects of the geology.

The exploration geochemical data (rock and soil samples) are susceptible to natural variations in the local geological environment and the quality of material collected and thus subject to field decisions on sampling, but not critical in resource evaluations. Rock sample data from early stage exploration was also subject to field decisions and requires evaluation of the context of the collected material, if available, by the qualified person.

Geochemical data, incorporated from previous work, were verified by the same procedures as for the current data, by examining QA/QC information where available and generally reviewing the data sets for unusual non-natural trends indicative of lab contamination. As well, where multiple data sets were available using different analytical procedures than being used

in the current exploration programs, elements of material interest were cross checked to discern patterns of under- or over-reporting by the different methods. For older data, prior to the advent of certified commercial labs, the data was verified by the author by comparison with current data.

The geophysical data was verified by examining the internal consistency of the maps and sections and reading the logistics and methodology reports accompanying the data. The author also directly communicated with the geophysicist who conducted the Magnetometer surveys to inquire about conditions on the surveys, equipment issues, and characteristics such as sensor height. As well, the new magnetometer survey data were compared with data from surveys in 1991 contracted by BP and found to be consistent, although the older data presentation is difficult to evaluate.

In the author's opinion the quality of the data collected is wholly adequate for the purposes of early stage exploration of the Chuchi South Project as laid out in this Technical Report (pursuant to item 12 (c) of Form NI 43-101 (F1)) within the limitations described by the author regarding analytical methods used.

**Mineral Processing and Metallurgical Testing**

There has been no historical or recent extraction of rock for the purposes of mineral processing or metallurgical testing undertaken on the Chuchi South Project.

**Mineral Resource and Mineral Reserve Estimates**

There has been no historical or recent extraction of rock for the purposes of mineral processing or metallurgical testing undertaken on the Chuchi South Project.

**Recommendations**

The exploration program recommended is in two phases. The first is a limited program to determine the nature of mineralization in the Coho Zone by mapping, IP geophysics, and lithogeochemistry. The second is contingent on finding positive indications of a porphyry system by means of the results of the first phase and involves completion of a IP geophysics across the Property and drill intensive exploration of targets.

A budget is proposed for the first phase amounting to $110,657 is presented in Table 4. It is predicated on a 10 line, 20 line kilometer IP survey of a 400 hectare area centered on the Coho Zone, and geological

mapping and lithogeochemistry on the remainder of the Property. Improvements to access by line cutting and footpath clearing along old roads should also be contemplated, but are not essential. The field work would involve at least two experienced geologists involved first in systematic recompilation and reprocessing of the of geophysical, geochemical, and geological data reviewed in this report, and second in field mapping of the Property, direction of the IP survey, and follow-up work on results.

**Chuchi South Project**

| ITEM | days | rate | COST |
|---|---|---|---|
| **Geologist** | 25 | $800.00 | $20,000.00 |
| **Geologist** | 15 | $800.00 | $12,000.00 |
| **IP Survey days** | 10 | $4,130.00 | $41,300.00 |
| **Mob-demob** | 2 | $2,050.00 | $4,100.00 |
| **geophysics** | | | |
| **Camp/accommodation** | 15 | $500.00 | $7,500.00 |
| **transport crew** | 15 | $200.00 | $3,000.00 |
| **Geochemistry: soils** | 150 | $42.95 | $6,442.50 |
| **Geochemistry: rocks** | 100 | $48.15 | $4,815.00 |
| **Line cutting** | 7 | $1,000.00 | $7,000.00 |
| **Administration** | 6 | $750.00 | $4,500.00 |
| | | | $110,657.50 |

**Table 4: Chuchi South: Recommended Phase One Budget**

Contingent on positive indications a second phase program should pursue drill targets with ten drill holes averaging 300 meters each and a 40 line kilometre IP survey of the remaining parts of the Property that appear prospective. The budget for the second phase program is presented in Table 5 and amounts to $837,850.00.

**Chuchi South Project: Phase II**

| ITEM | days | rate | COST |
|---|---|---|---|
| **Geologist** | 25 | $800.00 | $20,000.00 |
| **Geologist** | 25 | $800.00 | $20,000.00 |
| **Assistants (2 for 15** | 30 | $400.00 | $12,000.00 |
| **days)** | | | |
| **IP Survey days** | 20 | $4,130.00 | $82,600.00 |
| **Mob-demob geophysics** | 2 | $2,050.00 | $4,100.00 |
| **Camp/accommodation** | 15 | $500.00 | $7,500.00 |
| **transport crew** | 15 | $200.00 | $3,000.00 |
| **Diamond drilling** | 3000 | $200.00 | $600,000.00 |
| **Geochemistry: drill core** | 1000 | $48.15 | $48,150.00 |
| **Line cutting** | 12 | $1,000.00 | $12,000.00 |
| **Road clearing** | 20 | $1,200.00 | $24,000.00 |
| **kilometres** | | | |
| **Administration** | 6 | $750.00 | $4,500.00 |
| | | | $837,850.00 |

**Table 5: Chuchi South Project: Phase Two Budget**

## USE OF PROCEEDS

Assuming the Agent's Option is not exercised, the net proceeds to the Company from the Offering will be $220,000, after deducting the Agent's Fee of $35,000, the cash portion of the CF Fee in the amount of $30,000 plus taxes, and estimated remaining expenses of the Offering of $65,000. As of May 31, 2021,

the Company has working capital of $72,571. When combined with the net proceeds of the Offering, the Company anticipates having $292,571 in available funds (before deducting taxes payable on the CF Fee).

Assuming the Agent's Option is exercised, the net proceeds to the Company from the Offering will be $267,250, after deducting the Agent's Fee of $40,250, the cash portion of the CF Fee in the amount of $30,000 plus taxes, and estimated remaining expenses of the Offering of $65,000. As of May 31, 2021, the Company has working capital of $72,571. When combined with the net proceeds of the Offering, the Company anticipates having $339,821 in available funds (before deducting taxes payable on the CF Fee).

The Company intends to use the available funds (i) to fund exploration and development activities on the Chuchi South Project, (ii) to complete Phase I of the work program recommended pursuant to the Chuchi South Technical Report (see "*Chuchi South Project – Recommendations*"), and (iii) for general and administrative purposes, option payments and working capital requirements, as indicated in the following table

| **Principal Purposes** | **Available funds** |
|---|---|
| Completing Phase I of the work program recommended pursuant to the Chuchi South Technical Report | $110,657 |
| General and administrative costs | $90,000 |
| Option payments for the next 12 month period | $30,000 |
| Unallocated working Capital | $61,914 |
| **Total** | **$292,571** |

The Company's anticipated general and administrative costs are outlined in the table below.

| **General and Administrative Costs** | **Available funds** |
|---|---|
| Accounting and Audit Fees | $25,000 |
| Legal Fees | $10,000 |
| Office Rent and Miscellaneous | $15,000 |
| Administration Fee | $36,000[(1)] |
| Transfer agent | $4,000 |
| **Total** | **$90,000** |

Note:

(1) $36,000 has been allocated as payment to European Business Center ("**EBC**"), which is not a related party of the Company, EBC has been engaged by the Company to provide certain administrative assistance in relation to the day-to-day operations of the Company. The Company will pay EBC $2,500 per month plus applicable taxes per month for the services provided.

Unutilized net proceeds of the Offering, if any, will be invested by the Company in an interest-bearing account with a major Canadian bank and used for working capital requirements. While the Company intends to spend the net proceeds from the Offering as stated above, there may be circumstances where, for sound business reasons, funds may be re-allocated at the discretion of the Board or management. See "*Risk Factors – Risks Related to the Company – The Company may not use the proceeds from the Offering as described in this Prospectus*".

Proceeds raised pursuant to the exercise of the Agent's Option, if any, are intended to be allocated to general and administrative purposes and working capital requirements.

**The Company is an exploration stage company and has not generated cash flow from operations. As at March 31, 2021, the Company had negative cash flow from operating activities.** The Company expects to continue to incur negative operating cash flow and losses for the foreseeable future. To the extent that the Company has negative operating cash flow in future periods, it will need to allocate a portion of its cash (including proceeds from the Offering) to fund such negative cash flow. If the Company experiences future negative cash flow, the Company may also be required to raise additional funds through the issuance of equity or debt securities. See "Risk Factors".

**Business Objectives and Milestones**

The primary business objectives that the Company expects to accomplish by using the net proceeds from the Offering are to conduct exploration programs on the Chuchi South Project as set out in the Chuchi South Technical Report.

The Company expects to begin Phase I of the work program recommended pursuant to the Chuchi South Technical Report during the second quarter of 2021. The net proceeds of the Offering allocated to Phase I of the work program are expected to advance Phase I of the work program to completion, which is expected during the third quarter of 2021, and includes linecutting, geochemistry, geological mapping and expanded IP surveys on the Chuchi South Project (see "*Chuchi South Project – Recommendations*"). Currently there are COVID-19 related travel restrictions in place in British Columbia which recommend against non-essential travel within British Columbia. These travel restrictions may impact upon the ability of qualified personnel to travel to the Chuchi South Project in order to conduct the recommended Phase I work program. In addition, there is a risk that more restrictive COVID-19 related travel restrictions may be imposed in the future that may further impact on the ability of the Company to complete the Phase I work program at the Chuchi South Project. Management of the Company intends to monitor all COVID-19 related restrictions and revise the Company's objectives as may be necessary. See "*Risk Factors*".

On or before February 10, 2022, the Company must make payments of $30,000 to the Optionor in order to maintain the Chuchi South Option Agreement.

The net proceeds of the Offering will allow the Company to complete Phase I of the recommended exploration program on the Chuchi South Project. The Chuchi South Technical Report recommends that, subject to the results of the Phase I work program, a Phase II drilling program and additional IP survey be completed. The net proceeds of the Offering will not be sufficient to fund the Phase II work program in its entirety should the Company elect to proceed. In that case, the Company will need to raise further funds. There is no assurance that the Company will elect to proceed with the Phase II program. Should the Company not elect to proceed with the Phase II program, the Company will evaluate its strategic alternatives, including pursuing further activities in mineral exploration and development.

## PLAN OF DISTRIBUTION

The Offering consists of 3,500,000 Offered Shares at a price of $0.10 per Offered Share. In addition, the Offering includes up to an additional 525,000 Offered Shares issuable upon the Agent's exercise of the Agent's Option in full. The Offered Shares will be sold to the public on the Closing Date pursuant to the Agency Agreement. For a summary of the material attributes and characteristics of the Offered Shares and certain rights attaching thereto, see "*Description of Securities Being Distributed*".

Pursuant to the Agency Agreement, the Company has appointed the Agent to offer for sale to the public, on a commercially reasonable efforts basis, an aggregate of up to 3,500,000 Offered Shares (assuming the Agent's Option is not exercised) at the Offering Price for aggregate gross proceeds to the Company of $350,000, subject to compliance with all legal requirements and the terms and conditions contained in the Agency Agreement.

The Offering Price has been determined by arm's length negotiation between the Company and the Agent, in accordance with the policies of the CSE, and may bear no relationship to the price that will prevail in the public market.

The Company has granted the Agent the Agent's Option, exercisable, in whole or in part, at the sole discretion of the Agent, at any time up to two days prior to the Closing Date, to offer up to 525,000 Agent's Option Shares for sale to the public at a price per Agent's Option Share equal to the Offering Price. If the Agent exercises the Agent's Option in full, the gross proceeds raised under the Offering will be $402,500, the Agent's Fee will be $40,250, and the net proceeds to the Company will be $362,250 (before deducting expenses of the Offering and the cash portion of the CF Fee). This Prospectus qualifies the grant of the Agent's Option and the distribution of the Agent's Option Shares.

The obligations of the Agent under the Agency Agreement are subject to certain closing conditions, and may be terminated at the Agent's discretion at any time before Closing on the basis of "material change out", "market out", "disaster out", "regulatory out" "breach out", and "due diligence out" clauses in the Agency Agreement, in addition to termination upon the occurrence of certain other stated events. As the Agent has agreed to use its commercially reasonable efforts to sell the Offered Shares, the Agent is not obligated to purchase any Offered Shares not sold under the Offering. The Company has agreed in the Agency Agreement to indemnify the Agent and its respective affiliates and its respective directors, officers, employees, agents, partners and shareholders against certain liabilities and expenses or will contribute to payments that the Agent or such other parties may be required to make in respect thereof.

In consideration for the Agent's services in connection with the Offering, the Agency Agreement provides that the Company will pay the Agent's Fee to the Agent, which is equal to 10% of the gross proceeds of those Offered Shares sold pursuant to the Offering. In addition, the Agent will receive the CF Fee of $40,000 (plus tax), $30,000 of which is payable in cash and $10,000 payable in CF Shares. The CF Shares are not qualified compensation securities and as a result are not qualified for distribution by this Prospectus. The CF Shares will be subject to a four month hold period from the date of issuance in accordance with applicable securities laws. See *"Escrowed Securities*". In addition, the Company has agreed to pay the Agent's legal expenses in connection with the Offering, to a maximum of $25,000 (plus taxes and disbursements). The Company has paid the Agent a retainer of $15,000 to be applied against such expenses.

In connection with the Offering, the Company has agreed to grant the Broker Warrants to the Agent, exercisable to acquire in aggregate that number of Broker Warrant Shares as is equal to 10% of the aggregate number of Offered Shares issued pursuant to the Offering at the Offering Price for a period of 24 months from the Closing Date. This Prospectus qualifies the grant of the Broker Warrants.

Subscriptions for the Offered Shares will be received subject to rejection or allotment, in whole or in part, and the Agent reserves the right to close the subscription books at any time without notice. All subscription funds received by the Agent will be held in trust, pending the Closing. It is expected that the Closing will take place on or about or such other date as the Company and the Agent may agree, but in any event, on or before a date that is not later than 90 days after the date of the receipt for the final prospectus, or if a receipt has been issued for an amendment to the final prospectus within 90 days of the issuance of such receipt and in any event, not later than 180 days from the date of the receipt for the final prospectus.

The Offered Shares are being offered for sale to the public in the provinces of British Columbia and Alberta, and such other jurisdictions as the Agent and the Company may agree, by way of this Prospectus.

There is currently no market through which the Offered Shares may be sold, and purchasers may not be able to resell the Offered Shares purchased under this Prospectus. This may affect the pricing of the Offered Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Offered Shares, and the extent of issuer regulation. See "*Risk Factors*".

The Company has received conditional acceptance to list its Common Shares on the CSE. Listing is subject to the Company's fulfilling all of the 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., a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchanged or the PLUS markets operated by PLUS Markets Group PLC).

It is anticipated that the Company will arrange for one or more instant deposits of the Offered Shares issued and sold hereunder with CDS or its nominee through the non-certificated inventory system administered by CDS on the Closing Date, or will otherwise duly and validly deliver the Offered Shares as

directed by the Agent on the Closing Date. Except in limited circumstances, no certificates will be issued to purchasers of the Offered Shares and a purchaser will receive only a customer confirmation from a registered dealer that is a CDS participant and from or through which the Offered Shares are purchased.

The Offered Shares have not been and will not be registered under the U.S. Securities Act or any securities laws of any state of the United States, and may not be offered or sold within the United States except in transactions exempt from the registration requirements of the U.S. Securities Act and all applicable state securities laws. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any Offered Shares in the United States.

The minimum funds to be raised in respect of the Offering is $350,000. The Agent will hold in trust all funds received from the subscriptions until the minimum amount of funds of $350,000 has been raised. If this minimum amount of funds is not raised within the distribution period, the Agent must return the funds to the subscribers without any deduction.

## SELECTED HISTORICAL FINANCIAL INFORMATION

The following table sets out certain selected historical financial information of the Company for the periods and as at the dates indicated. This information has been derived from the audited and unaudited financial statements and related notes thereto included in this Prospectus. The Company prepares its financial statements in accordance with IFRS. Investors should read the following information in conjunction with those financial statements and related notes thereto, along with the MD&A.

| . | **As at and for the period ended December 31, 2020 (audited)** | **As at and for the period ended March 31, 2021 (unaudited)** |
|---|---|---|
| Current assets | $176,256 | $96,718 |
| Working capital [(1)] | $124,389 | $78,651 |
| Exploration and evaluation assets | $114,101 | $146,601 |
| Current liabilities | $51,867 | $18,067 |
| Shareholder's equity | $233,402 | $225,252 |
| Net income (loss) | $(71,948) | ($47,670) |
| Basic net income (loss) per share | $(0.02) | $(0.00) |
| Diluted net income (loss) per share | $(0.02) | $(0.00) |

Note:
(1) Working capital is the measure of current assets less current liabilities. See "*Non-IFRS Measures*".

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Attached to this Prospectus as Appendix "C" are the management's discussion and analysis for the period ended December 31, 2020 and the period ended March 31, 2021.

## DESCRIPTION OF SECURITIES BEING DISTRIBUTED

The Company's authorized share capital consists of an unlimited number of Common Shares without par value. As at the date hereof, there are 10,775,000 Common Shares issued and outstanding and 1,000,000 Common Shares issuable pursuant to outstanding Options. See "*Options to Purchase Securities*" below.

### Common Shares

All of the Common Shares rank equally as to voting rights, participation in a distribution of the assets of the Company on a liquidation, dissolution or winding-up of the Company and entitlement to any dividends declared by the Company. The holders of the Common Shares are entitled to receive notice of, and to attend and vote at, all meetings of shareholders (other than meetings at which only holders of another

class or series of shares are entitled to vote). Each Common Share carries the right to one vote. In the event of the liquidation, dissolution or winding-up of the Company, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, the holders of the Common Shares will be entitled to receive, on a pro rata basis, all of the assets remaining after the payment by the Company of all of its liabilities. The holders of Common Shares are entitled to receive dividends as and when declared by the Board in respect of the Common Shares on a pro rata basis. The Common Shares do not have pre-emptive rights, conversion rights or exchange rights and are not subject to redemption, retraction, purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions, and there are no provisions which are capable of requiring a security holder to contribute additional capital. For a description of the Company's dividend policy, see "*Dividend Policy*".

## DIVIDEND POLICY

The Company has not, since the date of its incorporation, declared or paid any dividends or other distributions on the Common Shares, and does not currently have a policy with respect to the payment of dividends or other distributions. The Company does not currently pay dividends and is not likely to pay dividends for an extended period of time as the Company does not have near term prospects of generating revenue. The declaration and payment of any dividends in the future is at the discretion of the Board and will depend on a number of factors, including compliance with applicable laws, financial performance, working capital requirements of the Company and such other factors as its directors consider appropriate. There can be no assurance that the Company will pay dividends under any circumstances. See "*Risk Factors – Risks Related to the Offered Shares – The Company is not likely to pay dividends for an extended period of time*".

## CONSOLIDATED CAPITALIZATION

As at March 31, 2021, the Company had 10,775,000 Common Shares issued and outstanding. As of the date of this Prospectus, the Company had 10,775,000 Common Shares issued and outstanding. On completion of the Offering, the Company will have 14,375,000 Common Shares issued and outstanding, including the CF Shares (14,900,000 Common Shares issued and outstanding if the Agent's Option is exercised in full).

The following table sets forth the share capitalization of the Company as at the date of this Prospectus on an actual basis and on a pro forma basis as adjusted to give effect to the completion of the Offering. Investors should read the following information in conjunction with the Company's audited and unaudited financial statements and related notes thereto, along with the associated MD&A, included in this Prospectus.

| | **As of December 31, 2020 (audited)** | **As of March 31, 2021 (unaudited)** | **As of the Date of Prospectus (unaudited)** | **After Giving Effect to the Offering (unaudited)** | **After Giving Effect to the Offering and Agent's Option[(1)] (unaudited)** |
|---|---|---|---|---|---|
| Common Shares | 10,625,000 | 10,775,000 | 10,775,000 | 14,375,000 | 14,900,000 |
| Broker Warrants | - | - | - | 350,000 | 402,500 |
| Options | Nil | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Long Term Liabilities | Nil | Nil | Nil | Nil | Nil |

## OPTIONS TO PURCHASE SECURITIES

### Options

As at the date of this Prospectus, there are 1,000,000 Options issued and outstanding under the Stock Option Plan. The Board adopted the Stock Option Plan on January 18, 2021. The purpose of the Stock Option Plan is to provide an incentive to the directors, officers, employees, consultants and other personnel of the Company to achieve the longer-term objectives of the Company; to give suitable recognition to the ability of such persons who contribute materially to the success of the Company; and to attract to and retain in the employment of the Company, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Company.

The Stock Option Plan is summarized in the table below.

| Key Terms | Summary |
|---|---|
| Administration | The Stock Option Plan is administered by the Board or by a special committee of directors appointed from time to time by the Board. |
| Stock Exchange Rules | All Options granted pursuant to the Stock Option Plan are subject to applicable rules and policies of any stock exchange or exchanges on which the Common Shares are listed and any other regulatory body having jurisdiction. |
| Common Shares Subject to Plan | The aggregate number of Common Shares issuable upon the exercise of all Options granted under the Stock Option Plan are not to exceed 10% of the issued and outstanding Common Shares from time to time. If any Option granted under the Stock Option Plan expires for any reason without being exercised, the unpurchased Common Shares are available for the purpose of the Stock Option Plan. |
| Eligibility | Directors, officers, consultants and employees of the Company and employees of a person or company which provides management services to the Company are eligible to participate in the Stock Option Plan. Subject to compliance with requirements of the applicable regulators, participants may elect to hold Options granted to them in an incorporated entity wholly owned by them and such entity is bound by the Stock Option Plan in the same manner as if the Options were held by the participant. |

| | |
|---|---|
| Number of Optioned Shares | No single participant may be granted Options to purchase a number of Common Shares equaling more than 5% of the issued Common Shares in any 12 month period unless the Company has obtained disinterested shareholder approval in respect of such grant and meets applicable regulatory requirements.<br><br>Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares in any 12 month period to a consultant of the Company.<br><br>Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares in any 12 month period to persons employed to provide investor relations activities. Options granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over a minimum of 12 months with no more than 1/4 of the Options vesting in any three month period. |
| Exercise Price | The exercise price of the Common Shares subject to each Option shall be determined by the Board, subject to approval by the regulators (if applicable), at the time any Option is granted. |
| Vesting and Exercise Period | Each Option and all rights thereunder shall expire on the date set out in an Option agreement, provided that in no circumstances shall the duration of an Option exceed 10 years, or such other the maximum term permitted by the applicable regulators.<br><br>If any Options expire during a period when trading of the Company's securities by certain persons as designated by the Company is prohibited or within ten business days after the end of such a period, the term of those Options will be extended to ten business days after the end of the prohibited trading period, unless such extension is prohibited by any applicable law or the policies of the applicable regulators. |
| Cessation of Employment | If a participant ceases to be a director, officer, consultant or employee of the Company, or ceases to be a management company employee, for any reason (other than death or termination for cause), such participant may exercise their Option to the extent that the participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the participant ceases to be a director, officer, consultant or employee, or a management company employee, unless such participant was engaged in investor relations activities, in which case such exercise must occur within 30 days after the cessation of the participant's services to the Company. |
| Death of Participant | In the event of the death of a participant, the Option previously granted shall be exercisable only within 12 months after such death and only if and to the extent that such participant was entitled to exercise the Option at the date of death. |

The following table sets forth the aggregate number of Options which are anticipated, as at the date of this Prospectus, to be outstanding immediately prior to, and upon completion of the Offering.

| Holder of Options | Number of Optionees | Common Shares Underlying Options | Exercise Price | Expiry Date |
|---|---|---|---|---|
| Executive Officers | 2 | 550,000 | $0.10 | January 18, 2026 |
| Directors (other than those who are also executive officers) | 2 | 300,000 | $0.10 | January 18, 2026 |
| Consultant | 1 | 150,000 | $0.10 | January 18, 2026 |
| **TOTAL** | 5 | 1,000,000 | | |

## PRIOR SALES

The following table summarizes the issuances of Common Shares and securities that are convertible or exchangeable into Common Shares since the incorporation of the Company to the date of this Prospectus.

| Issue Date | Type of Security | Number Issued | Issue Price | Exercise Price | Description of Issuance |
|---|---|---|---|---|---|
| February 5, 2020 | Common Share | 1[(1)] | $0.005 | N/A | Incorporation |
| February 5, 2020 | Common Share | 2,000,000 | $0.005 | N/A | Private Placement |
| March 10, 2020 | Common Shares | 150,000 | $0.02 | N/A | Consideration for the Chuchi South Option |
| July 23, 2020 | Common Share | 4,775,000 | $0.02 | N/A | Private Placement |
| December 23, 2020 | Common Share | 700,000 | $0.05 | N/A | Private Placement |
| December 31, 2020 | Common Share | 3,000,000 | $0.05 | N/A | Private Placement |
| January 18, 2021 | Stock Options | 1,000,000 | N/A | $0.10 | Stock Options to Directors, Officers, and Empoyees |
| February 10, 2021 | Common Share | 150,000 | $0.05 | N/A | Consideration for the Chuchi South Option |

**Notes:**

(1) 1 incorporators' share, which was repurchased by the Company on the same day of issuance.

## ESCROWED SECURITIES

In accordance with NP 46-201, all securities of an issuer owned or controlled by its principals are required to be placed in escrow at the time of the issuer's initial public offering, unless the securities held by the principal or issuable to the principal upon conversion of convertible securities held by the principal collectively represent less than 1% of the voting rights attaching to the total issued and outstanding securities of the issuer after giving effect to the initial public offering. Upon completion of the Offering, the Company anticipates being an "emerging issuer" as defined in NP 46-201.

The following securities of the Company (the "**Escrowed Securities**") are subject to the terms of an escrow agreement dated July 7, 2021, among the Company, Endeavour Trust Corporation, as escrow agent, and the holders of the Escrowed Securities (the "**Escrow Agreement**"):

| Designation of Class | Number of Securities | Percentage of Securities Prior to Completion of the Offering | Percentage of Securities on Completion of the Offering |
|---|---|---|---|
| Common Shares | 2,000,000 | 18.56%(1) | 13.91%(2) |

Notes:

(1) Based on 10,775,000 outstanding Common Shares on a non-diluted basis at the time of this Prospectus.

(2) Based on 14,375,000 outstanding Common Shares on a non-diluted basis following the completion of the Offering and assuming no exercise of the Agent's Option.

The holders of Escrowed Securities subject to the Escrow Agreement are James Walchuck (1,700,000 Common Shares), Blaine Bailey (100,000 Common Shares), Stuart Ross (100,000 Common Shares), and Twila Jensen (100,000 Common Shares).

As the Company anticipates being an "emerging issuer" as defined in NP 46-201, the following automated timed releases will apply to the Common Shares held by its principals who are subject to escrow:

| Date of Automatic Timed Release | Amount of Escrowed Securities Released |
|---|---|
| On the date the Company's securities are listed on a Canadian exchange | 10% of the escrow securities |
| 6 months after the listing date | 15% of the escrow securities |
| 12 months after the listing date | 15% of the escrow securities |
| 18 months after the listing date | 15% of the escrow securities |
| 24 months after the listing date | 15% of the escrow securities |
| 30 months after the listing date | 15% of the escrow securities |
| 36 months after the listing date | The remaining escrow securities |

**Other Securities Subject to Resale Restrictions**

In addition to the securities subject to escrow set forth above, the 100,000 CF Shares issuable to Agent on Closing will be subject to restrictions on resale. The CF Shares are not qualified compensation securities and as a result are not qualified for distribution by this Prospectus. The CF Shares will be subject to a four month hold period from the date of issuance in accordance with applicable securities laws. See "Plan of Distribution".

## PRINCIPAL SHAREHOLDERS

The following table sets forth information regarding ownership of the Common Shares as at the date of this Prospectus by each person or company who, to the Company's knowledge, beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the voting rights attaching to all issued and outstanding Common Shares.

| | Prior to the Offering | | | | Following the Offering | |
|---|---|---|---|---|---|---|
| **Name** | **Number and Type of Securities Owned** | **Percentage of Outstanding Common Shares** | **Type of Ownership** | **Common Shares to be Purchased Pursuant to the Offering** | **Percentage of Outstanding Common Shares (1)** | **Percentage of Outstanding Common Shares on a Fully Diluted Basis (2)** |
| Gerhard Daniel Schieber(3) | 1,200,000 Common shares | 11.14% | Legal and Beneficial | Nil. | 8.35% | 7.63% |
| James (Jim) Walchuck(4) | 1,700,000 Common shares | 15.78% | Legal and Beneficial | Nil. | 11.83% | 10.81%(5) |

Notes:

(1) Based on 14,375,000 outstanding Common Shares on a non-diluted basis following the completion of the Offering and assuming no exercise of the Agent's Option.

(2) Based on 15,725,000 outstanding Common Shares on a fully diluted basis following the completion of the Offering, including the CF Shares and assuming no exercise of the Agent's Option, and the exercise of 1,000,000 outstanding Options and 350,000 Broker Warrants, each on a one to one basis.

(3) Gerhard Daniel Schieber is a shareholder of the company who received shares on July 23, 2020, and December 31, 2020.

(4) Mr. Walchuck was granted 320,000 Options on January 18, 2021. See "*Options to Purchase Securities*".

(5) Based on 15,725,000 outstanding Common Shares on a fully diluted basis following completion of the Offering, including the CF Shares and assuming no exercise of the Agent's Option, and the exercise of 1,000,000 outstanding Options (including the 320,000 Options held by Mr. Walchuck) and 350,000 Broker Warrants, each on a one to one basis, Mr Walchuck will hold 12.85% of the issued and outstanding Common Shares at the completion of the Offering.

## DIRECTORS AND EXECUTIVE OFFICERS

To the Company's knowledge as at the date of this Prospectus, following completion of the Offering, its directors and executive officers as a group (excluding the purchase of any Offered Shares by any directors and executive officers under the Offering) will beneficially own, or control or direct, directly or indirectly, 2,000,000 Common Shares, representing approximately 18.56% of the outstanding Common Shares on a non-diluted basis as of the date of this Prospectus.

### Director and Executive Officer Profiles

The following table sets forth the name of each director and executive officer of the Company as at the date of this Prospectus, their province or state and country of residence, their position(s) and office(s) held with the Company, their principal occupation(s) during the preceding five years, the date they became a director of the Company, if applicable, and the number and percentage of Common Shares they beneficially own, or control or direct, directly or indirectly.

| Name and Province of Residence and Position with the Company | Director/ Officer Since | Principal Occupation for the Past Five Years | Number and % of Common Shares Beneficially Owned Directly or Indirectly (at the date of this Prospectus and as of the completion of the Offering) |
|---|---|---|---|
| **James (Jim) Walchuck**[(1)]<br>Vancouver, Canada<br><br>*Director, Chief Executive Officer, President* | Chief Executive Officer, President, and Director since February 5, 2020 | President of Crops Inc. from September 2020 to January 2021; President, Chief Executive Officer and a director of GoldHaven Resources Corp. from February 2019 to June 2020; President, Chief Executive Officer and a director of Volatus Capital Corp. from November 201 to October 2019; Zinc One Resources Inc. from January 2017 to November 2018; President, Chief Executive Officer and a director of Encanto Potash Corp. from January 2009 to August 2016. | 1,700,000<br>(15.78%)<br>(11.83%)[(2)] |
| **Blaine Bailey**<br>Burnaby, Canada<br><br>*Director, Chief Financial Officer, Corporate Secretary* | Chief Financial Officer and Director since February 5, 2020<br><br>Corporate Secretary since April 1, 2021 | Charted Professional Accountant (CGA, CPA); Chief Financial Officer and Corporate Secretary of GoldHaven Resources Corp. from February 2019 to July 2020; Chief Financial Officer of Latin Metals Inc. from June 2015 to September 2020; Cardero Resource Corp. from November 2011 to May 2020; Phyto Extractions Inc. (formerly, Adastra Labs Holdings Ltd.) from July 2005 to March 2021; VR Resources since March 2017, GR Silver Mining Ltd. since March 2018, Velocity Minerals from June 2017 to December 2019, New Energy Metals Corp. from February to December 2018, Panorama Capital Corp. since December 2018 and Principal of Promaid Services Ltd. since September 2002. | 100,000<br>(0.93%)<br>(0.70%)[(2)] |
| **Stuart Ross**[(1)]<br>Nanaimo, Canada<br>*Director* | Director since February 5, 2020 | Businessman; Chief Executive Officer and President of Cardero Resource Corp., served as a senior officer and director of several public companies, including President and CEO of El Tigre Silver Corporation from 2007 to 2015, a director of GoldHaven Resources Corp. from November 2019 to August 2020, director of Gitennes Exploration Inc. since 2012, a director of Cobra Venture Corporation since 2019, an officer and a director of New Energy Metals Corp. since October 2020, and a director of Canadian Spirit Resources Inc. since August 2020. | 100,000<br>(0.93%)<br>(0.70%)[(2)] |

| | | | |
|---|---|---|---|
| **Twila Jensen**[(1)]<br>British Columbia, Canada<br>*Director* | Director since February 5, 2020 | Businesswoman; Vice-President, Sales & Marketing of Stockhouse Publishing since September, 2020, and a Senior Capital Markets Strategist of Stockhouse since November, 2013, and has served as a director of several public companies, including BTU Metals Corp. (TSXV) from December 2016 to April 2019, Crop Infrastructure Corp. (CSE) from May 2018 to November 2019, Goldhaven Resources Corp. (CSE) from February 2019 to May 2020, Golden Lake Exploration Inc. (CSE) from May 2019 to March, 2021, 79 Resources Ltd. (CSE) from April 2019 to March, 2021, Spearmint Resources Inc. (TSXV) from September 2020 to October 2020, Rockland Resources Ltd. (CSE) from February 2021, to March, 2021, and Durango Resources Inc. (TSXV) since November 2015. | 100,000<br>(0.93%)<br>(0.70%)[(2)] |

Note:
(1) Denotes a member of the Audit Committee of the Company.
(2) Based on 14,375,000 outstanding Common Shares on a non-diluted basis following the completion of the Offering and assuming no exercise of the Agent's Option.

Each director's term will expire immediately prior to the first annual meeting of shareholders of the Company. The term of office of the officers expires at the discretion of the Company's directors.

The Company has one committee, the audit committee, comprised of Jim Walchuck, Stuart Ross and Twila Jensen.

The following is a brief description of the background of the key management, directors and promoters of the Company.

**Executive Officer and Director Biographies**

**James (Jim) Walchuck**, *Chief Executive Officer, President, Director*

Mr. Walchuck is the Chief Executive Officer, President and a director of the Company and provides his services to the Company on a part-time basis. He has served the Company as Chief Executive Officer, President and a director since February 5, 2020. He will devote approximately 20% of his time to the affairs of the Company. His responsibilities with the Company in his capacity as Chief Executive Officer and President include managing day-to-day operations of the Company, executing policies implemented by the Board and reporting back to the Board.

Mr. Walchuck is an experienced mining engineer having over 37 years of national and international experience in the minerals industry, including work in North America, Slovakia, the United Kingdom, Ghana, and Tanzania. Recently, Mr. Walchuck served as the CEO and a director of Encanto Potash Corp., Zinc One Resources Inc., Volatus Capital Corp., and GoldHaven Resources Corp. Mr. Walchuck is a graduate of Dalhousie University, in Halifax, Nova Scotia, with a B.Sc.(1977), and holds a B.Eng (Mining) from the Technical University of Nova Scotia (1979). Mr. Walchuck also held his P.Eng designation in Ontario from 1979-2018, and obtained his P.Eng designation in British Columbia in 2005.

Mr. Walchuck is an independent contractor of the Company, has not entered into a non-competition or non-disclosure agreement with the Company and is 64 years of age.

**Blaine Bailey,** *Chief Financial Officer, Corporate Secretary, Director*

Mr. Bailey is the Chief Financial Officer, Corporate Secretary, and a director of the Company and provides his services to the Company on a part time basis. He has served the Company as Chief Financial Officer and a director since February 5, 2020. He will devote approximately 10% of his time to the affairs of the Company. In his capacity as Chief Financial Officer, Mr. Bailey reports to the President, Chief Executive Officer of the Company and the Board regarding strategic and tactical matters as they relate to budget management, cost-benefit analysis, forecasting needs and securing adequate funding.

Mr. Bailey is a Chartered Professional Accountant and Certified General Accountant working with public and private companies over the past 20 years, providing services to the companies in the areas of finance, administration and financial reporting. Mr. Bailey is currently the CFO of GR Silver Mining Ltd., Panorama Capital Corp. and VR Resources Ltd. Mr. Bailey received his Bachelor of Commerce degree (Honours) from the University of Manitoba in 1977, and qualified for the CPA, CGA designation in British Columbia in 1983. Mr. Bailey has served in the capacity of accountant for Molson Brewery B.C. Ltd. and controller for Nabob Coffee Co. with head offices in Zurich, Switzerland.

Mr. Bailey is an independent contractor of the Company, has not entered into any non-competition or non-disclosure agreements with the Company and is 69 years of age.

**Stuart Ross,** *Director*

Mr. Ross has been a director of the Company since February 5, 2020, and provides his services to the Company on a part-time basis. He will devote approximately 10% of his time to the affairs of the Company. As a director, he is responsible for directing and overseeing management of the Company.

Mr. Ross has been a senior officer and director of several public companies, including companies listed on the NASDAQ and TSX Venture exchanges. His sector experience includes mining, beverage production and distribution, medical services, gaming and merchant banking, including 17 years as a senior officer and director of Clearly Canadian Beverage Corp (1986 to 2003). Most recently, Mr. Ross was President and CEO of El Tigre Silver Corp., a TSX Venture listed silver exploration company (2007 to 2015), and has been the President and CEO of Cardero Resource Corp., a TSX Venture listed resource company, since August 2017. Mr. Ross also held the position of director of GoldHaven Resources Corp. from November 2019 to August 2020. Mr. Ross is currently the CFO and a director of New Energy Metals Corp, a director of Cobra Venture Corporation, and a director of Canadian Spirit Resources Inc.

Mr. Ross is not an independent contractor or employee of the Company, has not entered into a non-competition or non-disclosure agreement with the Company and is 76 years of age.

**Twila Jensen**, *Director*

Ms. Jensen has been a director of the Company since February 5, 2020 and provides her services to the Company on a part-time basis. She will devote approximately 10% of her time to the affairs of the Company. As a director, she is responsible for directing and overseeing management of the Company.

Ms. Jensen is a businesswoman and has extensive experience with reporting issuers, having served as a director of various public companies traded on the TSX Venture Exchange and the CSE. Ms. Jensen has over 20 years of experience working in the capital markets within sales and marketing roles, and as an independent director. She has worked with hundreds of public companies across North America in various sectors over the last two decades.

Ms. Jensen currently serves as a director for Durango Resources Inc.

Ms. Jensen is not an independent contractor or employee of the Company, has not entered into a non-competition or nondisclosure agreement with the Company and is 38 years of age.

**Cease Trade Orders or Corporate Bankruptcies**

To the best of the Company's knowledge, except as disclosed below:

a) no director or executive officer of the Company is as of the date hereof, or within the ten years prior to the date hereof has been, a director or executive officer of any other company that, while that person was acting in the capacity of director or executive officer of that company, was the subject of a cease trade order or similar order or an order that denied the company access to any statutory exemptions for a period of more than 30 consecutive days;

b) no director or executive officer of the Company is as of the date hereof, or within the ten years prior to the date hereof ceased to be a director or executive officer of any other company that, was the subject of a cease trade order or similar order or an order that denied the company access to any statutory exemptions for a period of more than 30 consecutive days that was issued after the director, executive officer or promoter ceased to be a director or executive officer and which resulted from an event that occurred while that person was acting in the capacity as director or executive officer; and

c) no director, executive officer or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company is as of the date hereof, or within the ten years prior to the date hereof has been, a director or executive officer of any other 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.

On June 29, 2016, at a time when James Walchuck was Chief Executive Officer of Tanzania Minerals Corp. ("**Tanzania**"), a management cease trade order was issued to Tanzania by the British Columbia Securities Commission for failing to file annual audited financial statements, certification of annual filings and management's discussion and analysis for the year ended February 29, 2016 (collectively, the "**2016 Annual Financial Statements**") within the prescribed time period. On September 1, 2016, at a time when James Walchuck was a director and/or officer of Tanzania, a cease trade order was issued to Tanzania by the British Columbia Securities Commission, for its failure to file the 2016 Annual Financial Statements, as well as an interim financial report, certification of interim filings and management's discussion and analysis for the period ended May 31, 2016. On January 19, 2018, the management cease trade order and cease trade order were revoked, and Tanzania subsequently resumed trading.

Blaine Bailey was Chief Financial Officer of Qumana Software Inc. (formerly, Thoughtshare Communications Inc.) which was subject to cease trade orders issued by the British Columbia Securities Commission and the Alberta Securities Commission in September and October 2003, respectively, for failing to file financial statements. The required financial statements were subsequently filed and revocation orders from the British Columbia Securities Commission and the Alberta Securities Commission were issued in August 2005. Qumana Software Inc. was subject to cease trade orders issued by the BCSC and the ASC in August 2007 and January 2008, respectively, for failing to file financial statements. These cease trade orders remain in effect.

On May 8, 2014, at a time when Blaine Bailey was Chief Financial Officer and a director of Arrowstar Resources Ltd. ("**Arrowstar**"), a cease trade order was issued to Arrowstar by the British Columbia Securities Commission for failing to file a comparative financial statement and a management's discussion and analysis for the period ended December 31, 2013. The required financial statements and management's discussion and analysis were subsequently filed and a revocation order from the British Columbia Securities Commission was issued in September 15, 2014.

On July 30, 2015, at a time when Blaine Bailey was Chief Financial Officer of Geodex Minerals Ltd. ("**Geodex**"), a management cease trade order was issued to Geodex by the British Columbia Securities Commission for failing to file annual audited financial statements and management's discussion and analysis for the year ended March 31, 2015. The required financial statements and management's discussion and analysis were subsequently filed and a revocation order from the British Columbia Securities Commission was issued on September 22, 2015.

**Penalties and Sanctions**

To the best of the Company's knowledge, no director or executive officer of the Company, or any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

**Personal Bankruptcies**

Except as disclosed below, to the best of the Company's knowledge, no existing or proposed director, executive officer or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company is as of the date hereof, or within the ten years prior to the date hereof, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

**Conflicts of Interest**

To the best of the Company's knowledge, there are no existing or potential material conflicts of interest between the Company and any of its directors or officers as of the date hereof. However, certain of the Company's directors and officers are, or may become, directors or officers of other companies with businesses which may conflict with its business. Accordingly, conflicts of interest may arise which could influence these individuals in evaluating possible acquisitions or in generally acting on the Company's behalf. See "*Risk Factors – Risks Related to the Company – The directors and officers may have conflicts of interest with the Company*".

Pursuant to the BCBCA, directors and officers of the Company are required to act honestly and in good faith with a view to the best interests of the Company. As required under the BCBCA and the Company's Articles:

- a director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer of the Company, must promptly disclose the nature and extent of that conflict; and

- a director who holds a disclosable interest (as such term is defined under the BCBCA) in a contract or transaction into which the Company has entered or proposes to enter may generally not vote on any directors' resolution to approve such contract or transaction.

Generally, as a matter of practice, directors who have disclosed a material interest in any contract or transaction that the Board is considering will not take part in any board discussion respecting that contract or transaction. If on occasion such directors do participate in the discussions, they will refrain from voting on any matters relating to matters in which they have disclosed a material interest. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which directors or officers may have a conflict.

See "*Statement on Corporate Governance – Ethical Business Conduct*" for the steps taken by the Company in monitoring compliance with the Code. See also "*Risk Factors – Risks Related to the Company – The directors and officers may have conflicts of interest with the Company*".

**Directors' and Officers' Liability Insurance and Indemnification**

The Articles provide for the indemnification of each director and officer against all costs, charges and expenses reasonably incurred by him or her in respect of any action or proceeding to which he or she is made a party by reason of being a director or officer of the Company, subject to the limitations contained in the Articles and in the BCBCA.

## DIRECTOR AND EXECUTIVE COMPENSATION

The following section describes the significant elements of the Company's executive and director compensation programs, with particular emphasis on the compensation payable to the Chairman, Chief Executive Officer and Chief Financial Officer, and other officers that were determined to be "Named Executive Officers" or "NEOs" within the meaning of NI 51-102.

**Compensation Governance**

The Board as a whole fulfills its responsibilities pertaining to compensation matters including the Company's compensation policies and practices. The Board is responsible for determining the overall compensation strategy of the Company and administering the Company's executive compensation program. As part of its mandate, the Board approves the appointment and remuneration of the Company's executive officers, including the Company's Named Executive Officers identified in the Summary Compensation Table below. The Board is also responsible for reviewing the Company's compensation policies and guidelines generally.

Each of the members of the Board has business and other experience which is relevant to their work in determining matters relating to compensation. By virtue of their differing professional backgrounds, business experience, knowledge of the Company's industry, knowledge of corporate governance practices and, where appropriate, service on compensation committees of other reporting issuers and experience interacting with external consultants and advisors, the members of the Board are able to make decisions on the suitability of the Company's compensation policies and practices.

**Executive Compensation Discussion and Analysis**

*Compensation Philosophy*

It is the objective of the Company's executive compensation program to attract and retain highly qualified executives and to link incentive compensation to performance and shareholder value, while at the same time keeping in mind that the Company currently has limited financial resources. It is the goal of the Board to endeavor to ensure that the compensation of executive officers is sufficiently competitive to achieve the objectives of the executive compensation program. The Company's primary compensation policy is to pay for performance and accordingly, the performance of the Company and of the executive officers as individuals are both examined by the Board.

When determining compensation, the Board annually assesses the individual performance and development of each executive officer and determines the appropriate consulting fees, annual incentive and long-term incentive for each individual. Due to the early stage of the Company's business, the Board does not consider peer company comparatives.

The Board does not set specific performance objectives in assessing the performance of the Chief Executive Officer and other executive officers; rather the Board uses its experience and judgment in determining an overall compensation package for the Chief Executive Officer and other executive officers. The Board assesses the performance of the Company and its executive officers relative to the Company's goals and objectives.

*Elements of Executive Compensation*

The Company's executive compensation is comprised of three principal components: consulting fees, stock option plan, and incentive bonus compensation which are designed to provide compensation to effectively retain and motivate the executive officers to achieve the corporate goals and objectives. Other components of executive compensation include perquisites and other personal benefits. Each component of the executive compensation program is addressed separately below. The fixed element of compensation provides a competitive base of secure compensation required to attract and retain executive talent. The variable performance-based compensation is designed to encourage both short-term and long-term performance of the Company.

Consulting Fees

The consulting fee component is intended to provide a fixed level of competitive pay that reflects each executive officer's primary duties and responsibilities and the level of skills and experience required to successfully perform his or her role. The Company intends to pay consulting fees to its executive officers, including the Chief Executive Officer, that are competitive with those for similar positions. As of the date of this Prospectus, the Board has not yet determined the consulting fees payable to its executive officers. Consulting fees for executive officers will be determined after completion of the Company's listing and are expected to be reviewed annually based on corporate and personal performance and on individual levels of responsibility. Consulting fees of the executive officers are not determined based on benchmarks or a specific formula The Board determines the consulting fees of the Chief Executive Officer. The Board considers, and, if thought appropriate, approves consulting fees recommended by the Chief Executive Officer for the other executive officers of the Company.

Incentive Bonus Compensation

In addition to consulting fees, the Company can award discretionary bonuses to executive officers. The bonus element of the Company's executive compensation program is designed to retain top quality talent and reward both corporate and individual performance during the Company's last completed financial year. To determine bonus awards for executive officers, including the Named Executive Officers, the Board considers both the executive's personal performance and the performance of the Company relative to its goals and objectives. Any proposed bonus amounts and targets for executive officers are recommended by the Chief Executive Officer for review, discussion and approval by the Board. Any Named Executive Officer that is also a member of the Board, recuses himself/herself from any discussion of his/her compensation.

Stock Option Plan

The Board has adopted the Stock Option Plan to provide an incentive to the directors, officers, employees, consultants and other personnel of the Company to achieve the long-term objectives of the Company; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Company; and to attract to and retain in the employ of the Company, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Company. See "*Options to Purchase Securities – Stock Option Plan*" for a summary of the Stock Option Plan.

The executive compensation policy of the Company is determined with a view to securing the best possible talent to run the Company. Options may be awarded to executive officers in lieu of higher consulting fees. The grant of Options under the Stock Option Plan is designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term and to reward employees for both past and future performance. Individual grants are determined by an assessment of an individual's current and expected future performance, level of responsibilities and the importance of his position with and contribution to the Company.

Executive officers, along with all of the Company's officers, directors, employees, contractors and other service providers, are eligible to participate in the Stock Option Plan. The Stock Option Plan provides a long-term incentive designed to focus and reward eligible participants for enhancing total Shareholder

return over the long-term both on an absolute and relative basis. Participation in the Stock Option Plan rewards overall corporate performance, as measured through the price of the Common Shares. In addition, the Stock Option Plan enables executives to develop and maintain a significant ownership position in the Company. This results in a significant portion of executive compensation being "at risk" and directly linked to the achievement of business results and long-term value creation.

Options are normally recommended by management and approved by the Board upon the commencement of an individual's employment with the Company based on the level of their respective responsibility within the Company. Additional grants may be made periodically, generally on an annual basis, to ensure that the number of options granted to any particular individual is commensurate with the individual's level of ongoing responsibility within the Company. In considering additional grants, a number of factors are considered including the number of options held by such individual, the exercise price and implied value of the options, the term remaining on those options and the total number of options the Company has available for grant under the Stock Option Plan.

Perquisites and Other Components

Other components of compensation include perquisites and personal benefits as determined by the Board that are consistent with the overall compensation strategy. There is no formula for how perquisites or personal benefits are utilized in the total compensation package.

The Company does not provide any pension or retirement benefits to its executive officers.

*Compensation Benchmarking*

Consulting fees of the executive officers are not determined based on benchmarks or a specific formula.

*Managing Compensation Risk*

The oversight and administration of the Company's compensation program requires the Board to consider risks associated with the Company's compensation policies and practices. Potential risks associated with compensation policies and compensation awards are considered at such meetings of the Board at which compensation related recommendations are formulated.

The Company's executive compensation policies and practices are intended to align management incentives with the long-term interests of the Company and its shareholders. In each case, the Company seeks an appropriate balance of risk and reward. Practices that are designed to avoid inappropriate or excessive risks include (i) the Company's operating strategy and related compensation philosophy, (ii) the effective balance, in each case, between cash and equity mix, near-term and long-term focus, corporate and individual performance, and financial and non-financial performance; and (iii) a multi-faceted approach to performance evaluation and compensation that does not reward an executive for engaging in risky behavior to achieve one objective to the detriment of other objectives.

Based on this review, the Board believes that the Company's total compensation program does not encourage executive officers to take unnecessary or excessive risk.

The Company does not prohibit the Named Executive Officers (as defined below) or the directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by such person. The Named Executive Officers and directors have advised the Company that they have not entered into any such arrangements. To the extent that they subsequently enter into an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, their economic exposure to the Company, insider reporting laws in Canada provide that they must file a report disclosing the existence and material terms of the agreement, arrangement or understanding within five days of the event.

*Share-based and Option-based Awards*

The Company does not grant share-based awards. However, the Company issued 2,000,000 Common Shares to directors and officers of the Company at a price of $0.005 per share for gross proceeds of $10,000. The fair value of the 2,000,000 Common Shares was estimated to be $40,000. As a result, the Company recorded share-based compensation of $30,000 and a corresponding increase to contributed surplus, which has been disclosed as a related party transaction in the MD&A. Other than the aforementioned transaction, the Company has not engaged in any other related party transactions. Further particulars of the proceeds received for shares issued can be found under "*Prior Sales*". For information on option-based awards, please see "*Options to Purchase Securities".*

**Summary Compensation Table**

The following table contains information about the compensation to, or earned by, individuals who were, as at the period ended December 31, 2020, "Named Executive Officers" or "NEOs" within the meaning of NI 51-102. The NEOs of the Company as at December 31, 2020, were James Walchuck, the Chief Executive Officer and President for the Company and Blaine Bailey, the Chief Financial Officer and Corporate Secretary for the Company.

| Name and Principal Position | Year | Salary, Consulting Fees | Bonus | Committee or meeting fees | Value of Perquisites | Value of All Other Compensation | Total Compensation |
|---|---|---|---|---|---|---|---|
| James Walchuck, *Chief Executive Officer and President* | 2020 | Nil. | Nil. | Nil. | Nil. | Nil. | Nil. |
| Blaine Bailey, *Chief Financial Officer, Corporate Secretary* | 2020 | Nil. | Nil. | Nil. | Nil. | Nil. | Nil. |

**Option Based Awards**

No option-based awards were issued during the period ended December 31, 2020.

**Exercise of Compensation Securities by Directors and NEOs**

There have been no securities exercised by directors of the Company or NEOs for the year to the date of the filing of this Prospectus.

**Director Compensation**

During the period ended December 31, 2020, no base annual retainer or fees for attendance at Board and Board committee meetings were awarded to, earned by, paid to, or payable to the directors. As of the date of this Prospectus, the Company has not determined any compensation to be payable to the directors and executive officers of the Company.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors, executive officers or employees of the Company or former directors, executive officers or employees of the Company had any indebtedness outstanding to the Company as at the date hereof and no indebtedness of these individuals to another entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company as at the date hereof. Additionally, no individual who is, or at any time during the Company's last financial year was, a director or executive officer of the Company, proposed management nominee for director of the Company or associate of any such director, executive officer or proposed nominee is as at the date hereof, or at any time since the beginning of the Company's last financial year has been, indebted to the

Company or to another entity where the indebtedness to such other entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company, including indebtedness for security purchase or any other programs.

## AUDIT COMMITTEE

The Audit Committee provides assistance to the Board in fulfilling its obligations relating to the integrity of the internal financial controls and financial reporting of the Company. The external auditors of the Company report directly to the Audit Committee. The Audit Committee's primary duties and responsibilities include: (i) reviewing and reporting to the Board on the annual audited financial statements (including the auditor's report thereon) and unaudited interim financial statements and any related management's discussion and analysis, if any, and other financial disclosure related thereto that may be required to be reviewed by the Audit Committee pursuant to applicable legal and regulatory requirements; (ii) reviewing material changes in accounting policies and significant changes in accounting practices and their impact on the financial statements; (iii) overseeing the audit function, including engaging in required discussions with the Company's external auditor and reviewing a summary of the annual audit plan at least annually, overseeing the independence of the Company's external auditor, overseeing the Company's internal auditor, and pre-approving any non-audit services to the Company; (iv) reviewing and discussing with management the appointment of key financial executives and recommending qualified candidates to the Board; (v) reviewing with management and the Company's external auditors, at least annually, the integrity of the internal controls over financial reporting and disclosure; (vi) reviewing management reports related to legal or compliance matters that may have a material impact on the Company and the effectiveness of the Company's compliance policies; and (vii) establishing whistleblowing procedures and investigating any complaints or concerns it deems necessary. The full text of the Audit Committee charter is attached to this Prospectus as Appendix "A".

### Composition of the Audit Committee

The Audit Committee is composed of three directors, 2 of whom are independent directors and all of whom are financially literate, in each case within the meaning of NI 52-110.

### Relevant Education and Experience

Each of the members of the Audit Committee has extensive education and experience relevant to the performance of their responsibilities as members of the Audit Committee. The following is a summary of their qualifications and experience:

| Name | Summary of Experience |
|---|---|
| James Walchuck<br><br>(Not Independent/ Financially Literate[2]) | Mr. Walchuck is an experienced mining engineer having over 36 years of national and international experience in the minerals industry. Recently, Mr. Walchuck has served as the CEO and a director of Volatus Capital Corp., Encanto Potash Corp. and Zinc One Resources Inc. and previously, Mr. Walchuck was the President and CEO of Tournigan Gold Corporation from 2005-2008 and the mining manager for Kahama Mining Corp., a wholly owned subsidiary of Barrick Gold Corporation, from 1999 to 2002, each of which positions involved Mr. Walchuck in a variety of matters requiring financial literacy. Mr. Walchuck has a number of years of experience as a member of an audit committee of a reporting issuer, including as a member of the audit committee of Volatus Capital Corp., American Helium Inc., Buffalo Gold Ltd. and GoldHaven Resources Corp, and is familiar with the financial reporting requirements applicable to public companies in Canada. |
| Twila Jensen<br><br>(Independent[1]/ Financially Literate[2]) | Ms. Jensen has 6 years of board experience with mineral exploration and mining development companies as well as and 20 years' experience working with mineral exploration and mining development companies and is familiar with the financial reporting requirements applicable to public companies in Canada. Ms. Jensen is also a current member of the audit committee of Durango Resources Inc. |

| Name | Summary of Experience |
|---|---|
| Stuart Ross (Chairperson) (Independent[1]/ Financially Literate[2]) | Mr. Ross is a businessman with experience as a senior officer and director of public companies. Mr. Ross was the Chief Financial Officer and director of Clearly Canadian Beverage Company where he was responsible for the supervision of all accounting functions, along with the preparation of budgets and financial statements. He is currently a member of the audit committee of the board of directors of each of Gitennes Exploration Inc., Cobra Venture Corporation, and Canadian Spirit Resources Inc., and is familiar with the financial reporting requirements applicable to public companies in Canada. |

Notes:

(1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

(2) An individual is financially literate if the member has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements

For further information, please see "*Directors and Executive Officers – Executive Officer and Director Biographies*".

**Pre-Approval Policies and Procedures**

The Audit Committee charter requires that the Audit Committee pre-approve any retainer of the auditor of the Company to perform any non-audit services to the Company that it deems advisable in accordance with applicable legal and regulatory requirements and policies and procedures of the Board. The Audit Committee is permitted to delegate pre-approval authority to one of its members; however, the decision of any member of the Audit Committee to whom such authority has been delegated must be presented to the full Audit Committee at its next scheduled meeting.

**External Auditor Service Fees**

Fees billed by the Company's external auditor, DeVisser Gray LLP, during the financial period ended December 31, 2020 were as follows:

| Fiscal Period Ending | Audit Fees [1] | Audit Related Fees[1] | Tax Fees [3] | All Other Fees [4] |
|---|---|---|---|---|
| December 31, 2020 | Nil. | Nil. | Nil. | Nil. |

Notes:

(1) Fees for audit services.

(2) Fees for assurance and related services not included in audit services above.

(3) Fees for tax compliance, tax advice and tax planning.

(4) All other fees not included above.

The Company anticipates a cost of $6,000 in relation to external auditor service fees for the financial period ended December 31, 2020.

**Reliance on Exemptions**

The Company is relying upon the exemption in section 6.1 of NI 52-110 for venture issuers which allows for an exemption from Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of NI 52-110.

## STATEMENT ON CORPORATE GOVERNANCE

The Company and the Board recognize the importance of corporate governance to the effective management of the Company and to the protection of its employees and shareholders. The Company's approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance shareholder value. The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or at meetings held as required. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Company's affairs and in light of opportunities or risks

which the Company faces. The directors are kept informed of the Company's business and affairs at these meetings as well as through reports and discussions with management on matters within their particular areas of expertise.

**The Board**

The Board currently consists of four directors, 2 of whom are independent based upon the test for director independence set out in NI 52-110. Stuart Ross and Twila Jensen are the independent directors of the Company. James Walchuck is the Chief Executive Officer and President of the Company and engages in the management of day-to-day operations of the Company. Blaine Bailey is the Chief Financial Officer and Corporate Secretary of the Company and engages in the management of day-to-day financial operations of the Company. As such, neither James Walchuck nor Blaine Bailey are independent directors.

*Directorships*

Some of the directors of the Company serve on the boards of directors or as executive officers of other reporting issuers (or the equivalent) in Canada or foreign jurisdictions. The following table lists the directors of the Company who serve on boards of directors or as executive officers of other reporting issuers (or the equivalent) and the identities of such reporting issuers (or the equivalent).

| Name of Director | Reporting Issuer (or the Equivalent) | Position (Date) |
|---|---|---|
| Blaine Bailey | GR Silver Mining Ltd. (TSXV) | March 2018 – present (CFO) |
| | VR Resources Ltd. (TSXV) | March 2017 – present (CFO) |
| | Panorama Capital Corp. (TSXV) | December 2018 – present (CFO) |
| Stuart Ross | Gitenes Exploration Inc. (TSXV) | September 2012 – present (Director) |
| | Cardero Resource Corp. (TSXV) | August 2017 – present (CEO, President) |
| | Cobra Venture Corporation (TSXV) | February 2019 – present (Director) |
| | New Energy Metals Corp. (TSXV) | October 2020 - present (Director/Officer) |
| | Canadian Spirit Resources Inc. (TSXV) | August 2020 – present (Director) |
| Twila Jensen | Durango Resources Inc. (TSXV) | November 2015 – present (Director) |

The Board has determined that these directorships do not adversely impact the effectiveness of these directors on the Board or create any potential for unmanageable conflicts of interest.

**Orientation and Continuing Education**

New members of the Board are provided with: (i) information respecting the functioning of the Board and its committees and a copy of the Company's corporate governance documents; (ii) access to all documents of the Company, including those that are confidential; and (iii) access to management.

Each new director participates in the Company's initial orientation program and each director participates in the Company's continuing director development programs, both of which are reviewed annually by the Board.

Board members are encouraged to: (i) communicate with management and auditors; (ii) keep themselves current with industry trends and developments and changes in legislation with management's assistance; (iii) attend related industry seminars; and (iv) visit the Company's operations.

**Ethical Business Conduct**

The Board has adopted the Code for the directors, officers, employees and consultants of the Company. All new employees must read the Code when hired and acknowledge that they will abide by the Code.

The Board is responsible for monitoring compliance with the Code. In accordance with the Code, directors, officers, employees and consultants of the Company should raise questions regarding the application of any requirement under the Code, and report a possible violation of a law or the Code, promptly to their superior or manager. If reporting a concern or complaint to a superior or manager is not possible or advisable, or if reporting it to such person does not resolve the matter, the matter should be addressed with the Chief Financial Officer of the Company.

The Board monitors compliance with the Code by, among other things, obtaining reports from the Chief Executive Officer regarding breaches of the Code. The Board also reviews investigations and any resolutions of complaints received under the Code. In addition, the Board approves changes to the Code it considers appropriate, at least annually. The Code will be available under the Company's profile on SEDAR at www.sedar.com.

The Board takes steps to ensure that directors, officers and other employees exercise independent judgment in considering transactions and agreements in respect of which a director, officer or other employee of the Company has a material interest, which include ensuring that directors, officers and other employees are thoroughly familiar with the Code and, in particular, the rules concerning reporting conflicts of interest and obtaining direction from their superior or manager or the Chief Financial Officer regarding any potential conflicts of interest.

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to directors, officers and other employees to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.

**Audit Committee**

See "*Audit Committee*" for further details.

**Director Assessment**

The Board is responsible for ensuring that an appropriate system is in place to evaluate the effectiveness of the Board as a whole, the individual committees of the Board, and the individual members of the Board and such committees with a view of ensuring that they are fulfilling their respective responsibilities and duties. In connection with such evaluations, each director is required to provide his or her assessment of the effectiveness of the Board and each committee as well as the performance of the individual directors, annually. Such evaluations take into account the competencies and skills each director is expected to bring to his or her particular role on the Board or on a committee, as well as any other relevant facts.

## RISK FACTORS

Investing in the Offered Shares is speculative and involves a high degree of risk due to the nature of the Company's business. An investment in the Offered Shares should only be made by persons who can afford the total loss of their investment. The following risks, as well as risks currently unknown to the Company, could adversely affect the Company's current or future business, properties, operations, results, cash flows, financial condition and prospects and could cause future results, cash flows, financial condition, prospects, events or circumstances to differ materially from those currently expected, including the estimates and projections contained in this Prospectus. Investors should carefully consider the risks described below and elsewhere in this Prospectus. The risks described below and elsewhere in this Prospectus do not purport to be an exhaustive summary of the risks affecting the Company and additional risks and uncertainties not currently known to the Company or not currently perceived as being material may have an adverse effect on the Company. Please see "Management's Discussion and Analysis" for a description of additional risks affecting the Company.

**Risks and Other Considerations Related to the Company**

COVID-19

An emerging risk is a risk not well understood at the current time and for which the impacts on strategy and financial results are difficult to assess or are in the process of being assessed. Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods. Currently there are COVID-19 related travel restrictions in place in British Columbia which recommend against non-essential travel within British Columbia. These travel restrictions may impact upon the ability of qualified personnel to travel to the Chuchi South Timer Project in order to conduct the recommended Phase I work program. In addition, there is a risk that more restrictive COVID-19 related travel restrictions may be imposed in the future that may further impact on the ability of the Company to complete the Phase I work program at the Chuchi South Project.

Natural disasters, geopolitical instability or other unforeseen events

In addition to the outbreak of infectious disease or occurrence of pandemics, such as the recent outbreak of COVID-19; natural disasters; terrorism or other unanticipated events, in any of the areas in which the Company operates could cause interruptions in the Company's operations. Natural disasters, geopolitical tensions and instability (including terrorism) or other unforeseen events could negatively affect project development, operations, labour supply and financial markets, all or any of which could have a material adverse effect on the Company's business, financial condition, operational results or cash flows.

Mineral prices are volatile

Factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. The effect of these factors cannot be predicted.

Mining operations are risky

The Company's current business, and any future development or mining operations, involve various types of risks and hazards typical of companies engaged in the mining industry. Such risks include, but are not limited to: (i) industrial accidents; (ii) unusual or unexpected rock formations; (iii) structural cave-ins or slides and pitfall, ground or slope failures and accidental release of water from surface storage facilities; (iv) fire, flooding and earthquakes; (v) rock bursts; (vi) metal losses in handling and transport; (vii) periodic interruptions due to inclement or hazardous weather conditions; (viii) environmental hazards; (ix) discharge of pollutants or hazardous materials; (x) failure of processing and mechanical equipment and other performance problems; (xi) geotechnical risks, including the stability of the underground hanging walls and unusual and unexpected geological conditions; (xii) unanticipated variations in grade and other geological problems, water, surface or underground conditions; (xiii) labour disputes or slowdowns; (xiv) work force health issues as a result of working conditions; and (xv) force majeure events, or other unfavourable operating conditions.

These risks, conditions and events could result in: (i) damage to, or destruction of, the value of, the Chuchi South Project; (ii) personal injury or death; (iii) environmental damage to the Chuchi South Project, surrounding lands and waters, or the properties of others; (iv) delays or prohibitions on mining or

the transportation of minerals; (v) monetary losses; and (vi) potential legal liability and any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operation, cash flows or prospects. In particular, underground refurbishment and exploration activities present inherent risks of injury to people and damage to equipment. Significant accidents could occur, potentially resulting in a complete shutdown of the Company's operations at the Chuchi South Project which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

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

Resource Exploration and Development is a Speculative Business

Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. There is no known mineral resource on the Chuchi South Project and there is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial ore. The marketability of natural resources that may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, and government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. The majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.

The successful exploration and development of the Chuchi South Project depend on the skills of the Company's management and teams

The Company's business is dependent on retaining the services of its key management personnel with a variety of skills and experience, including in relation to the exploration and development of mineral projects. The success of the Company is, and will continue to be, dependent to a significant extent on the expertise and experience of its directors and senior management. Failure to retain, or loss of, one or more of these people could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects. The Company's success will also depend to a significant degree upon the contributions of qualified technical personnel and the Company's ability to attract and retain highly skilled personnel. Competition for such personnel is intense, and the Company may not be successful in attracting and retaining qualified personnel, or in obtaining the necessary work permits to hire qualified expatriates. The Company's inability to attract and retain these people could have a material adverse effect on its business, financial condition, results of operations, cash flows or prospects.

Operations during mining cycle peaks are more expensive

During times of increased demand for metals and minerals, price increases may encourage expanded mining exploration, development and construction activities. These increased activities may result in escalating demand for and cost of contract exploration, development and construction services and equipment. Increased demand for and cost of services and equipment could cause exploration,

development and construction costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, and increased potential for scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project exploration, development or construction costs, result in project delays, or increase operating costs.

Title to the Chuchi South Project may be disputed

There is no guarantee that title to the Chuchi South Project will not be challenged or impugned. The Company's claims may be subject to prior unregistered agreements or transfers and title may be affected by unidentified or unknown defects. The Company has conducted an investigation on the title of properties that it has acquired to confirm that there are no claims or agreements that could affect its title to its mineral tenure or surface rights. There is no guarantee that such title will not be challenged or impaired. If title to the Company's properties is disputed, it may result in the Company paying substantial costs to settle the dispute or clear title and could result in the loss of the property, which events may affect the economic viability of the Company. Title insurance generally is not available for mineral tenure or surface rights and the Company's ability to ensure that it has obtained secure claim to title may be constrained.

The Company's interests in the Chuchi South Project are held pursuant to an option agreement. The Company must expend a total of $350,000 on the Chuchi South Project in order to acquire up to a 100% interest in the Chuchi South Project, subject to a 2% NSR royalty. The Company has limited financial resources, and there is no assurance that additional funding will be available to it for further operations or to fulfill its obligations under the option agreement. If the Company is unsuccessful in raising further funds, it may not earn any interest in the Chuchi South Project.

Aboriginal rights claims may impact the Company's interest in the Chuchi South Project

Aboriginal rights, including Aboriginal title, may be asserted on Crown land or other types of tenure with respect to which mining rights have been conferred. The Supreme Court of Canada's 2014 decision in *Tsilhqot'in Nation v. British Columbia* marked the first time in Canadian history that a court has declared Aboriginal title. Rights conferred by Aboriginal title include the right to decide how the land will be used, the right to enjoy, occupy and possess the land, and the right to proactively use and manage the land, including its natural resources. The Chuchi South Project may now or in the future be subject to Aboriginal title claims or claims of other Aboriginal rights.

Aboriginal rights are a matter of considerable complexity, and their impact on the Company's potential ownership interest in the Chuchi South Project cannot be predicted with any degree of certainty. No assurance can be given that recognition of Aboriginal rights in the area in which the Chuchi South Project 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 rights and interests in order to facilitate exploration and development work on the Chuchi South Project. There is no assurance that the Company will be able to establish a practical working relationship with any First Nations in the area which would allow it to ultimately develop the Chuchi South Project.

The Company may fail to comply with the law or may fail to obtain or renew necessary permits and licenses

The Company's operations are subject to extensive laws and regulations governing, among other things, such matters as environmental protection, management and use of toxic substances and explosives, health, exploration and development of mines, commercial production and sale of by-products, ongoing and post-closure reclamation, construction and operation of tailings dams, safety and labour, taxation and royalties, maintenance of mineral tenure, and expropriation of property. The activities of the Company require licenses and permits from various governmental authorities.

The costs associated with compliance with these laws and regulations and of obtaining licenses and permits are substantial, and possible future laws and regulations, changes to existing laws and regulations and more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expenses, capital expenditures, restrictions on or suspensions of the Company's operations and delays in the development of its properties. There is no assurance that future changes in such laws and regulations, if any, will not adversely affect the Company's operations. Moreover, these laws and regulations may allow governmental authorities and private parties to bring lawsuits based upon damages to property and injury to persons resulting from the environmental, health and safety practices of the Company's past and current operations, or possibly even the actions of former property owners, and could lead to the imposition of substantial fines, penalties or other civil or criminal sanctions. The Company may fail to comply with current or future laws and regulations. Such non-compliance can lead to financial restatements, civil or criminal fines, penalties, and other material negative impacts on the Company.

The Company is required to obtain or renew further government permits and licenses for its current and contemplated operations. Obtaining, amending or renewing the necessary governmental permits and licenses can be a time-consuming process potentially involving a number of regulatory agencies, involving public hearings and costly undertakings on the Company's part. The duration and success of the Company's efforts to obtain, amend and renew permits and licenses are contingent upon many variables not within its control, including the interpretation of applicable requirements implemented by the relevant permitting or licensing authority. The Company may not be able to obtain, amend or renew permits or licenses that are necessary to its operations, or the cost to obtain, amend or renew permits or licenses may exceed what the Company believes it can ultimately recover from a given property once in production. Any unexpected delays or costs associated with the permitting and licensing process could impede ongoing operations at the Chuchi South Project. To the extent necessary permits or licenses are not obtained, amended or renewed, or are subsequently suspended or revoked, the Company may be curtailed or prohibited from proceeding with planned development, commercialization, operation and exploration activities. Such curtailment or prohibition may result in a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Compliance with environmental regulations can be costly

The Company's exploration operations at the Chuchi South Project are subject to environmental regulation. Regulations cover, among other things, water quality standards, land reclamation, the generation, transportation, storage and disposal of hazardous waste, the construction and operation of tailings dams, and general health and safety matters. There is no assurance that the Company has been or will at all times be in full compliance with all environmental laws and regulations or hold, and be in full compliance with, all required environmental and health and safety approvals and permits. The potential costs and delays associated with compliance with such laws, regulations, approvals and permits could prevent the Company from economically operating or proceeding with the further exploration of the Chuchi South Project, and any non-compliance with such laws, regulations, approvals and permits could result in a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Environmental approvals and permits are currently, and may in the future be, required in connection with the Company's current and planned operations. To the extent such environmental approvals and permits are required and not obtained, the Company's plans and the operation of mines may be curtailed or it may be prohibited from proceeding with planned exploration or development of additional mineral properties. Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions, 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.

There is no assurance that any future changes in environmental regulation will not adversely affect the Company's operations. Changes in government regulations have the potential to significantly increase compliance costs and thus reduce the profitability of current or future operations.

Environmental hazards may also exist on the properties on which the Company holds interests that are unknown to the Company at present and that have been caused by previous or existing owners or operators of the properties and for which the Company may be liable for remediation. Parties engaged in mining operations, including the Company, 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 environmental laws or regulations, regardless of whether the Company actually caused the loss or damage. The costs of such compensation, fines or penalties could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Social and environmental activism can negatively impact exploration, development and mining activities

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

The mining industry is intensely competitive

The mining industry is intensely competitive. The Company competes with other mining companies, many of which have greater resources and experience. Competition in the mining industry is primarily for: (i) properties which can be developed and can produce economically; (ii) the technical expertise to find, develop, and operate such properties; (iii) labour to operate such properties; and (iv) capital to fund such properties. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees and consultants or to acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Inadequate infrastructure may constrain exploration and future development operations

Exploration operations depend on adequate infrastructure. In particular, reliable power sources, water supply, transportation and surface facilities are necessary to explore and develop mineral projects. Failure to adequately meet these infrastructure requirements or changes in the cost of such requirements could affect the Company's ability to carry out exploration and future development operations and could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

The Company may incur losses and experience negative operating cash flow for the foreseeable future

For the period ended December 31, 2020, the Company had a net loss of approximately $71,948. The Company has incurred various expenses in recent periods and plans to incur further expenses as cash flows allow. The planned increases in expenses may result in losses in future periods.

The exploration, development and operation of the Company's mineral properties will require the commitment of substantial financial resources that may not be available. The amount and timing of

expenditures will depend on a number of factors, including the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners and the acquisition of additional property interests, some of which are beyond the Company's control. The Company's business strategies may not be successful and it may not be profitable in any future period. The Company's operating results have varied in the past and they may continue to fluctuate in the future. In addition, the Company's operating results may not follow any past trends.

The Company's insurance coverage may be inadequate to cover potential losses

The Company's business is subject to a number of risks and hazards (as further described in this Prospectus). Although the Company intends, upon completion of the Offering, to obtain certain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its activities. The Company may also be unable to obtain insurance to cover its risks at economically feasible premiums, or at all. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration, development or production may not be available to the Company on acceptable terms. The Company might also become subject to liability for pollution or other hazards which it is not currently insured against and/or in the future may not insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

The directors and officers may have conflicts of interest with the Company

Certain directors and officers of the Company are or may become associated with other mining and/or mineral exploration and development companies which may give rise to conflicts of interest. Directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve such a contract. In addition, directors and officers are required to act honestly and in good faith with a view to the best interests of the Company. Some of the directors and officers of the Company have either other full-time employment or other business or time restrictions placed on them and accordingly, the Company will not be the only business enterprise of these directors and officers. Further, any failure of the directors or officers of the Company to address these conflicts in an appropriate manner or to allocate opportunities that they become aware of to the Company could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Future acquisitions may require significant expenditures and may result in inadequate returns

The Company may seek to expand through future acquisitions; however, there can be no assurance that the Company will locate attractive acquisition candidates, or that the Company will be able to acquire such candidates on economically acceptable terms, if at all, or that the Company will not be restricted from completing acquisitions pursuant to the terms and conditions from time to time of arrangements with third parties, such as the Company's creditors. Future acquisitions may require the Company to expend significant amounts of cash, resulting in the Company's inability to use these funds for other business or may involve significant issuances of equity or debt. Future acquisitions may also require substantial management time commitments, and the negotiation of potential acquisitions and the integration of acquired operations could disrupt the Company's business by diverting management and employees' attention away from day-to-day operations. The difficulties of integration may be increased by the necessity of coordinating geographically diverse organizations, integrating personnel with disparate backgrounds and combining different corporate cultures.

Any future acquisition involve potential risks, including, among other things: (i) mistaken assumptions and incorrect expectations about mineral properties, existing or potential mineral resources, mineral reserves and costs; (ii) an inability to successfully integrate any operation the Company acquired or acquires, as

applicable; (iii) an inability to recruit, hire, train or retain qualified personnel to manage and operate the operations acquired; (iv) the assumption of unknown liabilities; (v) mistaken assumptions about the overall cost of equity or debt; (vi) unforeseen difficulties operating acquired projects, which may be in geographic areas new to the Company; and (vii) the loss of key employees and/or key relationships at the acquired project. In addition, competition for assets sometimes requires that acquisitions be completed on an "as is where is" basis, and therefore the Company would have no rights of recourse and indemnities against the sellers. Future acquisition candidates may have liabilities or adverse operating issues that the Company failed or fails to discover through due diligence prior to the acquisition. If the Company consummates any future acquisitions with, unanticipated liabilities or adverse operating issues or if acquisition-related expectations are not met, the Company's business, results of operations, cash flows, financial condition or prospects may be materially adversely affected. The potential impairment or complete write-off of goodwill and other intangible assets related to any such acquisition may reduce the Company's overall earnings and could negatively affect the Company's balance sheet.

The Company may be subject to costly legal proceedings

The Company may be subject to regulatory investigations, civil claims, lawsuits and other proceedings in the ordinary course of its business. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in regulatory actions and litigation, the difficulty of predicting decisions of regulators, judges and juries and the possibility that decisions may be reversed on appeal. Defense and settlement costs of legal disputes can be substantial, even with claims that have no merit. Management is committed to conducting business in an ethical and responsible manner, which it believes will reduce the risk of legal disputes. However, if the Company is subject to legal disputes, there can be no assurances that these matters will not have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

The Company will incur increased costs as a result of complying with the reporting requirements, rules and regulations affecting public issuers

As a public issuer, the Company will be subject to the reporting requirements and rules and regulations under the applicable Canadian securities laws and rules of any stock exchange on which the Company's securities may be listed from time to time. Additional or new regulatory requirements may be adopted in the future. The requirements of existing and potential future rules and regulations will increase the Company's legal, accounting and financial compliance costs, make some activities more difficult, time-consuming or costly and may also place undue strain on its personnel, systems and resources, which could adversely affect its business and financial condition. However, there are no assurances that the Company will become a public issuer.

In particular, as a result of the Offering, the Company will become subject to reporting and other obligations under applicable Canadian securities laws, including National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*. These reporting and other obligations will place significant demands on the Company as well as on the Company's management, administrative, operational and accounting resources.

The Chuchi South Project is located in an underdeveloped rural area

The Chuchi South Project is located in an underdeveloped rural area, resulting in technical challenges for conducting mineral exploration and development and any potential mining activities at the property. The Company benefits from modern mining transportation skills and technologies for exploring and operating in such areas. Nevertheless, the Company may sometimes be unable to overcome problems related to underdevelopment or unseasonable weather at a commercially reasonable cost, which could negatively affect the Company's mineral exploration and development and any potential mining activities at the property and have a material adverse effect on the Company. The rural location of the Chuchi South Project also results in increased costs associated with land access and infrastructure, including powerlines, water pipelines and transportation.

The Company may not use the proceeds from the Offering as described in this Prospectus

The Company currently intends to use the net proceeds received from the Offering as described under "*Use of Proceeds*". However, the Board and/or management will have discretion in the actual application of the net proceeds, and may elect to allocate net proceeds differently from that described under "*Use of Proceeds*" if they believe it would be in the Company's best interests to do so. Shareholders may not agree with the manner in which the Board and/or management chooses to allocate and spend the net proceeds. The failure by the Board and/or management to apply these funds effectively could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

The Company may not be able to obtain sufficient financing to pursue all of its intended exploration activities or continue on a going concern basis

The Company's primary sources of capital resources are comprised of cash and cash equivalents and the issuance of securities. The Company will continuously monitor its capital structure and, based on changes in operations and economic conditions, may adjust the structure by issuing new shares as necessary. The recoverability of the carrying values of the Company's assets is dependent upon the ability of the Company to obtain the necessary financing to complete exploration activities.

While the Company has been successful in securing financing to date, there are no guarantees that it will be able to secure such financing in the future on terms acceptable to the Company, if at all. If the Company is unable to raise sufficient capital to fund all of its intended exploration activities, expenditures may be limited to the recommended work program on the Chuchi South Project. In the event that the Company is unable to fulfill its commitments under its various option agreements as a result of lack of funds or otherwise, the Company may lose its rights and interests in some or all of its properties. This could, in turn have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

The Company may be negatively impacted by changes to mining laws and regulations

The Company's activities are subject to various laws governing prospecting, exploration, development, production, taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Mining, exploration and development activities are also subject to various laws and regulations relating to the protection of the environment. Although the Company believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail production or development of the Company's properties. Amendments to current laws and regulations governing the Company's operations and activities or more stringent implementation of such laws and regulations could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

The Company may expand into other geographic areas, which could increase the Company's operational, regulatory and other risks

While currently all of the Company's mining and exploration activities are in Canada, the Company may in the future expand into other geographic areas, which could increase the Company's operational, regulatory, compliance, reputational and foreign exchange rate risks. The failure of the Company's operating infrastructure to support such expansion could result in operational failures and regulatory fines or sanctions. Future international expansion could require the Company to incur a number of up-front expenses, including those associated with obtaining regulatory approvals, as well as additional ongoing expenses, including those associated with infrastructure, staff and regulatory compliance. The Company may not be able to successfully identify suitable acquisition and expansion opportunities, or integrate such operations successfully with the Company's existing operations.

**Risks Related to the Offered Shares**

Investors may lose their entire investment

An investment in the Offered Shares is speculative and may result in the loss of an investor's entire investment. Only potential investors who are experienced in high risk investments and who can afford to lose their entire investment should consider an investment in the Company.

There is no existing public market for the Common Shares

There is currently no existing public market for the Common Shares. The Common Shares are not currently listed or quoted on any stock exchange or market in Canada or elsewhere. If an active trading market does not develop, the trading price of the Common Shares may decline, and investors may have difficulty selling any of the Offered Shares that they purchase or acquire by way of the Offering.

Prior to the Offering, there has been no public trading market for the Common Shares, and the Company cannot offer assurances that one will develop or be sustained after the Offering. The Company cannot predict the prices at which the Common Shares will trade. The Offering Price has been determined by arm's length negotiation between the Company and the Agent and may not bear any relationship to the market price at which the Common Shares will trade after the Offering, or to any other established criteria of the Company's value. Shares of companies often trade at a discount to the initial offering price due to sales loads, underwriting discounts and related offering expenses.

Dilution from equity financing could negatively impact holders of Offered Shares

The Company may from time to time raise funds through the issuance of Common Shares or the issuance of debt instruments or other securities convertible into Common Shares. The Company cannot predict the size or price of future issuances of Common Shares or the size or terms of future issuances of debt instruments or other securities convertible into Common Shares, or the effect, if any, that future issuances and sales of the Company's securities will have on the market price of the Common Shares. Sales or issuances of substantial numbers of Common Shares, or the perception that such sales or issuances could occur, may adversely affect prevailing market prices of the Common Shares. With any additional sale or issuance of Common Shares, or securities convertible into Common Shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per share.

A purchaser of the Offered Shares under the Offering will purchase such Offered Shares at a substantial premium to the current book value per Offered Share

The Offering Price of $0.10 per Offered Share is substantially higher than the current book value per share of the Common Shares issued prior to the completion of the Offering. As a result, purchasers of Offered Shares pursuant to the Offering will experience immediate dilution. Stock exchange listing is not certain.

The Company proposes to list the Common Shares distributed under this Prospectus as well as its existing issued and outstanding Common Shares on the CSE. Such listing will be subject to the Company fulfilling all the listing requirements of the CSE. If the Company fails to list the Common Shares on the CSE, the liquidity for its Common Shares would be significantly impaired, which may substantially decrease the trading price of the Common Shares.

In addition, in the future, the Company's securities may fail to meet the continued listing requirements to be listed on the CSE. If the CSE delists the Common Shares from trading on its exchange, the Company could face significant material adverse consequences, including:

- a limited availability of market quotations for the Common Shares;

- a determination that the Common Shares are a "penny stock" which will require brokers trading in the Common Shares to adhere to more stringent rules and possibly resulting in a reduced level of trading activity in the secondary trading market for the Common Shares;
- a limited amount of news and analyst coverage for the Company; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

Equity securities are subject to trading and volatility risks

The securities of publicly traded companies can experience a high level of price and volume volatility and the value of the Company's securities can be expected to fluctuate depending on various factors, not all of which are directly related to the success of the Company and its operating performance, underlying asset values or prospects. These include the risks described elsewhere in this Prospectus. Factors which may influence the price of the Company's securities, including the Common Shares, include, but are not limited to:

- worldwide economic conditions;
- disruption of financial markets due to COVID-19;
- changes in government policies;
- investor perceptions;
- movements in global interest rates and global stock markets;
- variations in operating costs;
- the cost of capital that the Company may require in the future;
- metals prices;
- the price of commodities necessary for the Company's operations;
- recommendations by securities research analysts;
- issuances of equity securities or debt securities by the Company;
- operating performance and, if applicable, the share price performance of the Company's competitors;
- the addition or departure of key management and other personnel;
- the expiration of lock-up or other transfer restrictions on outstanding Common Shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors;
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related industry and market issues affecting the mining sector;
- litigation;
- publicity about the Company, the Company's personnel or others operating in the industry;
- loss of a major funding source; and
- all market conditions that are specific to the mining industry.

There can be no assurance that such fluctuations will not affect the price of the Company's securities, and consequently purchasers of Offered Shares may not be able to sell Offered Shares at prices equal to or greater than the price or value at which they purchased the Offered Shares or acquired them, or their components, by way of the secondary market.

Sales by existing shareholders can reduce share prices

Sales of a substantial number of Common Shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of Common Shares intend to sell, could reduce the market price of the Common Shares. If this occurs and continues, it could impair the Company's ability to raise additional capital through the sale of securities.

It is anticipated that a majority of the Common Shares issued and outstanding prior to completion of the Offering will be subject to post-Closing resale restrictions. See "*Plan of Distribution*" and "*Escrowed Securities and Securities Subject to Contractual Restriction on Transfer*" for descriptions of these resale

restrictions. Upon expiration of the resale restrictions to which they are subject, such Offered Shares will be freely tradable in the public market, subject to the provisions of applicable securities laws.

The Company is not likely to pay dividends for an extended period of time

The Company has not, since the date of its incorporation, declared or paid any dividends or other distributions on its Common Shares. The Company anticipates that, for the foreseeable future, it will retain its cash resources for the operation and development of its business. The declaration and payment of any dividends in the future is at the discretion of the Board and will depend on a number of factors, including compliance with applicable laws, financial performance, working capital requirements of the Company and such other factors as its directors consider appropriate, and the Company may never pay dividends.

Public companies are subject to securities class action litigation risk

In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. If the Company faces such litigation, it could result in substantial costs and a diversion of management's attention and resources, which could materially harm its business.

If securities or industry analysts do not publish research or publish inaccurate or unfavourable research about the Company's business, the price and trading volume of the Common Shares could decline

The trading market for the Common Shares will depend on the research and reports that securities or industry analysts publish about the Company and its business. The Company does not have any control over these analysts. The Company cannot assure that analysts will cover it or provide favourable coverage. If one or more of the analysts who cover the Company downgrade its stock or reduce their opinion of the value of the Common Shares, the price of Common Shares would likely decline. If one or more of these analysts cease coverage of the Company or fail to regularly publish reports, the Company could lose visibility in the financial markets, which could cause the price and trading volume of the Common Shares to decline.

Global financial conditions can reduce the price of the Common Shares

Global financial conditions may be characterized by extreme volatility. While global financial conditions are currently stable, global financial conditions could suddenly and rapidly destabilize in response to future economic shocks, as government authorities may have limited resources to respond to future crises. Future economic shocks may be precipitated by a number of causes, such as a rise in the price of oil, geopolitical instability, natural disasters, and other unforeseen events. Any sudden or rapid destabilization of global economic conditions could impact the Company's ability to obtain equity or debt financing in the future on terms favourable to the Company. Additionally, any such occurrence could cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses and ultimately have a material adverse effect the Company's business, operations and financial condition.

Furthermore, general market, political and economic conditions, including, for example, inflation, interest and currency exchange rates, structural changes in the global mining industry, global supply and demand for commodities, political developments, legislative or regulatory changes, civil, political or labour unrest and stock market trends will affect the Company's operating environment and its operating costs, profit margins and share price. Any negative events in the global economy could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

## PROMOTERS

James Walchuck, the Chief Executive Officer and a director of the Company, may be considered to be a promoter of the Company in that he took the initiative in organizing the business of the Company. The

following table sets out the number and percentage of each class of voting securities and equity securities of the Company beneficially owned, or controlled or directed, directly or indirectly by James Walchuck.

| Designation of Class | Number of Securities | Percentage of Class |
|---|---|---|
| Common Shares | 1,700,000 | 15.78%(1) |
| Options | 320,000 | 32.00%(2) |

Notes:

(1) Based on 10,775,000 outstanding Common Shares on a non-diluted basis at the time of this Prospectus.

(2) Based on 1,000,000 outstanding incentive stock option at the time of this Prospectus.

Additional information about James Walchuck is disclosed elsewhere in this Prospectus in connection with his capacity as a director of the Company. See "*Directors and Executive Officers*" and "*Director and Executive Compensation*" for further details.

Other than as disclosed in this Prospectus, James Walchuck has not received, directly or indirectly, anything of value, including money, property, contracts, options or rights of any kind from the Company, and the Company has not received any assets, services or other consideration from James Walchuck in return.

## RELATIONSHIP BETWEEN THE COMPANY AND AGENT

The Company is not a "related issuer" or "connected issuer" to the Agent (as such terms are defined in National Instrument 33-105 – *Underwriting Conflicts*).

## LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings or regulatory actions to which the Company is a party, or has been a party to, or of which any of its property is the subject matter of, or was the subject matter of, since its incorporation, and no such proceedings or actions are known by the Company to be contemplated.

There have been no penalties or sanctions imposed against the Company by a court or regulatory authority, and the Company has not entered into any settlement agreements before any court relating to provincial or territorial securities legislation or with any securities regulatory authority, since its incorporation.

## INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Prospectus, no director, executive officer or shareholder that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued Common Shares, or any of their respective associates or affiliates, has any material interest, direct or indirect, in any transaction since the incorporation of the Company which has materially affected or is reasonably expected to materially affect the Company.

## AUDITOR, TRANSFER AGENT AND REGISTRAR

The Company's auditor is DeVisser Gray LLP, having an address at 401 – 905 West Pender Street, Vancouver, British Columbia, V6C 1L6.

The transfer agent and registrar for the Common Shares is Endeavor Trust Corporation, having an office at Suite 702 - 777 Hornby Street, Vancouver, BC V6Z 1S4.

## MATERIAL CONTRACTS

Except for material contracts entered into in the ordinary course of business, set out below are material contracts to which the Company is a party entered into prior to or since the date of incorporation of the

Company and which still remain in effect and are considered to be material to the Company. Copies of such material contracts will be filed with the Canadian securities regulatory authorities and will be available for review under the Company's profile on SEDAR at www.sedar.com.

- Agency Agreement;
- Chuchi South Option Agreement;
- Escrow Agreement; and
- Stock Option Plan.

## EXPERTS

Information of a scientific or technical nature in respect of the Chuchi South Project is included in this Prospectus based upon the Chuchi South Technical Report, with an effective date of July 7, 2021, prepared by the Author, who is an independent "qualified person" under NI 43-101. To the best of the Company's knowledge, after reasonable inquiry, as of the date hereof, the aforementioned individual and his firm does not beneficially own, directly or indirectly, any Common Shares.

DeVisser Gray LLP, the auditor of the annual financial statements of the Company included in this Prospectus, has advised the Company that it is independent of the Company in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Certain legal matters related to the Offering will be passed upon on the Company's behalf by MLT Aikins LLP and on behalf of the Agent by Vantage Law Corporation. To the best of the Company's knowledge, after reasonable inquiry, as of the date hereof, the aforementioned partnerships (and their partners and associates) each beneficially own, directly or indirectly, in the aggregate, less than 1% of the outstanding Common Shares.

## PURCHASERS' STATUTORY RIGHTS OF RESCISSION

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

## APPENDIX “A”

## AUDIT COMMITTEE CHARTER

See attached.

**CIRRUS GOLD CORP.**

**AUDIT COMMITTEE CHARTER**

## I. Purpose

The primary objective of the Audit Committee (the "**Committee**") of Cirrus Gold Corp. (the "**Company**") is to act as a liaison between the Company's Board of Directors (the "**Board**") and the Company's independent auditors (the "**Auditors**") and to oversee (a): the accounting and financial reporting processes of the Company, including the financial statements and other financial information provided by the Company to its shareholders, the public and others, (b) the Company's compliance with legal and regulatory requirements, (c) the audit of the Company's financial statements, (d) the qualification, independence and performance of the Auditors, and (e) the Company's risk management policies and procedures and internal financial and accounting controls, and management information systems. For greater certainty, references to the financial statements of the Company will include, where applicable, the financial statements of the Company's subsidiary entities.

Although the Committee has the powers and responsibilities set forth in this Charter, the role of the Committee is oversight. The members of the Committee are not full-time employees of the Company and may or may not be accountants or auditors by profession or experts in the fields of accounting or auditing and, in any event, do not serve in such capacity. Consequently, it is not the duty of the Committee to 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 the Auditors.

The responsibilities of a member of the Committee are in addition to such member's duties as a member of the Board.

## II. Organization

A majority of the members of the Committee will be non-executive directors of the Company who satisfy, at a minimum, the laws governing the Company and the independence, financial literacy and financial experience requirements under applicable securities laws, rules and regulations, stock exchange and any other regulatory requirements applicable to the Company.

Members of the Committee must be financially literate as the Board interprets such qualification in its business judgment. A majority of the members of the Committee will not have participated in the preparation of the financial statements of the Company or any current subsidiary at any time during the past three years. All members will be able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement.

The Committee will consist of three or more directors of the Company, a majority of whom are not executive officers of the Company. The members of the Committee and the Chair of the Committee will be appointed by the Board. A majority of the members of the Committee will constitute a quorum, provided that if there are only three members, the quorum shall be three. A majority of the members of the Committee will be empowered to act on behalf of the

Committee. Matters decided by the Committee will be decided by majority votes. The chair of the Committee will have an ordinary vote and will not be entitled to exercise a casting vote.

Any member of the Committee may be removed or replaced at any time by the Board and will cease to be a member of the Committee as soon as such member ceases to be a director.

The Committee may form and delegate authority to subcommittees when appropriate.

## III. Meetings

The Committee will meet as frequently as circumstances require, but not less frequently than four times per year. The Committee will meet at least quarterly with management, the Company's financial and accounting officer(s) and the Auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. Meetings may be held telephonically to the extent permitted by the Company's organizational documents and applicable law. A resolution in writing signed by all members who are entitled to vote on the resolution at the meeting of the Committee is as valid as if it had been passed at a meeting.

In the absence of the appointed Chair of the Committee at any meeting, the members will elect a chair from those in attendance at the meeting. The Chair, in consultation with the other members of the Committee, will set the frequency and length of each meeting and the agenda of items to be addressed at each upcoming meeting. Notice of the time and place of every meeting shall be given in writing, either by email, fax or personal delivery to each member of the Committee at least 24 hours in advance of the meeting.

The Committee will appoint a recording secretary who will keep minutes of all meetings. The recording secretary may be any person and does not need to be a member of the Committee. The recording secretary for the Committee can be changed by simple notice from the Chair.

The Chair will ensure that the agenda for each upcoming meeting of the Committee is circulated to each member of the Committee as well as the other directors in advance of the meeting.

The Committee may invite, from time to time, such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee. The Company's accounting and financial officer(s) and the Auditors will attend any meeting when requested to do so by the Chair of the Committee.

## IV. Authority and Responsibilities

The Board, after consideration of the recommendation of the Committee, will nominate the Auditors for appointment by the shareholders of the Company in accordance with applicable law. The Auditors report directly to the Audit Committee. The Auditors are ultimately accountable to the Committee and the Board as representatives of the shareholders.

In fulfilling its duties and responsibilities under this Charter, the Committee will be entitled to reasonably rely on (a) the integrity of those persons within the Company and of the professionals and experts (such as the Auditors) from whom it receives information, (b) the accuracy of the financial and other information provided to the Committee by such persons, professionals or experts and (c) the representations made by the Auditors as to any services provided by them to the Company.

The Committee will have the following responsibilities:

**(a) Auditors**

1. Be directly responsible for the appointment, compensation, retention (including termination) and oversight of the work of any independent registered public accounting firm engaged by the Company (including for the purposes of preparing or issuing an audit report or performing other audit, review or attestation services or other work for the Company and including the resolution of disagreements between management and the Company's independent registered public accounting firm regarding financial reporting) and ensure that such firm will report directly to it; recommend to the Board the independent auditors to be nominated for appointment as Auditors of the Company at the Company's annual meeting, the remuneration to be paid to the Auditors for services performed during the preceding year; and recommend to the Board and the shareholders the termination of the appointment of the Auditors, if and when advisable.

2. When there is to be a change of the Auditor, review all issues related to the change, including any notices required under applicable securities law, stock exchange or other regulatory requirements, and the planned steps for an orderly transition.

3. Review the Auditor's audit plan and discuss the Auditor's scope, staffing, materiality, and general audit approach.

4. Review on an annual basis the performance of the Auditors, including the lead audit partner.

5. Take reasonable steps to confirm the independence of the Auditors, which include:

   (a) ensuring receipt from the Auditors of a formal written statement in accordance with applicable regulatory requirements delineating all relationships between the Auditors and the Company;

   (b) considering and discussing with the Auditors any disclosed relationships or services, including non-audit services, that may impact the objectivity and independence of the Auditors;

   (c) approving in advance all auditing services and any non-audit related services provided by the Auditors to the Company, and the fees for such services, with a view to ensuring the independence of the Auditors and, in accordance with applicable regulatory standards, including applicable stock exchange requirements, with respect to approval of non-audit related services performed by the Auditors; and

   (d) as necessary, taking or recommending that the Board take appropriate action to oversee the independence of the Auditors.

6. Review and approve any disclosures required to be included in periodic reports under applicable securities laws, rules and regulations and stock exchange and other regulatory requirements with respect to non-audit services.

7. Confirm with the Auditors and receive written confirmation at least once per year as to (i) the Auditor's internal processes and quality control procedures; and (ii) disclosure of any material issues raised by the most recent internal quality control review, or per review within the preceding five years respecting independent audit carried out by the Auditors or investigations or government or professional enquiries, reviews or investigations of the Auditors within the last five years.

8. Consider the tenure of the lead audit partner on the engagement in light of applicable securities law, stock exchange or applicable regulatory requirements.

9. Review all reports required to be submitted by the Auditors to the Committee under applicable securities laws, rules and regulations and stock exchange or other regulatory requirements.

10. Receive all recommendations and explanations which the Auditors place before the Committee.

**(b) Financial Statements and Financial Information**

11. Review and discuss with management, the financial and accounting officer(s) and the Auditors, the Company's annual audited financial statements, including disclosures made in management's discussion and analysis, prior to filing or distribution of such statements and recommend to the Board, if appropriate, that the Company's audited financial statements be included in the Company's annual reports distributed and filed under applicable laws and regulatory requirements.

12. Review and discuss with management, the financial and accounting officer(s) and the Auditors, the Company's interim financial statements, including management's discussion and analysis, and the Auditor's review of interim financial statements, prior to filing or distribution of such statements.

13. Review any earnings press releases of the Company before the Company publicly discloses this information.

14. Be satisfied that adequate procedures are in place for the review of the Company's disclosure of financial information and extracted or derived from the Company's financial statements and periodically assess the adequacy of these procedures.

15. Discuss with the Auditor the matters required to be discussed by applicable auditing standards requirements relating to the conduct of the audit including:

    (a) the adoption of, or changes to, the Company's significant auditing and accounting principles and practices;

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

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

16. Discuss with management and the Auditors major issues regarding accounting principles used in the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles. Review and discuss analyses prepared by management and/or the Auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative approaches under generally accepted accounting principles.

17. Prepare, or ensure the preparation of, and review any report under applicable securities law, stock exchange or other regulatory requirements, including any reports required to be included in statutory filings.

**(c) Ongoing Reviews and Discussions with Management and Others**

18. Obtain and review an annual report from management relating to the accounting principles used in the preparation of the Company's financial statements, including those policies for which management is required to exercise discretion or judgments regarding the implementation thereof.

19. Periodically review separately with each of management, the financial and accounting officer(s) and the Auditors; (a) any significant disagreement between management and the Auditors in connection with the preparation of the financial statements, (b) any difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information and (c) management's response to each.

20. Periodically discuss with the Auditors, without management being present, (a) their judgments about the quality, integrity and appropriateness of the Company's accounting principles and financial disclosure practices as applied in its financial reporting and (b) the completeness and accuracy of the Company's financial statements.

21. Consider and approve, if appropriate, significant changes to the Company's accounting principles and financial disclosure practices as suggested by the Auditors or management and the resulting financial statement impact. Review with the Auditors or management the extent to which any changes or improvements in accounting or financial practices, as approved by the Committee, have been implemented.

22. Review and discuss with management, the Auditors and the Company's independent counsel, as appropriate, any legal, regulatory or compliance matters that could have a significant impact on the Company's financial statements, including applicable changes in accounting standards or rules, or compliance with applicable laws and regulations, inquiries received from regulators or government agencies and any pending material litigation.

23. Enquire of the Company's financial and accounting officer(s) and the Auditors on any matters which should be brought to the attention of the Committee concerning accounting, financial and operating practices and controls and accounting practices of the Company.

24. Review the principal control risks to the business of the Company, its subsidiaries and joint ventures; and verify that effective control systems are in place to manage and mitigate these risks.

25. Review and discuss with management any earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as any financial information and earnings guidance provided to analysts and rating agencies. Such discussions may be done generally (i.e. discussion of the types of information to be disclosed and the types of presentations made).

26. Review and discuss with management any material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons, that may have a material current or future effect on financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses. Obtain explanations from management of all significant variances between comparative reporting periods.

27. Review and discuss with management the Company's major risk exposures and the steps management has taken to monitor, control and manage such exposures, including the Company's risk assessment and risk management guidelines and policies.

**(d) Risk Management**

28. Review, based upon the recommendation of the Auditors and management, the scope and plan of the work to be done by the Company's financial and accounting group and the responsibilities, budget and staffing needs of such group.

29. Ensure that management has designed and implemented effective systems of risk management and internal controls and, at least annually, review the effectiveness of the implementation of such systems.

30. Approve and recommend to the Board for adoption policies and procedures on risk oversight and management to establish an effective and efficient system for identifying, assessing, monitoring and managing risk relating to financial management and internal control.

31. Review the appointment of the chief financial officer and any key financial executives involved in the financial reporting process and recommend to the Board any changes in such appointments.

**(e) Other Responsibilities**

32. Create an agenda for the ensuing year.

33. Review and approve related-party transactions if required under applicable securities law, stock exchange or other regulatory requirements.

34. Review and approve (a) any change or waiver in the Company's Code of Business Conduct and Ethics applicable to senior financial officers and (b) any disclosures

made under applicable securities law, stock exchange or other regulatory requirements regarding such change or waiver.

35. Establish, review and approve policies for the hiring of employees, partners, former employees or former partners of the Company's Auditors or former independent auditors.

36. Review and reassess the duties and responsibilities set out in this Charter annually and recommend to the Board any changes deemed appropriate by the Committee.

37. Review its own performance annually, seeking input from management and the Board.

38. Confirm annually that all responsibilities outlined in this Charter have been carried out.

39. Perform any other activities consistent with this Charter, the Company's constating documents and governing law, as the Committee or the Board deems necessary or appropriate.

## V. Reporting

The Committee will report regularly to the Board and will submit the minutes of all meetings of the Audit Committee to the Board. The Committee will also report to the Board on the proceedings and deliberations of the Committee at such times and in such manner as the Board may require. The Committee will review with the full Board any issues that have arisen with respect to quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance or independence of the Auditors or the performance of the Company's financial and accounting group.

## VI. Resources and Access to Information

The Committee will have the authority to retain independent legal, accounting and other advisors or consultants to advise the Committee, as it determines necessary to carry out its duties.

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities. The Committee has direct access to anyone in the organization and may request any officer or employee of the Company or the Company's outside counsel or the Auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee with or without the presence of management. In the performance of any of its duties and responsibilities, the Committee will have access to any and all books and records of the Company necessary for the execution of the Committee's obligations.

The Committee will determine the extent of funding necessary for payment of (a) compensation to the Company's independent public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attestation services for the Company, (b) compensation to any independent legal, accounting and other advisors or consultants retained to advise the Committee and (c) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

## APPENDIX “B”

## FINANCIAL STATEMENTS

See attached.

# CIRRUS GOLD CORP.

## FINANCIAL STATEMENTS

## FOR THE PERIOD FROM INCORPORATION ON FEBRUARY 5, 2020 to DECEMBER 31, 2020

(Expressed in Canadian Dollars)

DeVISSER GRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

401-905 West Pender St
Vancouver BC V6C 1L6
t 604.687.5447
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## Independent Auditor's Report

To the Directors of Cirrus Gold Corp.

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Cirrus Gold Corp. (the “Company”), which comprise the statement of financial position as at December 31, 2020, and the statements of loss and comprehensive loss, changes in shareholders’ equity and cash flows for the period from incorporation on February 5, 2020 to December 31, 2020, 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 its financial performance and its cash flows for the period from incorporation on February 5, 2020 to December 31, 2020 in accordance with International Financial Reporting Standards (IFRS).

**Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the 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 ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 1 in the financial statements, which indicates that Cirrus Gold Corp. generated negative cash flows from operating activities and has accumulated deficit of $71,948 during the period ended December 31, 2020. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on Cirrus Gold Corp.'s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Other Information**

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis", but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

The engagement partner on the audit resulting in this independent auditor’s report is James D. Gray.

**Chartered Professional Accountants**

Vancouver, BC, Canada
July 7, 2021

**CIRRUS GOLD CORP.**
STATEMENT OF FINANCIAL POSITION
As at December 31, 2020
(Expressed in Canadian Dollars)

| | |
|---|---|
| **ASSETS** | |
| **Current** | |
| Cash | $ 176,256 |
| | 176,256 |
| **Exploration and evaluation assets** (Note 3) | 114,101 |
| | $ 290,357 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | |
| **Current** | |
| Accounts payable and accrued liabilities | $ 51,867 |
| **Non-current** | |
| Deferred income taxes (Note 8) | 5,088 |
| | 56,955 |
| **Shareholders' equity** | |
| Share capital (Note 5) | 275,350 |
| Contributed surplus (Note 4, 5) | 30,000 |
| Deficit | (71,948) |
| | 233,402 |
| | $ 290,357 |

**Nature of operations and going concern** (Note 1)
**Subsequent events** (Note 10)

**On behalf of the Board:**

*"James Walchuck"* Director *"Stuart Ross"* Director

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

**CIRRUS GOLD CORP.**
STATEMENT OF LOSS AND COMPREHENSIVE LOSS
For the period from February 5, 2020 (date of incorporation) to December 31, 2020
(Expressed in Canadian Dollars)

| | | |
|---|---|---|
| **EXPENSES** | | |
| Consulting | $ | 15,388 |
| Office | | 564 |
| Professional fees | | 17,830 |
| Rent | | 3,078 |
| Share-based compensation (Note 4, 5) | | 30,000 |
| **Loss and comprehensive loss before income taxes** | | (66,860) |
| Deferred income tax expense (Note 8) | | (5,088) |
| **Loss and comprehensive loss for the period** | $ | (71,948) |
| **Loss per common share** | | |
| -Basic and diluted | $ | (0.02) |
| **Weighted average number of common shares outstanding** | | |
| -Basic and diluted | | 4,481,136 |

**CIRRUS GOLD CORP.**
STATEMENTS OF CASH FLOW
For the period from February 5, 2020 (date of incorporation) to December 31, 2020
(Expressed in Canadian Dollars)

| | | |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Loss for the period | $ | (71,948) |
| Items not involving cash: | | |
| Deferred income tax expense | | 5,088 |
| Share-based compensation | | 30,000 |
| Changes in non-cash working capital items: | | |
| Increase in accounts payable and accrued liabilities | | 26,030 |
| Net cash used in operating activities | | (10,830) |
| **CASH FLOWS FROM INVESTING ACTIVITY** | | |
| Exploration and evaluation assets | | (85,264) |
| Net cash used in investing activity | | (85,264) |
| **CASH FLOWS FROM FINANCING ACTIVITY** | | |
| Proceeds from the issuance of shares, net of issue costs | | 272,350 |
| Net cash provided by financing activity | | 272,350 |
| **Net increase in cash during the period** | | 176,256 |
| **Cash, beginning of the period** | | - |
| **Cash, end of the period** | $ | 176,256 |

**Supplemental disclosure with respect to cash flows** (Note 6)

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

**CIRRUS GOLD CORP.**
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the period from February 5, 2020 (date of incorporation) to December 31, 2020
(Expressed in Canadian Dollars)

| | Share Capital | | | | |
|---|---|---|---|---|---|
| | Number of shares | Amount | Contributed Surplus | Deficit | Total |
| Incorporation February 5, 2020 | - | $ - | $ - | $ - | $ - |
| Shares issued for cash | | | | | |
| Share issuances (Note 5) | 10,475,000 | 290,500 | - | - | 290,500 |
| Share issue costs | - | (18,150) | - | - | (18,150) |
| Shares issued per option agreement (Note 3) | 150,000 | 3,000 | - | - | 3,000 |
| Share-based compensation (Note 4, 5) | - | - | 30,000 | - | 30,000 |
| Loss for the period | - | - | - | (71,948) | (71,948) |
| **Balance, December 31, 2020** | **10,625,000** | **$ 275,350** | **$ 30,000** | **$ (71,948)** | **$ 233,402** |

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

## 1. NATURE OF OPERATIONS AND GOING CONCERN

Cirrus Gold Corp. (the "Company") was incorporated on February 5, 2020 under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is 3148 Highland Boulevard, North Vancouver, British Columbia, Canada. To date, the Company has not earned operating revenue.

The Company is in the process of acquiring and exploring exploration and evaluation assets and has not yet determined whether such properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

As at December 31, 2020, the Company has generated negative cash flows from operating activities and has an accumulated deficit of $71,948. The Company expects to incur further losses in the development of its operations. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing or generating sufficient revenues to cover its operating costs. These factors indicate the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

In addition, the COVID-19 pandemic has created a dramatic slowdown in the global economy. The duration of the COVID-19 outbreak and the resultant travel restrictions, social distancing, Government response actions, business closures and business disruptions, can all have an impact on the Company's operations and access to capital. There can be no assurance that the Company will not be further impacted by adverse consequences that may be brought about by the COVID-19 pandemic on global financial markets which may reduce share prices and financial liquidity and thereby severely limit the financing capital available to the Company.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### Statement of compliance

These financial statements have been prepared in accordance with IAS 1 'Presentation of Financial Statements' ("IAS 1") using accounting policies consistent with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements were authorized for issue by the Board of Directors on July 7, 2021.

### Basis of presentation

These financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value, as explained in the accounting policies set out below. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

### Exploration and evaluation assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units-of-production method over estimated recoverable reserves.

Management annually assesses carrying values of non-producing properties and properties for which events and

**2. SIGNIFICANT ACCOUNTING POLICIES** (cont'd…)

circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavourable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds three years. If estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written down to the estimated recoverable amount.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

**Flow-through shares**

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. Any premium obtained on the issue of the flow-through shares, being the difference in price over a common shares with no tax attributes, is recognized as a liability. As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

To the extent that the Company has deferred tax assets in the form of tax loss carryforwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

**Foreign currency**

Transactions and balances in currencies other than the Canadian dollar, the currency of the primary economic environment in which the Company operates ("the functional currency"), are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange prevailing on the statement of financial position date are recognized in the statement of comprehensive loss.

**Income tax**

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the financial statements date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on 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.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the

**2. SIGNIFICANT ACCOUNTING POLICIES** (cont'd…)

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.

**Financial instruments**

i) Classification

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

ii) Measurement

*Financial assets and liabilities at amortized cost*

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. The Company's accounts payable and accrued liabilities are carried at amortized cost.

*Financial assets and liabilities at FVTPL*

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of operations. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of operations in the period in which they arise. The Company's cash is classified as FVTPL.

iii) Impairment of financial assets at amortized cost

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

iv) Derecognition of financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of operations.

**Significant accounting estimates and judgments**

The preparation of these financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statement of financial position and the reported amount of revenues and expenses during the reporting year. Actual results could differ from these estimates. Estimates and underlying assumptions

**2. SIGNIFICANT ACCOUNTING POLICIES** (cont'd…)

are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

Significant accounts that require estimates as the basis for determining the stated amounts include evaluating the potential impairment of exploration and evaluation assets and share-based payments.

Economic recoverability and probability of future economic benefits of exploration and evaluation assets
Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessment of economic recoverability and probability of future economic benefits, including geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Valuation of share-based compensation
The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

**Impairment**

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the year. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate and its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

**Impairment of financial assets**

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted.

For all financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it is becoming probable that the borrower will enter bankruptcy or financial re-organization.

**2. SIGNIFICANT ACCOUNTING POLICIES** (cont'd…)

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount does not exceed what the amortized cost would have been had the impairment not been recognized.

**Share capital**

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. The fair value of common shares issued is measured with reference to the value associated with cash financings involving arm's-length parties.

**Share-based payments**

The fair value of options or compensatory warrants granted is recognized as a share-based payments expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services like those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from reserve to share capital.

The fair value of options granted is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value is measured using the Black-Scholes option pricing model considering the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

Share-based payments to non-employees, who are not providing similar services to employees, are measured at the grant date by using the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services received cannot be reliably measured, and are recorded at the date the goods or services are received.

**Related party transactions**

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

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

**Provisions**

*Rehabilitation provisions*

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for rehabilitation obligation is recognized at its fair value in the year in which it is incurred if a reasonable estimate of cost can be made. The Company records the present value of estimated future cash flows associated with rehabilitation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. Subsequently, these rehabilitation costs are amortized over the life of the related assets. At the end of each period, the liability is increased to reflect the passage of time and changes in the estimated future cash flows underlying any initial estimates.

The Company recognizes its environmental liability on a site-by-site basis when it can be reliably estimated. Environmental expenditures related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible are charged to profit or loss.

The Company had no rehabilitation obligations for the period presented.

**Earnings (loss) per share**

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the earnings (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is not presented as the effect on loss per share is anti-dilutive.

## 3. EXPLORATION AND EVALUATION ASSETS

| | | Chuchi South | |
|---|---|---|---|
| Balance incorporation February 5, 2020 | $ | - | |
| Acquisition costs: | | | |
| Cash | | 7,260 | * |
| Shares | | 3,000 | |
| | | 10,260 | |
| Deferred exploration costs: | | | |
| Geological | | 5,593 | |
| Geophysical | | 20,101 | |
| Consulting | | 40,905 | * |
| Report preparation | | 10,920 | |
| Assay | | 8,804 | |
| Field | | 17,518 | * |
| Total expenditures for the year | | 103,841 | |
| **Balance December 31, 2020** | $ | 114,101 | |

***** Inclusive of the reimbursement of $20,000 in mineral property costs incurred by the optionor during 2019.

## 3. EXPLORATION AND EVALUATION ASSETS (cont'd…)

### Chuchi South Project

Pursuant to an option agreement dated February 10, 2020 the Company was granted an option to acquire a 100% undivided intertest in the Chuchi South Project (the "Property") in the Nanaimo Mining Division, British Columbia. To exercise the option the Company must pay $510,000 in cash, incur $350,000 in exploration expenditures, reimburse the Optionor for $20,000 in previous property expenditures (paid) and issue 1,500,000 common shares over a 5-year period as follows:

| | Option Payments | Exploration Expenditures | Common Shares |
|---|---|---|---|
| Within five calendar days of the Effective date, February 13, 2020 (paid) | $ 5,000 | $ - | - |
| March 15, 2020 (issued) | - | - | 150,000 |
| February 13, 2021 (all paid / completed / issued subsequent to year-end) | 25,000 | 100,000 | 150,000 |
| February 13, 2022 | 30,000 | 100,000 | 200,000 |
| February 13, 2023 | 50,000 | 150,000 | 1,000,000 |
| February 13, 2024 | 50,000 | - | - |
| February 13, 2025 | 350,000 | - | - |
| Total | $ 510,000 | $ 350,000 | 1,500,000 |

Pursuant to the Option Agreement the optionor will receive a 2.0% Net Smelter Return ("NSR") royalty and the Company has the right at any time to purchase the NSR for $1,500,000.

On the February 13, 2028 and each subsequent anniversary of the Effective Date, until Commercial Production begins, the Company will pay the optionor an advance royalty payment of $25,000, where the cumulative advance royalty payments paid will be credited towards any future NSR payments due.

The Company will pay to the optionor $1,500,000 upon completion of a feasibility study resulting in a positive decision to commence commercial production on the Property.

## 4. RELATED PARTY TRANSACTIONS

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

The Company incurred the following transactions with key management personnel during the period from February 5, 2020 (date of incorporation) to December 31, 2020.

| | Year ended December 31, 2020 |
|---|---|
| Share-based Compensation | $ 30,000 |

During the year ended December 31, 2020, the Company issued 2,000,000 common shares with an estimated fair value of $40,000 for gross proceeds of $10,000 to directors and officers of the Company (see note 5(2)). Accordingly, the Company recorded an amount of $30,000 as share-based compensation for the year ended December 31, 2019.

## 5. SHARE CAPITAL AND RESERVES

Authorized – Unlimited common shares without par value

During the year ended December 31, 2020, the Company had the following share capital transactions:

(1) On February 5, 2020, the Company issued 1 share on incorporation for proceeds of $1. This share was subsequently repurchased by the Company and cancelled on February 5, 2020.

(2) On February 5, 2020, the Company issued 2,000,000 common shares at a price of $0.005 per common share for gross proceeds of $10,000. The fair value of the common shares was estimated to be $40,000. Accordingly, the Company recorded share-based compensation of $30,000 and a corresponding increase to contributed surplus. Refer also to Note 4.

(3) On March 10, 2020, the Company issued 150,000 common shares at a price of $0.02 per common share pursuant to the option agreement dated February 10, 2020. See Note 3.

(4) On July 23, 2020, the Company issued 3,050,000 flow-through common shares at a price of $0.02 per common share for gross proceeds of $61,000 which the Company is committed to spend on qualifying Canadian Exploration Expenses ("CEE") and issued 1,725,000 common shares at a price of $0.02 per common share for gross proceeds of $34,500.

As at December 31, 2020 the Company has fully completed this obligation to incur CEE.

(5) On December 23, 2020, the Company issued 700,000 common shares at a price of $0.05 per common share for gross proceeds of $35,000.

(6) On December 31, 2020, the Company issued 3,000,000 common shares at a price of $0.05 per common share for gross proceeds of $150,000.

During the year ended December 31, 2020 the Company incurred aggregate share issue costs of $18,150 in connection with the above financings, which was recorded as an offset to share capital, as share issue costs.

## 6. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the year ended December 31, 2020;

- exploration and evaluation assets expenditures included in accounts payable at December 31, 2020 are $25,837.

## 7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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 instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

**7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT** (Cont'd…)

The fair value of cash is measured at Level 1 of the fair value hierarchy. The carrying value of accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

**Financial risk factors**

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

*Credit risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote and has deposited cash in high credit quality financial institutions.

*Liquidity risk*

As of December 31, 2020, the Company had cash balance of $176,256 to settle current liabilities of $51,867. The Company is exposed to liquidity risk.

*Market risk*

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

*Interest rate risk*

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade demand investments issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

*Foreign currency risk*

The Company's expenditures are denominated in Canadian dollars and current exposure to currency risk is minimal.

*Price risk*

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in value may be significant.

## 8. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

| | | 2020 |
|---|---|---|
| Loss for the period before tax | $ | (66,860) |
| Statutory tax rate | | 27% |
| Expected income tax recovery | $ | (18,052) |
| Non-deductible permanent differences | | 28,040 |
| Share issuance costs | | (4,901) |
| Total income tax expense | $ | 5,088 |

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

| | | 2020 |
|---|---|---|
| Deferred Tax Liabilities | | |
| Exploration and evaluation assets carrying amounts in excess of tax pools | $ | (19,940) |
| Non-capital loss carry forwards and share issue costs | | 14,852 |
| Net deferred tax liabilities | $ | (5,088) |

Subject to certain restrictions, the Company has exploration and evaluation expenditures at December 31, 2020 of approximately $37,000 available to reduce taxable income in future years. The Company also has non-capital losses available for possible deduction against future years' taxable income of approximately $40,000. The non-capital losses, if not utilized, will start to expire in 2040. The Company has not recognized any future benefit for these tax losses, credits and resource deductions, as it is not considered likely that they will be utilized.

## 9. CAPITAL MANAGEMENT

The Company defines capital that it manages as the aggregate of share capital, contributed surplus and deficit.

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition and exploration of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company relies on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is enough economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions. There were no changes to the Company's approach to capital management during the period.

## 10. SUBSEQUENT EVENTS

- On January 18, 2021, the Company granted 1,000,000 share purchase options to officers, directors and a consultant at an exercise price of $0.10 for a period of five years.

**10. SUBSEQUENT EVENTS** (Cont'd…)

- On July 7, 2021, the Company filed a final prospectus pursuant to which it intends to offer, to the public in the Canadian Provinces of British Columbia and Alberta, up to 3.5 million common shares at a price of $0.10 per share, to raise gross proceeds of $350,000. In connection with a related agreement with an offering agent, the Company will pay the agent a 10% cash commission, a $40,000 corporate finance fee, of which $10,000 will be payable in common shares of the Company, and the agent will receive warrants to acquire up to 402,500 common shares at a price of $0.10 per share for a two year period. The Company has also granted to the Agent an option (the "Agent's Option") exercisable in whole or in part, up to 48 hours prior to the closing of the Offering, to offer for sale to the public up to an additional 525,000 Common Shares (the "Agent's Option Shares").

# CIRRUS GOLD CORP.

## INTERIM CONDENSED FINANCIAL STATEMENTS

**MARCH 31, 2021**
(Unaudited)

(Expressed in Canadian Dollars)

**CIRRUS GOLD CORP.**
INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian Dollars)

| | March 31, 2021 | December 31, 2020 |
|---|---|---|
| **ASSETS** | | |
| **Current** | | |
| Cash | $ 95,723 | $ 176,256 |
| Accounts receivable | 995 | - |
| | 96,718 | 176,256 |
| **Exploration and evaluation assets** (Note 3) | 146,601 | 114,101 |
| | $ 243,319 | $ 290,357 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | |
| **Current** | | |
| Accounts payable and accrued liabilities | $ 18,067 | $ 51,867 |
| **Non-current** | | |
| Deferred income taxes | - | 5,088 |
| | 18,067 | 56,955 |
| **Shareholders' equity** | | |
| Share capital (Note 5) | 282,850 | 275,350 |
| Contributed surplus (Note 4, 5) | 62,020 | 30,000 |
| Deficit | (119,618) | (71,948) |
| | 225,252 | 233,402 |
| | $ 243,319 | $ 290,357 |

**Nature of operations and going concern** (Note 1)
**Subsequent events** (Note 8)

**On behalf of the Board:**

*"James Walchuck"* Director *"Stuart Ross"* Director

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

**CIRRUS GOLD CORP.**
INTERIM CONDENSED STATEMENTS OF STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(Unaudited)
(Expressed in Canadian Dollars)

| | Three Months Ended March 31, 2021 | Period from February 5, 2020 to March 31, 2020 |
|---|---|---|
| **EXPENSES** | | |
| Consulting | $ 7,500 | $ 2,284 |
| Office | 103 | 357 |
| Professional fees | 11,635 | 9,950 |
| Rent | 1,500 | 431 |
| Share-based compensation (Notes 4, 5) | 32,020 | 30,000 |
| **Loss and comprehensive loss before income taxes** | (52,758) | (43,022) |
| Deferred income tax recovery | 5,088 | - |
| **Loss and comprehensive loss for the period** | $ (47,670) | $ (43,022) |
| **Loss per common share** | | |
| -Basic and diluted | $ (0.00) | $ (0.02) |
| **Weighted average number of common shares outstanding** | | |
| -Basic and diluted | 10,706,667 | 2,000,000 |

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

**CIRRUS GOLD CORP.**
INTERIM CONDENSED STATEMENTS OF CASH FLOW
(Unaudited)
(Expressed in Canadian Dollars)

| | Three Months Ended March 31, 2021 | Period from February 5, 2020 to March 31, 2020 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Loss for the period | $ (47,670) | $ (43,022) |
| Items not involving cash: | | |
| Share-based compensation | 32,020 | 30,000 |
| Deferred income tax recovery | (5,088) | - |
| Changes in non-cash working capital items: | | |
| Increase in accounts receivable | (995) | - |
| Increase (Decrease) in accounts payable and accrued liabilities | (7,963) | 9,951 |
| Net cash used in operating activities | (29,696) | (3,071) |
| **CASH FLOWS FROM INVESTING ACTIVITY** | | |
| Exploration and evaluation assets | (50,837) | (5,000) |
| Net cash used in investing activity | (50,837) | (5,000) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Proceeds from the issuance of shares, net of issue costs | - | 10,000 |
| Share subscriptions received in advance | - | 10,000 |
| Net cash provided by financing activity | - | 20,000 |
| **Net change in cash during the period** | (80,533) | 11,929 |
| **Cash, beginning of the period** | 176,256 | - |
| **Cash, end of the period** | $ 95,723 | $ 11,929 |

**Supplemental disclosure with respect to cash flows** (Note 6)

**CIRRUS GOLD CORP.**
INTERIM CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
PERIODS ENDED MARCH 31, 2020 AND 2021
(Unaudited)
(Expressed in Canadian Dollars)

| | Share Capital | | | | | |
|---|---|---|---|---|---|---|
| | Number of shares | Amount | Contributed Surplus | Shares Subscribed | Deficit | Total |
| Incorporation February 5, 2020 | - | $ - | $ - | $ - | $ - | $ - |
| Shares issued for cash | 2,000,000 | 10,000 | - | - | - | 10,000 |
| Shares issued pursuant to option agreement | 150,000 | 3,000 | - | - | - | 3,000 |
| Shares subscribed | - | - | - | 10,000 | - | 10,000 |
| Share-based compensation | - | - | 30,000 | - | - | 30,000 |
| Loss for the period | - | - | - | - | (43,022) | (43,022) |
| Balance, March 31, 2020 | 2,150,000 | $ 13,000 | $ 30,000 | $ 10,000 | $ (43,022) | $ 9,978 |
| | | | | | | |
| Balance, December 31, 2020 | 10,625,000 | $ 275,350 | $ 30,000 | $ - | $ (71,948) | $ 233,402 |
| Shares issued pursuant to option agreement (Note 3) | 150,000 | 7,500 | - | - | - | 7,500 |
| Share-based compensation (Notes 4, 5) | - | - | 32,020 | - | - | 32,020 |
| Loss for the period | - | - | - | - | (47,670) | (47,670) |
| Balance, March 31, 2021 | 10,775,000 | $ 282,850 | $ 62,020 | $ - | $ (119,618) | $ 225,252 |

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

## 1. NATURE OF OPERATIONS AND GOING CONCERN

Cirrus Gold Corp. (the "Company") was incorporated on February 5, 2020 under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is 3148 Highland Boulevard, North Vancouver, British Columbia, Canada. To date, the Company has not earned operating revenue.

The Company is in the process of acquiring and exploring exploration and evaluation assets and has not yet determined whether such properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

As at March 31, 2021, the Company has generated negative cash flows from operating activities and has an accumulated deficit of $119,618. The Company expects to incur further losses in the development of its operations. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing or generating sufficient revenues to cover its operating costs. These factors indicate the existence of material uncertainties that may cast significant doubt as to the Company's ability to continue as a going concern.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

In addition, the COVID-19 pandemic has created a dramatic slowdown in the global economy. The duration of the COVID-19 outbreak and the resultant travel restrictions, social distancing, Government response actions, business closures and business disruptions, can all have an impact on the Company's operations and access to capital. There can be no assurance that the Company will not be further impacted by adverse consequences that may be brought about by the COVID-19 pandemic on global financial markets which may reduce share prices and financial liquidity and thereby severely limit the financing capital available to the Company.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### Statement of compliance and basis of presentation

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2020, which have been prepared in accordance with IFRS issued by the IASB.

The accounting policies applied by the Company in the condensed interim financial statements are the same as those applied by the Company in its most recent audited financial statements for the period from February 5, 2020 to December 31, 2020.

These interim condensed financial statements were authorized for issue by the Board of Directors on June 18, 2021.

### Significant accounting judgements, estimates and assumptions

The preparation of the Company's condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

**Significant accounting judgements, estimates and assumptions** (cont'd…)

and the reported amounts of assets, liabilities and contingent liabilities at the date of the condensed interim financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant areas requiring the use of management judgements, estimates and assumptions include:

- The assessment of whether certain factors (both internal and external) would be considered an indicator of impairment and whether impairment testing is required on the exploration and evaluation assets.
- The determination that the Company will continue as a going concern for the next year.

## 3. EXPLORATION AND EVALUATION ASSETS

| | | Chuchi South |
|---|---|---|
| Balance December 31, 2020 | $ | 114,101 |
| Acquisition costs: | | |
| Cash | | 25,000 |
| Shares | | 7,500 |
| | | 32,500 |
| **Balance March 31, 2021** | **$** | **146,601** |

**Chuchi South Project**

Pursuant to an option agreement dated February 10, 2020 the Company was granted an option to acquire a 100% undivided intertest in the Chuchi South Project (the "Property") in the Nanaimo Mining Division, British Columbia. To exercise the option the Company must pay $510,000 in cash, incur $350,000 in exploration expenditures, reimburse the Optionor for $20,000 in previous property expenditures (paid) and issue 1,500,000 common shares over a 5-year period as follows:

| | | Option Payments | | Exploration Expenditures | Common Shares |
|---|---|---|---|---|---|
| Within five calendar days of the Effective date, February 13, 2020 (paid) | $ | 5,000 | $ | - | - |
| On or before March 15, 2020 (issued) | | - | | - | 150,000 |
| On or before February 13, 2021 (paid, incurred and issued) | | 25,000 | | 100,000 | 150,000 |
| On or before February 13, 2022 | | 30,000 | | 100,000 | 200,000 |
| On or before February 13, 2023 | | 50,000 | | 150,000 | 1,000,000 |
| On or before February 13, 2024 | | 50,000 | | - | - |
| On or before February 13, 2025 | | 350,000 | | - | - |
| Total | $ | 510,000 | $ | 350,000 | 1,500,000 |

Pursuant to the Option Agreement the optionor will receive a 2.0% Net Smelter Return ("NSR") royalty and the Company has the right at any time to purchase the NSR for $1,500,000.

## 3. EXPLORATION AND EVALUATION ASSETS (cont'd…)

On the February 13, 2028 and each subsequent anniversary of the Effective Date, until Commercial Production begins, the Company will pay the optionor an advance royalty payment of $25,000, where the cumulative advance royalty payments paid will be credited towards any future NSR payments due.

The Company will pay to the optionor $1,500,000 upon completion of a feasibility study resulting in a positive decision to commence commercial production on the Property.

## 4. RELATED PARTY TRANSACTIONS

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

The Company incurred share-based compensation of $27,217 with key management personnel during the period ended March 31, 2021 (March 31, 2020 - $30,000).

## 5. SHARE CAPITAL AND RESERVES

Authorized – Unlimited common shares without par value

During the period ended March 31, 2021, the Company had the following share capital transactions:

(1) On February 10, 2021, the Company issued 150,000 common shares for the acquisition of exploration and evaluation assets at a value of $7,500. See Note 3.

### Stock Options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time-to-time, at its discretion grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed a rolling 10% of the Company's issued and outstanding common shares at the time the options are granted. Vesting of stock options is at the discretion of the Board of Directors. Stock options are exercisable for a maximum of 10 years.

As at March 31, 2021, the Company had stock options outstanding enabling the holder to acquire common shares as follows:

| Number of Shares | Exercise Price | Expiry Date | Weighted Average Life Remaining |
|---|---|---|---|
| 1,000,000 | $0.10 | January 18, 2021 | 4.81 |

Stock option transactions are summarized as follows:

| | Number of Options | Weighted Average Exercise Price |
|---|---|---|
| As at December 31, 2020 | Nil | $ - |
| Granted | 1,000,000 | 0.10 |
| As at March 31, 2021 | 1,000,000 | $ 0.10 |

## 5. SHARE CAPITAL AND RESERVES (cont'd…)

During the period ended March 31, 2021, the Company recognized share-based payments expense of $32,020 (March 31, 2020 - $30,000) in connection with the vesting of stock options granted.

The following weighted average assumptions were used for the Black-Scholes option pricing model valuation of stock options modified and granted during the year ended as follows:

| | March 31, 2021 |
|---|---|
| Risk-free interest rate | 0.42% |
| Expected life of options | 5.00 |
| Annualized volatility | 100% |
| Dividend rate | 0% |

## 6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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 instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The fair value of cash is measured at Level 1 of the fair value hierarchy. The carrying value of accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

**Financial risk factors**

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

*Credit risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote and has deposited cash in high credit quality financial institutions.

*Liquidity risk*

As of March 31, 2021, the Company had cash balance of $95,723 to settle current liabilities of $18,067. The Company is exposed to liquidity risk.

*Market risk*

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

## 6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

*Interest rate risk*

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade demand investments issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

*Foreign currency risk*

The Company's expenditures are denominated in Canadian dollars and current exposure to currency risk is minimal.

*Price risk*

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse

impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in value may be significant.

## 7. CAPITAL MANAGEMENT

The Company defines capital that it manages as the aggregate of share capital, contributed surplus and deficit.

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition and exploration of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company relies on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is enough economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions. There were no changes to the Company's approach to capital management during the period.

## 8. SUBSEQUENT EVENTS

On April 30, 2021, the Company filed a Preliminary Prospectus pursuant to which it intends to offer, to the public in the Canadian Provinces of British Columbia and Alberta, up to 3.5 million common shares at a price of $0.10 per share, to raise gross proceeds of $350,000. In connection with a related agreement with an offering agent, the Company will pay the agent a 10% cash commission, a $40,000 corporate finance fee, of which $10,000 will be payable in common shares of the Company, and the agent will receive warrants to acquire up to 402,500 common shares at a price of $0.10 per share for a two year period. The Company has also granted to the Agent an option (the "Agent's Option") exercisable in whole or in part, up to 48 hours prior to the closing of the Offering, to offer for sale to the public up to an additional 525,000 Common Shares (the "Agent's Option Shares").

## APPENDIX “C”

## MANAGEMENT DISCUSSION AND ANALYSIS

See attached.

**CIRRUS GOLD CORP.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE PERIOD FROM INCORPORATION ON FEBRUARY 5, 2020 TO DECEMBER 31, 2020**

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**April 30, 2021**

This Management Discussion and Analysis ("MD&A") of Cirrus Gold Corp. ("Cirrus" or the "Company") has been prepared by management as of April 30, 2021 and should be read together with the financial statements and related notes for the period ended December 31, 2020 which are prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless otherwise indicated, all $ dollars amount referenced in this MD&A are in Canadian dollars.

## FORWARD LOOKING STATEMENTS

The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward- looking statements. These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words 'believes,' 'expects,' 'anticipates,' 'estimates,' 'intends,' 'plans,' 'forecasts,' or similar expressions. Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on current expectations that involve numerous risks and uncertainties, including, but not limited to, those identified in the Risks Factors section in the accompanying preliminary prospectus dated April 30, 2021. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The Company may not provide updates or revise any forward-looking statements, except those otherwise required under paragraph 5.8(2) of NI 51-102, whether written or oral that may be made by or on the Company's behalf.

In March 2020, the World Health Organization declared the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", a global pandemic which has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in the future.

## OVERALL PERFORMANCE

The principal business of the Company is the exploration and development of Mineral Properties in British Columbia.

The Company's head office is located at 3148 Highland Boulevard, North Vancouver, BC, V7R 2X6 and its registered and records office is located at #2600 – 1066 West Hastings Street, Vancouver, B.C. V6E 3X1. The Company was incorporated under the Business Corporations Act (British Columbia) on February 5, 2020. To date, the Company has not earned operating revenue.

## SELECTED ANNUAL INFORMATION

The following table sets forth summary financial information for the Company for the period from incorporation to December 31, 2020. This information has been summarized from the Company's audited financial statements for the same period and should be read in conjunction with the Company's audited financial statements, including the notes thereto.

| | From Incorporation on February 5, 2020 to December 31, 2020 |
|---|---|
| Exploration and evaluation assets | $ 114,101 |
| Total assets | $ 290,357 |
| General and administrative expenses | $ 66,860 |
| Net loss | $ 71,948 |
| Basic and diluted loss per share (1) | $ 0.02 |

(1) Based on weighted average number of common shares issued and outstanding for the period.

## RESULTS OF OPERATIONS

As at December 31, 2020, the Company had total assets of $290,357and current liabilities of $51,867.

For the period from incorporation on February 5, 2020 to December 31, 2020, the Company reported a net loss of $71,948. The losses for the period ended December 31, 2020 comprised of consulting fees of $15,388, office expenses of $564, professional fees of $17,830, rent of $3,078, share-based compensation of $30,000 and deferred income tax expenses of $5,088.

## SUMMARY OF QUARTERLY RESULTS

Since inception, the Company has not prepared quarterly interim financial statements. As a result, the Company is unable to provide a summary of the quarterly results for the period from inception to December 31, 2020.

## EXPLORATION AND PROJECTS

The principal asset of the Company is its option to acquire 100% interest in the Chuchi South Project.

*Chuchi South Project*

Pursuant to an option agreement dated February 10, 2020 the Company was granted an option to acquire a 100% undivided intertest in the Chuchi South Project (the "Property") in the Nanaimo Mining Division, British Columbia. The Property is located about 100 kilometers north-northwest of Fort St James in central British Columbia. It constitutes 13 contiguous mineral claims amounting to 3118.7 hectares. To exercise the option the Company must pay $510,000 in cash, incur $350,000 in exploration expenditures, reimburse the Optionor for $20,000 in previous property expenditures (paid) and issue 1,500,000 common shares over a 5-year period as follows:

| | | Option Payments | | Exploration Expenditures | Common Shares |
|---|---|---|---|---|---|
| | | | | | |
| Within five calendar days of the Effective date, February 13, 2020 (paid) | $ | 5,000 | $ | - | - |
| March 15, 2020 (issued) | | - | | - | 150,000 |
| February 13, 2021 (all paid / completed / issued subsequent to year-end) | | 25,000 | | 100,000 | 150,000 |
| February 13, 2022 | | 30,000 | | 100,000 | 200,000 |
| February 13, 2023 | | 50,000 | | 150,000 | 1,000,000 |
| February 13, 2024 | | 50,000 | | - | - |
| February 13, 2025 | | 350,000 | | - | - |
| Total | $ | 510,000 | $ | 350,000 | 1,500,000 |

Pursuant to the Option Agreement the optionor will receive a 2.0% Net Smelter Return ("NSR") royalty and the Company has the right at any time to purchase the NSR for $1,500,000. On the February 13, 2028 and each subsequent anniversary of the Effective Date, until Commercial Production begins, the Company will pay the optionor an advance royalty payment of $25,000, where the cumulative advance royalty payments paid will be credited towards any future NSR payments due. The Company will pay to the optionor $1,500,000 upon completion of a feasibility study resulting in a positive decision to commence commercial production on the Property.

An independent geological report (the "Technical Report") prepared by Hardolph Wasteneys, Ph.D., P. Geo, who is a "Qualified Person" as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"), was completed in relation to the Property on December 21, 2020. The Technical Report recommends that the Company conduct a two phase exploration program comprised of: phase one, a limited program to determine the nature of mineralization in the Coho Zone by mapping, IP geophysics, and lithogeochemistry; and phase two contingent on finding positive indications of a porphyry system by means of the results of the first phase, involves completion of a IP geophysics across the Property and drill intensive exploration of targets.

*Exploration Expenditures*

Cirrus has incurred the following exploration expenditures with regards to the Property that were capitalized as incurred to December 31, 2020:

| | | Chuchi South | |
|---|---|---|---|
| Balance incorporation February 5, 2020 | $ | - | |
| Acquisition costs: | | | |
| Cash | | 7,260 | * |
| Shares | | 3,000 | |
| | | 10,260 | |
| Deferred exploration costs: | | | |
| Geological | | 5,593 | |
| Geophysical | | 20,101 | |
| Consulting | | 40,905 | * |
| Report preparation | | 10,920 | |
| Assay | | 8,804 | |
| Field | | 17,518 | * |
| Total expenditures for the year | | 103,841 | |
| **Balance December 31, 2020** | $ | 114,101 | |

***** Inclusive of the reimbursement of $20,000 in mineral property costs incurred by the optionor during 2019.

*Future Plans*

In relation to the Property, the Company currently plans to follow recommendations made in the Technical Report. A two phase exploration program is recommended. Phase 1 would include a 20 line kilometer IP survey over the Coho Zone coupled with detailed mapping of the Property and recompilation of existing soil geochemistry and geophysics. Lithogeochemistry and petrographic work on thin sections should be done at selected sites to establish the range of lithologic units. A budget of $110,657 is estimated for Phase 1. Contingent on positive results of Phase 1, which would include delineation of high priority IP chargeability anomalies spatially related to the magnetic highs and soil geochemical anomalies, a second phase would be proposed that is diamond drilling intensive. A budget for Phase 2 is estimated at $837,850 to cover the remainder of the Property with IP surveying and to target the coincident anomalies defined in phase 1 with up to 3000 meters of diamond drilling.

**LIQUIDITY AND CAPITAL RESOURCES**

The Company reported working capital of $124,389 at December 31, 2020 and cash of $176,256. Current liabilities as at December 31, 2020 consisted of accounts payable and accrued liabilities.

During the year ended December 31, 2020, the Company had the following share capital transactions:

(1) On February 5, 2020, the Company issued 1 share on incorporation for proceeds of $1. This share was subsequently repurchased by the Company and cancelled on February 5, 2020.

(2) On February 5, 2020, the Company issued 2,000,000 common shares at a price of $0.005 per common share for gross proceeds of $10,000. The fair value of the common shares was estimated to be $40,000. Accordingly, the Company recorded share-based compensation of $30,000 and a corresponding increase to contributed surplus.

(3) On March 10, 2020, the Company issued 150,000 common shares at a price of $0.02 per common share pursuant to the option agreement dated February 10, 2020.

(4) On July 23, 2020, the Company issued 3,050,000 flow-through common shares at a price of $0.02 per common share for gross proceeds of $61,000 which the Company is committed to spend on qualifying Canadian Exploration Expenses ("CEE") and issued 1,725,000 common shares at a price of $0.02 per common share for gross proceeds of $34,500. As at December 31, 2020 the Company has fully completed this obligation to incur CEE.

(5) On December 23, 2020, the Company issued 700,000 common shares at a price of $0.05 per common share for gross proceeds of $35,000.

(6) On December 31, 2020, the Company issued 3,000,000 common shares at a price of $0.05 per common share for gross proceeds of $150,000.

During the year ended December 31, 2020 the Company incurred aggregate share issue costs of $18,150 in connection with the above financings, which was recorded as an offset to share capital, as share issue costs.

The Company has limited working capital to continue administrative operations and development of its exploration asset and may continue to have capital requirements in excess of its currently available resources. The Company intends to raise additional financing either privately or through a public financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company does not utilize off-balance sheet arrangements.

**RELATED PARTY TRANSACTIONS**

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

The Company incurred the following transactions with key management personnel during the period from February 5, 2020 (date of incorporation) to December 31, 2020.

| | | Year ended December 31, 2020 |
|---|---|---|
| Share-based Compensation | $ | 30,000 |

During the year ended December 31, 2020, the Company issued 2,000,000 common shares with an estimated fair value of $40,000 for gross proceeds of $10,000 to directors and officers of the Company. Accordingly, the Company recorded an amount of $30,000 as share-based compensation for the year ended December 31, 2020.

## CRITICAL ACCOUNTING ESTIMATES

Not applicable for Venture Issuers.

## FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The carrying amounts of cash and accounts payable approximate fair value because of the short-term maturity of these items.

## SUBSEQUENT EVENTS

On January 18, 2021, the Company granted 1,000,000 share purchase options to officers, directors and a consultant at an exercise price of $0.10 for a period of five years.

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The information provided in this report as referenced from the Company's financial statements for the referenced reporting period is the sole responsibility of management. In the preparation of the information along with related and accompanying statements and estimates contained herein, management uses careful judgement in assessing the values (or future values) of certain assets or liabilities. It is the opinion of management that such estimates are fair and accurate as presented.

## OTHER REQUIREMENTS

***Summary of Outstanding Securities as at April 30, 2021***

Authorized: Unlimited number of common shares without par value.
Issued and outstanding: 10,775,000 Common Shares.
A total of 1,000,000 stock options exercisable at a price of $0.10 per share expiring January 18, 2026

## RISKS AND UNCERTAINTIES

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, metal prices, political and economical. The Company has no producing properties, no significant source of operating cash flow and consequently no sales or revenue from operations. The Company has either not yet determined whether its mineral properties contain mineral reserves that are economically recoverable or where reserves have been determined, mining operations have not yet commenced. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish reserves.

The property interests in whom the Company has an option to earn an interest are in the exploration stages only, are without and may not result in any discoveries of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines, the result being the Company will be forced to look for other exploration projects. The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous materials and other matters.

*Additional disclosures pertaining to the Company's technical report, management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.*

**CIRRUS GOLD CORP.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE PERIOD JANUARY 1 TO MARCH 31, 2021**

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**June 18, 2021**

This Management Discussion and Analysis ("MD&A") of Cirrus Gold Corp. ("Cirrus" or the "Company") has been prepared by management as of June 18, 2021 and should be read together with the interim condensed financial statements and related notes for the period ended March 31, 2021 which are prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless otherwise indicated, all $ dollars amount referenced in this MD&A are in Canadian dollars.

## FORWARD LOOKING STATEMENTS

The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward- looking statements. These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words 'believes,' 'expects,' 'anticipates,' 'estimates,' 'intends,' 'plans,' 'forecasts,' or similar expressions. Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on current expectations that involve numerous risks and uncertainties, including, but not limited to, those identified in the Risks Factors section in the accompanying preliminary prospectus dated April 30, 2021. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue relianceon forward-looking statements. The Company may not provide updates or revise any forward-looking statements, except those otherwise required under paragraph 5.8(2) of NI 51-102, whether written or oral that may be made by or on the Company's behalf.

In March 2020, the World Health Organization declared the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", a global pandemic which has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in the future.

## OVERALL PERFORMANCE

The principal business of the Company is the exploration and development of Mineral Properties in British Columbia.

The Company's head office is located at 3148 Highland Boulevard, North Vancouver, BC, V7R 2X6 and its registered and records office is located at #2600 – 1066 West Hastings Street, Vancouver, B.C. V6E 3X1. The Company was incorporated under the Business Corporations Act (British Columbia) on February 5, 2020. To date, the Company has not earned operating revenue.

## SELECTED ANNUAL INFORMATION

The following table sets forth summary financial information for the Company for the period from January 1 to March 31, 2021. This information has been summarized from the Company's interim condensed financial statements for the same period and should be read in conjunction with the Company's interim condensed financial statements, including the notes thereto.

| | From January 1, 2021 to March 31, 2021 |
|---|---|
| Exploration and evaluation assets | $ 146,601 |
| Total assets | $ 243,319 |
| General and administrative expenses | $ 52,758 |
| Net loss | $ 47,670 |
| Basic and diluted loss per share (1) | $ 0.00 |

(1) Based on weighted average number of common shares issued and outstanding for the period.

**SUMMARY OF QUARTERLY RESULTS OF OPERATIONS**

As at March 31, 2021, the Company had total assets of $243,319 and current liabilities of $18,067.

For the period from January 1 to March 31, 2021, the Company reported a net loss of $47,670. The losses for the period ended March 31, 2021 comprised of consulting fees of $7,500, office expenses of $103, professional fees of $11,635, rent of $1,500, share-based compensation of $32,020 and the recovery of deferred income tax expenses of $5,088.

**EXPLORATION AND PROJECTS**

The principal asset of the Company is its option to acquire 100% interest in the Chuchi South Project.

*Chuchi South Project*

Pursuant to an option agreement dated February 10, 2020 the Company was granted an option to acquire a 100% undivided intertest in the Chuchi South Project (the "Property") in the Nanaimo Mining Division, British Columbia. The Property is located about 100 kilometers north-northwest of Fort St James in central British Columbia. It constitutes 13 contiguous mineral claims amounting to 3118.7 hectares. To exercise the option the Company must pay $510,000 in cash, incur $350,000 in exploration expenditures, reimburse the Optionor for $20,000 in previous property expenditures (paid) and issue 1,500,000 common shares over a 5-year period as follows:

| | | Option Payments | | Exploration Expenditures | Common Shares |
|---|---|---|---|---|---|
| | | | | | |
| Within five calendar days of the Effective date, February 13, 2020 (paid) | $ | 5,000 | $ | - | - |
| March 15, 2020 (issued) | | - | | - | 150,000 |
| February 13, 2021 (all paid / completed / issued) | | 25,000 | | 100,000 | 150,000 |
| February 13, 2022 | | 30,000 | | 100,000 | 200,000 |
| February 13, 2023 | | 50,000 | | 150,000 | 1,000,000 |
| February 13, 2024 | | 50,000 | | - | - |
| February 13, 2025 | | 350,000 | | - | - |
| Total | $ | 510,000 | $ | 350,000 | 1,500,000 |

Pursuant to the Option Agreement the optionor will receive a 2.0% Net Smelter Return ("NSR") royalty and the Company has the right at any time to purchase the NSR for $1,500,000. On the February 13, 2028 and each subsequent anniversary of the Effective Date, until Commercial Production begins, the Company will pay the optionor an advance royalty payment of $25,000, where the cumulative advance royalty payments paid will be credited towards any future NSR payments due. The Company will pay to the optionor $1,500,000 upon completion of a feasibility study resulting in a positive decision to commence commercial production on the Property.

An independent geological report (the "Technical Report") prepared by Hardolph Wasteneys, Ph.D., P. Geo, who isa "Qualified Person" as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"), was completed in relation to the Property on December 21, 2020. The Technical Report recommends that the Company conduct a two phase exploration program comprised of: phase one, a limited program to determine the nature of mineralization in the Coho Zone by mapping, IP geophysics, and lithogeochemistry; and phase two contingent on finding positive indications of a porphyry system by means of the results of the first phase, involves completion of a IP geophysics across the Property and drill intensive exploration of targets.

*Exploration Expenditures*

Cirrus has incurred the following exploration expenditures with regards to the Property that were capitalized as incurred to March 31, 2021:

| | | Chuchi South |
|---|---|---|
| Balance December 31, 2020 | $ | 114,101 |
| Acquisition costs: | | |
| Cash | | 25,000 |
| Shares | | 7,500 |
| | | 32,500 |
| **Balance March 31, 2021** | $ | 146,601 |

*Future Plans*

In relation to the Property, the Company currently plans to follow recommendations made in the Technical Report. A two phase exploration program is recommended. Phase 1 would include a 20 line kilometer IP survey over the Coho Zone coupled with detailed mapping of the Property and recompilation of existing soil geochemistry and geophysics. Lithogeochemistry and petrographic work on thin sections should be done at selected sites to establish the range of lithologic units. A budget of $110,657 is estimated for Phase 1. Contingent on positive results of Phase 1, which would include delineation of high priority IP chargeability anomalies spatially related to the magnetic highs and soil geochemical anomalies, a second phase would be proposed that is diamond drilling intensive. A budget for Phase 2 is estimated at $837,850 to cover the remainder of the Property with IP surveying and to target the coincident anomalies defined in phase 1 with up to 3000 meters of diamond drilling.

## LIQUIDITY AND CAPITAL RESOURCES

The Company reported working capital of $78,651 at March 31, 2021 and cash of $95,723. Current liabilities as at March 31, 201 consisted of accounts payable and accrued liabilities.

During the period ended March 31, 2021, the Company had the following share capital transactions:

(1) On February 10, 2021, the Company issued 150,000 common shares for the acquisition of exploration and evaluation assets at value of $7,500.

The Company has limited working capital to continue administrative operations and development of its exploration asset and may continue to have capital requirements in excess of its currently available resources. The Company intends to raise additional financing either privately or through a public financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company does not utilize off-balance sheet arrangements.

**RELATED PARTY TRANSACTIONS**

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

The Company incurred share based compensation of $27,217 with key management personnel during the period ended March 31, 2021.

**CRITICAL ACCOUNTING ESTIMATES**

Not applicable for CSE Issuers.

**FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

The carrying amounts of cash and accounts payable approximate fair value because of the short-term maturity of these items.

**SUBSEQUENT EVENTS**

On April 30, 2021, the Company filed a Preliminary Prospectus pursuant to which it intends to offer, to the public in the Canadian Provinces of British Columbia and Alberta, up to 3.5 million common shares at a price of $0.10 per share, to raise gross proceeds of $350,000. In connection with a related agreement with an offering agent, the Company will pay the agent a 10% cash commission, a $40,000 corporate finance fee, of which $10,000 will be payable in common shares of the Company, and the agent will receive warrants to acquire up to 402,500 common shares at a price of $0.10 per share for a two year period. The Company has also granted to the Agent an option (the "Agent's Option") exercisable in whole or in part, up to 48 hours prior to the closing of the Offering, to offer for sale to the public up to an additional 525,000 Common Shares (the "Agent's Option Shares").

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The information provided in this report as referenced from the Company's financial statements for the referenced reporting period is the sole responsibility of management. In the preparation of the information along with related and accompanying statements and estimates contained herein, management uses careful judgement in assessing the values (or future values) of certain assets or liabilities. It is the opinion of management that such estimates are fair and accurate as presented.

**OTHER REQUIREMENTS**

***Summary of Outstanding Securities as at June 18, 2021***

Authorized: Unlimited number of common shares without par value.
Issued and outstanding: 10,775,000 Common Shares.
A total of 1,000,000 stock options exercisable at a price of $0.10 per share expiring January 18, 2026.

**RISKS AND UNCERTAINTIES**

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, metal prices, political and economical. The Company has no producing properties, no significant source of operating cash flow and consequently no sales or revenue from operations. The Company has either not yet determined whether its mineral properties contain mineral reserves that are economically recoverable or where reserves have been determined, mining operations have not yet commenced. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish reserves.

The property interests in whom the Company has an option to earn an interest are in the exploration stages only, are without and may not result in any discoveries of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines, the result being the Company will be forced to look for other exploration projects. The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous materials and other matters.

*Additional disclosures pertaining to the Company's technical report, management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.*

## CERTIFICATE OF THE COMPANY

Dated: July 7, 2021

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of the provinces of British Columbia and Alberta.

On Behalf of the Company

| | |
|---|---|
| "*James Walchuck*" | "*Blaine Bailey*" |
| James Walchuck | Blaine Bailey |
| Chief Executive Officer | Chief Financial Officer |

On Behalf of the Board of Directors

| | |
|---|---|
| "*Stuart Ross*" | "*Twila Jensen*" |
| Stuart Ross | Twila Jensen |
| Director | Director |

## CERTIFICATE OF THE PROMOTER

Dated: July 7, 2021

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of the provinces of British Columbia and Alberta.

*"James Walchuck"*
James Walchuck

## CERTIFICATE OF THE AGENT

Dated: July 7, 2021

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

"*Jovan Stupar*"
Research Capital Corporation
Managing Director, Investment Banking