American Copper Development Corporation

(formerly Cirrus Gold Corp.)

Form 2A

LISTING STATEMENT

Dated: August 26, 2022

1. GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Listing Statement and in certain documents attached as schedules hereto.

"**2021 Escrow Agreement**" means the escrow agreement dated July 7, 2021 between the Company, Endeavor Trust Corporation and certain securityholders of the Company.

"**2022 Escrow Agreement**" means the escrow agreement to be entered into among the Company, Endeavor Trust Corporation and certain securityholders of the Company in compliance with the requirements of the CSE.

"**Agent**" means, in connection with the IPO, Research Capital Corporation.

"**Asset Purchase Agreement**" or "**APA**" means that agreement dated May 18, 2022, as amended June 30, 2022, between the Company and the Vendor Parties, whereby the Company purchased from the Vendor Parties 100% of the right, title and interest in the Lordsburg Property in exchange for the consideration set out thereto.

"**Articles**" means the notice of articles and articles of the Company under the BCBCA.

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

"**Auditors**" means DeVisser Gray LLP, Chartered Professional Accountants, the auditors of the Company.

"**Banner Lease**" means the lease agreement dated May 19, 2021 between PPM and Summit Gold Corporation and recorded as instrument number 2100577 of the records of the Hidalgo County Clerk.

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

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

"**Broker Warrants**" means the Common Share purchase warrants granted to the Agent in connection with the IPO, each entitling the holder thereof to acquire one Common Share at $0.10 for a period of 24 months.

"**Board**" means the board of directors of the Company, as it may be comprised from time to time.

"**BLM**" means the U.S. Bureau of Land Management.

"**CBCA**" means the *Business Corporations Act* (Canada) including the regulations thereunder, as amended.

"**CEO**" means an individual who acted as the chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year.

"**CFO**" means an individual who acted as the chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year.

"**Chuchi South Project**" has the meaning ascribed to it under "Narrative Description of the Business - Chuchi South Option Agreement".

“**Chuchi South Technical Report**” has the meaning ascribed to it under “Narrative Description of the Business - Mineral Properties”.

“**Closing Date**” means the date of closing the Transaction.

“**Common Shares**” means common shares without par value in the capital of the Company.

“**Company**”, “**Issuer**”, “**ACDC**”, “**we**”, “**us**”, or “**our**” means American Copper Development Corporation, a corporation incorporated under the BCBCA on February 5, 2020 under the name “Cirrus Gold Corp.”. On July 22, 2022, the Company filed articles of amendment changing its name to “American Copper Development Corporation”. The Company refers to the legal entity existing prior to giving effect to the Transaction.

“**Company Properties**” means, collectively, the Lordsburg Property and Chuchi South Project.

“**Concurrent Equity Financing**” means, in connection with the Transaction, the Company’s non-brokered private placement for gross proceeds of $10,003,960 through the issuance of 40,015,840 Subscription Receipts, at a price of $0.25 per Subscription Receipt. The first tranche of 29,655,840 Subscription Receipts for gross proceeds of $7,413,960 closed on June 22, 2022, the second tranche of 7,700,000 Subscription Receipts for gross proceeds of $1,925,000 closed on July 8, 2022, the third tranche of 200,000 Subscription Receipts for gross proceeds of $50,000 closing on July 20, 2022 and the final tranche of 2,460,000 Subscription Receipts for gross proceeds of $615,000 closed on July 29, 2022. Each Subscription Receipt was automatically exchanged for one Common Share on closing of the Transaction upon satisfaction of certain escrow release conditions.

“**Concurrent Equity Financing Broker Warrants**” means the Common Share purchase warrants granted to the certain brokers in connection with the Concurrent Equity Financing, each entitling the holder thereof to acquire one Common Share at $0.25 for a period of 18 months.

“**Consideration Shares**” means the Common Shares issued by the Company to the Vendor Parties pursuant to the Transaction.

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

“**Escrowed Securities**” means the Common Shares held by the directors, officers and insiders that have been deposited into escrow pursuant to the Escrow Agreement or 2022 Escrow Agreement, as applicable.

“**First Mason Royalty**” has the meaning ascribed to it under “Narrative Description of the Business - Asset Purchase Agreement”.

“**First PPM Royalty**” has the meaning ascribed to it under “Narrative Description of the Business - Asset Purchase Agreement”.

“**FMC**” has the meaning ascribed to it under “Technical Report - Lordsburg Property”.

“**Hudbay**” or “**Mason**” means Mason Resources (US) Inc., incorporated January 24, 2019 pursuant to the *Business Corporations Act* (Nevada), c/o Hudbay Minerals Inc., a public company listed on the Toronto Stock Exchange and New York Stock Exchange under the symbol “HBM”, see “Corporate Structure - Hudbay”.

"**IFRS**" means the International Financial Reporting Standards as issued by the International Accounting Standards Board.

"**IPO**" means the initial public offering of the Company's securities and approval for listing on the CSE on July 27, 2021.

"**Listing Statement**" means this CSE Form 2A Listing Statement.

"**Lock-Up Agreement**" means the Lock-Up, Placement and Voting Agreements entered into by the Company and Mason.

"**Lordsburg Property**" refers, collectively, to certain mineral property interests, leases, permits, water rights and related assets (including a data package) comprising the PPM Purchased Assets and Mason Purchased Assets and includes for greater certainty the Banner Lease, all located in the State of New Mexico, USA.

"**Mason Purchased Assets**" means, in the context of the APA, those assets Mason sold, transferred, assigned, conveyed and set over to ACDC, namely all of Mason's right, title and interest in certain unpatented mining claims, real property leased by Mason, contracts, personal property, permits and all documents, data, drill core, technical, geological and scientific information, technical reports, logs, assay results, drill logs, samples, geophysical, geo-chemical and engineering data and books and records relating to the foregoing, as further described under the APA.

"**Mason Assumed Obligations**" means, in the context of the APA, liabilities of Mason arising out of the Mason Purchased Assets of which ACDC covenanted and agreed to assume, pay, satisfy, discharge, perform and fulfil.

"**Mason Payment Shares**" has the meaning ascribed to it under "Narrative Description of the Business - Asset Purchase Agreement".

"**Milestone Agreement**" means a Milestone Payments Rights Agreement entered into by Splitter and the Company.

"**Milestone Amounts**" means, in the context of the Milestone Agreement, for a given holder, the product of each Milestone Payment and the percentage of the MPR held by such holder as reflected on the MPR register as of the close of business on the date of the occurrence of each Milestone Payment.

"**Milestone Payments**" has the meaning ascribed to it under "Narrative Description of the Business - Milestone Payment Rights".

"**Milestone Shares**" has the meaning ascribed to it under "Narrative Description of the Business - Milestone Payment Rights".

"**MPR**" means the freely transferrable milestone payment right to be issued to PPM in connection with the Transaction;

"**NI 41-101**" means National Instrument 41-101 General Prospectus Requirements.

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

“**NI 52-110**” means National Instrument 52-110 — *Audit Committees*.

“**NI 58-101**” means National Instrument 58-101 — *Disclosure of Corporate Governance Practices*.

“**NSR**” means net smelter returns.

“**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.

“**PPM**” means Pyramid Peak Mining, LLC, organized February 3, 2016 under Sections 53-19-1 to 53-19-74 of the New Mexico Statutes Annotated, *c*/o Waterton Global Resource Management, Inc. PPM refers to the legal entity existing prior to giving effect to the Transaction.

“**PPM Payment Shares**” has the meaning ascribed to it under “Narrative Description of the Business - Asset Purchase Agreement”.

“**PPM Purchased Assets**” means, in the context of the APA, those assets PPM sold, transferred, assigned, conveyed and set over to ACDC, namely all of PPM’s right, title and interest in certain patented mining claims, unpatented mining claims, real property leased by PPM, contracts, permits, water rights and all documents, data, drill core, technical, geological and scientific information, technical reports, logs, assay results, drill logs, samples, geophysical, geo-chemical and engineering data and books and records relating to the foregoing, as further described under the APA.

“**PPM Assumed Obligations**” means, in the context of the APA, liabilities of PPM arising out of the PPM Purchased Assets of which ACDC covenanted and agreed to assume, pay, satisfy, discharge, perform and fulfil.

“**Proposed Third Party Sale**” has the meaning ascribed to it under “Narrative Description of the Business - Lock Up, Placement and Voting Agreements”.

“**Pro-Rata Portion**” means, in the context of the Lock-Up Agreement, at a particular time, the percentage equal to (a) the number of Common Shares beneficially owned, directed or controlled by Splitter and its affiliates, collectively, divided by (b) the total number of Common Shares issued and outstanding at such time (calculated, for certainty, on a non-diluted basis).

“**Related Person**” has the meaning as described thereto in CSE Policy 1.

“**Second Mason Royalty**” has the meaning ascribed to it under “Narrative Description of the Business - Asset Purchase Agreement”.

“**Second PPM Royalty**” has the meaning ascribed to it under “Narrative Description of the Business - Asset Purchase Agreement”.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval, at www.sedar.com.

“**SLR**” means SLR International Corporation.

“**Splitter**” means Waterton Nevada Splitter, LLC.

"**Stock Option Plan**" or "**Plan**" means the incentive stock option plan of the Company as approved by the shareholders of the Company on January 18, 2021 which allows for the granting of incentive stock options to purchase Common Shares to directors, officers, employees and consultants of the Company or its subsidiaries.

"**Subsidiary**" means American Copper NMX, Inc., a corporation incorporated under the *Business Corporations Act* (New Mexico) on April 26, 2022. Subsidiary refers to the legal entity existing prior to giving effect to the Transaction.

"**Subscription Receipt**" means subscription receipts of the Company issued pursuant to the Concurrent Equity Offering.

"**Surface Use Agreement**" means the surface use agreement dated March 28, 2018 between Mason and Rouse Cattle Company.

"**Technical Report**" means the technical report on the Lordsburg Project entitled "Cirrus Gold Corporation NI 43-101 Technical Report on the Lordsburg Projects, Southwest New Mexico, USA" dated July 7, 2022, prepared by the Technical Report Author.

"**Technical Report Authors**" means Dr. Mark Osterberg and Dr. Thomas Bidgood on behalf of Mine Mappers, LCC, and "**Technical Report Author**" means any one of them.

"**Transaction**" means the acquisition, which closed on August 5, 2022, of the Lordsburg Property from the Vendor Parties pursuant to the Asset Purchase Agreement and the Company changing its name to "American Copper Development Corporation".

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

"**Vendor Parties**" means PPM and Hudbay, collectively.

Forward-Looking Statements

Certain statements in this Listing Statement may constitute "forward-looking" statements involving known and unknown risks, uncertainties and other factors regarding the Company's intentions, beliefs, expectations and future results as they pertain to the Company and its proposed business. This may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. This forward-looking information also includes information regarding the financial condition and business of the Company, as they exist at the date of this Listing Statement.

Forward-looking statements may include, but are not limited to, statements regarding the Company's opportunities, strategies, competition, expected activities and expenditures as the Company pursues its business plan, the adequacy of the Company's available cash resources and other statements about future events or results. In particular, and without limiting the generality of the foregoing, this Listing Statement contains forward-looking information concerning:

- the Company's exploration of the Lordsburg Property, which information has been based on exploration on the Lordsburg Property to date and the recommended work program set forth in the Technical Report;

- the Company's exercising its option under the of the Chuchi South Option Agreement, which information has been based on exploration on the Chuchi South Project to date and the recommended work program set forth in the Chuchi South Technical Report;
- general market conditions;
- the availability of financing for proposed programs on reasonable terms;
- the ability to contract outside service providers and the reliability of those outside service providers in delivering services in a satisfactory and timely manner;
- expectations with respect to the exploration activities of the Company;
- the use of the net proceeds of the Concurrent Equity Financing;
- the performance of the Company's business and operations;
- the Company's expectations regarding expenses and anticipated cash needs;
- the intention to grow the Company's business and operations;
- the competitive conditions of the industry in which the Company operates;
- the legal system of the State of New Mexico and the United States, and changes thereto;
- the regulatory and permitting process in State of New Mexico and the United States;
- the expected timing and completion of the Company's near-term objectives;
- laws and any amendments thereto applicable to the Company;
- the competitive advantages and business strategies of the Company;
- the Company's plans with respect to the payment of dividends;
- the identity of the NEOs of the Company and the expected compensation payable to them;
- the expected timing and completion of the Company obtaining final CSE approval; and
- corporate governance matters, including the adoption of Board committee mandates, the membership of such committees and the adoption of various corporate policies.

The Company's forward-looking information is based on the beliefs, expectations and opinions of management of the Company on the date the information is provided. Investors should not place undue reliance on forward-looking information.

In certain cases, forward-looking statements can be identified by the use of such words as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate", "seek", "project", "should", "strategy", "future", "consider" and other similar terminology. These statements reflect the Company's current expectations regarding future events and operating performance and speak only as of the date of this Listing Statement.

Forward-looking statements in this Listing Statement include statements regarding:

- compliance with regulatory requirements relating to Company's business;
- changes in laws, regulations and guidelines relating to Company's business;
- limited operating history;
- reliance on management;
- competition in Company's industry;
- market price volatility of commodities Company is targeting;
- inherent risks associated with the mining business;
- conflicts of interest of the Company's officers and directors;
- compliance with environmental regulations relating to the Company's business;

- volatility in the market price for the securities of the Company;
- no dividends for the foreseeable future;
- future sales of Common Shares or other securities by existing shareholders causing the market price for the securities to fall;
- the specialized skills, knowledge and technical expertise of the Company's employees, contractors and consultants; and
- the issuance of Common Shares or other securities in the future causing dilution.

With respect to forward-looking statements and forward-looking information contained in this Listing Statement, assumptions have been made regarding, among other things:

- future mineral prices;
- the Company's ability to obtain qualified staff and equipment in a timely and cost-efficient manner;
- the regulatory framework governing royalties, taxes and environmental matters in the jurisdictions in which the Company conducts its business and any other jurisdictions in which the Company may conduct its business in the future;
- future expenses and capital expenditures to be made by the Company;
- future sources of funding for the Company's business;
- the geology of the areas in which the Company is conducting exploration and development activities;
- the intentions of the Board with respect to the executive compensation plans and corporate governance programs described herein;
- the impact of competition on the Company;
- the accuracy and completeness of the Chuchi South Technical Report and Technical Report; and
- the Company's ability to obtain financing on acceptable terms.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and included elsewhere in this Listing Statement, including:

- general economic, market and business conditions;
- uncertainties surrounding the local, national and global impact of the COVID-19 pandemic;
- uncertainties surrounding the regulatory framework being applied to the Company Properties and the Company's ability to be, and remain, in compliance;
- volatility in market prices for mineral resources;
- potential conflicts of interest;
- risks related to the exploration for minerals;
- current global financial conditions, including fluctuations in interest rates, foreign exchange rates and stock market volatility;
- the Company's status and stage of development;
- geological, technical, drilling and processing problems, including the availability of equipment and access to the Company Properties;
- failure by counterparties to make payments or perform their operational or other obligations to the Company in compliance with the terms of contractual arrangements between the Company and such counterparties;
- risks related to the timing of completion of the Company's work programs;
- competition for, among other things, capital and skilled personnel;

- operational hazards;
- actions by governmental authorities, including changes in government regulation and taxation;
- environmental risks and hazards;
- risks inherent in the exploration for minerals which may create liabilities to the Company in excess of the Company's insurance coverage;
- failure to accurately estimate abandonment and reclamation costs;
- failure of third parties' reviews, reports and projections to be accurate;
- the availability of capital on acceptable terms;
- political risks;
- changes to royalty or tax regimes;
- the failure of the Company to maintain its mineral property options in good standing;
- competing claims made in respect of the Company's properties or assets;
- operating and capital costs;
- unforeseen title defects;
- risks arising from future acquisition activities;
- the potential for management estimates and assumptions to be inaccurate;
- risks associated with establishing and maintaining systems of internal controls;
- volatility in the market price of the Common Shares;
- the effect that the issuance of additional securities by the Company could have on the market price of the Common Shares;
- failure to engage or retain key personnel;
- discretion in the use of proceeds of the Concurrent Equity Financing; and
- the other factors discussed under "*Risk Factors*".

Although the forward-looking statements contained in this Listing Statement are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this Listing Statement and are expressly qualified in their entirety by this cautionary statement.

Currency Data

All currency amounts in this Listing Statement are expressed in Canadian dollars, unless otherwise indicated. References to "$" are to Canadian dollars.

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2. CORPORATE STRUCTURE

2.1 Corporate Name and Head and Registered Office

ACDC

The full corporate name of the Company is American Copper Development Corporation. The Company's head office is located at 2710 – 200 Granville Street, Vancouver, British Columbia, V6C 1S4 and its registered office is located at 2600 – 1066 West Hastings Street, Vancouver, British Columbia V6E 3X1.

PPM

The full corporate name of PPM is Pyramid Peak Mining, LLC. PPM's head office is located at 9650 Gateway Drive, Suite 202, Reno, Nevada 89521 and its registered office is located at 9650 Gateway Drive, Suite 202, Reno, Nevada 89521.

Hudbay

The full corporate name of Hudbay is Hudbay Minerals Inc. Hudbay's head office is located at 800 - 25 York Street, Toronto, Ontario M5J 2V5 and its registered office is located at 333 Bay Street, Suite 3400, Bay Adelaide Centre, Toronto, Ontario M5H 2S7.

Jurisdiction of Incorporation

ACDC

ACDC was incorporated under the BCBCA on February 5, 2020 under the name "Cirrus Gold Corp.". The financial year end of the Company is December 31.

The Company is a reporting issuer in each of British Columbia, Alberta and Ontario.

On July 22, 2022, the Company changed its name from "Cirrus Gold Corp." to "American Copper Development Corporation".

PPM

PPM was organized February 3, 2016 under Sections 53-19-1 to 53-19-74 of the New Mexico Statutes Annotated under the name "Pyramid Peak Mining, LLC.". The financial year end of PPM is December 31.

PPM is not a reporting issuer in any Canadian provinces or territories.

Hudbay

Hudbay was formed by the amalgamation of Pan American Resources Inc. and Marvas Developments Ltd. on January 16, 1996, pursuant to the *Business Corporations Act* (Ontario) and changed its name to "Pan American Resources Inc.". On March 12, 2002, Hudbay acquired ONTZINC Corporation, a private Ontario corporation, through a reverse takeover and changed its name to "ONTZINC Corporation". On December 21, 2004, Hudbay acquired Hudson Bay Mining and Smelting Co., Limited and changed its name to "HudBay Minerals Inc.". In connection with the acquisition of Hudson Bay Mining and Smelting Co., Limited, on December 21, 2004, Hudbay amended its articles to consolidate its common shares on a 30 to

1 basis. On October 25, 2005, Hudbay was continued under the CBCA. On August 15, 2011, Hudbay completed a vertical short-form amalgamation under the CBCA with its subsidiary, HMI Nickel Inc. On January 1, 2017, Hudbay completed a vertical short-form amalgamation under the CBCA with two of its subsidiaries, Hudson Bay Mining and Smelting Co. and Hudson Bay Exploration and Development Company Limited, and changed its name to "Hudbay Minerals Inc.".

Hudbay is a reporting issuer in all of the provinces and territories of Canada. Hudbay's common shares are listed on the Toronto Stock Exchange, New York Stock Exchange and Bolsa de Valores de Lima under the symbol "HBM".

2.2 Intercorporate Relationships

The Subsidiary is a wholly-owned direct subsidiary of the Company and was formed for the purpose of holding the Company's interest in the Lordsburg Property. The Subsidiary was incorporated under the *Business Corporations Act* (New Mexico) on April 26, 2022. The Subsidiary is not a reporting issuer in any Canadian provinces or territories.

The Company has no subsidiaries other than the Subsidiary.

2.3 Fundamental Change

On January 13, 2022 the Company announced the Transaction, which constitutes a "fundamental change" as defined in CSE policies. The Transaction closed on August 5, 2022.

The Company's corporate structure did not change after completion of the Transaction. However, the Company did incorporate the Subsidiary in order to hold the Lordsburg Property assets.

Fundamental changes require CSE listed issuers to obtain both the approval of the majority of the shareholders of the Company (which was obtained by way of written consent resolution effective June 29, 2022) and the CSE (conditional approval obtained June 28, 2022). This Listing Statement is being filed in connection with the CSE's final approval for the fundamental change.

2.4 Non-Corporate Issuers

Not applicable. The Company is incorporated under the BCBCA.

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 Three Year History

The Company's principal business purpose since incorporation has been the identification, acquisition, evaluation and exploration of mineral properties.

Since its inception, the Company has completed the following private placement offerings, raising a total of $11,431,960 (excluding the Concurrent Equity Financing). On February 5, 2020, the Company issued 2,000,000 Common Shares at $0.005 per Common Share for gross proceeds of $10,000. 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. Between December 23, 2020 and December 31, 2020, the Company issued a further 3,700,000 Common Shares at $0.05 per Common Share for gross proceeds of $185,000. The funds raised in connection with the foregoing offerings have been used to finance the Company's business and for costs related to the IPO.

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. Pursuant to the Chuchi South Option Agreement, the Company issued 150,000 Common Shares to the Optionor on March 10, 2020, an additional 150,000 Common Shares on February 10, 2021, then a further 200,000 Common Shares on February 13, 2022. Pursuant to the terms of the Chuchi South Option Agreement, the deemed price of these Common Shares was the market price as at the time of issuance.

The Company completed the Concurrent Equity Financing for gross proceeds of $10,003,960, through the issuance of 40,015,840 Subscription Receipts at a price of $0.25 per Subscription Receipt. The first tranche of 29,655,840 Subscription Receipts for gross proceeds of $7,413,960 closed on June 22, 2022, the second tranche of 7,700,000 Subscription Receipts for gross proceeds of $1,925,000 closed on July 8, 2022, the third tranche of 200,000 Subscription Receipts for gross proceeds of $50,000 closed on July 20, 2022 and the final tranche of 2,460,000 Subscription Receipts for gross proceeds of $615,000 closed on July 29, 2022. Each Subscription Receipt was automatically exchanged for one Common Share on the closing of the Transaction and upon satisfaction of certain escrow release conditions. In connection with the Concurrent Equity Financing, the Company issued 35,000 Concurrent Equity Financing Broker Warrants and paid an aggregate commission of $11,750 to certain brokers.

Upon closing of the Transaction, the Company acquired the Lordsburg Property, as more particularly described under Section "Fundamental Change" in this Listing Statement.

The Company was originally listed and began trading on the CSE on July 27, 2021 under the symbol "CI". A copy of the Company's final prospectus, dated July 7, 2021, is available for review on SEDAR.

3.2 Significant Acquisitions and Dispositions

The Company has not completed any significant acquisition, and there is no significant probable acquisition proposed by the Issuer, for which financial statements would be required under NI 41-101 if this Listing Statement were a prospectus. The Company's view is that the Transaction did not constitute the acquisition of a business as that term is used in NI 41-101.

The Company has not completed any significant disposition during the most recently completed financial year or the current financial year for which *pro forma* financial statements would be required under NI 41-101 if this Listing Statement were a prospectus.

3.3 Trends, Commitments, Events or Uncertainties

Following the completion of the Transaction, ACDC's main focus remains the exploration and development of the Company Properties.

The Company may exercise its option under the Chuchi South Option Agreement and commit capital, if available, to the Chuchi South Project to satisfy certain requirements required under the 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 a 100% interest in the Chuchi South Project, subject to the Optionor retaining a 2% NSR royalty.

To exercise the Chuchi South Option, whereby the Company may acquire a 100% interest in the Chuchi South Project, the Company must (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 with an exercise price equal to the prevailing market price of the Common Shares as at the date of issuance, and (iv) reimburse the Optionor for $20,000 in expenditures.

In addition, subject to the Company having sufficient available funds and if the Board determines it is in Company's best interests, the Company may acquire additional mineral properties. Also, depending upon the Company's ability to continue to obtain necessary funding to conduct exploration and development activities on its mineral properties and upon the results from such exploration activities, the Company may consider "optioning", disposing or abandoning any or a portion of its mineral properties. The financing, exploration and development of the Chuchi South Project and, if applicable, the Lordsburg Property and any other properties the Company may propose to acquire, will be subject to a number of factors including, the availability of capital, the price of copper, gold, silver or other minerals, applicable laws and regulations, political conditions, currency fluctuations, the hiring of qualified people and obtaining necessary services in jurisdictions where the Company operates. The current trends relating to these factors could change at any time and negatively affect the Company's operations and business. See Section 17 - *Risk Factors* for risk factors affecting the Company.

COVID-19 Global Pandemic

COVID-19 is an infectious disease caused by severe acute respiratory syndrome coronavirus 2. Since December 31, 2019, the outbreak of COVID-19 has led governments worldwide to enact emergency measures to combat the spread of the virus. These measures, which include, among other things, the implementation of travel bans, self-imposed quarantine periods and social distancing, have cause material disruption to businesses globally, resulting in an economic slowdown. Such events may result in a period of business disruption, and in reduced operations, any of which could have a material adverse impact on the Company's result of operations, financial condition and the market and trading price of the Company's securities.

As of the date of this Listing Statement, the duration and immediate and eventual impact of the COVID-19 pandemic remains unknown. In particular, 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. While the outbreak of COVID-19 has not caused disruptions to the Company's business, it may yet cause disruptions to the Company's business and operations plans. Such disruptions may result from (i) restrictions that governments and communities impose to address the COVID-19 global pandemic; (ii) restrictions that the Company and its contractors and subcontractors impose to ensure the safety of employees and others; (iii) shortages of employees and/or unavailability of contractors and subcontractors; (iv) interruption of supplies from third-parties upon which the Company relies; and/or (v) inability to raise capital due to the economic uncertainty caused by COVID-19. Further, it is presently not possible to predict the extent or durations of these disruptions. These disruptions may have a material adverse effect on the Company's business, financial condition and results of operations, which could be rapid and unexpected. These disruptions may severely impact the Company's ability to carry out its business plans.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

ACDC is a mineral exploration company governed by the laws of British Columbia. The Company's principal business is the exploration and development of mineral properties. It is the intention of the Company to remain in the mineral exploration business and should the Lordsburg Property or the Chuchi

South Project be deemed not viable, the Company will explore opportunities to acquire interests in other properties.

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 with an exercise price equal to the prevailing market price of the Common Shares as at the date of issuance, 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, February 13, 2020	-	-	$5,000 (paid)	-
On or before March 15, 2021	-	$20,000 (paid)	-	150,000 (issued)
On or before, February 13, 2021	$64,570 (incurred)	-	$25,000 (paid)	150,000 (issued)
On or before, February 13, 2022	$54,145 (incurred)	-	$30,000 (paid)	200,000 (issued)
On or before, February 13, 2023	$231,285(1)	-	$50,000	1,000,000
On or before, February 13, 2024	-	-	$50,000	-
On or before, February 13, 2025	-	-	$350,000	-
TOTAL:	**$350,000**	**$20,000**	**$510,000**	**1,500,000**

Notes:
(1) Estimated.

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

- 85% to the Optionor;
- 7.5% to Thomas Setterfield, 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 ACDC incurring the expenditures listed above, making the payments stated above, and issuing the Common Shares pursuant to the chart above, ACDC 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.

Lordsburg Property

The Lordsburg Property is located approximately 5 miles south of the town of Lordsburg in southwestern New Mexico. The Lordsburg Property represents multiple high quality, district scale porphyry related copper-gold-silver targets located immediately adjacent to excellent infrastructure on private patented mining claims and Bureau of Land Management public lands.

The Company's objective is to identify high quality porphyry, skarn, and vein targets, as the Board may determine.

Asset Purchase Agreement

The Transaction was effected in accordance with the Asset Purchase Agreement, a copy of which has been filed by ACDC on SEDAR as a material contract. The Asset Purchase Agreement contains certain representations and warranties made by each of the Vendor Parties and of ACDC in respect of the assets, liabilities, capital, financial position and operations of the Vendor Parties and ACDC, respectively.

Purchase and Sale

Subject to the terms and conditions set out in the Asset Purchase Agreement, the Company, through the Subsidiary, agreed to (a) purchase from PPM all of PPM's right, title and interest in and to the PPM Purchased Assets, and (b) purchase from Mason all of Mason's right, title and interest in and to the Mason Purchased Assets.

The aggregate purchase price payable by the Company to PPM for the PPM Purchased Assets was satisfied by the assumption, payment, satisfaction, discharge, performance and fulfillment by the Company of the PPM Assumed Obligations and by:

(a) the payment by the Company to PPM of $2,331,500 in cash (which includes $1,831,500 in proceeds from the sale of 8,140,000 Common Shares at $0.225 per Common Share arranged by the Company that were disclosed in the news release dated January 13, 2022 as share consideration to PPM);

(b) the issuance to PPM or its designee of 8,140,000 Common Shares, at a price per Common Share of $0.25 **(**the "**PPM Payment Shares**");

(c) the issuance to PPM or its designee of the MPR; and

(d) the granting to PPM (or its designee) by the Subsidiary of a 0.5% NSR royalty on all minerals produced from the Mason mining claims (the "**First PPM Royalty**").

The aggregate purchase price payable by the Company to Mason for the Mason Purchased Assets was satisfied by the assumption, payment, satisfaction, discharge, performance and fulfillment by the Buyer of the Mason Assumed Obligations and by:

(a) the issuance to Mason or its designee of 9,896,591 Common Shares, at a price per Common of $0.25 (the "**Mason Payment Shares**"); and

(b) the granting to Mason (or its designee) by the Subsidiary of a 0.5% NSR royalty on all minerals produced from the PPM mining claims except for the Hat 1-57 mining claims

(NMMC194586-194642) (in recognition of the fact that such Hat claims, if acquired by the Buyer under the relevant existing option agreement, will be subject to a 2% net smelter returns royalty in favour of the current owner of those claims) (the "**First Mason Royalty**").

On August 10, 2022, Mason assigned all of its right, title and interest in and to the Mason Payment Shares and is in the process of assigning the First Mason Royalty and Second Mason Royalty (as defined below) to Hudbay.

Reservation of Royalty

The Company agreed that:

(a) PPM shall reserve to itself or its designee a 1.5% NSR royalty on all minerals produced from the PPM mining claims except for the Hat 1-57 mining claims (NMMC194586-194642) (in recognition of the fact that such Hat claims, if acquired by the Subsidiary under the relevant existing option agreement, will be subject to a 2% net smelter returns royalty in favour of the current owner of those claims) (the "**Second PPM Royalty**"); and

(b) Mason shall reserve to itself or its designee in the relevant deed a 1.5% NSR royalty on all minerals produced from the Mason mining claims (the "**Second Mason Royalty**").

Conditions of Closing in Favour of ACDC

The obligations of ACDC to complete the transactions contemplated by the Asset Purchase Agreement were subject to a number of conditions which needed to be satisfied or waived in order for the Transaction to be completed. The following significant conditions were met, in addition to other customary conditions, as contained in the Asset Purchase Agreement:

(a) the CSE approved the Transaction as a "fundamental change" of ACDC;

(b) the Company received the required shareholder approval required by it in connection with the Transaction;

(c) the consents listed under the Asset Purchase Agreement were obtained; and

(d) the Concurrent Equity Financing was completed.

Conditions of Closing in Favour of the Vendor Parties

The obligations of the Vendor Parties to complete the transactions contemplated by the Asset Purchase Agreement were subject to a number of conditions which needed to be satisfied or waived in order for the Transaction to be completed. The following significant conditions were met, in addition to other customary conditions, are contained in the Asset Purchase Agreement:

(a) the CSE approved the Transaction as a "fundamental change" of ACDC;

(b) the Company received the required shareholder approval required by it in connection with the Transaction; and

(c) the Concurrent Equity Financing was completed.

Covenants of ACDC and the Vendor Parties

ACDC and the Vendor Parties gave the usual and customary covenants in respect of the Transaction, which including among other things that:

(a) the Vendor Parties will, except as required by applicable law, hold, own or lease the PPM Purchased Assets and Mason Purchased Assets, as applicable, in the ordinary course and in compliance with all applicable law;

(b) they will promptly advise the Company or Vendor Parties, as applicable, with the full particulars of certain events;

(c) the Company will obtain listing approval for any Common Shares issued to the Vendor Parties (or their designees) in connection with the Transaction; and

(d) the Company and Vendor Parties will use their commercially reasonable efforts to have any order issued before the Closing Date dissolved, revoked or otherwise eliminated as promptly as possible; and

(e) Mason will use its commercially reasonable efforts to assign the Surface Use Agreement.

Representations and Warranties

The Asset Purchase Agreement contains representations and warranties made by each of the Vendor Parties and ACDC. The assertions embodied in those representations and warranties are solely for the purposes of the Asset Purchase Agreement. Certain representations and warranties may not be accurate or complete as of any specified date because they are subject to a standard of materiality or are otherwise qualified. Therefore, the representations and warranties in the Asset Purchase Agreement should not be relied on as statements of factual information.

The Asset Purchase Agreement contains representations and warranties of the Vendor Parties and ACDC relating to certain matters including, among other things: organization; consents; no conflicts; tax matters; payments; mineral properties; assumed contracts; assumed water rights; compliance with laws and permits; royalties; environmental law matters; insolvency; financial advisors; litigation and intellectual property.

Net Smelter Return Royalties

In connection to the Transaction, the Company granted a NSR on certain mineral property interests forming part of the Lordsburg Property to Mason, PPM or its designees. Those rights are subject to the terms of NSR royalty agreements between the parties:

Mason

The First Mason Royalty is subject to a buyback right exercisable until the earlier of (i) ten years from the Closing Date, or (ii) the commencement of commercial production. The Company will have the right to purchase one-half of the First Mason Royalty (0.25%) from Mason for a one-time cash payment of $1,250,000, and on completion of such purchase, one-half of the First Mason Royalty shall be extinguished.

The Second Mason Royalty is subject to a buyback right exercisable until the earlier of (i) ten years from the Closing Date, or (ii) the commencement of commercial production. The Company will have the right to purchase one-half of the Second Mason Royalty (0.75%) from Mason for a one-time cash payment of $3,750,000, and on completion of such purchase, one-half of the First Second Royalty shall be extinguished.

PPM

The First PPM Royalty is subject to a buyback right exercisable until the earlier of (i) ten years from the Closing Date, or (ii) the commencement of commercial production. The Company will have the right to purchase one-half of the First PPM Royalty (0.25%) from Mason for a one-time cash payment of $3,750,000, and on completion of such purchase, one-half of the First PPM Royalty shall be extinguished.

The Second PPM Royalty is subject to a buyback right exercisable until the earlier of (i) ten years from the Closing Date, or (ii) the commencement of commercial production. The Company will have the right to purchase one-half of the Second PPM Royalty (0.75%) from Mason for a one-time cash payment of $3,750,000, and on completion of such purchase, one-half of the Second PPM Royalty shall be extinguished.

Milestone Payment Rights

In connection to the Transaction, the Company provided PPM or its designee the right to receive payments of cash and/or shares in certain circumstances as described in the Milestone Agreement. PPM has named Splitter as its designee to receive the MPR. The MPR may be transferred, sold, assigned or otherwise disposed of, in whole or in part, by Splitter or any holder at any time and from time to time to any person.

The MPR entitles the holder to receive (a) $1,000,000 on the date that is 12 months following the date of the Milestone Agreement; (b) $1,500,000 on the date that is 24 months following the date of the Milestone Agreement and (c) $2,500,000 on the date that is 36 months following the date of the Milestone Agreement (together, the "**Milestone Payments**", and each a "**Milestone Payment**").

One half of each Milestone Amount shall be paid in cash and the other half shall be paid in Common Shares (the "**Milestone Shares**"), at a price per Common Share equal to the greater of (i) the 20-day volume weighted average trading price of the Common Shares, and (ii) the minimum price permitted by the stock exchange on which the Common Shares are listed for trading at such a time.

Lock Up, Placement and Voting Agreement

Pursuant to the Lock-Up Agreement, the Company has granted certain rights to Mason ("**Holder**") and the Holder agreed to make certain covenants in favour of the Company as follows:

Board of Directors Nominee

During the period commencing on the date of the Lock-Up Agreements and ending on the later of (i) the date on which the Holder's Pro-Rata Portion ceases to be at least 10% and (ii) the date that is three years following the date of the Lock-Up Agreement, the Holder will be entitled to designate one nominee for election to the Board of Directors.

Third-Party Sales

If the Holder desires to sell, directly or indirectly, whether in one transaction or multiple transactions occurring within a period of 180 consecutive days, in the aggregate more than 2.5% of the then outstanding Common Shares to a person or persons who are not affiliates of the Holder (a "**Proposed Third Party Sale**"), then the Holder shall give written notice to the Company, specifying the total number of Common Shares proposed to be sold, the minimum sale price at which the Holder would be prepared to sell and any other material terms and conditions of the proposed sale; and the Company shall have the right to acquire or privately place all, but not less than all, of the Common Shares subject to the Proposed Third Party Sale.

Obligations of the Company

The Company shall make all filings required from time to time under applicable securities laws to maintain the Company's status as a "reporting issuer" (or the equivalent) and use commercially reasonable efforts to maintain the listing and posting for trading of the Common Shares on a recognized stock exchange in Canada.

The Company shall not, without the prior written consent of the Holder, grant to any person any pre-emptive rights with respect to the securities of the Company or any registration or prospectus qualification rights or agree to register or qualify a prospectus of any kind or nature with respect to any securities of the Company, if such newly granted rights would have priority over, impair or would reasonably be expected to materially impair the rights granted to the Holder pursuant to the Lock-Up Agreement.

Voting

From the date of the Lock-Up Agreement until the date which is the earlier of (i) the date on which a Holder's Pro-Rata Portion ceases to be at least 10% and (ii) the date that is two years following the date of the Lock-Up Agreement, the Holder agrees that it will vote its Common Shares at any meeting of shareholders of the Company held during such period in favour of the slate of nominees to the Board of Directors that is nominated and recommend for election by the Company in its proxy materials.

Termination

The Lock-Up Agreement shall terminate and be of no further force and effect upon the earlier to occur of (a) the mutual written agreement of the Investor and the Company and (b) the date that is three years following the date hereof.

Assignment

On August 10, 2022, Mason assigned all of its right, title and interest in and to the Lock-Up Agreement to Hudbay.

Business Objectives and Milestones

The overall business objective of ACDC focuses on identifying, evaluating, acquiring and exploring mineral properties for the purposes of identifying a mineral resource deposit on the Lordsburg Property and Chuchi South Project (or any other properties acquired by the Company) for the development of a mine or for corporate transactions that are value-accretive to shareholders.

Following consultation with its geologists, management has established the below exploration objectives. The Company cautions that these objectives are subject to change based on the results of ongoing exploration, the availability of resources, permitting, weather and other factors within or outside the control of management. Refer to "Risk Factors" for a complete description of risks affecting the Company's exploration plans.

The Company anticipates that the estimated time period when the business objectives will be achieved are as follows:

Period	Business Objectives	Estimated Cost
May 1, 2022 to June 30, 2022	Initiate 3D IP Magnetotellurics (MT) program on the Lordsburg Property.(1)	$450,000
July 1, 2022 to September 30, 2022	Complete Phase 1 IP Survey on Lordsburg Property, process data and identify quality diamond drill targets. In addition, plans are being made to complete an airborne Magnetic and Lidar surveys.(2)	$400,000
October 1, 2022 to December 21, 2022	Complete Phase 2 IP Survey on Lordsburg Property, process data and initiate diamond drilling of high priority targets.(2)	$3,600,000

Notes:

(1) Please refer to the recommended work program by the QP on page 86 of the Technical Report for further details.

(2) Additional exploration work is contingent on the successful completion of the exploration program described in the Technical Report and will be carried out based on the recommendations and under the supervision of the Company's qualified person.

If the initial exploration program is successful, and contingent on results to same, ACDC expects to conduct a Phase 1 and Phase 2 Induced Polarization (IP) and Magnetotelluric ground surveys and airborne Magnetic and Lidar surveys to assist with surface geologic mapping, historic underground geologic and geochemical data to use an integrated approach to identify diamond drill targets. An initial Phase 1 drilling program will be based on this integrated analysis. The Company may, from time to time, make acquisitions of additional resource properties, assets or businesses, enter into joint-ventures, dispose, abandon or grant options or other rights in its properties as opportunities arise and as the Board determines to be in the best interest of the Company's shareholders.

Use of Available Funds

As at March 31, 2022, the Company had an estimated working capital in the amount of approximately $29,738. As at the date of this Listing Statement, the Company had an estimated working capital in the amount of approximately $5,164,140.

The Company has approximately $5,164,140 available for the principal purposes of the exploration and development of the Company Properties, capital expenditures, and general corporate purposes. Notwithstanding the foregoing, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Company to achieve its objectives. It is anticipated that the available funds will be sufficient to satisfy the Company's objectives for the forthcoming 12-month period. The following table summarizes the Company's principal purposes, with approximate amounts, for which the available funds as of the date of this Listing Statement will be used by the Company for the forthcoming 12-month period. The amounts shown in the table below are estimates only and are based on the information available to the Company as of the date of this Listing Statement.

Use of Funds	Amount
Funds available to the Company from the Concurrent Equity Financing	$10,003,960
Funds available to the Company other than from the Concurrent Equity Financing	$9,449
TOTAL FUNDS AVAILABLE(1)	$10,013,409
Lordsburg property acquisition payment to PPM	($2,331,500)
Chuchi South project option payment	($50,000)
Transaction costs (2)	($533,554)
Exploration - Lordsburg property (3)	($450,000)
Exploration – Chuchi property (4)	($250,000)
Acquisition of additional patented claims in New Mexico	($130,000)
Estimated annual corporate and administrative expenses (5)	($1,104,215)
EXCESS FUNDS AVAILABLE FOR GENERAL WORKING CAPITAL	**5,164,140**

Notes:
(1) Cash on balance sheet as at the date of this Listing Statement.
(2) Transaction costs consist of $104,229 for financing costs, $307,216 for property acquisition costs, $20,000 for regulatory fees, $5,000 for audit and $97,109 for legal.
(3) Based on recommendations in the Lordsburg Technical Report and consists of geophysical, mapping and geochemistry. Further work will be undertaken contingent on results of initial exploration phase.
(4) Based on recommendations in the Chuchi Technical Report and consist of compilation of historical data, mapping, prospecting and sampling.
(5) Expenses related to the following: consultants ($450,000), professional fees ($127,500), insurance ($100,000), transfer agent and regulatory fees ($25,000), corporate communications ($246,000), travel ($30,000) and general office costs of ($125,715).

During the fiscal year ended December 31, 2021 and the three-month period ended March 31, 2022, the Company had negative cash flow from operating activities. The Company anticipates it will continue to have negative cash flow from operating activities in future periods until profitable commercial production is achieved at one of its mineral projects. As a result, the Company may need to allocate a portion of its existing working capital to fund any such negative cash flow from operating activities in future periods.

Specialized Skill 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 New Mexico 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.

See "Directors and Officers" for details as to the specific skills and knowledge of the Company's directors and management.

Employees

As of the date hereof, the Company has no employees. The Company has retained certain geological consultants to assist in execution of exploration of the Company's properties. The Company will rely on consultants to conduct the necessary geological and financial work required.

On an ongoing basis, the Board expects to evaluate the required expertise and skills necessary to execute the strategy described herein and will seek to attract and retain individuals required to meeting the Company's objectives. The Company believes its success is dependent on the performance of its management and key individuals, many of whom have specialized skills in exploration in Canada and the United States, and the gold and copper industry.

The Company believes it has adequate personnel with the specialized skills required to carry out its operations and anticipates making ongoing efforts to match its workforce capabilities with its business strategy for the Lordsburg Property as circumstances evolve. See "Risk Factors".

Competitive Conditions

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".

Mineral Properties

Technical Report - Chuchi South Project

The technical and scientific information contained in the description of the Chuchi South Project has been approved by Hardolph Wasteneys, Ph.D., P.Geo, a Qualified Person under NI 43-101. On July 8, 2021, the Company filed a technical report entitled "*NI 43-101, Technical Report on the Chuchi South Project*", dated July 7, 2021 (the "**Chuchi South Technical Report**"), a copy of which is available under the Company's profile on SEDAR at www.sedar.com. For additional information on the Chuchi South Project, refer to the Chuchi South Technical Report.

Technical Report - Lordsburg Property

The disclosure of a scientific or technical nature contained in this Listing Statement regarding the Lordsburg Property is based on the Technical Report prepared for the Company by the Technical Report Authors, who are both an "independent qualified person" for the purposes of National Instrument 43-101 — *Standards of Disclosure for Mineral Projects*, adopted by the Canadian Securities Administrators ("**NI 43-101**").

The Technical Report has been filed with certain Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review on SEDAR. A copy of the Technical Report may be inspected during normal business hours at the offices of the Company, located at 2710-200 Granville Street, Vancouver, British Columbia, V6C 1S4, during ordinary business hours for a period of 30 days after the date of this Listing Statement.

The following summary of the Lordsburg Property has been prepared with the consent of the Technical Report Author and, in many cases, is a direct extract from the Technical Report, with conforming changes as the contexts requires.

<u>Property Description and Location</u>

Location

The Lordsburg Property is located immediately south of the town of Lordsburg (population 2,335), in Hidalgo County, New Mexico, in the southwestern corner of the state (see Figure 4-1 in the Technical Report).

Lordsburg is the county seat and is located on Interstate 10 and the main southern track of the Union Pacific Railroad. It is approximately 250 kilometers east of Tucson, Arizona and 500 kilometers south of Albuquerque, New Mexico. The Lordsburg Property is situated on a combination of patented mining claims and unpatented Federal mining claims administered by the U.S. Bureau of Land Management ("**BLM**"). The claims are located in all or parts of Sections 1, 10-12, 17-30, and 33-36, T23S, R19W; Sections 6-8, 17-21, and 28-31, T23S, R18W; Section 6, T24S, R18W; and Sections 1-2, and 4-5, T24S, R19W.

The project is located on the United States Geological Survey's Gary and Lordsburg 1:24,000 scale quadrangle maps. The property is roughly centered on UTM coordinates 710700E and 357500N (NAD83, UTM Zone 12N).

Land Area and Tenure

The Lordsburg Property consists of 868 unpatented Federal mining claims, and 102 patented mining claims. The property consists of 75.6 square kilometers of surface and mineral rights. These rights are granted by the *United States Federal Mining law of 1872*, as amended, and administered by the BLM.

Patented and unpatented mining claims are listed in the Appendix to the Technical Report. Patented claims are fee simple private property and as long as property taxes are paid, may be retained in perpetuity and accessed without hindrance. Unpatented mining claims carry an annual maintenance requirement of $225 per claim that must be paid by the first day of September each year to maintain rights to the claim. Unpatented claims may be held in perpetuity if the annual claim maintenance requirements are fulfilled.

The Waterton group claims shown on Figure 4-2 of the Technical Report are comprised of 102 patented and 550 unpatented mining claims. The Entrée and Soloro claims are unpatented mining claims, comprised of 261 and 57 claims, respectively.

<u>Environmental Liabilities</u>

In February of 2020, SLR International Corporation ("**SLR**") performed a Phase I Environmental Site Assessment (Phase I ESA) of the Banner Mill Site. This assessment noted one recognized environmental condition in connection with the Site, relating to a neighbouring tailings impoundment located adjacent to the north of the Banner Mill site. Based on historical topographic maps and aerial photographs, the impoundment appears to have been a former tailings-disposal facility used in connection with historical mineral operations in the area and dates to at least the mid-1900s. No information was available to the author of the assessment concerning ownership of the Neighboring Tailings Impoundment; it was not part of the larger property historically operated by Lordsburg Mining Company. The assessment revealed no evidence of historical recognized environmental conditions in connection with the Site. The assessment revealed evidence of one controlled recognized environmental condition in connection with the Site relating to completed reclamation by Lordsburg Mining Company. There are no known environmental liabilities beyond those normally found in historical mining districts. All known historic workings, waste dumps and tailings appear to be environmentally stable. It is not known if special circumstances exist that might require future environmental mitigation.

There are certain reclamation bonding obligations currently supported by collateral and/or letters of credit with respect to the Entrée/Hudbay claims. Under the LOI, ACDC will be assuming responsibility for those arrangements. Specifically, following a joint inspection of this property by the Bureau of Land Management and the New Mexico Mining and Minerals Division, the amount of the financial assurance was reduced from US $126,100 to US $50,440 in a decision by the BLM received September 25, 2018. A new certificate of deposit in the amount of US $50,440 will need to be created and pledged to the BLM and the New Mexico Mining and Minerals Division and, once in place, Mason's certificate of deposit in the amount of $126,100 will be released.

<u>Permitting</u>

BLM is the regulating agency for mining related activities on federal lands in the Lordsburg district. Projects that disturb less than five-acres require formal acceptance of a Notice of Intent filing, but strictly speaking, do not require project approval. Projects that disturb greater than five-acres require approval of a Plan of Operations by the regulating agency. Both Notice of Intent and Plan of Operations require reclamation bonding. The State of New Mexico's Department of Energy, Minerals and Natural Resources also regulates mining related activities over both public and private lands. They require a permit application that is similar in scope and requirements to a BLM Plan of Operations submittal, including reclamation bonding.

<u>Accessibility, Climate, Local Resources, Infrastructure and Physiography</u>

Accessibility

The Lordsburg district is located approximately 3.2 kilometers south of Interstate 10 and the town of Lordsburg, New Mexico. Access to the Lordsburg district is by vehicle along the two-lane paved New Mexico State Highway 494 and Hidalgo Country Road A016, known locally as the Banner Mine Road. At the terminus of State Highway 494, a dirt road continues to the Banner Mill site located roughly in the center of the Lordsburg district (Figure 4-2 in the Technical Report). Most of the property can be accessed by numerous, irregularly maintained dirt roads and/or 4-wheel trails. The Old Animas Road, a county maintained, unpaved road, cuts across the project from the northeast corner to the southwest corner.

Climate

Hidalgo County is characterized by a semi-arid desert environment. Summers are hot and dry until the initiation of summer thunderstorms in late June, lasting through August or September. Winters are windy, and the occasional winter storm may deposit small quantities of snow on the higher elevations but rarely does snow reach the valleys. Recorded temperatures average 13° C and 37° C between June and September, and -4° C and 32° C between October through May with the annual average low being 5° C and the average annual high being 26° C. Annual snowfall each year in Lordsburg is 10 centimeters with the annual rain per year averaging 31 centimeters. Due to the ease of accessibility and favorable climate, the operating season for the project area is year-round.

Physiography

The Lordsburg district is located in the Pyramid Mountains, a linear, fault-controlled north-south trending range of moderately steep to gentle hills and ridges bordered by broad alluvial-filled valleys. The terrain is largely covered by alluvial gravel, although outcrops are common in small gullies and hills. The project area is roughly square and extends south of Interstate 10 for approximately eight kilometers. The summit of 85-hill, the highest point of elevation in the district, is 1550m above sea level. The valley floor on the margin of the range is approximately 1300m above sea level. Vegetation is sparse and varies with bedrock type and proximity to ephemeral streams, and consists of a mixture of greasewood, cat's claw, sage brush, yucca, Spanish sword, barrel and cholla cactus, and juniper.

Local Resources and Infrastructure

The nearest community to the Lordsburg Property is the town of Lordsburg (population of 2,335; 2020 US Census Bureau), located ~3.2 kilometers north of the project area. The largest industries in Lordsburg are Accommodation & Food Services, Public Administration, and Retail Trade, with the highest paying industries being Mining, Quarrying, & Oil & Gas Extraction ($50,893 per annum), Public Administration ($39,427 per annum), and Agriculture, Forestry, Fishing & Hunting, & Mining ($34,402 per annum).

Rail lines pass north of the Lordsburg district and extend through the center of the town of Lordsburg. The Lordsburg station supports both Amtrak and Union Pacific Freight trains. Four electrical power plants are located within 30 miles of the Lordsburg district including the Lightning Dock Geothermal plant which produces 15MW of power. The other three power plants are powered by natural gas with one of the power plants transitioning to solar electrical generation. The nearest commercial airport is the Grant County Airport located 77 km to the northeast of the town of Lordsburg.

The nearest major airports are the Tucson International Airport (TUS) located 243 km to the west of Lordsburg, and the El Paso International Airport (ELP) located 271 km southeast of Lordsburg.

Appropriate logistical support for exploration of the project is readily available within the region.

History

The Lordsburg district has undergone limited scale exploration and mining of narrow, high-angle, high-grade base and precious metal vein deposits, smelter flux and bulk tonnage Au and porphyry mineralization since the mid-1850s. The following sections describe the historic work associated with each deposit type and then a separate section on more modern exploration activities since 2000 focussed on porphyry copper exploration.

Lordsburg District Historic Exploration - Polymetallic Cu-Pb-Zn-Ag-Au Veins

Thomas Antisell was a geologist and botanist for the Lt. John G. Parke military expedition of 1854, organized to explore and survey potential railroad routes to the west coast for the United States government. Antisell visited and described in general terms, the geology of the Pyramid Mountains, Peloncillo Hills, and Burro Mountains. Antisell noted the occurrence of trachyte and porphyry, metamorphic sandstone grit, blue silicious chalcedonic rock, yellow sandstone shale and brown conglomerate, flinty pebbles and agatized layers without mention of gold, silver, or base metal mineralization (see *Antisell, 1856* in the Technical Report).

G. K. Gilbert, geologist with the 1873-Wheeler survey observed quartz veins with "argentiferous ores of lead and copper", three years after the first mining claims in the district were filed (see *Lasky, 1938* in the

Technical Report). Commercial development did not occur, however, until the Southern Pacific railroad reached the area in 1880. The earliest prospecting and mining period sought only silver and ended in the early 1890's after the collapse of the silver price. The district lay dormant until the price of copper rose sufficiently to make development and operation of copper mines profitable in the early 1900's.

Historic mines within the Lordsburg district (Figure 6-1 of the Technical Report), recovered copper, lead, silver, and gold and operated, continuously through the early 1970's. Between 1904-1935, Lasky (1938) reported cumulative production from the district of 1.67 million short tons that yielded 190,035 ounces of gold, 4.1 million ounces of silver, 79.9 million pounds of copper, and 1.1 million pounds of lead. Flege (1959) reports an additional production of 1.45 million tons that yielded 29,560 ounces of gold, 1.67 million ounces of silver, 70.4 million pounds of copper, 3.4 million pounds of lead and 470,000 pounds of zinc for the years 1936-1951. In 1935, Banner Mining Company purchased the 85 mine, the Misers Chest mine, the Bonney and Anita mines (see *Huntington, 1947* in the Technical Report). The Atwood and Henry Clay mines were owned and operated by Atwood Mining Company between 1943 and 1967.

The historical Leitendorf camp lies in the southernmost portion of the project area, immediately south of the Entrée Gold project area. Flege (1959) describes it as a silver camp but notes that considerable copper and lead were present. Lasky (1938) notes the principal silver mineral of the historic production was supergene cerargyrite. The principal mines of the Leitendorf camp are the Venus, Last Chance, Robert E. Lee, and Nellie Bly (Figure 6-1 in the Technical Report). All production came from narrow veins considered by Flege (1959) and Lasky (1938) to be genetically related to the Laramide veins of the Lordsburg camp.

Sporadic production continued in the 1960's and 1970's. Notably, in 1967, Federal Resources Corporation (FRC) entered into a lease-option with Banner Mining Company and explored and developed ore bodies in the Banner, Bonney, Little Annie and the 85 mines, with most of the production coming from the 85 mine between 1969 and 1975 when production ended. The production from the Eighty-five mine from discovery to 1967 has been reported by Federal Resources (May 1970) as shown in Table 6-1 in the Technical Report:

From 1967-1970, Federal Resources deepened and extended the Bonney mine from the 1600 to 2100 level, the Little Annie mine from the 1300 to 1600 level, the 85 mine from 1500 to 1950 level, and drove a 610-meter long (2,000 foot) cross-cut connecting the 1300 level of the 85 mine with the Bonney mill. On the 1800 level of the 85 mine, a 244-meter long (800 foot) long, 1.5-meter to 3-meter wide (5-10 feet) wide ore shoot, carrying 3.7% Cu was developed (Rogers, 2012).

The historical classification terminology presented herein reflects the terminology of the original historical documents. It is not known if this terminology conforms to the meanings ascribed to the Measured, Indicated, and Inferred mineral resource classifications, or the Proven and Probable reserve classifications. All of the estimates are presented in the units originally used in order to retain historical accuracy.

Mr. Osterberg has not done sufficient work to classify the historical estimates summarized in Table 6-2 of the Technical Report as current mineral resources or mineral reserves and ACDC is not treating the historical estimates as current mineral resources or mineral reserves. The historical estimates are relevant only for historical context and are not to be relied upon.

Phelps Dodge, Federal Resources, and Westar Corporation entered a joint venture agreement in 1983 that developed a small open pit on the North Atwood to mine smelter flux and completed exploration for additional, nearby material. The joint venture partners drilled 57 holes totaling 11,476 feet on the North Atwood vein. Phelps Dodge (See *Kolessar, 1984* in the Technical Report) tabulated the grade and tonnage of the drilling in Table 6-3 below.

Westar gained control of the operation in the mid 1980's and constructed a cyanide heap-leach facility west of the Banner mill site to treat material from the North Atwood mine and later, the Bonnie Jean mine. The leach operation proved unsuccessful.

Santa Fe Gold Corporation purchased the Bonney mine and mill site area in 2006 and the remaining assets of the Lordsburg Mining Company in 2008 from the St. Cloud Mining Company, with plans to restart the mining of high-grade polymetallic vein orebodies. They completed comprehensive surface mapping, geochemical sampling, and drilling campaigns to support the re-opening of the underground mines. Lordsburg Mining Company, a wholly owned subsidiary of Santa Fe received permits for milling and started production in 2010. Santa Fe Gold Corporation filed for Chapter 11 bankruptcy protection in 2015 and Waterton Global Resource Management gained control of their Lordsburg district assets in a 2016 settlement.

Lordsburg District Historic Exploration - Smelter Flux

A number of companies have explored for precious metal bearing, silica-rich smelter flux in the Lordsburg mining district. The following is a summary of these efforts as detailed in a 2012 report for the Lordsburg Mining Company (See *Rogers, 2012* in the Technical Report).

In the early 1980's, Santa Fe Pacific Minerals Corporation completed geologic mapping and a geochemical rock grid sampling program to identify gold-silver heap leach or smelter flux mineralization. They collected 1,020 samples and drilled targets at the North Atwood, Bonnie Jean, Dacotah-Pearl, L-6, and L-8 areas.

Lordsburg Mining Company, a subsidiary of St. Cloud Mining Company, entered into a joint venture with Federal Resources in 1990 and began silica flux operations at the Bonney Jean and North Atwood mines. On October 1, 1990, Lordsburg Mining started an underground mine on the down dip extensions of the gold reserves identified by Phelps Dodge and re-opened the Westar surface open cut and mined material suitable for heap leach processing. The underground mine closed in 1994 and surface operations closed in 1996. The Lordsburg Mining Company produced 106,618 tons of mineralized flux from underground at the North Atwood mine that averaged 0.63% Cu, 1.71 opt Ag, and 0.083 opt Au. In addition, production included approximately 102,135 tons of barren siliceous flux and approximately 139,578 tons of construction aggregate (See *White, 2000* in the Technical Report).

Lordsburg District Historic Exploration - Porphyry Copper and Bulk Mineable Gold Silver

The earliest documented porphyry exploration in the district was done by Quintana Corporation in the 1960's. They drilled eight holes north of Interstate I-10 and reportedly encountered fresh granodiorite and unaltered volcanic rocks (See *LaPointe, 1974* in the Technical Report).

A Phelps Dodge-Federal Resources Corporation joint venture partnership conducted mapping, surface geochemical sampling and a limited induced polarization (IP) geophysical survey in and around the Bonney mine in 1971. They ultimately drilled two diamond drill holes from the 2000 level of the Bonney mine, to target replacement bodies at the base of the Cretaceous section. These holes intersected andesites, siltstone, minor quartzites, and bottomed in granodiorite with chalcopyrite veinlets noted in the drill log.

FMC Gold Company ("**FMC**") mapped selected areas of the district and collected geochemical samples in 1989-1990, exploring for bulk mineable, near surface gold mineralization. FMC concluded that the district did not contain potential for surface minable, bulk tonnage gold deposits of the size required by FMC (See *Hawksworth, 1990* in the Technical Report).

Lordsburg District Modern Exploration

The Lordsburg district has undergone limited scale exploration for narrow, high-angle, base and precious metal vein deposits, smelter flux and bulk tonnage Au and porphyry mineralization in the last 20 years. More modern exploration activities and techniques since 2000 have largely been focused on porphyry copper and high-grade precious metal vein deposits and have been completed by two main groups: Entrée Gold, which was subsequently purchased by Hudbay Minerals (currently held through Hudbay's subsidiary Mason); and Santa Fe Gold Corporation/Lordsburg Mining Company, the assets of which were subsequently purchased by Waterton Resource Global Management (currently held through Waterton's subsidiary PPM).

In July 2007, Entrée Gold (Entrée) entered into an agreement with Empirical Discovery LLC to explore for and develop porphyry copper targets in southeastern Arizona and adjoining southwestern New Mexico – including a portion of the Lordsburg district. During 2008 and 2009, Entrée completed geological mapping, collected geochemical samples, and completed audio-frequency magnetotelluric and complex resistivity induced polarization surveys within a large area of the eastern side of the district. Thirteen (13) core holes totaling 6,093 meters were drilled on targets identified by the exploration work with mixed, but encouraging enough, results that Entrée Gold chose to maintain the property position. In 2018 project passed into Hudbay Minerals hands with the acquisition Entrée and Mason Resources, the entity spun out by Entrée Gold in 2017 to hold the Lordsburg property.

Santa Fe Gold Corporation and their subsidiary Lordsburg Mining Company conducted a comprehensive exploration program between 2010 and 2013 that included mapping, geochemical sampling, geophysical surveys, and drilling. Eleven drill holes were completed in 2013 totaling 8,004 meters. This work was designed to identify resources to support their local milling operation and to evaluate the porphyry copper potential of their land holdings. Waterton Global Resources Management, after acquiring control of the Lordsburg assets of the Santa Fe Gold Corporation, completed a green-rock study at CODES University, an Aster satellite and hyperspectral review, and geophysical data compilation, re-processing and imaging, unconstrained 3D magnetic inversion modelling and a preliminary high-level review of the Lordsburg district.

No significant exploration work has been completed on the Soloro claim group to the Technical Report Authors knowledge.

<u>Entrée Gold Corporation</u>

Geological Mapping

Lithology, structure, alteration, and vein types were mapped over the project and adjacent areas at scales of 1:3000, 1:6000 and 1:12000 as determined by abundance or paucity of outcrop (See Figure 6-2 and Figure 6-3 in the Technical Report). In general, lithological and structural observations match those from Lasky (1938), Flege (1959), Thorman and Drewes (1978) and Rogers (2012). Minor discrepancies in lithological code assignments exist between all these sources, but the overall accuracy of the Entrée Gold mapping is judged to be adequate for the exploration project. The term intrusive rhyolite (Kir)) is a designation used in the Technical Report to maintain consistency with legacy reports.

Laramide andesite crops out over the central and northern portion of the Lordsburg district. Laramide granodiorite crops out on the eastern side of the district and intrudes the andesite and older Bisbee group metasediments (Lower Cretaceous). Oligocene and late Tertiary rhyolite ash-flow tuffs along the southeastern part of the map area and lie at dips ranging from 10° to 30° and are covered by Quaternary alluvial deposits. The Laramide intrusive and volcanic rocks are propylitized. Primary biotite and hornblende are chloritized and plagioclase is selectively replaced by sericite. Epidote-calcite veinlets are distributed throughout the Laramide and older rocks. Veins and veinlets comprised of quartz, calcite, sericite, pyrite, magnetite, and hematite after magnetite, and base-metal sulfides are common.

One area near the northern limit of the Entrée Gold mapping contains notable concentrations of biotite, K-feldspar and magnetite bearing veinlets indicative of potassic alteration. A small area with quartz-tourmaline veinlets lies immediately west of this zone of potassic alteration. The known limits of potassic alteration and quartz-tourmaline veining are indicated by outline on Figure 6-4 of the Technical Report in brown and black dashed lines, respectively.

Geochemistry

Entrée Gold collected and analyzed 270 rock chip samples from veins, dumps, prospects, and outcrops during the 2008 and 2009 exploration campaign. An additional 65 samples were collected by successor companies in 2018. Strong copper and molybdenum are coincident with outcrops of Laramide granodiorite, particularly near the area with biotite, K-feldspar and magnetite bearing veinlets or within the contact between Laramide granodiorite and andesite. Moderate lead and zinc anomalies lie slightly outboard of the best copper and molybdenum anomalies (Figure 6-5 in the Technical Report). Gold, lead, and zinc are particularly strong to the southwest of the K-alteration area (Figure 6-6 in the Technical Report).

Entrée Gold covered their project area with 19 lines of soil samples, collected 803 samples and analyzed them using a multi-element ICP method with a weak acid, selective and Aqua Regia digestive leach techniques. Smee and Associates Consulting Ltd. reviewed the results and interpreted the northernmost anomaly, in the aqua regia subset, to indicate the presence of direct source related mineralization, i.e., sources near outcrop (Figure 6-7 in the Technical Report). The southern anomalies were picked up by the weak acid subset and point to possible buried sources.

The north-western portion of Entrée's project area, coincident with the zone of K-alteration, was surveyed with a handheld, portable XRF instrument and an additional 507 in-situ soil sample analyses were collected along 15 lines (Figure 6-8 in the Technical Report). The XRF survey is coincident with anomalous copper in the ICP program.

Geophysics - Magnetics

Entrée Gold evaluated the public domain magnetic data and produced reduced to pole and magnetic anomaly maps and fast mag depth slices through the project area. This work was re-evaluated and summarized by Empirical Discovery LLC for Mason Resources in 2017. They interpreted the pattern of lows and highs in a magnetic vector inversion to be compatible with that expected from a porphyry copper deposit with a magnetite-bearing potassic altered core and magnetite-destructive altered margin (Figure 6-9 in the Technical Report).

Geophysics-IP/Resistivity and Audio-frequency magentoellurics

Seventeen lines of IP and four lines of AMT were completed on the Entrée Gold claim block in 2010 (Figure 6-10 in the Technical Report). All lines were surveyed for IP chargeability and resistivity, while lines 3,10, 15 and 17 also were surveyed for AMT response.

The near surface, high chargeability zone correlates with the surface exposures of potassic alteration and stockwork vein copper mineralization. The deeper high chargeability zone anomaly to the SW underlies the soil geochemical copper anomaly discussed in Section 6.2.1.2 (Figure 6-11 in the Technical Report).

<u>Santa Fe Gold Corporation/Lordsburg Mining Company/Waterton Global Resources Management</u>

Geological Mapping

Rogers (2012) mapped lithology, alteration, mineralization, and structures in the northern portion of the project area between 2010 and 2012 (Figure 6-12 in the Technical Report). The work was carried out at field scale of 1:1200 and a series of maps and overlays were produced at a scale of 1:6000. Cross-sections were drawn at different orientations to demonstrate important subsurface relationships.

Rogers (2012) described Laramide age basalt and andesite flows and tuffs and younger Laramide age intrusions of intermediate and felsic composition. They are cut by polymetallic veins mined in the historic mines of the district.

The basalts and andesites are propylitized and contain veins, pods and patches of epidote, chlorite, sericite, calcite, hematite-limonite-goethite after pyrite and base metal sulfides. Steep, subvertical veins and faults trend east-northeast, north-northeast, and north-northwest.

Rogers (2012) also mapped a three-meter to 10-meter thick, bedded, volcaniclastic tuff zone between the Laramide basalt and underlying Laramide andesite that dips 10° to 30° to east. He argued this observed evidence implies the presence of a northwest striking breakaway fault and rotation of the fault block, i.e., the Lordsburg district itself, to the northeast.

Structural and stratigraphic evidence supports a rotated Cretaceous stratigraphy with a top to the northeast rotation of 10-30 degrees resulting from a mid-Tertiary, detachment fault with the breakaway zone across the valley to the north on the south side of the Burro Mountains.

Level 1T ASTER satellite data were obtained from the USGS Earth Explorer website and several band ratio images were generated by Resource Potentials from the data in order to highlight potential alteration zones on the surface. The ASTER data were treated as is without any atmospheric or other data corrections. Band ratio images highlighting alteration are shown in Figure 6-13 in the Technical Report. The mapped Cretaceous intrusive rhyolite and breccia are both well correlated to anomalous ASTER responses in these images. Three additional ASTER anomalies are present in the southern portion of the claim block and outside of existing mapping coverage (Figure 6-13 in the Technical Report). A Santa Fe Mining era map indicates there are additional outcrops of intrusive rhyolite that correlate with the alteration anomaly zones in these images.

Mapped and projected faults form a rough orthogonal pattern of northeast-southwest and north-northwest-south southeast orientations. The north-northeast set is offset by the northeast-southwest projected faults and mimics the general trend of Basin and Range structures through eastern Arizona and southwestern New Mexico (see Regional Geology, Section 7.1.1).

Geochemistry

Rogers (2012) collected 834 rock samples from outcrops, prospect pits, dumps and workings during the field work conducted between 2010 and 2012. The samples were analyzed at the Lordsburg mill lab for fire assay Au and Ag. Pulps prepared by the Lordsburg mill lab for 817 of the samples were then sent to Skyline

Labs in Tucson for fire assay Au and Ag with gravimetric finish and a multi-element ICP analysis. Certified reference standards were not included in the submitted samples at either analytical facility. Silver analyses show a good agreement between results from the two analytical facilities. Gold analyses by the two laboratories did not show acceptably comparable results and Santa Fe Gold decided to use the Lordsburg mill's fire assay with an AA finish instead of Skyline labs fire assay with a gravimetric finish believing the AA finish generally gives a more accurate value for lower grade Au and Ag analyses (Rogers verbal communication, Jim Martin, 2012).

A centrally located, Cu-Au-Ag-Pb-Mo zone grades outward to an intermediate Ag-Pb-Au+/-Zn zone and an outermost calcite+fluorite+quartz+barite zone (Figure 6-14 in the Technical Report).

Geophysics - CSAMT, Magnetics, and Radiometrics

Zonge Engineering completed seven CSAMT lines in 2011 across known, mineralized systems to determine if the resistivity could discriminate between veins and wall rocks and determine vein widths and detect the extent of high angle mineralization. Results were generally discouraging. One east-west, near surface vein system was detected and confirmed by follow-up trenching but could not be projected beyond shallow depth.

Resource Potentials (Respot) of Perth, Australia was retained by Waterton to complete a detailed review of existing magnetic, radiometric, and CSAMT data available for the Waterton claim block in addition to re-processing and 3D inversion modelling of all existing data. Respot also identified and obtained archival airborne magnetic and radiometric survey data acquired with 500-meter flight line-spacing, N-S flight line orientation and a mean terrain clearance of 150-meters, covering the southeast Arizona and southwest New Mexico (Figure 6-15). Respot edited, gridded and merged the Waterton data with the regional magnetic and radiometric grids and generated updated anomaly images for the regional area and for the Lordsburg Property (Resource Potential, 2020).

Geological mapping is shown over a magnetic TMIRTP_HP10km_AGC (total magnetic intensity reduced to pole high-pass filter at 10km) image in Figure 6-16 below. Laramide age granodiorite appears to correlate with magnetic lows, and Cretaceous basalt-andesite is partly correlated with magnetic anomaly highs. Granodiorite exposed in outcrop contains magnetite and it appears likely that the observed magnetic lows, such as the central circular magnetic lows highlighted by the dashed yellow outline may be due to the effects of hydrothermal alteration or younger intrusions at depth. Magnetic highs may also be caused by magnetite bearing skarns or replacement deposits within Paleozoic carbonate beds projected to lie under the Laramide volcanic rocks and hypabyssal intrusions at depth. Mapped faults and veins that trend northeast, east northeast, north and northwest can generally be observed in the magnetic data.

Controlled Source Audio-frequency magnetotelluric (CSAMT) and Induced Polarization (IP) survey data were acquired over the NE part of the Waterton claim group by Zonge in 2011. The CSAMT survey looks to depths of investigation of approximately 350 to 400m, and the IP is reliable to about 200m depth. The survey line locations are shown in Figure 6-17 below, along with the latest geologic mapping transparent over an elevation intensity layer. Resource Potentials detailed that shallow CSAMT conductivity anomalies appear to be correlated to known mineralized veins and altered breccia zones, but there are some additional deeper conductive and resistive responses that could be interpreted as alteration zones and pophyry stocks, respectively.

Relatively conductive (<100 Ohm.m) anomalies are located along strike of mapped veins and altered intrusive breccia along CSAMT survey line 7 (Figure 6-18 in the Technical Report), which may be caused by hydrothermal alteration proximal to a porphyry stock or sulfide mineralization associated with a skarn or carbonate replacement deposit (CRD). A relatively resistive anomaly located in the center of the survey line could indicate the presence of a localized porphyry stock (right side image Figure 6-18 in the Technical Report). A high amplitude IP chargeability phase response of 30 mrad is more closely associated with a zone of mapped intrusive breccia along this survey line and may be related to disseminated sulfide mineralization.

Relatively conductive and shallow anomalies on the CSAMT survey lines 5 and 6 appear to correlate with known veins and alteration trends. A deeper, relatively conductive anomaly along survey line 5 may indicate an extensive, porphyry related alteration zone (Figure 6-19 in the Technical Report).

Airborne radiometric data reveal broad scale trends of higher K,Th and U responses and are useful for mapping outcropping felsic rocks and potassic alteration. A K/Th ratio image highlights a zone west of the granodiorite hills shown in Figure 6-20, which may represent potassic alteration related to the core of a porphyry copper deposit alteration zone (Figure 6-20 in the Technical Report).

Geophysics – Magnetic 3D Inversion Modelling

Unconstrained 3D inversion modelling was carried out on the merged magnetic TMI data grid for the Waterton group claims by Resource Potentials. The merged magnetic grid referred to in Section 6.2.2.3 was inverted to produce a 3D block model of magnetic susceptibility extending to approximately 5,750m below the SRTM surface elevation model. A distinct break in 3D magnetic model features, interpreted to be a major NW-SE oriented fault is shown as a dashed black line on the right-side image in Figure 6-21 in the Technical Report. The source bodies for magnetic anomaly highs and lows are generally modelled as sub-high-angle 3D features. The reader is reminded that unconstrained inversion models such as this are insensitive to actual dip direction.

The central magnetic low correlates with outcropping Cretaceous granodiorite and lends credibility to the inversion model.

<u>Geological Setting and Mineralization</u>

Regional Geology and Stratigraphy

The sections below are largely summarized from Rogers (2012) report. The Paleozoic carbonate stratigraphic sequences in southern New Mexico do not crop out in the Lordsburg mining district but are found in all the nearby, surrounding ranges. They are likely present at depth under the Lordsburg Property but have not been encountered in historic drilling or underground workings in the project area. Their importance as regional hosts for high grade skarn and CRD mineralization make their potential presence of significant interest.

Ordovician and Silurian rocks in southwestern New Mexico are predominantly dolomitic. They pass upward into late Devonian shales and Mississippian and Pennsylvanian and Permian limestones. The upper Paleozoic formations host the famous high-grade skarn and CRD deposits of the Central Mining District in Grant County, New Mexico. The lower Paleozoic dolomites are also present in the Central District, from which small magnetite bearing skarn deposits were actively mined in the early 1900’s.

The oldest sediments exposed in the Lordsburg district proper are contact metamorphosed, siliciclastic sediments of the early Cretaceous Bisbee Group (see *Thorman and Drewes, 1978* in the Technical Report). They are overlain by Laramide age basaltic and andesitic volcanic rocks, and intruded by Laramide rhyolitic breccias, granodiorite, quartz latite dikes, and felsite dikes. The mid-Tertiary Muir Caldera, in the southern

Pyramid Mountains immediately south of the project includes rhyolite flows, tuffs, breccias and vitrophyric pyroclastic rocks. Mid-Tertiary volcanic rocks have also been identified on the Lordsburg Property.

The Pyramid Mountains can be divide geologically into the northern Pyramid Mountains, which includes the northern Lordsburg mining district and the southern Pyramid Mountains. The northern Pyramid Mountains consists of basalts, andesite, , intrusive breccias, granodiorite, quartz latite dikes, and felsite dikes. The southern Pyramid Mountains include the mid-Tertiary sequence of the Muir Caldera, composed of rhyolitic tuffs, breccias, vitrophyric pyroclastic rocks, andesites, basalts, granodiorite plugs, and intermediate to felsic dikes.

In the Pyramid Mountains, Laramide deformation was accompanied by basaltic and andesitic volcanism and a granodiorite intrusion. The region underwent large scale pyroclastic volcanism with numerous ash-flow tuffs and calderas later in the Oligocene. The Muir Caldera in the southern Pyramid Mountains belongs to this event. Tuffs of Woodhaul Canyon in the Muir caldera of the southern Pyramid Mountains are reported by Elston (1983) to have an age date of 35.2 Ma. Later, the region underwent post-Miocene Basin and Range faulting.

The Oligocene age ash-flow tuffs exposed in the southern Pyramid Mountains have undergone extensive post-depositional erosion. No outflow facies of these ash-flow tuffs are found in the northern Pyramid Mountains, suggesting the northern Pyramid Mountains, including the Lordsburg Property) are located in a more deeply eroded post-Miocene Basin and Range fault block.

In the region, older Mesozoic and Paleozoic sediments are exposed in the Pyramid Mountains about 36 kilometers south of the project area. Twenty-two kilometers to the west, a sequence of 650 meters of Cretaceous Bisbee group rocks overly about 220 meters of Paleozoic rocks in the Peloncillo Mountains. In the Big and Little Hatchet Mountains, 50 and 80 kilometers respectively to the south, 850 meters of Bisbee group clastics and limestones overly 850 meters of Paleozoic rocks. Paleozoic limestones have also been intersected in the geothermal wells drilled at the geothermal powerplant approximately 40km south of the project.

The Burro Mountains, 30 kilometers north of the Lordsburg area, are comprised of Precambrian basement gneisses, granites, schist, and greenstone overlain by a thin sequence of Cretaceous clastic rocks.

Regional Structure

The northern Lordsburg mineral district lies at the intersection of two prominent lineaments, defined by a wide, linear zone of topographic, structural, and magmatic features including plutons, faults, and basins (*Bates and Jackson, 1980* in the Technical Report). The regional scale of these lineaments strongly suggests a deep seated, reactivated zone of crustal weakness that may have been active since the Proterozoic (see *Heyl, 1983; Favorskaya and Vinogradov, 1991* in the Technical Report).

The Santa Rita lineament (see *Chapin et al., 1978* in the Technical Report) or New Mexico mineral belt (see *Lowell, 1974* in the Technical Report) is the first prominent lineament. This northeast trending lineament continues from Cananea, Sonora, Mexico, northeastward to Chino and Hillsboro, New Mexico. This lineament is defined by northeast faults, Laramide age intrusions, and porphyry copper, skarn and CRD deposits including those at Cananea, Bisbee, Chino, Tyrone and Hillsboro (Figure 7.1 in the Technical Report, modified from McLemore 2016).

The second prominent lineament, lying south of the Lordsburg District, is the Texas lineament, an northwest trending shear zone of regional extent reaching from West Texas to Southern California, first proposed by

Ransome (1915). Moody (1966) described the Texas lineament as a relatively broad belt of tectonism. Mayo (1958) and Wertz (1970) described the Texas lineament as a “belt of transverse structures” more than 240 kilometers wide. Trauger (1965) concludes that the Texas lineament or Deming axis as described by Turner (1962) is at the southern boundary of a 50-60 miles wide northwest trending transition zone between the Colorado Plateau and the Basin and Range. Kelley (1955) describes the Texas lineament as marking roughly the southern boundary of the Plateau along the Mogollon Rim and is one of the largest, longest, and most prominent of the transverse lineaments on the North American continent (Figure 7.1 in the Technical Report, modified from McLemore 2016).

Regional scale map showing the Texas and Santa Rita Lineaments and associated age dates of various porphyry deposits in SE Arizona and SW New Mexico (modified from McLemore, 2016).

Moody & Hill (1956) in their paper on wrench fault tectonics, proposed that the Texas lineament was controlled by left lateral wrench faulting. Sympathetic normal and reverse faults are common within the Texas lineament (see *Turner, 1962; Wertz, 1970; Muehlberger, 1980* in the Technical Report).

Researchers differ in their opinions on whether or not post-Miocene extension across this region has resulted in Basin and Range disruption of the Laramide and older structures. Hedlund’s (1985) mapping at the Tyrone porphyry copper deposit suggests post-Laramide extension with a top to the northeast rotation of 20°-25°. Wilkins and Heidrick (1995) postulate that the Lordsburg district, 50 kilometers to the south of Tyrone, is basically intact and unrotated. They observed and noted relatively flat lying volcanic wall rocks and interpreted the alteration/mineralization zoning patterns to indicate a near vertical hydrothermal system. They believed the older, pre-Oligocene structures were not cut by Tertiary extensional structures.

Rogers (2012) mapped a 3-10 meter wide unconformity with volcanoclastic sediments, bedded tuffs, and breccias, dipping 10°-30° to the northeast between the overlying Cretaceous (Kbu) basalt and underlying basalts/andesite (Kbl). This requires a northwest striking, gravity fault zone that would outcrop to the northeast of Lordsburg. This flat lying detachment fault would dip shallowly to the southwest with the upper plate moving southwestward. Listric geometry commonly observed on such faults would rotate the hanging wall Lordsburg District units to the northeast. Hawley (2000) regarded the Lordsburg basin block as a complex, northeast-tilted half graben with at least one major buried fault zone between the Lordsburg District and the Burro Mountains to the northeast. Clark (1970) suggests a northeast tilting in the district as supported by rocks in the central Pyramid Mountains dipping to the northeast. Rogers (2012) mapped a major, shallow southwest dipping detachment fault, striking northwest and exposed on the southwest side of the Burro Mountains across the Lordsburg basin to the northeast of Lordsburg. This fault may be the same detachment fault or a similar, sub-parallel flat lying fault that caused the shallow northeast dip of units in the Lordsburg District.

The Lordsburg basin, lying north of the Pyramid Mountains, is a broad, elongated northwest-trending structure that separates the Gila Block transition zone (see *Trauger, 1965* in the Technical Report) to the north from the Basin and Range structures to the south. Records from exploration oil wells report that the basin is greater than 550 meters deep near Lordsburg (see *Dixon, Baltz, Stipp, and Bieberman, 1954* in the Technical Report).

A north-northwest striking, normal, Basin and Range fault down-drops the Animas valley on the west side of the Pyramid Mountains. The west side of the Animas Valley, along the eastern front of the Peloncillo Mountains has a similar north-northwest Basin and Range fault.

Elston and others (1979) propose that the inner wall of the Tertiary age, Muir Caldera encompasses the southern half of the Pyramid Mountains, just south of the northern Lordsburg district. Elston proposed that the northern limits of the outer ring fracture zone of the Muir Caldera crosses the north end of the northern Lordsburg mining district, however, no remnants of the felsic, caldera forming rock sequences are present in the northern Lordsburg district.

Rotation and tilting of the Lordsburg district.

Hedlund's (1985) mapping at the Tyrone porphyry copper deposit suggests post-Laramide extension with a top to the northeast rotation of 20° to 25°. Wilkins and Heidrick (1995) postulate that the Lordsburg district is basically intact and unrotated and is not overprinted by Tertiary extensional regimes. They note the volcanic wall rocks are relatively flat lying; and alteration/mineralization zoning patterns indicate a near high-angle hydrothermal system. Fahey (2019) mapped tilting and dismemberment of Laramide deposits along a corridor from Tyrone, New Mexico through the Lordsburg district. He found evidence for a modest, 10° to 35° north-easterly directed rotation of the Lordsburg district.

Rogers (2012) mapped an unconformity between Cretaceous basalt and underlying basaltic-andesite with a 3 to 10-meter wide zone of 10° to 30°, east dipping volcanoclastic sediments, bedded tuffs, and breccias. This observation conflicts with Wilkins and Heidrick (1995) conclusion and conforms to Hedlunds and Faheys interpretation. It requires a northwest striking, modestly dipping to the southwest, detachment fault with listric geometry to lie to the northeast of Lordsburg. This structure would provide a means to rotate the hanging wall Lordsburg units upward on the northeast.

Lordsburg District Geology and Stratigraphy

The oldest units in the northern Lordsburg mining district are the upper basalt (Kbu) and lower andesite/basalt unit (Kbl). A fission track age date on zircon from this upper unit is 54.9 ± 2.7 Ma (see *Thorman and Drewes, 1978* in the Technical Report). Argon-argon age dates by the New Mexico Bureau of Mines (see *McLemore, Peters, and Heizler, 2000* in the Technical Report) reported andesite in the district at 66.3 ± 0.4 Ma and 67.94 ± 0.57 Ma.

East of the Atwood mine and proximal to the Miser's Chest mine, basaltic breccias (Kib), interpreted as hypabyssal dikes, cut both of the basaltic units (Kbu, Kbl) as shown by irregular intrusive contacts, breccia fragment composition and blocks of andesite (Kbl) within the Kib,. Hypabyssal felsic plugs and breccia pipes (Kir) intrude the basaltic/andesite units and form sparsely distributed clasts in the breccias.

A granodiorite stock (Kg) intrudes the andesitic/basaltic flows, mafic intrusions, and rhyolite as shown by irregular contacts, contact metamorphism of the volcanic wall rocks, mega-blocks of andesites (Kbl) and rhyolite (Kir) within the granodiorite stock and granodiorite dikes (Kgd) that cut the wall rocks. Argon/argon age dates by the New Mexico Bureau of Mines (McLemore, Peters, and Heizler, 2000) reported the granodiorites at 57.31 ± 0.03 Ma; 57.58 ± 0.36 Ma; and 58.81 ± 0.10 Ma. A fission track age date from Thorman and Drewes (1978) from the granodiorites is 58.5 ± 2.0 Ma. The Lordsburg Kgd is of similar age to the Grant County porphyry copper bearing intrusions at Santa Rita (58.3 Ma. Ar/Ar, unpublished data, Phelps Dodge Corp.); Lone Mountain (51.5 Ma, K/Ar, unpublished report, P.R. Hubbard, and P.G. Dunn, 1983); Tyrone (54.5 Ma. Ar/Ar, unpublished data, Phelps Dodge); and Hanover-Fierro (57.6 Ma., Ar/Ar, McLemore et al, 1996).

Similar intrusions in southwestern New Mexico have older Laramide age dates. The Pinos Altos stock is 74.4 Ma, K/Ar, (see *McDowell, 1971* in the Technical Report), the Twin Peaks monzonite porphyry in the Burro Mountains is 72.5 Ma, K/Ar, (see *Hedlund, 1980* in the Technical Report), the Georgetown dikes are 71 Ma, Ar/Ar, (see *McLemore, 1998* in the Technical Report) and the Hillsboro intrusive complex is 75 Ma, Ar/Ar, (see *McLemore, et al., 1999* in the Technical Report).

A quartz latite dike (Kql), about 750 meters south of the top of 85 Hill, cuts the granodiorite stock. About 1050 meters south of the Atwood mine, the same quartz latite dike cuts a granodiorite dike (Kgd). The following age dates from quartz latite dikes also show that these dikes are younger than the granodiorites: 52.7 ± 2.7 Ma, fission track, (see *Thorman and Drewes, 1978* in the Technical Report); 54.53 ± 0.56 Ma, Ar/Ar and 41.9 ± 1.1 Ma, Ar/Ar (McLemore, Peters, and Heizler, 2000). The east-northeast trending quartz latite dikes cut the polymetallic veins and are cut by the youngest, felsite dikes (Kf).

Since the polymetallic veins cut the granodiorites and are cut by the quartz latite dikes, the age of the polymetallic veins is likely 53 to 58 Ma, making them of similar age to the intrusions at Santa Rita, Lone Mountain, Tyrone and Hanover-Fierro.

Cretaceous lower basalt-andesite (Kbl)

The oldest Cretaceous units cropping out on the Lordsburg Property are the lower basalts and andesites (Kbl). Outcrops are typically light gray, green, black, massive to blocky and with sparse indistinct layering and occasional flow breccias. The Kbl unit is at least 610 meters thick, exposed from the surface to the "2,000" level of the Bonney Mine. In 1973, Phelps Dodge drilled a 621.8 meter long vertical hole from the 2,000 level of the Bonney Mine and penetrated andesites, siltstone, minor quartzites, and bottomed in granodiorite. The unsubstantiated thickness of andesites suggests that the Kbl unit is greater than 610 meters thick.

Megascopic Kbl is generally a fine-grained, holocrystalline basalt comprised of predominantly plagioclase and augite or diopside with accessories of hematite, epidote, calcite, chlorite, magnetite and sparse hornblende. Some of the units are crystalline with pilotaxitic textures of tabular to prismatic plagioclase and altered augite. The unit is probably intrusive in part as it varies texturally from crystal bearing andesite to porphyritic diorite with 20-30% chlorite-calcite clots after ferromagnesium minerals with interstitial quartz, and feldspar, partially replaced by sericite. Accessory minerals include magnetite, chlorite, and sericite. The propylitic alteration assemblage of epidote-chlorite-sericite-calcite ± iron oxides is nearly ubiquitous. Williams and Khin (1975) believe that the bulk of the pyrite within the volcanics is syngenetic.

The basalts and andesites are intruded by the granodiorite unit resulting in a hybrid, assimilated zone with widths of a 3 to 15 meters in width. Lasky (1935) describes this assimilation zone of granodiorite as a darker border phase of finer grained, porphyritic rock with more augite, calcic plagioclase and magnetite than the main granodiorite mass. Rogers (2012) observed contact metamorphic changes from dark green to black, increasing hardness and conversion of augite chlorite, biotite, hornblende, and quartz. Associated minerals include plagioclase, orthoclase, and magnetite. The hybrid zone grades out into gray to green gray, typically fine-grained basalt and andesite. Lasky (1935) suggested that the contact metamorphic effects occurred after the assimilation. Rogers (2012) was uncertain if the assimilation was simultaneous or before contact metamorphism.

Williams and Khin (1975) studied thin sections and hand samples and described the basalt units as a mixture of andesites with minor reworked volcanic and trashy pelitic sediments. These rock types showed the effects of thermal metamorphism from the intrusive, grading from mildly epizonal to occasionally mesozonal. Mafic volcanics were reported to have been metamorphosed to epidote, actinolite or hornblende, biotite, and diopside, while pelitic sediments are metamorphosed to quartz, orthoclase, sericite, and occasional andalusite.

Cretaceous basalts/andesites (Kbu)

A younger basaltic unit (Kbu) overlies the older andesite/basalts (Kbl) unit in the northernmost part of the northern Lordsburg district. The contact is a red to purple, volcaniclastic conglomerate along an unconformity exposed in a pit about 200 meters north of the eastern most Atwood surface workings. The matrix-supported conglomerate has a red, highly hematitic sedimentary clastic matrix with 40% poorly sorted, subangular-subrounded, light gray intermediate volcanic fragments crudely elongated parallel to bedding (Figure 7.4 in the Technical Report). Elsewhere this unconformity is displayed by bedded tuffaceous units and breccia, similarly described by Lasky, (1938) and Flege, (1959). This unconformity varies from 3 to 10 meters thick and dip from 10-30° to the east. A brown weathered surface with dark black, fine-grained, highly magnetic, basalt with disseminated red, hematitic weathered ferromagnesian minerals overlies this unit. At most locations, the upper magnetic basalt is partially eroded and the thickness is less than one hundred meters.

Cretaceous intrusive breccia (Kib)

Plugs, dikes, and irregular masses of intrusive breccia intrude the basalt-andesite unit (Kbl) throughout the district but especially so at the Atwood Mine and west of the 85 Hill. The intrusive breccia was not observed intruding the upper Kbu unit within the study area. However, Lasky (1938) reports that at Aberdeen Peak, outside the southeast side of the study area, white intrusive breccias (Kib) cut the upper basalt unit (Kbu).

Kib is typically a light green to brown, matrix-supported intrusive breccia with moderately sorted, subrounded to angular, granules to pebbles up 5 centimeters in a matrix of white, fine-grained feldspar and quartz with minor fine-grained, black magnetite, biotite, and chlorite. Some of the breccias have black, fine-grained basaltic fragments compositionally similar to the Kbl basaltic-andesitic unit. Elsewhere, some breccias have both the rhyolitic and basaltic breccia fragments with a matrix composed of fine-grained comminuted rock flour of basalt and rhyolite.

Cretaceous felsic intrusive (Kir)

Hypabyssal felsic intrusive plugs, dikes, and breccia vents with irregular contacts, distorted flow layering, brecciated wall rock fragments within the rhyolites, and internal brecciation occur in the northern Lordsburg district (Figure 7.5). Rhyolite flows are reported to extend out from a felsic intrusive neck near North Pyramid Peak (Flege, 1959) and suggest the Kir rocks are feeders to rhyolitic volcanics in the area. Felsic intrusive plugs and dikes are buff, white, and have distorted flow layering and auto-brecciation textures, particularly near contact zones.

Felsic intrusives are white to pale gray, fine grained and massive with sparse, conchoidal fractures. Flow layering is subtle but observable in the matrix but more obvious in outcrop. The Kir contain rare, small crystals of smoky to gray, subhedral to rounded quartz and tabular sanidine. The fine-grained, hard matrix consists of quartz, sanidine, sparse plagioclase, biotite, and sparse hematite often after biotite. Some Kir exposures display micro-quartz veinlets and others have minor manganese oxide streaks and dendritic surface coatings.

Cretaceous felsic intrusive breccia (Kir bx)

Two distinctive vents with felsic intrusive breccias lie 1200 meters west of “85” hill and another on a hill about 1200 meters east of the Lordsburg mill. The intrusive breccia west of “85” hill is a semi-circular pipe with dimensions of approximately 2300 meters in diameter. This felsic intrusive breccia has an irregular, poorly exposed contact with wall rocks of massive to flow-layered, non-brecciated, felsic intrusives. The surrounding, non-brecciated felsic intrusives have irregular flow layers, generally striking parallel to the breccia contact but dipping moderately to steeply both inward and outward in relation to the felsic intrusive breccia pipe. The kir bx unit is white, buff, and gray with small patches of weak limonitic stain. The breccia is matrix supported with poorly sorted, sub rounded, granules to pebble size clasts of chalcedonic rhyolite, flow-layered rhyolite, and fine-grained rhyolite (Figure 7.6 in the Technical Report). Larger block fragments up to 30 centimeters across occur on the ridge on the east side of the breccia vent. The breccia matrix is comprised of comminuted, rhyolitic rock flour. The internal structure of the intrusive breccia is generally chaotic with no persistent lineations or deformed flow orientations displayed around the fragments.

The felsic intrusive breccias east of the Lordsburg mill form a tabular, sheeted breccia sequence that dips shallowly from 15° to 35° to the southeast. The buff colored to weakly limonitic breccias are clast to matrix supported, with sub rounded to sub angular, pebbles to 30 centimeter boulders of vesicular rhyolite, chalcedonic to fine-grained rhyolite, and flow layered rhyolite (Figure 7.7 in the Technical Report). Interspersed within the breccia are gray to buff, 10 centimeters to one meter wide layers of lithic, crystal-rich rhyolite (Figure 7.8 in the Technical Report).

This intrusive rhyolite breccia lies upon the underlying andesite units (Tbl). From a distance the lithologic sequence capping Aberdeen Peak dips similarly to the southeast and could be an erosional remnant of the same sheet.

Cretaceous granodiorite(Kg)

The granodiorite stock intrudes the felsic intrusives (Kir) and basaltic-andesite units (Kbl,Kbu) and forms a convex outcrop exposure throughout most of the western half of the mapped area. The brecciated, intrusive contact of the basalts-andesites and granodiorite often shows poorly sorted, sub angular, granule to pebbles up to 10 centimeters of basalt within a granodiorite matrix. K-argon age dates for the granodiorite are 56.5 ma (Thorman and Drewes, 1978) and 59-56 ma (Richter and Lawrence, 1983). These age dates fall within the Laramide orogeny and mineralization epoch recorded throughout the southwest United States.

The granodiorite typically weathers buff to light brown forming sub rounded boulders. In fresh exposures the rock is gray, buff, light green and pink. Megascopic examination the rock shows variations texturally from phaneritic, non-prophyritic to aphanitic prophyritic and compositionally from a granodiorite to quartz monzoniteThe phaneritic, non-porphyritic intrusive is medium to coarse-grained. Compositionally this intrusive consists of 65-70% feldspars of plagioclase and orthoclase. The pink to buff, sericite altered orthoclase have inclusions of chlorite altered biotite. The plagioclase grains are buff, tabular, and with varied degrees of calcite-epidote alteration. Chloritic altered biotite and chlorite-hematite-magnetite altered prismatic hornblende laths form about 15% of the rock mass. Anhedral quartz grains comprise about 10% of the rock.

The aphanitic porphyritic intrusive has 15-20% anhedral orthoclase phenocrysts; subhedral often twinned, tabular to blocky plagioclase phenocrysts often with quartz, epidote-bearing saussurite, and rare hornblende inclusions along with minor phenocrysts of hornblende and biotite. The matrix is comprised of orthoclase, plagioclase, biotite, and hornblende with accessories of chlorite, epidote, magnetite, apatite, sphene, and calcite. The intrusive often displays a propylitic alteration assemblage of chlorite-epidote- calcite.

Williams and Khin (1975) classified the intrusion as tonalite to quartz monzonite with a quartz-orthoclase matrix, granophyric texture with ferromagnesium minerals of biotite and hornblende. This intrusion was reported to have the deuteric alteration of chlorite and epidote replacing ferromagnesium minerals. Hydrothermally altered intrusion has an alteration assemblage of quartz-chlorite-sericite-carbonate.

Cretaceous granodiorite dike (Kgd)

Granodiorite dikes strike outward from the intrusion to the northwest, east, west, and northeast with widths and lengths varying up to 30 meters into adjacent country rock and as isolated dikes within the basalts. Small, short and narrow dikes occur within granodiorite stock. Granodiorite dikes are mineralogically similar, texturally more varied, and genetically related to the granodiorite stock.

Cretaceous quartz-latite porphyry (Kql)

Quartz latite porphyry dikes generally strike northeast, dip steeply to the southeast, and 3 to 100 meters wide. These dikes vary in strike length. One, 10,000 meter long dike cuts nearly across the entire district.

These dikes cut the granodiorite stock and dikes and in at least one instance, cuts a mineralized vein. A fission track age date of 52.7 ± 2.7 m.y. is reported for the quartz-latite porphyry (Thorman and Drewes, 1978). The quartz latite porphyry dikes are gray in scattered fresh exposure but generally buff to yellow brown, highly leached, strongly phyllic altered with moderate jarosite-goethite ± hematite-stained fracture fillings and boxworks. The jarositic-goethitic coated cubic boxworks are after pyrite while various limontic clots are probably after ferromagnesium minerals.

Quartz latite porphyries have phenocrysts of clear to gray, anhedral, quartz (5-15%); white, tabular, strongly sericite-quartz-sparse calcite altered plagioclase (20-25%), and black, thin laths of weak chlorite-hematite altered hornblende and biotite (10%). The aphanitic matrix is comprised of quartz, plagioclase, hornblende, and accessories of orthoclase, magnetite, sericite, chlorite, and biotite.

Cretaceous Felsite dike (Kf)

Felsite dikes strike northeast and dips steeply to the southeast (Figure 7.9 in the Technical Report). These dikes vary in width from 1.5 to more than 30 meters and along strike lengths from 6 to 300 meters. About 675 meters south of 85 Hill, a felsite dike cuts a mineralized quartz vein. Elsewhere, the felsite dikes cut the granodiorite stock.

Felsite dikes are white to buff, porcelaneous with a matrix comprised of quartz, glass, sanidine, sparse black biotite, and sparse vesicles lined with tridymite or cristobalite. They have a few percent phenocrysts of tabular, euhedral sanidine and rounded, embayed, corroded quartz. Accessory minerals include traces of hematite, and manganese oxides.

Lordsburg District - Structure

The Lordsburg Property area has at least three distinctly oriented structural fabrics evidenced from faults, joints, and vein sets observed within the district. They are an east-northeast to east-west striking set, a north-northeast striking set, and a north-northwest striking set. All have moderate to steep dips (Figure 7.9, Figure 7.10, and Figure 7.11 in the Technical Report).

The east-northeast trending structural set is Laramide in age as indicated by age dates and cross-cutting relationships and can been observed from the rose diagrams for faults and joints (Figures 7.9 and 7.10 in the Technical Report). The faults are high-angle and displacement is largely left lateral, strike-slip with offsets of hundreds of meters. The Bonnie Jean, North Atwood, South Atwood, Comstock, Comstock South, Old Tailings, Tailing Pond, and Miser's North faults belong to this structural set.

The Bonnie Jean strike slip fault zone is sinuous with an overall east-west trend for a strike length of 3200 meters. It has a strong linear zone of silicification, mineralization, lithologic offsets, slickensides and brecciation. Siliceous ribs protrude 3 meters or more above the surrounding country rock. The east tip of the sinistral strike slip zone, about 500 meters east of the Bonnie Jean pit, shows minor, discontinuous faults oriented towards the northeast. Westward, this strike-slip fault continues 1500 meters to Lee Peak and then bifurcates in a westward direction into various splits.

The eastern Bonnie Jean segment displays 200 meters of sinistral displacement with the footwall intrusive breccia (Kib) displaced against the hanging wall andesite/basalts (Klb). The fault shows two parallel, pre-, syn-, and post mineral quartz breccias with cymoidal structures over a 400 meter strike length. A northern vein dips from 65° to 86° to the south and ranges in width up to 8 meters. A southern, more intensely mineralized vein, dips from 62° to 83° to the south and splits into multiple parallel veins within a zone averaging 5 meters and up to 7 meters in width. A sheared, locally brecciated, silicified stockwork zone up to 30 meters wide occurs between these main structures.

The Lee Peak segment lies along the west end of the Bonnie Jean, sinistral strike slip fault. The west end of Lee Peak develops various splays that emanate away from the western tip of the main strike slip fault. Lee Peak is a limonitic stained, silicified andesitic, forming a distinctive conical peak. The Lee peak fault has a strike length of 220 meters and varies in width from 30 meters on the east end to 100 meters on the west end. Dip direction of the breccias on Lee Peak is uncertain. Localized veining and silicification appears predominantly post-brecciation.

The North Atwood strike slip fault strikes east-west over a length of 5500 meters and crosses the entire district from the Waldo mine on the east side to the Animas valley floor on the west side. Near the Atwood shaft on the east side of the fault, the fault splits into a westward, conjugate, east-west striking fault set with the steeply north dipping North Atwood fault, and the steeply south dipping South Atwood fault. The South Atwood fault has a strike length of only about 1100 meters from the Atwood shaft westward to about the Henry Clay Shaft where it appears to merge into the Emerald (85) vein. On the north side of Lookout Mountain, the steeply north dipping North Atwood strike slip fault displays 400 meters of sinistral displacement. The andesite-basalt unit (Kbl) is displaced westward on the hanging wall of the fault against the granodiorite (Kg) on the footwall. This fault is a distinctively strong linear zone with silicification, mineralization, lithologic offsets, topographic lineations, slickensides and brecciation.

The South Comstock South strike slip fault occurs on the southeast flank of the 85 Hill. This fault strikes east-west and dips about 56° to 75° towards the south with 200 meters of dextral displacement, placing the footwall granodiorite against the hanging wall andesites. Silicification and weak mineralization characterize this fault along a strike length of 700 meters.

The Old Tailings fault strikes about 070° and dips steeply southeast with a strike length of about 2600 meters. On the east side of the old tailing piles, this strike slip fault displays sinistral displacement of about 200 meters with the footwall andesite juxtaposed against the hanging wall felsic intrusives. The trace of the fault is marked by a felsite dike with mineralized quartz veining, fault breccia, and lithologic offsets.

The Tailings Pond fault strikes about 075° with a length of 400 meters and is partially covered on the east end by mill gravels. This strike slip fault displays 30 meters of dextral displacement of granodiorite, quartz latite porphyry, and intrusive breccia units.

The North Miser fault strikes about 072° and dips 48° to 70° to the northwest over a strike length of 1000 meters. The fault displays 60 meters of sinistral, post-mineral displacement with mineralized quartz veining, lithologic offsets, and fault gouge The North Miser fault merges into the mineralized Miser Chest vein.

The north-northeast set of structures on the Lordsburg Property are also Laramide in age and form conjugate sets of northeast trending sinistral and dextral shear zones (Figures 7.9 and 7.10 in the Technical Report). Major mineralized veins forming along these shears include the Emerald vein (85 mine), Miser Chest mine, and Bonney Mine.

The Emerald vein, near the 85 mine adit, has 60 meters of dextral displacement. It dips steeply to the southeast with footwall granodiorite juxtaposed against hanging wall andesites. A number of un-named, northeast trending faults about 300 to 1500 meters west of 85 Hill, show dextral and sinistral displacement ranging from 50 to 60 meters.

The north-northwest set are Tertiary age, Basin and Range faults that cut the Laramide structures and veins, lack mineralization and are relatively scarce compared to the other structural sets (Figure 7.11 in the Technical Report). Less commonly, these Basin and Range structures strike east-northeast. Normally these faults have moderate to steep northeast and southwest dips (Figure 7.9 in the Technical Report), but structures with flatter dips do exist. For example, the area between the Bonnie Jean and North Atwood faults has a few northwest striking structures with gently dipping, southwestward orientations. Observed displacement along these faults varies from a few meters to approximately 30-meters.

The mineralized Bonnie Jean vein has multiple, post-mineral faults that strike 350° to 355°, dip 65° to 70° to the west and have both dextral and sinistral displacement ranging from 1.5 meters to 7.5 meters. Other post-mineral faults at the Bonnie Jean vein strike 015°, dip 50° to the west and have sinistral displacement of 6 meters. Throughout the district, east-northeast trending quartz-latite, rarely granodiorite and felsite dikes typically are cut by northwest faults with sinistral or dextral displacement. Various diagonal slickensides were observed along fault planes within these northwest trending faults, typical of the Basin and Range province. However, the lack of stratigraphic marker horizons prevents the determination of any net slip displacement on these faults.

A sinuous, north-south trending fault follows the north-south drainage between the Bonnie Jean mine and Lee Peak. This fault has abundant fault breccias, a linear topographic signature, and about 100 meters of dextral offset of the Bonnie Jean strike-slip fault.

The Laramide age structures of the district are probably best understood as a conjugate set of east-west trending, generally left-lateral and northeast trending right-lateral Riedel shears related to the regional Texas lineament structural zone. They may well be rotated to the northeast by mid-Tertiary extensional, detachment faulting and then are displaced by late Tertiary age, high-angle Basin and Range structures.

Mineralization

Discussion of Regional Mineralized Trends

The porphyry copper deposits of Southern Arizona, New Mexico, and adjacent parts of northern Mexico occupy a region rich and well-endowed in porphyry copper, base and precious metal vein, CRD, and skarn deposits. All of these deposits, except for those at Bisbee, Arizona, have age dates within the range of the Laramide orogeny, 75- to 50-million years ago. They are typically calc-alkaline type deposits and are cored by intermediate composition porphyries, intruded under the effects of NE-SW directed compressional tectonics (see *Titley, 1983* in the Technical Report). All these deposits occur within a broad west-northwest trending belt of major structural deformation, known in earlier publications as the Texas Lineament and more recently correlated with the Arizona-Sonora mega-shear. Porphyry copper, skarn and associated vein deposits are typically located along NE trending lineaments cross cutting the Arizona-Sonora mega-shear orientation (Figure 7.1 in the Technical Report). The two northwestern most trends, namely the Ajo-Miami trend and the Silver Bell-Morenci trend are well defined and display a subtle right lateral offset of deposits.

The Mission-Pima-Copper Flat trend also shows a right lateral displacement but has larger gaps between deposits. Also obvious is the Santa Rita Lineament along which are found the Copper Flat, Santa Rita, Chino and Tyrone deposits of New Mexico, the Red Mountain area in Arizona and the Cananea deposit across the border in Mexico.

Relaxation of NE-SW directed compression in the middle Tertiary resulted in large scale Basin and Range style crustal extension across the Southern Arizona/New Mexico porphyry copper province. Widespread normal faulting and listric normal fault-block rotation accommodated this NE-SW and ENE-WSE crustal extension and resulted in rotation and burial of Laramide porphyry copper deposits beneath later Tertiary and Quaternary deposits (Figure 7.2 in the Technical Report). The famous San Manuel-Kalamazoo porphyry copper deposit is the classic example of a rotated and dismembered porphyry copper deposit (see *Lowell and Guilbert, 1974* in the Technical Report).

The Burro Uplift, regional host to the Laramide Tyrone porphyry copper deposit, has undergone mid- to late-Tertiary extension that significantly rotated and dismembered Laramide geology and structure (Figure 7.3 in the Technical Report). This area, located to the northeast of Lordsburg, shows evidence for a ± 25° top-to-the-northeast rotation as a result of extension along the NW-striking SE-dipping Mangas and Knight Peak faults (see *Hedlund, 1985* in the Technical Report).

Vein Characteristics

Mineralization in the northern Lordsburg mining district occurs in 100's of quartz-sulfide veins with only a few dozen previously developed for mining. Vein widths vary from a few meters to hundreds of meters with the greatest width being almost 600 meters at the Emerald vein. Veins characteristically pinch and swell, often split, form wide dilatant zones, and occasionally form cymoid loops. One example of pinching and swelling is a narrow, 75-centimeter wide, high grade (0.6 opt Au) vein in the Comstock adit pinching from a few meters to only 10 centimeters in width. A more prominent example of pinching and swelling of an ore shoot is displayed at the Henry Clay mine where the vein widths average a meter from surface to 60 meters depth, 2 meters at 120 meters depth, widening to 6 meters at 225 meters, and then thinning to 2 meters at a depth of 240 meters. An example of an ore bearing dilatant zones is at the Anita mine which displays ore localized at the bend of the mineralized vein. Also, cymoid loops form wide zones of ore grade mineralization at the North Atwood and Bonnie Jean mines. Some veins, predominantly those in the east-west trending strike slip faults such as the Bonnie Jean and Lee Peak, form prominent 3- to 6-meter-high siliceous ribs protruding above the surface with widths of 6 meters to more than 100 meters at Lee Peak.

Veins typically have pre-, syn-, and post-mineral, hydrothermal brecciation. Post mineral brecciation commonly includes gouge and mineralized vein fragments. Most movement along the veins was horizontal as shown in the subsurface by Lasky (1938). Although dip slip movement is probable, the lack of stratigraphic control precludes any supportive evidence.

Veins tend to have a sharp contact between ore grade veins and barren wall rock precluding the possibility of low-grade bulk tonnage precious metal mineralization. One possible exception is an untested, small tonnage potential from a 30-meter-wide stock work zone between the main traces of the Bonnie Jean vein.

Ore Mineralogy and Paragenesis

Ore mineralogy and paragenetic studies of the district were previously completed by Lasky (1938), Clark (1962, 1970), Agezo (1995). Rogers (2012) supplemented this work with hand specimen identifications. This work involved field examinations and ore microscopy from samples of the mine dump, underground workings, and various surface workings.

The sulfide mineralogy of the North Lordsburg mining district consists of pyrite, chalcopyrite, sphalerite, and galena with minor bornite, covellite and chalcocite. Digenite has been report by previous workers but not observed by Rogers (2012). Silver occurs as argentite and cerargyrite. Agezo reports silver and gold identified in electrum. Gangue minerals include quartz, calcite, barite, rhodochrosite, fluorite, specularite, and tourmaline.

Pyrite occurs as subhedral to anhedral crystals associated with quartz, and within vugs. Pyrite is often partially to completely oxidized to goethite-hematite and in some cases forms goethite-hematite lined cubic boxworks.

Chalcopyrite, the principal copper ore in the district, is fine to coarse grained associated with quartz and intergrown with other sulfides. Chalcopyrite is often observed altering to hematite-chalcocite. Oxidized near surface veins often show no visible chalcopyrite with copper forming as chrysocolla, malachite, and tenorite/melaconite (black Cu oxides) lining fractures, boxworks, clots, vugs, and as sulfide coatings.

Sphalerite generally occurs closely associated with galena. Sphalerite grains are associated with quartz and reported by Agezo (1995) to be associated with covellite. Galena typically forms disseminated subhedral and anhedral grains.

Agezo (1995) studied 15 ore sections and concluded that gold grains are associated with masses of hematite that appear to be pseudomorphs after pyrite grains. Identified silver minerals include argentite, cerargyrite, pyrargyrite and electrum. Agezo (1995) suggests that two generations of gold and silver exist in the district. An earlier generation of gold and silver as electrum inclusions in chalcopyrite and sphalerite, and a late-stage gold as native gold and electrum in sphalerite-galena rich veins.

Lasky (1935), studying Emerald Vein occurrences, concluded that the overall Lordsburg district, including the northern Lordsburg mining district, shows six paragenetic stages for the mineralogy of the deposits. Both Clark (1962) and Agezo (1995) agree that the succession of ore and gangue minerals in each of their studied mines does fit Lasky's paragenetic sequence. Agezo's detailed paragenetic study of the North Atwood mine corresponds well with Lasky (1938) and shows only stages 1 to 4 of Lasky's generalized paragenetic sequence for the district. Clark's study does deviate from Lasky's results in that barite is locally found belonging to the third stage and quartz was probably deposited on occasion before pyrite.

Stage 1 mineralization, and the oldest stage, at the North Atwood mine is typified by deposition of specularite in wall rock and vein openings with wall rock alteration minerals of sericite (illite), chlorite, and calcite (Agezo, 1995). In addition, Lasky (1938) also observed tourmaline within this stage followed by a period of brecciation.

Stage 2 mineralization is characterized by pyrite, quartz, chalcopyrite, sphalerite, and galena with similar wall rock gangue as stage 1 characterized by specularite, sericite, chlorite, and calcite. Barite and manganosiderite are also reported by Lasky (1938). Dominant gangue mineralogy in ore-grade veins is coarse grained quartz, locally sugary and occasionally vuggy. The dominant 2nd stage of ore grade mineralization shows typically coarse-grained chalcopyrite. Transition to stage 3 is marked by a brecciation event.

Stage 3 has a simple mineralogy including abundant quartz with very little chalcopyrite, pyrite, and traces of chlorite. Transition to stage 4 is marked by further brecciation.

In stage 4, the veins are reopened and partially cemented by pink calcite accompanied by minor pyrite, chalcopyrite, and galena.

In stage 5, the veins are re-opened and filled by only white to gray calcite. Lasky (1938) notes that stage 5 is followed by injection of quartz latite dikes, mapped as the Kql unit during this study. This relationship is supported by this study with a quartz latite dike observed cutting a copper-gold-silver vein of the dominant mineralized stage 2 of Lasky's paragenetic study.

Stage 6 is characterized by calcite, sericite, pyrite, quartz, and fluorite. Lasky's supporting evidence is the field observation of stringer veins of quartz-calcite-fluorite cutting a presumably post-stage 5 quartz-latite dike.

District Zoning

The primary dispersion geochemical anomalies surrounding porphyry copper deposits are well understood (see *Sillitoe, 2010* and *Hedenquist and Arribas, 2022* in the Technical Report). Proximal and deep copper-molybdenum rich cores grade outward into lead, zinc and silver dominant zones to the most distal gold rich zones. This is reflected in primary metal bearing mineralogy as well. There is usually considerable overlap between these general zones.

The Lordsburg mining district is zoned outward from a core to intermediate and outer peripheral zones (see *Clark, 1962* in the Technical Report). Tourmaline, chalcopyrite, pyrite and specularite are in the core zone, below 250m from the surface, indicating a copper rich geochemistry. The central zone, lying above 250m depth, contains both galena and sphalerite with chalcopyrite and is increasingly lead, zinc and silver rich compared to the core zone (see *Storm, 1949, Clark, 1962* in the Technical Report). The preponderance of galena and sphalerite over chalcopyrite characterizes the intermediate zone and is then increasingly lead, zinc and silver rich. Clark (1962) reports the outermost peripheral zone contains the gangue minerals fluorite, calcite, manganese and barite.

Agezo (1995) characterized the district zoning patterns by examining dominant vein filling mineralogy. He showed the dominant vein mineralogy changes outwardly from chalcopyrite, pyrite, galena-sphalerite to the outer gangue mineral dominant veins.

Multi-element geochemical analyses of 834 samples collected from veins, prospects, trenches and outcrop generally confirm and extend the mineralogical and geochemical anomaly results from the underground mines. An asymmetric pattern was identified for a central copper-gold-silver-molybdenum zone, grading out into an intermediate copper-gold-silver ± lead-molybdenum zone, into an outer silver-lead-gold ± zinc zone and with a peripheral barren calcite-fluorite-quartz ± barite zone. Anomalous manganese is structurally controlled between the Bonnie Jean and North Atwood strike slip faults.

The central copper-gold zone is localized around the eastern-northwestern side of the granodiorite. The Bonnie Jean and North Atwood strike slip faults on the north side, and the Emerald vein and secondary parallel faults control the southeast side of the anomaly.

The intermediate copper-gold-silver ± lead-molybdenum zone wraps around the eastern side of Lookout Hill between the major Bonnie Jean and North Atwood faults.

The outer silver-lead-gold ± zinc zone is characterized by higher lead-zinc values relative to copper. As is the case with the intermediate zone, the outer zone is strongly controlled on the north side by the Bonnie Jean and North Atwood fault zones and on the southeast side, this zone parallels, and is outside the central copper-gold zone. The outer barren calcite-fluorite-quartz ± barite zone is southeast of the intermediate zone.

No access is presently available to any of the shafts in the district. Agezo (1995) states that Lasky (1938) observed that in the 85 mine, galena and sphalerite increase upward from the 2000 level to the surface. Furthermore, the highest copper assays of 4+% are apparently at depths below the 900/1,000 levels of the Superior shaft in the 85 mine(Figure 7.13 in the Technical Report). Lasky (1938) and Clark (1962) report that in the 85 mine, ore shoots rake to the southwest. These geologic observations suggest that the core of the inner copper-gold-silver-molybdenum zone grades upward and outward. Clark (1962) showed that upward and lateral fluid cooling show decreasing homogenization and salinities outward from the granodiorite stock.

In the southern part of the district, the Bonney and Miser's Chest mines show copper averages 3+% from the 600 to 2100 level while gold and silver decrease respectively from about 0.1 to 0.01 opt Au, and 3.1 opt to 0.6 opt Ag. At the Misers Chest mine, ore shoots show copper of 4-6+% vertically from the 500-1200 levels.

The overall district zoning pattern is independent of stratigraphy since no particular rock type is more mineralized or more receptive than another. In general, the central mineral zone with diagnostic high temperature minerals of copper, tourmaline and sphalerite suggests that the mineralization is spatially and genetically related to the granodiorites. Fluids ascended upward and laterally along structures as lower temperature minerals were deposited distally. District zoning patterns show strong structural controls on mineralization localized along and between the major, east-west trending North Atwood and Bonnie Jean strike slip fault zones, and along the dominant northeast shear faults, especially the Emerald vein system (Figure 7.12 in the Technical Report).

Agezo (1995) studied fluid inclusions on 21 ore samples from the northern Lordsburg district with results indicating that ore mineralization occurred at temperature between 128 and greater than 350° centigrade. Studies specifically in the main mineralized stage 2 showed inclusions with homogenization temperatures between 154° and 402° centigrade (see *Agezo, 1995* in the Technical Report).

The center to intermediate zones of mineralization displays general characteristics of mesothermal deposits with moderate temperatures (200°-300° centigrade); characteristic mineral assemblages of chalcopyrite, bornite, sphalerite, galena, and chalcocite; gangue minerals of quartz, pyrite, and carbonate; spatial and genetic relationship with igneous rocks; and typical alteration patterns including ubiquitous propylitic alteration.

Oxidation and Enrichment

Since none of the main workings are presently open for examination, all comments on oxidation and supergene enrichment from Rogers (2012) are limited to surface exposures and dump samples. All other subsurface comments on oxidation and supergene enrichment are principally from Lasky (1938).

Mineralized quartz veins on the surface show a continuum from highly leached and totally oxidized to occasionally sulfide bearing, highly siliceous veins. One explanation for this difference is varied pyrite and silica content. Often the pyrite content is too low to create sufficient sulfuric acid to effectively leach chalcopyrite and thoroughly mobilize the copper. Hence, highly leached, mineralized copper veins show hematite + goethite associated with nondescript black or brown oxidized copper coated fractures, boxworks and clots comprised of neotocite and tenorite. Other common copper oxides are chrysocolla and occasionally malachite. Chalcocite has been observed coating altered chalcopyrite grains, on fractures, and as clots. Highly siliceous, pyrite-poor, copper mineralized quartz veins on the surface often show disseminated, poorly to unaltered chalcopyrite grains locally with minor galena and sphalerite. Anomalous manganese is structurally controlled between the Bonnie Jean and North Atwood strike slip faults.

The depth of oxidation and supergene enrichment is highly erratic, ranging from the surface to reported depths of 500 meters (Lasky, 1938). Youtz (1931) reports erratic gold values within stopes averaging 0.5 to 0.75 opt Au were mined directly under others averaging 0.08 to 0.10 opt Au. Limited copper enrichment occurs since zones rich in chalcocite and covellite are reported to be only 0.3% higher in copper than that of the average hypogene copper ore. The exception to enrichment is silver, reported to be almost triple with average Ag grades increasing upward of more than 2+opt.

The district geochemical and mineralogical zoning pattern appears to be independent of stratigraphy and controlled by proximity to the granodiorite stock and structural pathways through country rock.

The mineralogical-geochemical zonation at Lordsburg is compatible with those of known porphyry copper deposits elsewhere in the Arizona-New Mexico-Sonora porphyry copper province.

Alteration

Propylitic alteration assemblages, for the most part, accompany base metal mineralization within the veins. The alteration mineralogy changes from illite-chlorite in the interior of the veins, to chlorite-smectite mixed layer clays to chlorite-albite-calcite at the margins of the veins and within wall rock alteration selvages (Rogers, 2012).

The primary alteration mineralogy of veins in andesite and granodiorite wall rock is illite-quartz-chlorite. Illite partially replaces feldspars, quartz forms thin, irregular, and discontinuous veinlets and chlorite partially replaces ferro-magnesium minerals. The combined width of alteration selvages around the veins ranges from centimeters to 50m or more.

Pervasive and moderately intense propylitic alteration occurs throughout the Lordsburg district and extends well beyond the mineralized veins and their immediate selvages. Rock forming feldspars and ferro-magnesium minerals are partially replaced by the assemblage calcite, albite, chlorite, epidote and pyrite.

The inner illitic zone tends to be light gray, buff, and occasionally red, goethitic-hematic stained.

In the andesite and granodiorite, the primary alteration mineralogy of this zone is illite-quartz-chlorite. Quartz forms phenocrysts in the granodiorites and illite-chlorite partially, and completely in certain cases, replaces plagioclase, and often occurs as veinlets. Illite alteration is most visible as the alteration product within feldspars, and also in fractures and the groundmass. Chlorite totally replaces ferrromagnesium minerals and elsewhere is associated with illite. Drill core from two holes (GH-1&2) showed that the illitic zone varied from 1.5 to 6 meters in width and has minor disseminated pyrite (see *Agezo, 1995* in the Technical Report). The width of the illitic zone is crudely proportionate to the intensity and width of the vein, as shown by some of the narrower veins with illitic zones of 50 to 100 centimeters in width. Agezo (1995) collected numerous sample lines across the major Emerald and Bonney veins that showed the combined illite and chlorite zones ranged in width from 60 cm to 50 meters in width.

The chloritic alteration zone is characterized by the absence of quartz veinlets, with green chlorite predominant as clots replacing ferromagnesium minerals. Illite is secondary with sparse calcite and K-feldspar.

Agezo (1995) x-rayed clay separates and studied them under the microscope and identified a chlorite-smectite mixed-layer alteration zone outside the chloritic zone. This chlorite-clay (smectite) mixed-layer alteration zone was not confirmed by Rogers (2012), however the outer propylitic zone, identified at a chloritic-albite-calcite zone was identified and is ubiquitous throughout the study area. The propylitic alteration assemblage readily identifiable in the field is chlorite-calcite-quartz-epidote. Plagioclase is partially to highly altered to calcite-albite-chlorite- epidote. Hornblende and biotite are highly altered to chlorite. The groundmass is altered to chlorite, calcite, clay, local sparse pyrite, and occasional sericite.

Mineralogic Evidence for Porphyry Copper Potential

Various lines of evidence suggests that a deep porphyry copper-gold system could be spatially related, coexist with, and underlie the copper dominant veins systems within the copper-gold- molybdenum-silver central zoning area in the vicinity of 85 Hill. Bartos (1989) concluded that a prograding evolution and copper predominance both displayed within the Northern Lordsburg mining district, are considered the principal criteria in determining whether a preexisting porphyry copper deposit underlies a given base metal lode. Prograding is referred to by Bartos (1989) as the paragenetic sequence of vein-filling minerals indicating a temporal increase in sulfidation state and hydrogen ion activity. Several precious-base metal lode deposits that spatially exist with and have genetic relations to large, disseminated porphyry copper mineralization include Butte, Morococha, Collahuasi, Bisbee, and Magma (Resolution). Other favorable criteria include that the Lordsburg granodiorite is Laramide in age and lies within the northeast trending Santa Rita lineament between the porphyry copper deposits at Tyrone-Chino and Bisbee-Cananea.

On 85 Hill, the granodiorite shows propylitic, local sericitic (illitic) alteration but no potassic alteration typically proximal to porphyry copper mineralization. However, potassic (orthoclase-biotite- sericite-magnetite) altered granodiorite dump material originating from within the caved Horseshoe adit, shows chalcopyrite and bornite partially altered to chrysocolla-tenorite-melaconite as disseminations and with quartz veinlets-stockworks often with manganese oxides. This mineral alteration association justifies reopening the Horseshoe portal to examine the porphyry copper potential in the adit.

Copper-gold mineral zoning grades eastward from the 85 Hill to silver-lead-zinc mineral zoning near the Lordsburg mill road. Here, potassic alteration has been observed in granodiorites exposed in road cuts and thought to be related to and proximal to a sub-economic, porphyry copper-gold system drilled by Entrée Gold. Here, the change in zoning patterns and similar copper-gold mineralization suggests two separate mineralizing centers exist, one near 85 Hill and the other in the area drilled by Entrée Gold. Both mineralizing centers are probably comagmatic, with coeval mineralizing events.

A few IP survey lines by Phelps Dodge over the potential copper-gold zone proximal to 85 Hill were inconclusive regarding deep porphyry copper potential. In 1984, Phelps Dodge completed five orientation IP survey lines in the district to prospect for polymetallic-precious metal veins associated with silica veins to depths of 150 to 250 meters (see *Hauck, 1984* in the Technical Report). Results from the orientation survey lines showed that high resistivity zones can be attributed to silicification within the veins and that disseminated sulfides within the silicified zones can produced significant induced polarization responses (see *Hauck, 1984* in the Technical Report). Dipole spacings of 150 meters were needed to prospect to depths of 150 to 250 meters. In regards to deep porphyry potential under the copper-gold zone, results showed deep but poorly defined anomalies under the North Atwood- Hobson area and under the northeast side of 85 Hill.

In 1973-1974 Phelps Dodge completed IP and resistivity survey IP lines over the covered areas to the east and west of the northern Lordsburg mining district to search for buried porphyry copper targets (see *Gaytan, 1975, and Hauck, 1975* in the Technical Report). The results detected a weak anomaly near the Atwood mine but no lines were conducted over the copper-gold zone proximal to 85 Hill.

Deposit Types

Porphyry copper deposits are large, commonly hundreds to thousands of million tonnes, and low to medium grade, typically carrying 0.3- to 1.5% copper. Porphyry copper deposits are formed in intermediate composition, porphyritic stocks and surrounding wall rock and are characterized by stockwork veinlets composed of quartz, K-feldspar, sericite, clay, and copper and iron sulfide minerals distributed throughout large volumes of rock.

There is a close spatial and temporal link between the intrusion and crystallization of a porphyritic intrusion and the broadly dispersed magmatic-hydrothermal alteration and mineralization envelopes that produce a porphyry copper deposit (Figure 8.1 in the Technical Report). Breccia pipes, aplite dikes, nested stockwork zones composed of small, irregular, and discontinuous veins, veinlets and very complex contact relationships between intrusion and wall rock are commonly present. The character of mineralization and alteration, and the composition of the crystallizing intrusion evolve as the hydrothermal-alteration system cools.

Mineralization and alteration assemblages are grouped into distinct, mutually overlapping zones. Early formed, primary, proximal potassic and peripheral propylitic alteration zones with chalcopyrite-bornite and pyrite are overlapped and replaced by later stage phyllic and argillic alteration assemblages (Figure 8.2 in the Technical Report). Where the effects of near surface oxidation take place, supergene copper sulfides may form higher grade secondary enrichment blankets.

Characteristics of porphyry copper deposits include:

- Associated with multiple intrusions and dikes of intermediate to felsic compositions (diorite to quartz monzonite) with porphyritic textures. Feldspar, quartz, and mafic phenocrysts are contained in a fine-grained to aplitic groundmass,
- Shallow levels of emplacement (typically 1-4 km beneath the paleosurface),
- Multiple phases of intrusions to include pre-, syn-, late- and post-ore igneous activity,
- Extensive development of stockwork fracture and vein-controlled alteration and mineralization as well as pervasive texture destroying alteration and mineralization in both porphyritic intrusions and adjacent wall-rock. Fractures are often filled or coated by sulfides, or quartz veins with sulfides. Closely spaced fractures and veins of several orientations (stockwork) are usually associated with the high-grade ore.
- Sulfide and oxide minerals include magnetite, bornite, chalcopyrite, pyrite, hematite, enargite, and covellite,
- Several stages of hydrothermal alteration associated with each mineralizing intrusion represented by 1. an outer epidote - chlorite mineral alteration zone 2. a quartz-sericite (phyllic) alteration zone typically occurs closer to the center, and 3. a central potassic alteration zone of secondary biotite and orthoclase alteration. Overlap and telescoping of these alteration envelopes are common,
- Phyllic and advanced argillic alteration zones derived from the near surface oxidation of pyrite, releasing sulfur to the formation of sulfuric acid as part of the processes of secondary enrichment.

- Productive porphyry copper centers often occur coincident with their co-magmatic and slightly older lithocaps, where low, intermediate and high-sulfidation veins, and stockwork system can form.

Exploration

No exploration activities had been conducted at the Lordsburg Property by ACDC as of the Effective Date of the Technical Report.

Drilling

The Lordsburg district contains 148 drill holes with known collar coordinates, azimuth, inclination and length data (Figure 10.1 in the Technical Report). The 13 holes drilled by Entrée Gold in 2008 and 2009 were drilled purposely to test porphyry copper targets. The two underground drill holes collared in the 2000 level of the Bonney mine by Phelps Dodge in 1973 were also intended to test the potential for a porphyry copper deposit. The remaining holes, including those completed by Santa Fe Gold, the last operator in the district, were drilled to test either vein or smelter flux feed targets.

An additional eight holes, drilled by Quintana Corporation in the 1960-1970's north of Interstate 10, are referenced in a Phelps Dodge report (see *Phelps Dodge internal report, 1984* in the Technical Report). They reported drilled fresh granodiorite and volcanic rocks. No further information is available concerning these drill holes. Similarly, a brief reference to three holes completed by Noranda north of Interstate 10 is also referenced in an executive summary report by IBK Capital Corp. for Camex Mines Corp. No further information is available concerning these holes.

Phelps Dodge drilled two holes from the 2000 level of the Bonney mine in 1973. Drill hole BU-1, a 2000-foot long, high-angle oriented hole, penetrated andesites, siltstones, quartzites and bottomed in "deuterically" altered granodiorite. BU-2 was oriented to the northwest and inclined at 70°. It cut andesites and thin intervals of metasediment but did not cut granodiorite.

Entrée Gold

The thirteen drill holes completed by Entrée Gold in 2008 and 2009 (Figure 10.2 in the Technical Report) are the only porphyry copper target specific holes completed to date with data that can be traced to primary source documents. Collar information is listed in Table 10.1 in the Technical Report. Downhole deviation was measured, and magnetic susceptibility was recorded for each drill hole. Lithology, mineralization, including vein characteristics and frequency distribution and structure were logged as well. Assays were not obtained for the holes over their total length, but all mineralized intervals were analysed and 87-percent of all sample intervals were assayed using modern, multi-element ICP and AAS methods.

The drill holes are all steeply inclined and thickness of any encountered mineralization will for all intents and purposes be a true thickness. Significant geochemical analyses are listed in Table 10.2 in the Technical Report.

The Entrée Gold drill hole results are summarized as follows:

EG-L-08-001 was drilled to test a magnetic low, an IP anomaly and stratigraphic succession. It was collared in Quaternary gravels and passed through intervals of post-Laramide felsic volcanics and bottomed in propylitized Laramide andesites. No significant mineralized intervals were encountered.

EG-L-08-002 was drilled to test a magnetic high and subsurface extent of nearby surface exposures of potassic alteration. This hole was likely drilled along the contact between Laramide andesite wall rocks and Laramide granodiorite porphyry. A chaotic mixed interval of granodiorite porphyry, potassic altered andesites, and intrusive breccia comprises the upper half of the drill hole, passing into granodiorite porphyry with finer-grained, quartz diorite dikes in the bottom half. Both andesites and porphyry contain potassic alteration assemblages and long intervals of anomalous copper mineralization (Table 10.2). Stockwork veinlets containing quartz, biotite, K-feldspar, chalcopyrite, bornite and magnetite are present. Four intervals exceeding 20m in length with grades greater than 0.1% copper are present in EG-L-08-002. This hole was deemed to be a discovery hole by Entrée Gold.

EG-L-08-003 was drilled to test geophysical anomalies and propylitic alteration. The hole was drilled from collar to the end in propylitized Laramide andesites. No significant mineralized intervals were encountered.

EG-L-08-004 was drilled to test geophysical anomalies. No significant mineralized intervals were encountered.

EG-L-09-005. **EG-L-09-005, EG-L-09-010** and **EG-L-09-101A**, collared on the same drill pad, were drilled to offset mineralization encountered in EG-L-08-002 to the northeast. EG-L-09-005 was collared in Laramide andesite and at shallow depth, passed into Laramide porphyry where it encountered potassic alteration assemblages. EG-L-09-010 was in Laramide andesite for its total length and is characterized by propylitic assemblages. EG-L-09-010A, drilled between the other two holes in the immediate contact between Laramide andesite and porphyry. This hole is predominately potassic in the upper half of the hole with patchy propylitic alteration assemblages overprinting earlier potassic alteration.

EG-L-09-005 contained stockwork veinlets containing quartz, biotite, K-feldspar, chalcopyrite, bornite and magnetite. EG-L-09-005 contained a 113m interval grading 0.15% copper and EG-L-09-101A contained a 50m and a 58m interval grading greater than 0.1% copper.

EG-L-09-006 was drilled to offset mineralization encountered in EG-L-08-002 to the northeast. It was collared in Laramide andesites and passed into Laramide porphyry at approximately half-way to total length. It contains potassic alteration assemblages that are partially overprinted by selective propylitic alteration assemblages. Stockwork veinlets containing quartz, biotite, K-feldspar, chalcopyrite, bornite and magnetite are present. EG-L-09-006 has a 119m and a 76m long interval grading greater than 0.1% copper.

EG-L-09-007 was drilled to offset mineralization encountered in EL-09-002 to the northwest. The upper third of EG-L-09-007 cut the contact zone between Laramide andesite and porphyry. The bottom two-thirds cut Laramide porphyry. It contains potassic assemblages that are partially overprinted by selective propylitic alteration assemblages. Stockwork veinlets containing chalcopyrite, bornite and covellite with pyrite are present. One 158m long interval grading greater than 0.1% copper is present in EG-L-09-007.

EG-L-09-008 was drilled to test for mineralization in the subsurface below Tourmaline Hill. The hole was collared in Laramide andesite and passed, approximately two-thirds of the way to total length, into the contact zone between Laramide andesite and porphyry. It contains patchy, selective potassic and propylitic alteration assemblages. Chalcopyrite, bornite and covellite bearing stockwork veinlets are present. One 52m long interval of greater than 0.1% copper is present in EG-L-09-008.

EG-L-09-009 was drilled to offset mineralization in EG-L-058-002 to the south. EG-L-09-009 penetrated Laramide andesite from the collar to approximately 300m depth and then passed into a contact zone between Laramide andesite and porphyry to the end of the hole. The entire length of the hole is propylitized. Below

300m depth, the hole contains chalcopyrite-bornite veinlets, but they rarely occur in concentrations where assays reach 0.1% copper or greater. There are not significant assays in EG-L-09-009.

EG-L-09-011 was drilled to test for mineralization northwest of EG-L-09-007. EG-L-09-011 penetrated the contact zone between Laramide porphyry and Laramide andesite. Breccias with andesite clasts and porphyry dikes cutting andesite occur from collar to bottom of the drill hole. Patchy potassic and propylitic alteration assemblages are present. Chalcocite and native copper are present in select veins. Chalcopyrite, bornite and covellite are present in other vein types. EG-L-09-001 contained a 64m long interval with a copper grade greater than 0.1% copper.

EG-L-09-012 was a near, northeast offset of EG-L-08-002. It was collared in Laramide porphyry and passed into Laramide andesite about halfway to the bottom of the hole. Patchy potassic alteration with less abundant, propylitic overprint is present from collar to bottom. Chalcopyrite, bornite, covellite and native copper are present in select veins. EG-L-09-012 contained a 112m long interval of greater than 0.1% copper

Santa Fe Gold/Lordsburg Mining Company

Eleven core holes were completed by Lordsburg Mining Company in 2013. The collar information is listed in Table 10.3 in the Technical Report. Significant assays are shown on Table 10.4 in the Technical Report.

The Lordsburg Mining Company drilling results are summarized below. These holes were drilled to test high grade targets on known veins in and around the historic underground mines.

L-1 was drilled to test the steeply south dipping, South Atwood vein about 30m above the ore shoot reported to exist on the 600 foot level of the South Atwood Mine and cut host andesite from collar to final depth. L-1 was also oriented to test the brecciated, sheared South Atwood fault zone between the Atwood mine to the east and Henry Clay shaft to the west. The target vein was cut between 123.7m and 124.7m. It was intensely and pervasively silicified and brecciated and contained sparse chrysocolla and malachite.

L-2 was drilled to test the steeply north dipping North Atwood vein system and cut andesite from collar to final depth. The target vein was cut between 151.3m and 159.1-meters. A true width of four-meters, between 151.3m and 159.1m downhole, of composite siliceous andesite breccia was cut.

L-3 was drilled to test the east-west trending structural zone mined by Westar in the small open cut west of the Henry Clay mine. The hole cut andesite from collar to final depth and included silicified brecciated veins between 23.2m and 24.6-meters, and between 68.2m and 72.1m.

L-4 was drilled to test mineralized veins on the hanging wall side of the Emerald Vein. It was collared in granodiorite, cut both andesite and granodiorite to its final depth.

L-5 was drilled to test the downward projection of the Henry Clay ore shoot and cut andesite from collar to final depth.

L-6 was drilled to test the extreme southern limit of the Emerald vein near the Jim Crow shaft. The hole was collared in granodiorite and bottomed in andesite. Silicified breccias were cut at the granodiorite-andesite contact and within andesite near the granodiorite contact.

L-7 was drilled to test the down dip projection of the Emerald Vein near the historic Jim Crow mine. The hole cut andesite with several-meter wide granodiorite intervals from collar to final depth.

L-8 was drilled to test the east-west trending structural zone mined by Westar in the small open cut west of the Henry Clay mine. It cut andesite with several silicified breccia zones and composite veins from collar to final depth.

L-9 was drilled to test the downward projection of the southernmost composite veins segment in the Bonnie Jean vein. It cut andesite and several, narrow composite veins from collar to final depth.

L-10 was drilled to test the downward projection of the southernmost composite vein segment in the Bonnie Jean vein and was collared approximately 30m west of L-9. It cut andesite and several narrow, composite veins from collar to final depth.

L-11 was drilled to test the downward projection of the Comstock vein. It was collared in andesite and cut both andesite and granodiorite and several, narrow, composite, silicified veins to the final depth.

Sample Preparation, Analyses and Security

Details of the sample preparation, analytical laboratories and procedures, sample-security protocols, and quality-assurance/quality-control ("QA/QC") measures employed during the drilling programs performed by Phelps Dodge, Federal Resources, SFP Minerals Corp, St Cloud/Goldfields, Westar Corporation, Lordsburg Mining Company, and Entrée Gold are not available.

Pre-Lordsburg Mining Co/Entrée Gold Sample Preparation, Analysis, and Security

Little to no information is available regarding the laboratory used or the method of analysis for gold, silver, copper, and other elements for the holes drilled by Phelps Dodge, Federal Resources, SFP Minerals Corp, St. Cloud/Goldfields, and Westar Corporation. For example, Phelps Dodge reports in 1984 that "Fire assaying and chemical analysis of all reported constituents was performed at the analytical laboratory of the Tyrone Branch, Phelps Dodge Corporation, located at the plant site in Tyrone, Grant County, New Mexico."

Lordsburg Mining Co/Entrée Gold Sample Preparation and Analysis

Details are not available for QA/QC procedures used by for the Entrée Gold or Lordsburg Mining Company portion of the claims however, a quality assurance and control statement was issued by Entrée Gold in a 15 January 2009 press release. This statement, prepared under the supervision of Robert Cann, P. Geo, is reproduced, in full, as follows (italics added):

> **Quality Assurance and Control**
> *Robert Cann, P.Geo., Entrée's Vice-President, Exploration, a qualified person as defined by NI 43-101, supervised the preparation of the technical information in this news release.*
>
> *Split core samples were prepared and analyzed at Skyline Assayers & Laboratories in Tucson, Arizona and at Acme Analytical Laboratories in Vancouver, Canada. Prepared standards, blanks and duplicates are inserted at the project site to monitor the quality control of the assay data. Drill intersections described in this news release are based on core lengths and may not reflect the true width of mineralization.*

This statement is similar to those commonly issued for the release of assay information by publicly listed companies. Both laboratories listed in the statement were certified to industry standards at the time of the press release.

All 834 surface samples collected by Lordsburg Mining Co in 2010-2012 were analyzed at the Lordsburg mill lab for fire assay Au and Ag with results reported in ounces per ton. Pulps (L1-817) were then sent for check assays to Skyline Lab in Tucson for fire assay Au and Ag with gravimetric finish and a 33 element ICP suite. All the geochemical contour maps used Skyline assays for element. All the sample values in Thornwell's report are from Lordsburg mill lab results (see Rogers, 2012 in the Technical Report).

All the gold and silver assays results were statistically compared between the Lordsburg mill and Skyline laboratories. Results showed a good statistical comparison between laboratory results for silver and a poor statistical comparison between gold values. The Lordsburg mill subsequently ceased using Skyline labs for gold and silver fire assay checks due to assay differences with the Lordsburg mill as well as samples assayed by Asarco and Freeport (Rogers verbal communication, Curtis Floyd, 2012). Both the mill and Skyline laboratories use the same pulp samples prepared by the Lordsburg mill laboratory for gold fire assays. However, the Lordsburg mill lab does a fire assay with an AA finish while Skyline lab does a fire assay with a gravimetric finish. An AA finish generally gives a more accurate value for low precious metal samples while a gravimetric finish on a fire assay gives more accurate assay results on higher grade precious metal samples (Rogers verbal communication, Jim Martin, 2012). Furthermore, Jim Martin states that a nugget effect in the pulp is possible especially in the higher grade samples (Rogers, 2012). It is the Technical Report Author's opinion that the quality assurance and control utilized by Entrée Gold for the 2008-2009 drilling campaign met the standards of common industry practice at the time.

<u>Data Verification</u>

The data that supports the analyses and conclusions in the sections of the Technical Report that do not directly concern the Entrée Gold portion were derived from historical reports, including drill logs, assay certificates, maps, sections and project reports located in company files as well as published reports available to the general public. Digital copies of the historical reports were made during a prior visit to the Banner company office at the Bonney Mine site.

The data that supports the sections of the Technical Report directly concerned with the Entrée Gold project were derived from the project report produced at the end of the drilling campaign. The Technical Report includes digital maps, and source files that were used to produce the maps, digital drilling records from the original database and final reports from geophysical contractors.

The Technical Report Authors conducted a two-day field examination of outcrops, old mines and prospects, drill roads and drill sites was made in preparation for the Technical Report.

It is the Technical Report Authors' opinion that these data sources are adequate for the purposes used in this technical report.

<u>Mineral Processing and Metallurgical Testing</u>

No data from the historical Lordsburg mill operations relating to mineral processing or metallurgical testing was available to the Technical Report Authors.

<u>Mineral Resource Estimates</u>

There currently are no mineral resources on the Lordsburg Property that comply with the "CIM Definition Standards - For Mineral Resources and Mineral Reserves" (2014).

Mineral Reserve Estimates

There currently are no mineral reserves on the Lordsburg Property that comply with the "CIM Definition Standards - For Mineral Resources and Mineral Reserves" (2014).

Adjacent Properties

To the Technical Report Authors' knowledge, adjacent properties are controlled by Rio Tinto, BHP, and Freeport. Freeport is particularly active around the Tyrone and Santa Rita/Chino areas located 65 km north of the town of Lordsburg. Arizona Lithium is also active immediately NW of Interstate 10.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 Annual Information

The Company's audited financial statements for the fiscal years ended December 31, 2021, are attached hereto as Schedule A and are available on SEDAR.

The following financial data summarizes selected financial data for the Company prepared in accordance with IFRS and is derived from the Company's audited annual financial statements for the years ended December 31, 2021 and 2020. The information set forth below should be read in conjunction with the Company's annual financial statements and the related notes thereto attached hereto as Schedule A and available on SEDAR.

Item	Year Ended December 31, 2021	Year Ended December 31, 2020
Revenues	Nil	Nil
Income from continuing operations	Nil	Nil
Net loss	$(96,563)	$(71,948)
Exploration and evaluation assets	$187,713	$114,101
Total assets	$398,340	$290,357
Total long-term financial liabilities	Nil	$5,088
Cash dividends	Nil	Nil

5.2 Quarterly Information

The results for each of the eight most recently completed quarters ending at the end of the most recently completed financial year, namely December 31, 2021, are summarized below:

Item	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020
Revenues	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Income	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Net loss	$(24,285)	$(18,747)	$(17,396)	$(47,670)	$(71,948)	$(6,759)	$(49)	$(43,022)

5.3 Dividends

The Company has not declared or paid any dividends since its incorporation and management of the Company does not foresee paying any dividends in the foreseeable future, since available funds will be used primarily to conduct exploration activities. Any future payment of dividends will be at the discretion of the Board and will depend on the financial condition, business environment, operating results, capital requirements, any contractual restrictions on the payment of distributions and any other factors that the Board deems relevant. The Company is not bound or limited in any way to pay dividends in the event that the Board determines that a dividend was in the best interest of the Company's shareholders

5.4 Foreign GAAP

The financial statements included in this Listing Statement have been, and the future financial statements of the Company are expected to be, prepared in accordance with IFRS.

The financial statements included in this Listing Statement are not prepared or presented on the basis of foreign GAAP.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company's MD&A for the period ended December 31, 2021 is attached to this Listing Statement as Schedule A. The Company's MD&A for the interim period ended March 31, 2022 is attached to this Listing Statement as Schedule B.

7. MARKET FOR SECURITIES

The Common Shares are currently listed for trading on the CSE under the symbol "ACDX".

The Company's Shares were listed on the CSE effective July 23, 2021 under the symbol "CI". Trading of the Company's Shares was halted January 13, 2022 upon announcing the Transaction.

8. CONSOLIDATED CAPITALIZATION

The Company's authorized share capital consists of an unlimited number of Common Shares without par value. The following table summarizes the outstanding capital of the Company at December 31, 2021 and as at the date of this Listing Statement:

Designation of Security	Number Authorized	Amount Outstanding at December 31, 2021	Amount Outstanding at the date of this Listing Statement
Common Shares	Unlimited	14,375,000	82,487,431(2)(3)(4)(5)
Broker Warrants	N/A	350,000	350,000
Concurrent Equity Financing Broker Warrants	N/A	Nil	35,000
Options	N/A	1,000,000	1,000,000
Rights to Receive Shares(1)	N/A	1,000,000	1,000,000

Notes:

(1) Pursuant to the Chuchi South Option, the Company is obligated to issue to the Optionor 1,000,000 Common Shares on or before February 13, 2023.
(2) Includes the issuance of 40,015,840 Common Shares on conversion of the Subscription Receipts.
(3) Includes the following Common Shares issued in connection with the Transaction: (i) 8,140,000 PPM Payment Shares, (ii) 9,896,591 Mason Payment Shares, and (iii) in connection with the Transaction and further to efforts by Geometallica, LLC ("**Geometallica**"), PPM has arranged for 1,720,000 Common Shares to be issued to or as directed by Geometallica.
(4) This figure is not inclusive of the Milestone Shares as the amount is not known as at the date of this Listing Statement. The quantity of Milestone Shares issued shall be determined in accordance with the Milestone Agreement, see "Milestone Payment Rights".

(5) This figure includes 8,140,000 Common Shares issued at $0.225 per Common Shares arranged by the Company as share consideration to PPM, see "Asset Purchase Agreement".

9. OPTIONS TO PURCHASE SECURITIES

The Company has established a Stock Option Plan under which the Company is authorized to grant stock options from time to time. As at the date of this Listing Statement, there are 1,000,000 options granted under the Stock Option Plan.

Summary of Stock Option Plan

The Stock Option Plan was adopted by the Company's board of directors 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.
	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.

	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.
	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 Listing Statement.

Holder of Options	**Number of Common Shares Underlying Options**	**Exercise Price**	**Expiry Date**
Current and Past Executive Officers	230,000	$0.10	January 18, 2026
Current and Past Directors (other than those who are also executive officers)	620,000	$0.10	January 18, 2026
Consultant	150,000	$0.10	January 18, 2026
TOTAL	1,000,000		

10. DESCRIPTION OF THE SECURITIES

Description of the Company's Securities

The authorized capital of the Company consists of an unlimited number of Common Shares without par value. As at the date of this Listing Statement, 82,487,431 Common Shares are issued and outstanding.

Common Shares

Each holder of Common Shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Company and at all such meetings shall be entitled to one vote in respect of each Common Share held by such holder.

The holders of Common Shares shall be entitled to receive dividends if and when declared by the Board.

In the event of any liquidation, dissolution or winding-up of the Company or other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, the holders of Common Shares shall be entitled, subject to the rights of holders of shares of any class ranking prior to the common shares, to receive the remaining property or assets of the Company.

Miscellaneous Securities Provisions

The Company has no debt securities outstanding as of the date of this Listing Statement and the Company is not intending to list any debt securities.

Except for the Common Shares, the Company is not proposing to list any securities on the CSE.

The rights of holders of common shares may not be modified otherwise than in accordance with the BCBCA and the Articles of the Company.

As of the date of this Listing Statement, the rights attaching to the Common Shares are not materially limited or qualified by the rights of any other class of securities and no other class of securities ranks ahead of or equally with the Common Shares.

Prior Sales

In the 12 months preceding the date of this Listing Statement, the Company has issued the following securities:

Description	Date Issued	Number of Securities Sold	Issue Price	Aggregate Issue Price	Nature of Consideration
Common Shares	February 13, 2022	200,000	$0.30	$60,000	Consideration under the Chuchi South Option Agreement
Subscription receipts	June 22, 2022	29,655,840	$0.25	$7,413,960	Cash

Concurrent Equity Financing Broker Warrants	June 22, 2022	35,000	$0.25	N/A	Consideration to certain brokers in connection with the Concurrent Equity Financing
Subscription receipts	July 8, 2022	7,700,000	$0.25	$1,925,000	Cash
Subscription receipts	July 20, 2022	200,000	$0.25	$50,000	Cash
Subscription receipts	July 29, 2022	2,460,000	$0.25	$615,000	Cash
Common Shares issued upon conversion of Subscription Receipts	August 5, 2022	40,015,840	Not applicable	Not applicable	Not applicable.
Common Shares	August 5, 2022	27,896,591	$0.25	$6,974,148	Consideration paid under the APA.

Stock Exchange Price

The Common Shares were listed on the CSE effective July 27, 2021 under the symbol "CI". Trading of the Common Shares was halted January 13, 2022 at the request of the Company upon announcing the Transaction. The following summarizes the trading of the Common Shares on the CSE from listing to the date of this Listing Statement:

Period	High ($)	Low ($)	Volume
August 2022	0.30	0.30	-
July 2022	0.30	0.30	-
June 2022	0.30	0.30	-
May 2022	0.30	0.30	-
April 2022	0.30	0.30	-
March 2022	0.30	0.30	-
February 2022	0.30	0.30	-
January 2022	0.30	0.175	137,000
December 2021	0.175	0.17	10,000
November 2021	0.17	0.17	2,000

Period	High ($)	Low ($)	Volume
October 2021	0.245	0.17	117,500
September 2021	0.245	0.15	47,000

11. ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESALE RESTRICTIONS

Escrowed Securities

Endeavour Trust Corporation is the escrow agent under the 2021 Escrow Agreement and 2022 Escrow Agreement for the Escrowed Securities.

The following table sets out the number of Escrowed Securities subject to the 2021 Escrow Agreement and the percentage of Common Shares that number represents:

Designation or Class	Number of Securities Currently Held in Escrow	Percentage of Class
Common Shares(1)	1,200,000	1.45%

Notes:
(1) The holders of Escrowed Securities subject to the 2021 Escrow Agreement are James Walchuck (1,020,000 Common Shares), Blaine Bailey (60,000 Common Shares), Stuart Ross (60,000 Common Shares) and Twila Jensen (60,000 Common Shares). This figure excludes 40% of the Escrowed Securities which have already been released in accordance with the 2021 Escrow Agreement.

Based on the provisions of National Policy 46-201 - *Escrow for Initial Public Offerings*, the Escrowed Securities will be released in accordance with the 2021 Escrow Agreement according to the following release schedule:

Release Date	% of Total Escrowed Securities to be Released
July 27, 2021 (the "**Listing Date**")	10% (released)
6 months following Listing Date	15% (released)
12 months following Listing Date	15% (released)
18 months following Listing Date	15%
24 months following Listing Date	15%
30 months following Listing Date	15%
36 months following Listing Date	15%

The following table sets out the number of Escrowed Securities that will be subject to the 2022 Escrow Agreement and the percentage of Common Shares that number represents:

Designation or Class	Number of Securities Currently Held in Escrow	Percentage of Class
Common Shares(1)	11,996,591	14.54%

Notes:
(1) The holders of Escrowed Securities subject to the 2022 Escrow Agreement are Mason (9,896,591 Common Shares), Mr. Freeman (1,000,000) and Mr. Schieber (1,100,000).

Based on the provisions of National Policy 46-201 - *Escrow for Initial Public Offerings*, the Escrowed Securities will be released in accordance with the 2022 Escrow Agreement according to the following release schedule:

Release Date	% of Total Escrowed Securities to be Released
On the Closing Date	10%
6 months following the Closing Date	15%
12 months following the Closing Date	15%
18 months following the Closing Date	15%
24 months following the Closing Date	15%
30 months following the Closing Date	15%
36 months following the Closing Date	15%

The following table sets out the number and percentage of Escrowed Securities held by each holder of Escrowed Securities.

Name and Municipality of Residence	Number of Escrowed Securities owned or controlled	Percentage of Escrowed Securities
James Walchuk, Vancouver, British Columbia, Canada	1,020,000	7.73%
Blaine Bailey, Burnaby, British Columbia, Canada	60,000	0.45%
Stuart Ross, Nanaimo, British Columbia, Canada	60,000	0.45%
Twila Jensen, Vancouver, British Columbia, Canada	60,000	0.45%
Hudbay Minerals Inc.(1) Toronto, Ontario, Canada	9,896,591	74.99%
Curtis Freeman, Fairbanks, Alaska, United States of America	1,000,000	7.58%
Gerhard Daniel Schieber, North Vancouver, British Columbia, Canada	1,100,000	8.34%

Notes:
(1) On August 10, 2022, Mason assigned all of its right, title and interest in and to the Mason Payment Shares to Hudbay.

Securities Subject to Resale Restrictions

A total of 40,015,840 Common Shares issued on conversion of the Subscription Receipts pursuant to the Concurrent Equity Financing are subject to a statutory hold period of four months and a day from the date of issue.

The Consideration Shares are also subject to a statutory hold period of four months and a day from the date of issue.

12. PRINCIPAL SHAREHOLDERS

The following table sets forth information regarding ownership of the Common Shares as at the date of this Listing Statement 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.

Name	Number and Type of Securities Owned	Percentage of Outstanding Common Shares(1)	Percentage of Outstanding Common Shares on a Fully Diluted Basis(2)	Type of Ownership
Hudbay(3)	9,896,591 Common Shares	12.00%	11.66%	Legal and Beneficial

Notes:
(1) Based on 82,487,431 outstanding Common Shares on a non-diluted basis as at the date of this Listing Statement.
(2) Based on 84,872,431 outstanding Common Shares on a fully diluted basis as at the date of this Listing Statement.
(3) On August 10, 2022, Mason assigned all of its right, title and interest in and to the Mason Payment Shares to Hudbay.

13. DIRECTORS AND OFFICERS

13.1 Name, Address, Occupation and Security Holding

The name, province or state and country of residence, and position with the Company, of each of our directors and executive officers are set out in the table below. Details of their principal business or occupation in which they have been engaged during the immediately preceding five years are as set out under "Management of the Company" following the table.

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 Listing Statement)
Rick Van Nieuwenhuyse, British Columbia Director and Chairman of the Board of Directors	Director and Chairman since August 5, 2022.	Businessman; VP- Exploration of Placer Dome (now Barrick Gold), Director of Etruscan Resources Inc (TSX) (1997-2010), Director of Mantra Mining Inc. (TSX-V) (2009), CEO of Trilogy Metals Inc. (TSX) (2011-2020) CEO and Director of NovaGold Resources (TSX) (1997-2018), Director of Alexco Resources Corp (TSX) (2005-present), CEO and Director of Contango Ore Inc. (NYSE) (2020-present), Director of SolidusGold (TSX) (2011- present)	4,320,000 (5.24%)

Gerhard Daniel Schieber, British Columbia Director and Chief Executive Officer	Director and Chief Executive Officer since August 5, 2022.	Businessman; Analyst at Stabilitas Group of Funds (2005) Co-Founder of Euroscandic International Group (2009), CIO at Dynamis Capital Corp (2011-2015), Director at BRM Agri Cambodia Limited (2019), CEO and Director of GoldHaven Resources Corp. (CSE) (2020-2022), Director of Four Nines Gold Inc. (CSE) (2021), Director of Schwabo Capital Corp (TSX-V) (2021), Director of New Energy Metals Corp (TSX-V) (2021-2022), and Advisory Board Member of Quebec Nickel Corp (CSE) (2021)	1,200,000[3)] (1.45%)
Blaine Bailey, British Columba Chief Financial Officer and Corporate Secretary	Chief Financial Officer since February 5, 2020 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	75,000 (0.09%)
James (Jim) Walchuck[(1)], British Columbia Director	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 ma director of Encanto Potash Corp. from January 2009 to August 2016.	1,275,000 (1.55%)

Stuart Ross(1), British Columbia 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 (0.12%)
Curtis Freeman(1), Alaska, USA Director	Direction since August 5, 2022.	President of Avalon Development Corporation since 1985, director of Tectonic Metals Inc. (TSXV) from 2019 to 2022, and is a Director of Contango ORE, Inc., since June 28, 2022.	1,000,000 (1.21%)

Note:
(1) Denotes a member of the Audit Committee of the Company.
(2) Based on 82,487,431 outstanding Common Shares on a non-diluted basis.
(3) 100,000 of Mr. Schieber's Common Shares are owned by Edelmetall Finance Inc., a corporation wholly-owned and controlled by Mr. Schieber.

The term of office for our directors and members of the Company's committees expires at each annual general meeting. The Board, after each such meeting, appoints our committees for the ensuing year. The Company currently has one Board committee, being an audit committee, which presently consists of James Walchuck, Curtis Freeman and Stuart Ross, with Mr. Ross acting as chair.

As of the date hereof, the Company's directors and executive officers, including spouses and associates, as a group beneficially own, directly or indirectly, or exercise control or direction over 7,970,000 Common Shares representing 9.66% of the Company's 82,487,431 issued and outstanding Common Shares.

13.2 Cease Trade Orders

None of our directors or executive officers or a shareholder holding sufficient securities of the Issuer to materially affect the control of the Issuer are, as at the date of this Listing Statement, or have been within 10 years before the date of this Listing Statement, a director, chief executive officer or chief financial officer of any company (including the Company) that:

(a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or

(b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;

13.3 Penalties and Sanctions

None of our directors, executive officers or any shareholder holding a sufficient number of our securities to materially affect control of the Company:

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

(b) has, within the 10 years before the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder;

(c) 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

(d) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

13.4 Bankruptcies

No director or officer of the Issuer, or a shareholder holding sufficient securities of the Issuer to materially affect the control of the Issuer, or a personal holding company of any such persons has, within the 10 years before the date of the Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

13.5 Conflicts of Interest

Our directors are required to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests which they may have in any project or opportunity of the Company. However, our directors and officers may serve on the boards and/or as officers of other companies which may compete in the same industry as the Company, giving rise to potential conflicts of interest. To the extent that such other companies may participate in ventures in which we may participate, they may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such conflicts of interest arise at a meeting of our directors, such conflicts of interest must be declared, and the declaring parties must abstain from voting for or against the approval of such participation. The remaining directors will determine whether or not we will participate in any such project or opportunity.

Our directors and officers are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest, and we will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. Such directors or officers in accordance with the *Business Corporations Act* (British Columbia) will disclose all such conflicts and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

13.6 Management

Further information on the business experience and professional qualifications of our directors, officers and promoters is set forth below:

Rick Van Nieuwenhuyse, *Director and Chairman*

Mr. Van Nieuwenhuyse has more than 40 years of experience in the natural resource sector and is currently the CEO of Contango Ore. Before joining Contango Ore, he was President and Chief Executive Officer of Trilogy Metals, currently developing the high- grade Upper Kobuk Mineral Projects located in the Ambler Mining District of Alaska. Trilogy is a company which was created in 2012 as a spin-out from NovaGold, a well-known company he founded over 20 years ago. NovaGold is currently finalizing permits for the 40 million ounce Donlin Gold Project in Southwest Alaska with partner Barrick Gold, the world’s largest gold company. Previous to his role as Founder, President, and CEO of NovaGold, he held the position of Vice President of Exploration for Placer Dome Inc. from 1990 to 1997. In addition to his international exploration perspective, Mr. Van Nieuwenhuyse brings years of working experience in and knowledge of Alaska to Contango. Mr. Van Nieuwenhuyse has managed projects from grassroots discovery through to advanced feasibility, production and closure. Rick has played a key role in setting up several other corporate entities including: Alexco - where he remains a Director which is rejuvenating the Keno Hill Silver district in the Yukon; Tintina Resource (now Sandfire Resources America) which discovered and is now completing a feasibility and permitting the high grade Black Butte copper project in Montana; and SolidusGold (currently in an RTO with Valhalla Metals a new company working in the Ambler mining district of Alaska) where he is Chairman. Mr. Van Nieuwenhuyse holds a Candidature degree in Science from the Université de Louvain, Belgium, and a Master of Science degree in Geology from the University of Arizona. He received the Thayer Lindsley award in 2009 for his role in the Donlin Gold discovery and the Colin Spence Award in 2016 for his role in the Bornite Discovery.

Mr. Van Nieuwenhuyse is an independent contractor of the Company and has not entered into any non-competition or non-disclosure agreements with the Company and is 66 years of age.

Gerhard Daniel Schieber, *Director and Chief Executive Officer*

Mr. Schieber established his career in metals and mining finance as an analyst for the Stabilitas Group of Funds in 2005. In 2009, he co-founded Euroscandic International Group where he raised upwards of $360M in project financing for specific development projects in the mining sector. In 2011- 2015, he pivoted to Canadian-based farmland investments, where he became Chief Investment Officer at Dynamis Capital Corp., which focuses on long-term, recession-proof investments with emphasis on gold and silver. Mr. Schieber is CEO and Director of GoldHaven Resources Corp.

Mr. Schieber is an independent contractor of the Company and has not entered into any non-competition or non-disclosure agreements with the Company and is 38 years of age. Mr. Schieber will devote 100% of his time to the Company.

Blaine Bailey, *Chief Financial Officer, Corporate Secretary*

Mr. Bailey is the Chief Financial Officer and Corporate Secretary of the Company and provides his services to the Company on a part time basis. He has served the Company as Chief Financial Officer, Corporate Secretary and a director since February 5, 2020 and resigned as Director on August 5, 2022. He will devote approximately 40% 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 70 years of age.

James (Jim) Walchuck, *Director*

Mr. Walchuck is 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, and resigned as Chief Executive Officer and President on August 5, 2022. He will devote approximately 40%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 66 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 20% 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 77 years of age.

Curtis Freeman, *Director*

Mr. Freeman is President of Avalon, a mineral exploration consulting firm based in Fairbanks, Alaska and is a director of Contango ORE, Inc. since June 28, 2022. He was a director of Tectonic Metals Inc from November, 2019 until April, 2022. Mr. Freeman earned his Bachelor's degree in Geology in 1978 from the College of Wooster, Ohio and his Master's Degree in Economic Geology in 1980 from University of Alaska in Fairbanks. Mr. Freeman is a U.S. Certified Professional Geologist with the American Institute of Professional Geologists and is a licenced geologist in the state of Alaska. Mr. Freeman is a Fellow of the Society of Economic Geologists, a member and past director of Alaska Miners Association and a member of the Geological Society of Nevada. Mr. Freeman also serves as Chairman of the Geological Mapping Advisory Board for the State of Alaska Division of Geological and Geophysical Surveys.

Mr. Freeman is an independent director of the Company and has not entered into any non-competition or non-disclosure agreements with the Company and is 66 years of age.

Audit Committee

Pursuant to Exchange Policies and National Instrument 52-110 - Audit Committees ("NI 52-110"), we are required to have an audit committee comprised of at least three directors. The Company is a "venture issuer" as defined in NI 52-110 and as such will be relying on the exemption set out in section 6.1 thereof which allows for the majority of the committee members to be independent (rather than all members of the Audit Committee being independent). Our audit committee will be comprised of Stuart Ross (Chair), James Walchuck and Curtis Freeman. Mr. Ross and Mr. Freeman are independent members. The following is a summary of the relevant education and experience of each audit committee member:

James Walchuck

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.

Stuart Ross

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.

Curtis Freeman

Mr. Freeman is President of Avalon, a mineral exploration consulting firm based in Fairbanks, Alaska and is a director of Contango ORE, Inc. since June 28, 2022. He was a director of Tectonic Metals Inc from November, 2019 until April, 2022. Mr. Freeman earned his Bachelor’s degree in Geology in 1978 from the College of Wooster, Ohio and his Master’s Degree in Economic Geology in 1980 from University of Alaska in Fairbanks. Mr. Freeman is a U.S. Certified Professional Geologist with the American Institute of Professional Geologists and is a licenced geologist in the state of Alaska. Mr. Freeman is a Fellow of the Society of Economic Geologists, a member and past director of Alaska Miners Association and a member of the Geological Society of Nevada. Mr. Freeman also serves as Chairman of the Geological Mapping Advisory Board for the State of Alaska Division of Geological and Geophysical Surveys. Mr. Freeman is familiar with the financial reporting requirements applicable to public companies in Canada.

AUDIT COMMITTEE CHARTER

The Company's audit committee must operate pursuant to the provisions of a written charter, which sets out its duties and responsibilities. The following is a summary of such charter:

The primary function of the audit committee is to assist the Company's Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. The committee is to serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements. The committee reviews and appraises the performance of the Company's external auditors and provides an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

The committee is comprised of a minimum of three directors as determined by the Board of Directors. The committee shall meet at least twice annually or more frequently as circumstances dictate and will meet at least annually with the Chief Financial Officer.

13.7 CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders and takes into account the role of the individual members of management who are appointed by the Board of Directors and who are charged with day-to-day management of the Company. National Instrument 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines to be used by issuers in developing their own corporate governance practices. The Board of Directors is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

In accordance with National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**") our corporate governance practices are summarized below. The Board of Directors will continue to monitor such practices on an ongoing basis and when necessary implement such additional practices as it deems appropriate.

13.8 Board of Directors

The Company's Board of Directors (the "**Board**") is currently composed of five directors - Rick Van Nieuwenhuyse, James (Jim) Walchuck, Daniel Schieber, Stuart Ross and Curtis Freeman.

NI 58-101 suggests, but does not mandate, that the board of directors of a public company should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who is independent of management and is free from any interest and any business or other relationship which could or could reasonably be perceived to materially interfere with the director's ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. In addition, where a company has a significant shareholder, NI 58-101 suggests that the board of directors should include a number of directors who do not have interests in either the company or the significant shareholder. The independent directors would exercise their responsibilities for independent oversight of management and meet independently of management whenever deemed necessary. At present, two of the Company's directors are independent within the meaning of NI 58-101, Stuart Ross and Curtis Freeman. Rick Van Nieuwenhuyse, James (Jim) Walchuck and Daniel Schieber cannot be considered to be "independent" within the meaning of NI 58-101.

The independent directors will meet separately from the non-independent directors, as determined necessary from time to time, in order to facilitate open and candid discussion among the independent directors. No separate meetings of the independent directors have been held to date. Mr. Nieuwenhuyse, a non-independent director, acts as the chairman with respect to the conduct of Board meetings. Given the Company's relatively small size and start-up nature, the Board is satisfied as to the extent of independence of its members. The Board is satisfied that it is not constrained in its access to information, in its deliberations, or in its ability to satisfy the mandate established by law to supervise the business and affairs of the Company, and that there are sufficient systems and procedures in place to allow the Board to have a reasonable degree of independence from day-to-day management.

Board Mandate

The Board considers that management is effectively supervised by the independent directors on an informal basis as the independent directors have regular and full access to management. Further supervision is performed through the Company's audit committee which is composed of a majority of independent directors who meet with the Company's auditors without management being in attendance.

Position Descriptions

The Board has not developed written position descriptions for the chairman with respect to the conduct of Board meetings, or for the chair of any committees. The chairman's role and responsibilities in each instance include reviewing notices of meetings, overseeing meeting agendas, conducting and chairing meetings in accordance with good practices, and reviewing minutes of meetings.

The CEO's general roles and responsibilities are commensurate with the position of CEO of a resource company comparable in size to the Company. They include overseeing all operations of the Company and developing and devising the means to implement general strategies for the direction and growth of the Company as instructed by the Board.

Directorships

The following directors of the Company also serve as directors of other reporting issuers:

Name	Name of Reporting Issuer	Stock Exchange	Director Since
James Walchuck	Silverstock Metals Inc.	CSE	September 1, 2020
Stuart Ross	Cobra Venture Corporation Canadian Spirit Resources Inc. Gitennes Exploration Inc. New Energy Metals Corp.	TSXV TSXV TSXV TSXV	February 1, 2018 August 28, 2020 2012 October 15, 2020
Rick Van Nieuwenhuyse	SolidusGold Inc. (to become Valhalla Metals Inc.) Contango Ore Inc. Alexco Resources Corp.	TSX NYSE TSX	April 29, 2011 January 6, 2020 January 1, 2005
Gerhard Daniel Schieber	New Energy Metals Corp.	TSXV	December 31, 2021
Curtis Freeman	Contango ORE, Inc.	NYSE American	June 28, 2022

Orientation and Continuing Education

Each new director is given an outline of the nature of the Company's business, its corporate strategy, and current issues within the Company. New directors are encouraged to review the Company's public disclosure records and are also required to meet with management of the Company to discuss and better understand the Company's business and are given the opportunity to meet with counsel to the Company to discuss their legal obligations as directors of the Company.

In addition, management of the Company will take steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies which may affect the directors, officers and committee members of the Company as a whole. The Company's legal counsel continually reviews the latest securities rules and policies and is on the mailing list of the CSE to receive updates to any of those policies. Any such changes or new requirements are then brought to the attention of the Company's directors and management.

Ethical Business Conduct

The Board has not established a Corporate Governance Committee but plans to do so in the future. As some of our directors also serve as directors and officers of other companies engaged in similar business activities, our directors must comply with the conflict of interest provisions of applicable corporate law, as well as the relevant securities regulatory instruments, in order to ensure that they exercise independent judgment in considering transactions and agreements in respect of which they may have a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke any such conflict.

The Board plans to establish a code of ethical conduct policy pursuant to the requirements of National Policy 58-201. The full text of this policy will be posted for review under the Company's profile on SEDAR at www.sedar.com on or soon after the Listing Date and may be obtained free of charge upon request to the Company by mail to 2710-200 Granville Street, Vancouver, British Columbia, V6C 1S4.

Assessments

Neither the Company nor the Board of Directors has determined formal means or methods to regularly assess the Board, its committees or the individual directors with respect to their effectiveness and contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of an individual director are informally monitored by the other Board members, having in mind the business and other strengths of the individual and the purpose of originally nominating the individual to the Board.

14. CAPITALIZATION

14.1 Issued Capital

Public Float

	Number of Securities (non-diluted)	**Number of Securities (fully-diluted)**	**% of Issued (non-diluted)**	**% of Issued (fully diluted)**
Total outstanding (A)	82,487,431	84,487,431	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in	17,866,591	18,616,591	21.66%	22.03 %

the Issuer upon exercise or conversion of other securities held) (B)				
Total Public Float (A-B)	64,620,840	65,870,840	78.34%	77.97%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	69,492,431	69,492,431	84.25%	82.25%
Total Tradeable Float (A-C)	12,995,000	14,995,000	15.75%	17.75%

Public Securityholders (Registered)[(1)]

Class of Security **Size of Holding**	**Number of holders**	**Total number of securities**
1— 99 securities	Nil	Nil
100 — 499 securities	Nil	Nil
500 — 999 securities	Nil	Nil
1,000 — 1,999 securities	Nil	Nil
2,000 — 2,999 securities	Nil	Nil
3,000 — 3,999 securities	Nil	Nil
4,000 — 4,999 securities	Nil	Nil
5,000 or more securities	84	66,360,840
TOTAL:	**84**	**66,360,840**

(1) The above information obtained from the transfer agent's registered shareholders' list as at August 22, 2022.

Public Securityholders (Beneficial)[(1)]

Class of Security **Size of Holding**	**Number of holders**	**Total number of securities**
1— 99 securities	2	115
100 — 499 securities	4	719
500 — 999 securities	1	500
1,000 — 1,999 securities	Nil	Nil
2,000 — 2,999 securities	Nil	Nil
3,000 — 3,999 securities	Nil	Nil
4,000 — 4,999 securities	1	4,000
5,000 or more securities	283	64,640,506
TOTAL:	**291**	**64,645,840**

(1) The above information was obtained from the transfer agent's registered shareholders' list as at August 22, 2022.

Non-Public Securityholders (Registered)[(1)]

Class of Security **Size of Holding**	**Number of holders**	**Total number of securities**
1— 99 securities	Nil	Nil
100 — 499 securities	Nil	Nil
500 — 999 securities	Nil	Nil
1,000 — 1,999 securities	Nil	Nil
2,000 — 2,999 securities	Nil	Nil
3,000 — 3,999 securities	Nil	Nil
4,000 — 4,999 securities	Nil	Nil
5,000 or more securities	7	16,126,591
TOTAL:	**7**	**16,126,591**

(1) the above information was obtained from the transfer agent’s registered shareholders’ list as at August 22, 2022.

14.2 Convertible Securities

The following table details securities convertible or exchangeable into Common Shares.

Description of Security	Date of Expiry	Exercise Price	Number of convertible/ exchangeable securities outstanding	Number of listed securities issuable upon conversion/exercise
Options	January 18, 2026	$0.10	1,000,000	1,000,000
Broker Warrants	July 5, 2023	$0.10	350,000	350,000
Concurrent Equity Financing Broker Warrants	December 22, 2023	$0.25	35,000	35,000

14.3 Listed securities reserved for issuance not included in item 14.2

Pursuant to the Chuchi South Option, the Company is obligated to issue the Optionor 1,000,000 Common Shares on or before February 13, 2023.

15. EXECUTIVE COMPENSATION

For purposes hereof, “Named Executive Officer” or “NEO” means each of the following individuals:

(a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;

(b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;

(c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than $150,000;

(d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

At the date of this Listing statement the Company had two NEO's — Daniel Schieber, the CEO of the Company, and Blaine Bailey, the CFO of the Company.

Table of compensation excluding compensation securities

Name and position	Year[1]	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites ($)	Value of all other compensation ($)	Total compensation ($)
Rick Van Nieuwenhuyse *Chairman & Director*	2021 2020	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A
Gerhard Daniel Schieber *Chief Executive Officer & Director*	2021 2020	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A
James Walchuck *Director, Former Chief Executive Officer and Former President*	2021 2020	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Blaine Bailey *Chief Financial Officer, Corporate Secretary and Former Director*	2021 2020	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Stuart Ross *Director*	2021 2020	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Curtis Freeman *Director*	2021 2020	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A
Twila Jensen *Former Director*	2021 2020	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

Compensation Securities

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price ($)	Closing price of security or underlying security on date of grant ($)	Closing price of security or underlying security at year end ($)	Expiry date
Rick Van Nieuwenhuyse *Chairman & Director*	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gerhard Daniel Schieber *Chief Executive Officer & Director*	Nil	Nil	Nil	Nil	Nil	Nil	Nil
James Walchuck *Director, Former Chief Executive Officer and Former President*	Stock Options	320,000	January 18, 2021	$0.10	N/A(1)	$0.175	January 18, 2026
Blaine Bailey *Chief Financial Officer, Corporate Secretary and Former Director*	Stock Options	230,000	January 18, 2021	$0.10	N/A(1)	$0.175	January 18, 2026
Stuart Ross *Director*	Stock Options	200,000	January 18, 2021	$0.10	N/A(1)	$0.175	January 18, 2026
Curtis Freeman *Director*	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Twila Jensen *Former Director*	Stock Options	100,000	January 18, 2021	$0.10	N/A(1)	$0.175	January 18, 2026

(1) As at January 18, 2021, the Company's Common Shares were not yet listed on any stock exchange and therefore there is no discernible closing price.

Securities Authorized for Issuance under Stock Option Plan

The only equity compensation plan which the Company has in place is the Stock Option Plan, the material terms of which are set forth above. The following table sets out the Stock Option Plan information as at the date of this Listing Statement.

	Number of securities to be issued upon exercise of outstanding options	**Weighted-average exercise price**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))**
Equity compensation plans as approved by security holders	1,000,000	$0.10	Nil
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	**1,000,000**		**Nil**

Executive Consulting Agreements

There are presently no executive consulting agreements.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No officer, director, employee or former officer, director or employee of the Issuer (i) has been indebted to the Issuer at any time during the most recently completed financial year or is currently indebted to the Issuer for any purpose, or (ii) is the subject of a guarantee, support agreement (including, but is not limited to, an agreement to provide assistance in the maintenance or servicing of any indebtedness and an agreement to provide compensation for the purpose of maintaining or servicing any indebtedness of the borrower), letter of credit or other similar arrangement or understanding.

17. RISK FACTORS

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 contained in this Listing Statement. The risks described below and elsewhere in this Listing Statement 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.

Early Stage Status and Nature of Exploration

Except for the mineral resource estimates described in above this Listing Statement, any reference to potential quantities and/or grade is conceptual in nature, as there has been insufficient exploration to define any mineral resource and it is uncertain if further exploration will result in the determination of any mineral resource. Any information, including quantities and/or grade, described in this Listing Statement should not be interpreted as assurances of a potential resource or reserve, or of potential future mine life or of the viability or profitability of future operations.

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

The economics of exploring and developing mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of mining and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current planned exploration and development programs of the Company will result in economically viable or profitable commercial mining operations. The profitability of the Company's operations will be, in part, directly related to the costs and success of its exploration and development programs, which may be affected by a number of factors. Substantial expenditures are required to establish mineral reserves that are sufficient to support commercial mining operations and to construct, complete and install mining and processing facilities on those properties that are actually developed.

No assurance can be given that any particular level of recovery of minerals will be realized or that any potential quantities and/or grade will ever qualify as a mineral resource, or that any such mineral resource will ever qualify as a commercially viable (or mineable) deposit which can be legally and economically exploited. Where expenditures on a property have not led to the discovery of mineral reserves, incurred expenditures will generally not be recoverable.

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

For the financial year ended December 31, 2021, the Company had a net loss of approximately $96,563. 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 larger losses in future periods.

The exploration, development and operation of the Company 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 currently has no source of operating cash flow and will continue to remain cash flow negative for the foreseeable future. The Company's failure to achieve future profitability and positive operating cash flows would have a material adverse effect on its financial condition and results of operations. If the Company sustains losses over an extended period of time, it may be unable to continue its business. Further exploration, development and maintenance of claims for the Company Properties will require the commitment of substantial financial resources. It may be several years before the Company will generate any revenues from operations, if at all. There can be no assurance that the Company will realize revenue or achieve profitability.

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 source of capital is 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 securities as necessary. In the long term, the Company's ability to continue as a going concern is dependent upon continued access to capital markets. 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 its exploration activities, achieve mineral discoveries, and advance their development toward potential production.

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.

COVID-19 Global Pandemic

COVID-19 is an infectious disease caused by severe acute respiratory syndrome coronavirus 2. Since December 31, 2019, the outbreak of COVID-19 has led governments worldwide to enact emergency measures to combat the spread of the virus. These measures, which include, among other things, the implementation of travel bans, self-imposed quarantine periods and social distancing, have cause material disruption to businesses globally, resulting in an economic slowdown. Such events may result in a period of business disruption, and in reduced operations, any of which could have a material adverse impact on the Company's result of operations, financial condition and the market and trading price of the Company's securities.

As of the date of this Listing Statement, the duration and immediate and eventual impact of the COVID-19 pandemic remains unknown. In particular, 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. While the outbreak of COVID-19 has not caused disruptions to the Company's business, it may yet cause disruptions to the Company's business and operations plans. Such disruptions may result from (i) restrictions that governments and communities impose to address the COVID-19 global pandemic; (ii) restrictions that the

Company and its contractors and subcontractors impose to ensure the safety of employees and others; (iii) shortages of employees and/or unavailability of contractors and subcontractors; (iv) interruption of supplies from third parties upon which the Company relies; and/or (v) inability to raise capital due to the economic uncertainty caused by COVID-19. Further, it is presently not possible to predict the extent or durations of these disruptions. These disruptions may have a material adverse effect on the Company's business, financial condition and results of operations, which could be rapid and unexpected. These disruptions may severely impact the Company's ability to carry out its business plans.

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.

Limited operating history

Most mining exploration does not have positive results. The Company is an early stage company and the Company Properties are exploration stage properties. As such, the Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. The current early stage exploration stage of the Company Properties means it will require significant additional expenditures before any cash flow may, if ever, be generated. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. There is little probability of dividends ever being paid on the Common Shares.

The successful exploration and development of the Company Properties depends 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.

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 mineralized zones which, though present, are insufficient in size, grade or other factors to return a profit from production. The economic viability of any mineralization 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 great majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.

Base and precious metal prices are volatile and may be lower than expected

The Company's business and its ability to sustain operations are dependent on, amongst other things, the market price of various base and precious metals, particularly copper, gold and silver. Base and precious metal prices realized by the Company will affect future development decisions, production levels, earnings, cash flows, the financial condition and prospects of the Company. If the world market prices of base and precious metals were to drop and the prices realized by the Company on sales were to decrease significantly and remain at such level for any substantial period, the Company's business, financial condition, results of operations, cash flows and prospects would be negatively affected.

Some factors that affect the price of base and precious metals, include: industrial demand; forward or short sales by producers and speculators; future levels of production; and rapid short term changes in supply and demand due to speculative or hedging activities by producers, individuals or funds. Precious and base metal prices are also affected by macroeconomic factors including: confidence in the global economy; expectations of the future rate of inflation; the availability and attractiveness of alternative investment vehicles; the strength of, and confidence in, the US dollar, the currency in which the price of metals is generally quoted, and other major currencies; global political or economic events; and costs of production of other metal producing companies. All of the above factors can, through their interaction, affect the price of metals by increasing or decreasing demand or supply.

The prices of metals have fluctuated widely in recent years, and future material price declines could cause commercial production from the Company Properties or the development of, and commercial production from, the Company Properties to be less profitable than expected and could render such the property uneconomic. Conducting mining in a low metal price environment would have a material adverse effect on the Company's business, financial condition, results of operations, cash flows and prospects. Depending on the current and expected price of metals, projected cash flows from future mining operations may not be sufficient to warrant commencing mining, and the Company could be forced to discontinue exploration or development. The Company may be forced to sell one or more portions of the Company Properties to generate cash. Future production from the Company Properties will be dependent upon metal prices that are adequate to make a deposit economically viable. Furthermore, future mine plans using significantly lower metal prices could result in material write-downs of the Company's investment in the Company Properties, and in reductions in mineral reserve and mineral resource estimates. The occurrence of any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows and prospects.

A declining or sustained low price of metals could negatively impact the profitability of the Company Properties and could affect the Company's ability to finance the exploration and development of other properties in the future. In addition, a declining or sustained low price of metals could require a reassessment of the feasibility of the Company Properties. Although the price of metals is only one of the several factors that the Company will consider in making a development and production decision on the Company Properties, if the Company determines from a reassessment that the Company Properties is not economically viable in whole or in part, then operations may cease or be curtailed and the Company Properties may never be fully developed or developed at all. The occurrence of any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows and prospects.

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 Company Properties; (ii) personal injury or death; (iii) environmental damage to the Company Properties, 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 Company Properties 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.

The future price of the Common Shares will vary depending on factors unrelated to the Company's performance or intrinsic fair value

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

The Company's ability to discover commercial quantities of ore is unlikely

Exploration for base and precious metals is a highly speculative venture necessarily involving substantial risk. The programs proposed by the Company are exploratory in nature. There is no certainty that the planned exploration expenditures to be made by the Company described herein will result in discoveries of new zones of mineralization and, potentially, commercial quantities of ore. The Lordsburg Property and/or Chuchi South Project do not presently contain any known bodies of commercial ore.

Uncertainty of mineral reserve and mineral resource estimates

There are numerous uncertainties inherent in estimating quantities of mineral resources and reserves and grades of mineralization, including many factors beyond the Company's control. In making determinations about whether to advance any projects to development, the Company must rely upon estimates as to the mineral resources, reserves and grades of mineralization on the Company's properties. Until ore is actually mined and processed, mineral reserves and grades of mineralization must be considered as estimates only. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling which may prove to be unreliable. There is no assurance that mineral reserves, resources or other mineralization estimates will be accurate, or that mineralization can be mined or processed profitably. Any material changes in mineral reserves estimates and grades of mineralization will affect the economic viability of placing a property into production and a property's return on capital. The estimates of mineral reserves and mineral resources are determined and valued based on various assumptions including future prices, cut-off grades and operating costs and various geological and lithographical interpretations that may prove to be inaccurate.

Reliance on a Limited Number of Properties

The Company currently only holds rights to the Chuchi South Project and an interest in the Lordsburg Property. As a result, unless the Company acquires additional property interests, any adverse developments affecting the Lordsburg Property or the merit in exercising the option to acquire the Lordsburg Property is likely have an adverse effect upon the Company and would adversely affect the potential mineral resource development, profitability, financial performance and condition and results of the Company and its strategies and plans. While the Company may seek to acquire additional mineral properties that are consistent with its business objectives, there can be no assurance that the Company will be able to identify suitable additional mineral properties or, if it does identify suitable properties, that it will have sufficient financial resources to acquire such properties or that such properties will be available on terms acceptable to the Company or at all.

Potential exposure to foreign currency exchange rate fluctuations

Revenues and operating expenses outside of Canada are often denominated in local currencies. Additionally, as we expand our international operations, we repost our financial results in Canadian dollars. Therefore, fluctuations in the value of the Canadian dollar and foreign currencies may affect our results of operations when translated into Canadian dollars. We do not currently engage in currency hedging activities to limit the risk of exchange rate fluctuations. In the future, we may use derivative instruments, such as foreign currency forward and option contracts, to hedge certain exposures to fluctuations in foreign currency exchange rates. The use of such hedging activities may not offset any or more than a portion of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place. Moreover, the use of hedging instruments may introduce additional risks if we are unable to structure effective hedges with such instruments.

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 Lordsburg Property may be disputed

There is no guarantee that title to the Lordsburg Property 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. There is no guarantee that title to the Lordsburg Property 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 Lordsburg Property are held pursuant to an option agreement between Soloro Cobalt and Gold Corporation ("**Soloro**") and PPM dated October 7, 2020 whereby the Company must expend a total of $2,000,000 on activities related to the exploration and development of the Soloro Claims, as well as observe other obligations, in order to acquire up to a 100% interest in the Soloro Claims, subject to a 2% NSR royalty. The Company's interest in the Lordsburg Property are also subject to the Milestone Payments. See "Milestone Payment Rights". 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 Lordsburg Property.

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. There is no guarantee that title to the Chuchi South Project 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 licences

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 byproducts, 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 Company Properties. 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 Company Properties 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 Company Properties, 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 regulations 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.

Many competitors not only explore for and mine minerals, but conduct refining and marketing operations on a worldwide basis. In the future, the Company may also compete with such mining companies in refining and marketing its products to international markets. Any inability to compete with established competitors 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’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 Listing Statement). Although the Company intends 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.

Failures of information systems or information security threats can be costly

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

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

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 incurs increased costs as a result of complying with the reporting requirements, rules and regulations affecting public issuers

As a public issuer, the Company is 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.

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's ability to develop commercially marketable ore depends on variables that are unknown at this time

The grade of any ore ultimately mined from a mineral deposit may differ from that produced from drilling results. Production volumes and costs can be affected by such factors as the proximity and capacity of processing facilities, permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. Short-term factors relating to ore reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on the results of operations. Moreover, there can be no assurance that mineral recoveries achieved in small scale laboratory tests will be replicated under production scale conditions. Although precautions to minimize risks will be taken, processing operations are subject to hazards such as equipment failure or failure of tailings impoundment facilities, which may result in environmental pollution and consequent liability.

Changes in climate conditions may affect the Company's operations

A number of governments have introduced or are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Regulation relating to emission levels (such as carbon taxes) and energy efficiency is becoming more stringent. If the current regulatory trend continues, this may result in increased costs for the Company's operations.

In addition, the physical risks of climate change may also have an adverse effect on the Company's operations. These risks include the following:

- extreme weather events (such as prolonged drought) have the potential to disrupt operations at the Company Properties and may require the Company to make additional expenditures to mitigate the impact of such events; and

- the Company's facilities depend on regular supplies of consumables (diesel, tires, reagents, etc.) to operate efficiently. In the event that the effects of climate change or extreme weather events cause prolonged disruption to the delivery of essential commodities, productivity at the Company's operations may be reduced.

There can be no assurance that efforts to mitigate the risks of climate change will be effective and that the physical risks of climate change will not have an adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Regulatory requirements

Even if the Company Properties prove to host economic reserves of base or precious metals, factors such as governmental expropriation or regulation may prevent or restrict mining of any such deposits. Exploration and mining activities may be affected in varying degrees by government policies and regulations relating to the mining industry. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business.

Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of the Company Properties, environmental legislation and mine safety.

Contractual Risk

The Company's exploration activities are carried out by contractors who may not perform their work in a timely, cost-effective and efficient manner, resulting in program delays or negative program outcomes. Any delays or cost-overruns related to the Company's work program, or a negative program outcome, could have a materially adverse consequence on the economic viability of placing a property into production and a property's return on capital.

Infrastructure

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

Risks associated with acquisitions

If appropriate opportunities present themselves, the Company may acquire mineral claims, material interests in other mineral claims, and companies that the Company believes are strategic. Other than the Chuchi South Option Agreement and the Asset Purchase Agreement, the Company currently has no understandings, commitments or agreements with respect to any other material acquisition and no other material acquisition is currently being pursued. There can be no assurance that the Company will be able to identify, negotiate or finance future acquisitions successfully, or to integrate such acquisitions with its current business. The process of integrating an acquired company or mineral claims into the Company may result in unforeseen operating difficulties and expenditures and may absorb significant management attention that would otherwise be available for ongoing development of the Company's business. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities and/or amortization expenses related to goodwill and other intangible assets, which could materially adversely affect the Company's business, results of operations and financial condition.

Management

The success of the Company will be dependent upon the performance of its management and key employees. The loss of any key executive or manager of the Company may have an adverse effect on the future of the Company's business. The number of persons skilled in acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Company's business activity grows, it will require additional key financial, administrative, geologic and mining personnel as well as additional operations staff. There is no assurance that it will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increases. If the Company is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on its future cash flows, earnings, results of operations and financial condition.

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business.

The Company is subject to legal and political risks

Mineral exploration and mining activities may be affected in varying degrees by political instability, economic conditions, and changes in government regulations such as investment laws, tax laws, business laws, environmental laws and mining laws, affecting the Company's business. Government limitations, restrictions or requirements may be implemented. There can be no assurance that other countries' or states' political and economic policies in relation to the State of New Mexico, U.S.A, or the Province of British Columbia, Canada, as applicable, will not have adverse economic effects on the exploration, and potentially, the development of the Company's assets, including with respect to ability to access power, transportation, access construction labour, supplies and materials, and market conditions more generally.

The Company may be subject to claims or legal proceedings covering a wide range of matters that arise in the ordinary course of business activities, including relating to former employees. These matters may give rise to legal uncertainties or have unfavourable results. The Company may carry liability insurance coverage and mitigate risks that can be reasonably estimated; however, there is a risk that insurance may not be adequate to cover all possible risks arising from the Company's operations. In addition, the Company may be involved in disputes with other parties in the future that may result in litigation or unfavourable resolution which could materially adversely impact the Company's financial position, cash flow, results of operations, and reputation, regardless of the specific outcome.

Force Majeure

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

Influence of Third-Party Stakeholders

Some of the lands in which the Company holds an interest, or the exploration equipment and roads or other means of access which the Company intends to utilize in carrying out its work programs or general business activities, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims or do not consent to the Company carrying on activities on lands subject to their interests or claims, the Company's work programs may be delayed or prevented, even if such claims are not meritorious. Such claims or delays may result in significant financial loss and loss of opportunity for the Company.

The Company may need to enter into negotiations with landowners and other groups in local communities in British Columbia and/or New Mexico in order to conduct further exploration and development work on its properties. There is no assurance that future discussions and negotiations will result in agreements with landowners and other local community groups in these regions or if such agreements will be on terms acceptable to the Company so that the Company may continue to conduct exploration and development activities on these properties.

Management of Growth

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

Dilution

Financing the development of a mineral property through to production, should feasibility studies show it is recommended, would be expensive and the Company would require additional monies to fund development and exploration programs and potential acquisitions. The Company cannot predict the size of future issuances of Common Shares or the issuance of debt instruments or other securities convertible into Common Shares. Likewise, the Company cannot predict the effect, if any, that future issuances and sales of the Company's securities will have on the market and market price of the Common Shares. If the Company raises additional funds by issuing additional equity securities, such financing may substantially dilute the interests of existing shareholders. Sales of substantial numbers of the Company’s securities, or the availability of such the Company’s securities for sale, could adversely affect the market, liquidity and any prevailing market prices for the Company's securities.

Dividend Policy

No dividends on Common Shares have been paid by the Company to date. Payment of any future dividends will be at the discretion of the Board after taking into account many factors, including the Company's operating results, financial condition and current and anticipated cash needs. At this time, the Company has no source of cash flow and anticipates using all available cash resources towards its stated business objectives and retaining all earnings, if any, to finance its business activities.

Risk of Litigation

The Company may become involved in disputes with other parties in the future which may result in litigation or other legal proceedings. The results of legal proceedings cannot be predicted with certainty. If the Company is unable to resolve these disputes favourably, it may have a material adverse impact on the ability of the Company to carry out its business plan.

Internal Controls

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

18. PROMOTERS

No person who was a Promoter of the Company:

(a) received anything of value directly or indirectly from the Company;

(b) sold or otherwise transferred any asset to the Company within the last 2 years;

(c) is at of the date hereof, or was within 10 years before the date hereof, a director, CEO or CFO of any person or company that was the subject of a cease trade order or similar order or an order that denied the relevant person or company access to any statutory exemptions for a period of more than 30 consecutive days while that person was acting in the capacity as director, CEO or CFO;

(d) is at of the date hereof, or was within 10 years before the date hereof, a director, CEO or CFO of any person or company that was the subject of a cease trade order or similar order or an order that denied the relevant person or company access to any statutory exemptions for a period of more than 30 consecutive days that was issued after the person ceased to be a director, CEO or CFO and which resulted from an event that occurred while the person was acting in the capacity as director, CEO or CFO;

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

(f) has, within 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the person;

(g) has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority;

(h) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision; or

(i) has within the past 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets.

19. LEGAL PROCEEDINGS

19.1 Material Legal Proceedings and Regulatory Actions

As of the date of this Listing Statement, the Company is not a party to any legal proceedings or any regulatory actions. No legal proceedings are contemplated by the Company, and the Company is not aware of any material legal proceedings being contemplated against it.

The Company has not been subject to any penalties or sanctions imposed against it by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date of this Listing Statement.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

For purposes of this Listing Statement, “informed person” means:

(a) any director or executive officer of the Company;

(b) a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Company's outstanding Shares; and

(c) any associate or affiliate of any of the foregoing persons.

No informed person has had any material interest, direct or indirect, in any material transaction with the Company since its incorporation that has materially affected or is reasonably expected to materially affect the Company.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

Auditor

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

Transfer Agent and Registrar

The Company's 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.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audit services provided by DeVissar Gray LLP to ensure auditor independence. The following table sets out the aggregate fees billed to date by DeVisser Gray LLP for the audit fees and the tax fees for the years ended December 31, 2021 and 2020, for each category of fees described:

Time Period	Audit Fees(1)	Audit Related Fees(2)	Tax Fees(3)	All Other Fees(4)
Year ended December 31, 2021	Nil	Nil	Nil	Nil
Year ended December 21, 2020	$10,000	Nil	Nil	Nil

Notes:
(1)"Audit Fees" includes fees necessary to perform the annual audit of the Company's financial statements.
(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include reviewing interim financial statements and disclosure documents related to financings and other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
(3)"Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
(4) "All Other Fees" include all other non-audit services, the aggregate fees billed for products and services, other than the services reported under clauses (1), (2) and (3) above.

22. MATERIAL CONTRACTS

Except for contracts made 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 material to the Company. Copes 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.

- Asset Purchase Agreement;
- Agency Agreement;
- Chuchi South Option Agreement;
- 2021 Escrow Agreement;
- 2022 Escrow Agreement; and
- Stock Option Plan.

23. INTEREST OF EXPERTS

No person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Listing Statement or prepared or certified a report or valuation described in the Listing Statement:

(a) has received or will receive any direct or indirect interest in the property of the Company or of an associate, affiliate or Related Person of the Company;

(b) has beneficial ownership, direct or indirect, in any securities or property of the Company or of an associate, affiliate or Related Person of the Company; or

(c) is expected to elected, appointed or employed as a director, officer or employee of the Company or of any associate, affiliate or Related Person of the Company, nor is a director, officer or employee of a person or company referred to in this item, expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate, affiliate or Related Person of the Company.

24. OTHER MATERIAL FACTS

There are no other material facts that are not disclosed under the preceding items and that are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Issuer and its securities.

25. FINANCIAL STATEMENTS

The audited financial statements for the fiscal years ended December 31, 2021 and 2020 are attached as Schedule A, and the unaudited financial statements for the interim period ended March 31, 2022 are attached as Schedule B.

The unaudited pro forma financial statements for the three months ended March 31, 2022, and for the year ended December 31, 2021 are attached as Schedule C.

Additional historical financial statements for the Issuer can be found under the Issuer's profile on SEDAR.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, American Copper Development Corporation. (the "**Issuer**") hereby applies for the listing of its common shares on the CSE. The foregoing contains full, true and plain disclosure of all material information relating to the Issuer. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, B.C., this 26th day of August, 2022.

"Gerhard Daniel Schieber"	*"Blaine Bailey"*
Gerhard Daniel Schieber Chief Executive Officer	Blaine Bailey Chief Financial Officer
"Rick Van Nieuwenhuyse"	*"James Walchuck"*
Rick Van Nieuwenhuyse Director	James Walchuck Director

Schedule A
Annual Financial Statements and MD&A for the year ended December 31, 2021

[Attached]

CIRRUS GOLD CORP.

FINANCIAL STATEMENTS

DECEMBER 31, 2021

(Expressed in Canadian Dollars)

DeVISSER GRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

401-905 West Pender St
Vancouver BC V6C 1L6
t 604.687.5447
f 604.687.6737

Independent Auditor's Report

To the Shareholders 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 statements of financial position as at December 31, 2021 and 2020, and the statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the year ended December 31, 2021 and the period from February 5, 2020 (date of incorporation) 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, 2021 and 2020 and its financial performance and its cash flows for the year ended December 31, 2021 and for the period from February 5, 2020 (date of incorporation) 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. is generating negative cash flows from operating activities and has an accumulated operating deficit of $168,511 as at December 31, 2021. 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, to consider whether the other information is materially inconsistent with either 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 the going concern assumption and to 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 conducted 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.

De Visser Gray LLP

Chartered Professional Accountants

Vancouver, BC, Canada
April 28, 2022

CIRRUS GOLD CORP.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	December 31, 2021	December 31, 2020
ASSETS		
Current		
Cash	$ 194,657	$ 176,256
Prepaid expenses	4,515	-
GST receivable	11,455	-
	210,627	176,256
Exploration and evaluation assets (Note 3)	187,713	114,101
	$ 398,340	$ 290,357
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 4)	$ 12,214	$ 51,867
Non-current		
Deferred income taxes	-	5,088
	12,214	56,955
Shareholders' equity		
Share capital (Note 6)	474,306	275,350
Contributed surplus (Note 5, 6)	80,331	30,000
Deficit	(168,511)	(71,948)
	386,126	233,402
	$ 398,340	$ 290,357

Nature of operations and going concern (Note 1)
Subsequent events (Note 11)

On behalf of the Board
On April 28, 2022

"James Walchuck" Director   *"Stuart Ross"* Director

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

CIRRUS GOLD CORP.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	For the Year Ended December 31, 2021	From February 5, 2020 (date of incorporation) to December 31, 2020
EXPENSES		
Consulting fees	$ 30,000	$ 15,388
Office	2,570	564
Professional fees	20,773	17,830
Rent	6,000	3,078
Share-based compensation (Note 5,6)	32,020	30,000
Regulatory and transfer agent	10,288	-
	(101,651)	(66,860)
Deferred income tax recovered (expense)	5,088	(5,088)
Loss and comprehensive loss for the period	(96,563)	(71,948)
Loss per common share		
-Basic and diluted	$ (0.01)	$ (0.02)
Weighted average number of common shares outstanding		
-Basic and diluted	12,316,507	4,481,136

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

CIRRUS GOLD CORP.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	For the Year Ended December 31, 2021	From February 5, 2020 (date of incorporation) to December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (96,563)	$ (71,948)
Items not involving cash:		
Share-based compensation	32,020	30,000
Deferred income tax (recovery) expense	(5,088)	5,088
Changes in non-cash working capital items:		
Increase in GST receivable	(11,455)	-
Increase in prepaids	(4,515)	-
Increase (decrease) in accounts payable and accrued liabilities	(14,210)	26,030
Net cash used in operating activities	(99,811)	(10,830)
CASH FLOWS FROM INVESTING ACTIVITY		
Exploration and evaluation assets	(91,555)	(85,264)
Net cash used in investing activity	(91,555)	(85,264)
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from the issuance of shares, net of issue costs	209,767	272,350
Net cash provided by financing activity	209,767	272,350
Net increase in cash during the period	18,401	176,256
Cash, beginning of the period	176,256	-
Cash, end of the period	$ 194,657	$ 176,256

Supplemental disclosure with respect to cash flows (Note 7)

CIRRUS GOLD CORP.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Expressed in Canadian Dollars)

	Share Capital								
	Number of shares		Amount		Contributed Surplus		Deficit		Total
Incorporation February 5, 2020	-	$	-	$	-	$	-	$	-
Shares issued for cash	10,475,000		290,500		-		-		290,500
Share issue costs	-		(18,150)		-		-		(18,150)
Shares issued pursuant to option agreement	150,000		3,000		-		-		3,000
Share-based compensation	-		-		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
Shares issued pursuant to option agreement (Note 3)	150,000		7,500		-		-		7,500
Shares issued for cash	3,500,000		350,000		-		-		350,000
Share issue costs	-		(150,233)		-		-		(150,233)
Agent warrants	-		(18,311)		18,311		-		-
Commission shares	100,000		10,000		-		-		10,000
Share-based compensation (Notes 5, 6)	-		-		32,020		-		32,020
Loss for the year	-		-		-		(96,563)		(96,563)
Balance, December 31, 2021	14,375,000	$	474,306	$	80,331	$	(168,511)	$	386,126

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 2710 – 200 Granville Street 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, 2021, the Company has generated negative cash flows from operating activities and has an accumulated deficit of $168,511. 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

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 April 28, 2022.

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 share 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.

<u>Economic recoverability and probability of future economic benefits of exploration and evaluation assets</u>
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.

<u>Valuation of share-based compensation</u>
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 compensation

The fair value of options or compensatory warrants granted is recognized as a share-based compensation 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 compensation 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.

(Expressed in Canadian Dollars)

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 periods 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.

Future changes in accounting policy

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended December 31, 2021 and have not been applied in preparing the financial statements. These new standards are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. EXPLORATION AND EVALUATION ASSETS

	2021	2020
Balance at the beginning of the year	$ 114,101	$ -
Acquisition costs:		
Cash	25,000	7,260
Shares	7,500	3,000
	32,500	10,260
Deferred exploration costs:		
Geological	-	5,593
Geophysical	-	20,101
Consulting	25,521	40,905
Report preparation	-	10,920
Assay	3,775	8,804
Field	11,816	17,518
Total expenditures for the year	41,112	103,841
Balance December 31,	**$ 187,713**	$ 114,101

(Expressed in Canadian Dollars)

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 Omineca 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 (** - Actual *** – Future requirement)	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		(**) 64,570	150,000
On or before February 13, 2022(*)		30,000		(**) 54,145	200,000
On or before February 13, 2023		50,000		(***) 231,285	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

* *extended to March 31, 2022. Subsequent to year-end, this option payment was made and the shares issued. An aggregate of $81,285 in deficient exploration expenditures were also added to the current commitment to be completed by February 13, 2023 ($231,285).*

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 February 13, 2028 and each subsequent anniversary 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. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		December 31, 2021		December 30, 2020
Trade payables	$	2,214	$	45,867
Accrued liabilities		10,000		6,000
	$	12,214	$	51,867

5. 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.

5. RELATED PARTY TRANSACTIONS (cont'd…)

The Company incurred share-based compensation of $27,217 with key management personnel during year ended December 30, 2021 (December 31, 2020 - $30,000).

6. SHARE CAPITAL AND RESERVES

Authorized – Unlimited common shares without par value

During the year ended December 31, 2021, the Company had the following share capital transactions:

(1) On February 10, 2021, the Company issued 150,000 common shares at a price of $0.05 per common share for the acquisition of exploration and evaluation assets at a value of $7,500.

(2) On July 26, 2021, the Company completed its Initial Public Offering and issued 3,500,000 common shares at a price of $0.10 per share for gross proceeds of $350,000. In connection with the offering, the Company paid the agent a cash finders fees of $35,000, issued 350,000 agent warrants valued at $18,311 and paid cash corporate finance fee of $30,000 and issued 100,000 common shares valued at $10,000. Each agent warrant is exercisable at an exercise price of $0.10 per agent warrant to July 26, 2023. Additional share issue costs of $75,233 were incurred in connection with this financing, and was recorded as an offset to share capital, as share issue costs.

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.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL AND RESERVES (cont'd…)

Escrow Shares

At December 31, 2021, there were 1,800,000 (December 31, 2020 – Nil) shares held in escrow with the Company's registrar and transfer agent. The common shares are subject to timed releases as follows:

- 10% released upon the date of listing on the CSE (listed on July 21, 2021)
- 15% released every six months thereafter until all escrow shares have been released (thirty-six months following the date of listing on the CSE).

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 December 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, 2026	4.06

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 December 31, 2021	1,000,000	$ 0.10

During the year ended December 31, 2021, the Company recognized share-based payments expense of $32,020 (December 31, 2020 - $Nil) 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 period ended as follows:

	December 31, 2021
Risk-free interest rate	0.42%
Expected life of options	5.00
Annualized volatility	100%
Dividend rate	0%

(Expressed in Canadian Dollars)

6. SHARE CAPITAL AND RESERVES (cont'd…)

Warrants

The following common shares purchase warrants entitle the holder thereof to purchase one common share for each warrant. Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
As at December 31, 2020	-	$ -
Granted	350,000	0.10
As at December 31, 2021	350,000	$ 0.10

The weighted average remaining contractual life of warrants outstanding as at December 31, 2021 was 1.57 (December 31, 2020 – Nil years).

Warrants outstanding are as follows:

Number of Shares	Exercise Price	Expiry Date
350,000	$ 0.10	July 26,2023
350,000		

The weighted average Black-Scholes inputs are as follows:

	December 31, 2021
Expected life of warrants	2
Annualized volatility	100%
Dividend rate	-
Discount rate	0.46%

7. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the year ended December 31, 2021;

- exploration and evaluation assets expenditures included in accounts payable at December 31, 2021 are $394.

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.

8. 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:

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

- 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 December 31, 2021, the Company had cash balance of $194,657 to settle current liabilities of $12,214. The Company was not exposed to liquidity risk at that date, however, if and as additional financing is required, failure to obtain it on a timely, acceptable basis may cause the Company to postpone exploration plans or to reduce or terminate its operations.

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.

(Expressed in Canadian Dollars)

9. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		2021		2020
Loss for the period before tax	$	(101,651)	$	(66,860)
Statutory tax rate		28%		27%
Expected income tax recovery	$	(28,462)	$	(18,052)
Non-deductible permanent differences		12,419		28,040
Impact of tax rate changes		188		-
Share issuance costs		(42,065)		(4,901)
Deferred assets not recognized		52,832		
Total income tax expense (recovery)	$	(5,088)	$	5,088

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

	2021		2020
Deferred Tax Liabilities			
Exploration and evaluation assets carrying amounts in excess of tax pools	(24,132)	$	(19,940)
Non-capital loss carry forwards and share issue costs	76,964		14,852
Net deferred tax liabilities	52,832	$	(5,088)

Subject to certain restrictions, the Company has exploration and evaluation expenditures at December 31, 2021 of approximately $102,000 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 $144,000. The non-capital losses, if not utilized, will start to expire in 2041. 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.

10. 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.

11. SUBSEQUENT EVENTS

The Company has entered into a binding letter agreement (the "LOI") with Pyramid Peak Mining LLC., a wholly-owned subsidiary of Waterton Precious Metals Fund II Cayman LP, ("PPM") and Mason Resources (US) Inc., a wholly owned subsidiary of Hudbay Minerals Inc. ("Hudbay"), whereby Cirrus would acquire from the vendors adjacent mineral property interests located in the state of New Mexico (collectively, the 'Lordsburg property') for the following consideration:

- Issue to Hudbay the greater of 9.86 million (pre-consolidation) common shares of Cirrus and 12 per cent of the pro forma capitalization of Cirrus following the concurrent equity offering.

- Issue to PPM the greater of 18 million (pre-consolidation) Cirrus shares and 19.99 per cent of the pro forma capitalization of Cirrus following the concurrent equity offering, plus $500,000 in cash.

- The granting of a net smelter royalty as follows:
  - On the lands purchased from PPM (except for certain excluded claims subject to pre-existing royalties), a 2-per-cent NSR will be payable, with PPM to receive a 1.5-per-cent NSR and Hudbay 0.5 per cent. Each of these will be subject to a buyback provision whereby half of each royalty (0.75 per cent and 0.25 per cent respectively) can be purchased by Cirrus for $5-million ($3.75-million to PPM and $1.25-million to Hudbay).

  - On the lands purchased from Hudbay, a 2-per-cent NSR will be payable, with Hudbay to receive a 1.5-per-cent NSR and PPM 0.5 per cent. Each of these will be subject to a buyback provision whereby half of each royalty (0.75 per cent and 0.25 per cent respectively) can be purchased by Cirrus for $5-million ($3.75-million to Hudbay and $1.25-million to PPM).

  - In each case, the buyback right will be exercisable until the earlier of 10 years from closing or the commencement of commercial production on the Lordsburg property.

- Milestone payments will be made to PPM as follows;
  - The first milestone payment due 12 months from closing $500,000 cash and $500,000 in post-consolidation shares);

  - The second milestone payment due 24 months from closing ($750,000 cash and $750,000 in post-consolidation shares);

  - The final milestone payment due 36 months from closing ($1.25-million in cash and $1.25-million in post-consolidation shares).

<u>Concurrent equity financing</u>
Cirrus intends to complete a best-efforts private placement at a price of $0.50 per post-consolidation share, for gross proceeds of $10,000,000, to finance Cirrus's proposed exploration activities on the Lordsburg property, and for general administrative and working capital.

<u>Share consolidation</u>
Concurrent with the proposed transaction and financing, the Company will consolidate its issued and outstanding common shares on a two-for-one basis.

11. SUBSEQUENT EVENTS (cont'd…)

The LOI forms the basis from which the parties will negotiate and enter into a Definitive Agreement for the transaction (the "Definitive Agreement"). It is anticipated that the Definitive Agreement will contain standard representations, warranties, covenants and closing conditions for a transaction of this nature. The LOI governs the relationship between the parties in the event the Definitive Agreement is not entered into.

REPORT DATE:
APRIL 28, 2022

This Management Discussion and Analysis (the "MDA") provides relevant information on the operations of Cirrus Gold Corp. (the "Company") to the Report Date and the financial condition of the Company for the year ended December 31, 2021.

This document contains forward looking statements. Please see section "*Forward-Looking Statements*".

This MDA should be read in conjunction with the Company's financial statements and notes thereto for the year ended December 31, 2021 and dated April 28, 2022.

The Company completed its Initial Public Offering on the Canadian Securities Exchange ("CSE") under the symbol ("CI"). The Company issued 3,500,000 common shares at a price of $0.10 per share for gross proceeds of $350,000. The Company paid an agent a 10% cash commission, a $40,000 corporate finance fee, of which $10,000 was payable in common shares of the Company, and the agent received warrants to acquire up to 350,000 common shares at a price of $0.10 per share, exercisable on or before July 26, 2023.

The Company is in the business of mineral exploration. Activities include the evaluation, acquisition and exploration of mineral exploration properties, for the purpose of discovering an economic mineral deposit. The current focus is the Chuchi South Project in British Columbia, Canada. The realization of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves and future profitable production or proceeds from the disposition of these assets. The carrying values of exploration and evaluation assets do not necessarily reflect their present or future values.

All monetary amounts in this MDA and in the financial statements are expressed in Canadian dollars, unless otherwise stated. Financial results are being reported in accordance with International Financial Reporting Standards ("IFRS").

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which is it was made, with respect to the period covered by these filings, and these financial statements together with other financial information included in these filings. The Board of Directors approves the financial statements and MDA and ensures that management has discharged its financial responsibilities.

The Company's head office is located at 2710 – 200 Granville Street, Vancouver, BC, and its registered and records office is located at #2600 – 1066 West Hastings Street, Vancouver, B.C. The Company was incorporated under the Business Corporations Act (British Columbia) on February 5, 2020. To date,the Company has not earned operating revenue.

OVERALL PERFORMANCE

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 Omineca 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 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 an 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, 2021:

		Chuchi South
Balance December 31, 2020	$	114,101
Acquisition costs:		
Cash		25,000
Shares		7,500
		32,500
Deferred exploration costs:		
Consulting		25,521
Assay		3,775
Field		11,816
Total expenditures for the year		41,112
Balance December 31, 2021	**$**	**187,713**

Future Plans

In relation to the Property, the Company currently plans to follow recommendations made in the Technical Report. A two-phase exploration program was recommended. Phase 1 includes a 20-line kilometer IP survey over the Coho Zone coupled with additional mapping and prospecting on 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. Historical soil geochemistry has been compiled and the recommended mapping/prospecting was completed in September 2021. 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.

QUALIFIED PERSONS

James Walchuck P.Eng., the Company's President and Chief Executive Officer and a Director and a "Qualified Person" as defined by NI 43-101, has reviewed the scientific and technical information that forms the basis for the mineral property disclosure in this MDA and has approved the disclosure herein. Mr. Walchuck is not independent of the Company, as he is an Officer and Director of the Company.

SELECTED ANNUAL INFORMATION

The following selected financial data have been prepared in accordance with IFRS unless otherwise noted and should be read in conjunction with the Company's financial statements. The following table sets forth selected financial data for the Company since incorporation.

Financial Year Ended	**December 31, 2021**	**From February 5, 2020 (date of incorporation) to December 31, 2020**
Net comprehensive loss	$ (95,563)	$ (71,948)
Loss per share – basic and diluted	$ (0.01)	$ (0.02)
Exploration and evaluation assets	$187,713	$114,101
Total assets	$ 398,340	$ 290,357
Working capital	$ 198,413	$ 124,389

During fiscal 2021, the Company issued 3,500,000 common shares for gross proceeds of $350,000 and incurred share issue costs of $150,233. The Company incurred exploration and evaluation expenditures of $66,112 and expenses of $101,651, which included consulting fees of $30,000, share based compensation of $32,020, professional fees of $20,773 and other of $18,858.

During fiscal 2020, the Company issued 10,475,000 common shares for gross proceeds of $290,500 and incurred share issue costs of $18,150. The Company incurred exploration and evaluation expenditures of $111,101 and expenses of $66,860, which included consulting fees of $15,388, share based compensation of $30,000, professional fees of $17,830 and other of $3,642.

<u>Overview – 2021</u>

Results of Operations for the years ended December 31, 2021.

This review of the Results of Operations should be read in conjunction with the financial statements of the Company for the year ended December 31, 2021.

During the year ended December 31, 2021, the Company incurred a net loss of $96,563 (2020 – $71,948).

The following discussion explains the variations in key components of these numbers but, as with most junior mineral exploration companies, the results of operations are not the main factor in establishing the financial health of the Company. Of far greater significance are the mineral properties in which the Company has, or may earn, an interest, its working capital and how many shares it has outstanding. Quarterly results can vary significantly depending on whether the Company has abandoned any properties or granted any stock options.

Twelve Months ended December 31, 2021 compared to Twelve months ended December 31, 2020

The Company's general and administrative costs were $101,651 (2020 - $66,860), and reviews of the major items are as follows:

- Consulting fees of $30,000 (2020 - $15,388) consisting of office administration;

- Professional fees of $20,773 (2020 - $17,830) consisting of legal of $5,873 (2020 - $11,830) and accounting and audit of $14,900 (2020 - $6,000);

- Regulatory and transfer agent fees of $10,288 (2020 - $Nil) which consisted of regulatory of $9,398 (2020 - $Nil) for initial filing fee on the CSE and monthly maintenance fees and transfer agent fees of $890 (2020 - $Nil); and

- Share-based compensation of $32,020 (2020 - $30,000) for options issued during the period and in 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.

SUMMARY OF QUARTERLY RESULTS

The following selected financial data have been prepared in accordance with IFRS and should be read in conjunction with the Company's financial statements. The following is a summary of selected financial data for the Company for its seven completed financial quarters ended December 31, 2021.

Quarter Ended Amounts in 000's	**Dec. 31, 2021**	**Sept. 30, 2021**	**June 30, 2021**	**Mar. 31, 2021**	**Dec. 31, 2020**	**Sept. 30, 2020**	**June 30, 2020**	**Mar. 31, 2020**
Net loss	(25)	(19)	(17)	(36)	(32)	(7)	(-)	(33)
Earnings (loss) per share – basic and diluted	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.01)
Total assets	398	410	269	243	290	97	39	37
Working capital(deficit)	198	263	73	79	124	51	2	(18)

During the quarter ended December 31, 2021, the Company had general and administrative expenditures of $24,285 and property expenditures of $41,112.

During the quarter ended September 30, 2021, the Company completed its initial public offering and received gross proceeds of $350,000 and had share issuance costs of $150,233 and had general and administrative expenditures of $18,747.

During the quarter ended June 30, 2021, the Company had general and administration expenditures of $17,396.

During the quarter ended March 31, 2021, the Company had general and administration expenditures of $41,223 including $32,020 in share-based compensation and exploration and evaluation expenditures of $25,000.

During the quarter ended December 31, 2020, the Company completed a private placement for gross proceeds of $185,000 and had general and administration expenditures of $26,981 and exploration and evaluation expenditures of $81,151.

During the quarter ended September 30, 2020, the Company completed a private placement net of subscription receipts received of $65,500 and had general and administration expenditures of $6,759.

During the quarter ended June 30, 2020, the Company received subscription receipts $20,000.

During the quarter ended March 31, 2020, the Company completed a private placement for gross proceeds of $10,000, received subscription receipts of $10,000, had general and administrative expenditures of $33,073 including $30,000 in share-based compensation and exploration and evaluation assets of $29,950.

Three Months ended December 31, 2021 compared to three months ended December 31, 2020

The Company's general and administrative costs were $24,285 (2020 - $26,981), and reviews of the major items are as follows:

- Consulting fees of $7,500 (2020 - $8,233) consisting of office administration;

- Professional fees of $11,568 (2020 - $8,302) consisting of legal of $1,568 (2020 - $2,302) and accounting and audit of $10,000 (2020 - $6,000); and

- Regulatory and transfer agent fees of $3,269 (2020 - $Nil) which consisted of regulatory of $2,379 (2020 - $Nil) for monthly maintenance fees and transfer agent fees of $890 (2020 - $Nil).

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2021, the Company had working capital of $198,413 (December 31, 2020 - $124,389).

Because of economic conditions, globally, there is uncertainty in capital markets and the Company anticipates that it and others in the mineral resource sector may have limited access to capital. Although the business and assets of the Company have not changed, investors have increased their risk premium and their overall equity investment has diminished. The Company continually monitors its financing alternatives and expects to increase its treasury through private placements to support and bolster its exploration activities.

The quantity of funds to be raised and the terms of any equity financing that may be undertaken will be negotiated by management as opportunities to raise funds arise. There can be no assurance that such funds will be available on favorable terms, or at all.

During fiscal 2021

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.

On July 26, 2021, the Company completed its Initial Public Offering and issued 3,500,000 common shares at a price of $0.10 per share for gross proceeds of $350,000. The Company paid cash finders fees of $35,000, issued 350,000 agent warrants valued at $18,311 and paid cash corporate finance fee of $30,000 and issued 100,000 common shares valued at $10,000. Each agent warrant is exercisable at an exercise price of $0.10 per agent warrant to July 26, 2023. Additional share issue costs of $75,233 were incurred in connection with this financing, and was recorded as an offset to share capital, as share issue costs.

Subsequent to December 31, 2021, the Company issued 200,000 common shares for the Chuchi property option agreement.

During fiscal 2020

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.

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.

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 at a value of $3,000.

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.

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.

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 no long-term debt obligations.

SHARE CAPITAL

(a) As of the date of the MDA the Company has 14,575,000 issued and outstanding common shares. The authorized share capital is unlimited no-par value common shares.

(b) As at the date of the MDA the Company has 1,000,000 incentive stock options outstanding.

(c) As at the date of the MDA the Company has 350,000 share purchase warrants.

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 year ended December 31, 2021.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

INVESTOR RELATIONS

The Company has no investor relations contracts and James Walchuck, CEO and President, handles any matters in regard to investor relations.

PROPOSED TRANSACTIONS

The Company has entered into a binding letter agreement (the "LOI") with Pyramid Peak Mining LLC., a wholly owned subsidiary of Waterton Precious Metals Fund II Cayman LP, ("PPM") and Mason Resources (US) Inc., a wholly owned subsidiary of Hudbay Minerals Inc. ("Hudbay"), whereby Cirrus would acquire from the vendor adjacent mineral property interests, located in the state of New Mexico (collectively the Lordsburg property) for the following consideration:

- Issue to Hudbay the greater of 9.86 million (pre-consolidation) common shares of Cirrus and 12 per cent of the pro forma capitalization of Cirrus following the concurrent equity offering.

- Issue to PPM the greater of 18 million (pre-consolidation) Cirrus shares and 19.99 per cent of the pro forma capitalization of Cirrus following the concurrent equity offering, plus $500,000 in cash.

- The granting of a net smelter royalty as follows:
  - On the lands purchased from PPM (except for certain excluded claims subject to pre-existing royalties), a 2-per-cent NSR will be payable, with PPM to receive a 1.5-per-cent NSR and Hudbay 0.5 per cent. Each of these will be subject to a buyback provision whereby half of each royalty (0.75 per cent and 0.25 per cent respectively) can be purchased by Cirrus for $5-million ($3.75-million to PPM and $1.25-million to Hudbay).

  - On the lands purchased from Hudbay, a 2-per-cent NSR will be payable, with Hudbay to receive a 1.5-per-cent NSR and PPM 0.5 per cent. Each of these will be subject to a buyback provision whereby half of each royalty (0.75 per cent and 0.25 per cent respectively) can be purchased by Cirrus for $5-million ($3.75-million to Hudbay and $1.25-million to PPM).

  - In each case, the buyback right will be exercisable until the earlier of 10 years from closing or the commencement of commercial production on the Lordsburg property.

- Milestone payments will be made to PPM as follows;
  - The first milestone payment due 12 months from closing $500,000 cash and $500,000 in post-consolidation shares);

  - The second milestone payment due 24 months from closing ($750,000 cash and $750,000 in post-consolidation shares);

  - The final milestone payment due 36 months from closing ($1.25-million in cash and $1.25-million in post-consolidation shares).

Concurrent equity financing

Cirrus intends to complete a best-efforts private placement at a price of $0.50ts per post-consolidation share, for gross proceeds of $10,000,000, to finance Cirrus's proposed exploration activities on the Lordsburg property, and for general administrative and working capital.

Share consolidation

Concurrent with the proposed transaction and financing, the Company will consolidate its issued and outstanding common shares on a two-for-one basis.

The LOI forms the basis from which the parties will negotiate and enter into a Definitive Agreement for the transaction (the “Definitive Agreement”). It is anticipated that the Definitive Agreement will contain standard representations, warranties, covenants and closing conditions for a transaction of this nature. The LOI governs the relationship between the parties in the event the Definitive Agreement is not entered into.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company’s financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of assets and liabilities at the date of the financial statements, and the reported amounts of expenses during the reporting year. Areas requiring the use of estimates in the preparation of the Company’s financial statements the carrying value and the recoverability of the exploration and evaluation assets included in the Statement of Financial Position, the assumptions used to determine the fair value of share-based payments in the Statement of Comprehensive Loss, and the estimated amounts of reclamation and environmental obligations. Management believes the estimates used are reasonable; however, actual results could differ materially from those estimates and, if so, would impact future results of operations and cash flows.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

There were no changes in the Company's significant accounting policies during the year ended December 31, 2021 that had a material effect on its financial statements. The Company's significant accounting policies are disclosed in Note 2 to its audited annual financial statements for the year ended December 31, 2021.

NEW STANDARDS AND INTERPRETATIONS

Future changes in accounting policy

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended December 31, 2021, and have not been applied in preparing the financial statements. These new standards are either not applicable or are not expected to have a significant impact on the Company's financial statements.

RISKS AND UNCERTAINTIES

The Company's business is mineral exploration. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, mineral prices, political, and economic.

The Company will take steps to verify the title to any properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties. These procedures do not guarantee the Company's title. Property titles may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects or changes in government policy and regulations.

The Company has no significant sources of operating cash flow and no revenue from operations. Additional capital will be required to fund the Company's exploration program. The sources of funds available to the Company are the sale of equity capital or the offering of an interest in its project to another party. There is no assurance that it will be able to obtain adequate financing in the future or that such financing will be advantageous to the Company.

The property interests to be owned by the Company or in which it may acquire an option to earn an interest are in the exploration stages only, are without known bodies of commercial minerals and have no ongoing operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into production. If the Company's efforts do not result in any discovery of commercial minerals, the Company will be forced to look for other exploration projects or cease operations.

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. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties in which it previously had no interest. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liabilities to the Company.

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.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial risk factors

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 receivables, and 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 counter party'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 receivables is remote as they are due from the Government of Canada. The Company's cash is deposited in accounts held at a large financial institution in Canada. As such, the Company believes the credit risk with cash is remote. Receivables comprise input tax receivables due from the Government of Canada. The Company has no debt and considers the credit risk of receivables to be low.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have enough liquidity to meet liabilities when due. As of December 31, 2021, the Company had a cash balance of $194,657 (December 31, 2020 - $176,256) to settle current liabilities of $12,214 (December 31, 2020 - $51,867). All the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

The Company intends to raise additional equity financing in the coming fiscal year to meet its obligations.

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. The Company has no debt and is not subject to significant exposure to interest rate risk.

Foreign currency risk

The Company is not exposed to foreign currency risk on fluctuations related to assets and liabilities that are denominated in foreign currencies.

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, the ability to obtain financing, or the ability to obtain a public listing 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.

CAPITAL MANAGEMENT

The Company defines capital that it manages as shareholders' equity, consisting of issued common shares, stock options and warrants included in reserve, and subscriptions receivable.

The Company manages its capital structure and adjusts it, based on the funds available to the Company, to support the acquisition, exploration and development 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 properties in which the Company currently has an interest is in the exploration stage as such the Company has historically relied on the equity markets to fund its activities. The Company will also assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient economic potential and if it has, or as access to 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 we no changes to the Company's approach to capital management during the year.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian and U.S. securities legislation. These statements relate to future events or the future activities or performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. Information concerning mineral resource/reserve estimates and the economic analysis thereof contained in preliminary economic analyses or prefeasibility studies also may be deemed to be forward-looking statements in that they reflect a prediction of the mineralization that would be encountered, and the results of mining that mineralization, if a mineral deposit were developed and mined. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate, plans and similar expressions, or which by their nature refer to future events. These forward-looking statements include, but are not limited to, statements concerning:

- the Company's strategies and objectives, both generally and in respect of its specific mineral properties or exploration and evaluation assets;
- the timing of decisions regarding the timing and costs of exploration programs with respect to, and the issuance of the necessary permits and authorizations required for, the Company's exploration programs;
- the Company's estimates of the quality and quantity of the resources and reserves at its mineral properties;
- the timing and cost of planned exploration programs of the Company and the timing of the receipt of result thereof;
- general business and economic conditions;
- the Company's ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations; and
- the Company's expectation that it will be able to add additional mineral projects of merit to its existing property portfolio.

Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Inherent in forward looking statements are risks and uncertainties beyond the Company's ability to predict or control, including, but not limited to, risks related to the Company's inability to raise the necessary capital to be able to continue in business and to implement its business strategies, to identify one or more economic deposits on its properties, variations in the nature, quality and quantity of any mineral deposits that may be located, variations in the market price of any mineral products the Company may produce or plan to produce, the Company's inability to obtain any necessary permits, consents or authorizations required for its activities, to produce minerals from its properties successfully or profitably, to continue its projected growth, and other risks identified herein under "Risk Factors".

The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results are likely to differ, and may differ materially, from those expressed or implied by forward looking statements contained in this MD&A. Such statements are based on several assumptions which may prove incorrect, including, but not limited to, assumptions about:

- the level and volatility of the price of commodities;
- general business and economic conditions;
- the timing of the receipt of regulatory and governmental approvals, permits and authorizations necessary to implement and carry on the Company's planned exploration;
- conditions in the financial markets generally;
- the Company's ability to attract and retain key staff;
- the nature and location of the Company's mineral exploration projects, and the timing of the ability to commence and complete the planned exploration programs; and
- the ongoing relations of the Company with its regulators.

These forward-looking statements are made as of the date hereof and the Company does not intend and does not assume any obligation, to update these forward-looking statements, except as required by applicable law. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations. The current state of the global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to sustain operations.

APPROVAL

The Board of Directors of the Company has approved the disclosures in this MDA.

ADDITIONAL SOURCES OF INFORMATION

Additional disclosures pertaining to the Company, including its most recent, financial statements, management information circular, material change reports, press releases and other information, are available on the SEDAR website at www.sedar.com. Readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.

Schedule B
Interim Financial Statements and MD&A for the period ended March 31, 2022

[Attached]

CIRRUS GOLD CORP.

INTERIM CONDENSED FINANCIAL STATEMENTS

MARCH 31, 2022
(Unaudited)

(Expressed in Canadian Dollars)

CIRRUS GOLD CORP.
INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian Dollars)

	March 31, 2022	December 31, 2021
ASSETS		
Current		
Cash	$ 50,756	$ 194,657
Prepaid expenses	6,014	4,515
Deferred transaction costs (Note 3)	180,645	-
GST receivable	12,714	11,455
	250,129	210,627
Exploration and evaluation assets (Note 4)	279,307	187,713
	$ 529,436	$ 398,340
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 5)	$ 220,391	$ 12,214
	220,391	12,214
Shareholders' equity		
Share capital (Note 7)	534,306	474,306
Contributed surplus (Note 6, 7)	80,331	80,331
Deficit	(305,592)	(168,511)
	309,045	386,126
	$ 529,436	$ 398,340

Nature of operations and going concern (Note 1)
Subsequent events (Note 11)

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, 2022	Three Months Ended March 31, 2021
EXPENSES		
Consulting	$ 9,000	$ 7,500
Investor relations	6,265	-
Office	336	103
Professional fees	28,242	11,635
Property investigation	85,410	-
Regulatory fees	2,840	-
Rent	4,988	1,500
Share-based compensation (Note 6, 7)	-	32,020
Loss and comprehensive loss before income taxes	(137,081)	(52,758)
Deferred income tax expense recovered	-	5,088
Loss and comprehensive loss for the period	$ (137,081)	$ (47,670)
Loss per common share		
-Basic and diluted	$ (0.01)	$ (0.00)
Weighted average number of common shares outstanding		
-Basic and diluted	14,483,889	10,706,667

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

CIRRUS GOLD CORP.
INTERIM CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)
(Expressed in Canadian Dollars)

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
CASH FLOWS TO OPERATING ACTIVITIES		
Loss for the period	$ (137,081)	$ (47,670)
Items not involving cash:		
Share-based compensation	-	32,020
Deferred income tax expense recovered	-	(5,088)
Changes in non-cash working capital items:		
Increase in accounts receivable	(1,259)	(995)
Increase in prepaids	(1,499)	-
Increase (Decrease) in accounts payable and accrued liabilities	26,332	(7,963)
Net cash used in operating activities	(113,507)	(29,696)
CASH FLOWS TO INVESTING ACTIVITY		
Exploration and evaluation assets	(30,394)	(50,837)
Net cash used in investing activity	(30,394)	(50,837)
Net decrease in cash during the period	(143,901)	(80,533)
Cash, beginning of the period	194,657	176,256
Cash, end of the period	$ 50,756	$ 95,723

Supplemental disclosure with respect to cash flows (Note 8)

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

CIRRUS GOLD CORP.
INTERIM CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)
(Expressed in Canadian Dollars)

	Share Capital								
	Number of shares		Amount		Contributed Surplus		Deficit		Total
Balance, December 31, 2020	10,625,000	$	275,350	$	30,000	$	(71,948)	$	233,402
Shares issued pursuant to option agreement (Note 4)	150,000		7,500		-		-		7,500
Share-based compensation (Note 6, 7)	-		-		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
Shares issued for cash	3,500,000		350,000		-		-		350,000
Share issue costs	-		(150,233)		-		-		(150,233)
Agent warrants	-		(18,311)		18,311		-		-
Commission shares	100,000		10,000		-		-		10,000
Loss for the period	-		-		-		(48,893)		(48,893)
Balance, December 31, 2021	14,375,000	$	474,306	$	80,331	$	(168,511)	$	386,126
Shares issued pursuant to option agreement (Note 4)	200,000		60,000		-		-		60,000
Loss for the period	-		-		-		(137,081)		(137,081)
Balance, March 31, 2022	14,575,000	$	534,306	$	80,331	$	(305,592)	$	309,045

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, 2022, the Company has generated negative cash flows from operating activities and has an accumulated deficit of $305,592. 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

The Board of Directors of the Company approved the condensed interim financial statements on May 30, 2022.

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 International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. The condensed interim financial statements do not include all note disclosures required by IFRS for annual financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2021, which have been prepared in accordance with IFRS as issued by the IASB. In the opinion of management, all adjustments considered necessary for fair presentation of the Company’s financial position, results of operations and cash flows have been included. Operating results for the three-month period ended March 31, 2022 are not necessarily indicative of the results that may be expected for the year ending December 31, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

These condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as held-for-trading, which are stated at their fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting. These condensed interim financial statements are prepared in Canadian dollars.

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 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. DEFERRED TRANSACTION COSTS

The Company has entered into a binding letter agreement (the "LOI") with Pyramid Peak Mining LLC., a wholly-owned subsidiary of Waterton Precious Metals Fund II Cayman LP, ("PPM") and Mason Resources (US) Inc., a wholly owned subsidiary of Hudbay Minerals Inc. ("Hudbay"), whereby Cirrus would acquire from the vendors adjacent mineral property interests located in the state of New Mexico (collectively, the 'Lordsburg property'). The Company has incurred acquisition and financing costs of $180,645 and were recorded as deferred transaction costs during the period ended March 31, 2022.

4. EXPLORATION AND EVALUATION ASSETS

	March 31, 2022	**December 31, 2021**
Balance at the beginning of the period	$ 187,713	$ 114,101
Acquisition costs:		
Cash	30,000	25,000
Shares	60,000	7,500
	90,000	32,500
Deferred exploration costs:		
Consulting	1,594	25,521
Assay	-	3,775
Field	-	11,816
Total expenditures for the period	1,594	41,112
Balance at the end of the period	**$ 279,307**	**$ 187,713**

(Expressed in Canadian Dollars)

4. 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 Omineca 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 (** - Actual *** – Future requirement	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		(**) 64,570	150,000
On or before February 13, 2022(paid, incurred* and issued)		30,000		(**) 54,145	200,000
On or before February 13, 2023		50,000		(***) 231,285	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

(*) An aggregate of $81,285 in deficient exploration expenditures were also added to the current commitment to be completed by February 13, 2023 ($231,285).

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.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		March 31, 2022		**December 31, 2021**
Trade payables	$	205,391	$	2,214
Accrued liabilities		15,000		10,000
	$	220,391	$	12,214

6. 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 $Nil (2021 - $27,217) with key management personnel during the period ended March 31, 2022.

7. SHARE CAPITAL AND RESERVES

Authorized – Unlimited common shares without par value

During the period ended March 31, 2022, the Company had the following share capital transactions:

(1) On February 10, 2022, the Company issued 200,000 common shares at a price of $0.30 per common share for the acquisition of exploration and evaluation assets at a value of $60,000.

During the year ended December 31, 2021, the Company had the following share capital transactions:

(2) On February 10, 2021, the Company issued 150,000 common shares at a price of $0.05 per common share for the acquisition of exploration and evaluation assets at a value of $7,500.

(3) On July 26, 2021, the Company completed its Initial Public Offering and issued 3,500,000 common shares at a price of $0.10 per share for gross proceeds of $350,000. In connection with the offering, the Company paid the agent a cash finders fees of $35,000, issued 350,000 agent warrants valued at $18,311 and paid cash corporate finance fee of $30,000 and issued 100,000 common shares valued at $10,000. Each agent warrant is exercisable at an exercise price of $0.10 per agent warrant to July 26, 2023. Additional share issue costs of $75,233 were incurred in connection with this financing, and was recorded as an offset to share capital, as share issue costs.

Escrow Shares

At March 31, 2022, there were 1,500,000 (December 31, 2021 – 1,800,000) shares held in escrow with the Company's registrar and transfer agent. The common shares are subject to timed releases as follows:

- 10% released upon the date of listing on the CSE (listed on July 21, 2021)
- 15% released every six months thereafter until all escrow shares have been released (thirty-six months following the date of listing on the CSE).

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.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES (cont'd…)

As at March 31, 2022, 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, 2026	3.81

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
As at December 31, 2020	-	$ -
Granted	1,000,000	0.10
As at December 31, 2021 and March 31, 2022	1,000,000	$ 0.10

During the period ended March 31, 2022, the Company recognized share-based payments expense of $Nil (2021 - $32,020) 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 period ended as follows:

	December 31, 2021
Risk-free interest rate	0.42%
Expected life of options	5.00
Annualized volatility	100%
Dividend rate	0%

Warrants

The following common shares purchase warrants entitle the holder thereof to purchase one common share for each warrant. Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
As at December 31, 2020	-	$ -
Granted	350,000	0.10
As at December 31, 2021 and March 31, 2022	350,000	$ 0.10

The weighted average remaining contractual life of warrants outstanding as at March 31, 2022 was 1.32 (December 31, 2021 – 1.57) years.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES (cont'd…)

Warrants outstanding are as follows:

Number of Shares	Exercise Price	Expiry Date
350,000	$ 0.10	July 26,2023
350,000		

The weighted average Black-Scholes inputs are as follows:

	December 31, 2021
Expected life of warrants	2
Annualized volatility	100%
Dividend rate	-
Discount rate	0.46%

8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the period ended March 31, 2022;

- exploration and evaluation assets expenditures included in accounts payable at March 31, 2022 of $1,594.

There were no significant transactions during the period ended March 31, 2021

9. 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.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

Liquidity risk

As of March 31, 2022, the Company had cash balance of $50,756 to settle current liabilities of $220,391. 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.

10. CAPITAL MANAGEMENT

The Company defines the 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.

11. SUBSEQUENT EVENTS

i. The Company has entered into an asset purchase agreement (the "APA") with Pyramid Peak Mining LLC., a wholly owned subsidiary of Waterton Precious Metals Fund II Cayman LP, ("PPM") and Mason Resources (US) Inc., a wholly owned subsidiary of Hudbay Minerals Inc. ("Mason", and collectively with PPM, the "Vendors"), whereby Cirrus would acquire from the vendors adjacent mineral property interests, located in the state of New Mexico (collectively the Lordsburg property) for the following consideration:

- the issuance, to Mason, 9,896,591 common shares of Cirrus and the granting of a 0.50 per cent NSR royalty on all minerals produced from the lands purchased from PPM (except for certain excluded claims subject to pre-existing royalties). Mason will also receive a 1.5 per cent NSR royalty on all minerals produced from the lands purchased from Mason.

- the issuance, to PPM or its designee 8,140,000 common shares of Cirrus, a cash payment of $2,331,500 and the granting of a 0.50 percent NSR royalty on all minerals produced from the lands purchased from Mason and a 1.5 per cent NSR royalty on all minerals produced from the lands purchased from PPM (except for certain excluded claims subject to pre-existing royalties). Cirrus will also make Milestone Payments by entering into a milestone payment rights agreement with PPM, or a designee of PPM (the **"**Milestone Agreement"), and pay PPM the transferable right to receive cash (or subject to the terms of the Milestone Agreement, Common Shares) according to the following payment schedule: (i) $1,000,000 on the date that is 12 months following the date of the Milestone Agreement, (ii) $1,500,000 on the date that is 24 months following the date of the Milestone Agreement, and (iii) $2,500,000 on the date that is 36 months following the date of the Milestone Agreement

ii. Name change

In connection with the closing of the APA, Cirrus will change its name to "American Copper Development Corporation" and will apply to trade under the ticker symbol "ACDX".

iii. Concurrent equity financing

In connection with the APA, Cirrus intends to complete a best-efforts private placement of approximately $10 million at a price of $0.25 per subscription receipt, each of which will automatically convert into Common Shares upon completion of certain escrow conditions, most notably the closing of the APA. Additional details concerning the terms of the Concurrent Financing will be provided in a subsequent news release.

CIRRUS GOLD CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED MARCH 31, 2022

REPORT DATE:
MAY 30, 2022

This Management Discussion and Analysis (the "MDA") provides relevant information on the operations of Cirrus Gold Corp. (the "Company") to the Report Date and the financial condition of the Company for the period ended March 31, 2022.

This document contains forward looking statements. Please see section "*Forward-Looking Statements*".

This MDA should be read in conjunction with the Company's financial statements and notes thereto for the year ended December 31, 2021 and dated April 28, 2022.

The Company completed its Initial Public Offering on the Canadian Securities Exchange ("CSE") under the symbol ("CI"). The Company issued 3,500,000 common shares at a price of $0.10 per share for gross proceeds of $350,000. The Company paid an agent a 10% cash commission, a $40,000 corporate finance fee, of which $10,000 was payable in common shares of the Company, and the agent received warrants to acquire up to 350,000 common shares at a price of $0.10 per share, exercisable on or before July 26, 2023.

The Company is in the business of mineral exploration. Activities include the evaluation, acquisition and exploration of mineral exploration properties, for the purpose of discovering an economic mineral deposit. The current focus is the Chuchi South Project in British Columbia, Canada. The realization of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves and future profitable production or proceeds from the disposition of these assets. The carrying values of exploration and evaluation assets do not necessarily reflect their present or future values.

All monetary amounts in this MDA and in the financial statements are expressed in Canadian dollars, unless otherwise stated. Financial results are being reported in accordance with International Financial Reporting Standards ("IFRS").

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which is it was made, with respect to the period covered by these filings, and these financial statements together with other financial information included in these filings. The Board of Directors approves the interim condensed financial statements and MDA and ensures that management has discharged its financial responsibilities.

The Company's head office is located at 2710 – 200 Granville Street, Vancouver, BC, and its registered and records office is located at #2600 – 1066 West Hastings Street, Vancouver, B.C. The Company was incorporated under the Business Corporations Act (British Columbia) on February 5, 2020. To date,the Company has not earned operating revenue.

OVERALL PERFORMANCE

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 Omineca 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 (** - Actual *** – Future requirement	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		(**) 64,570	150,000
On or before February 13, 2022(paid, incurred* and issued)		30,000		(**) 54,145	200,000
On or before February 13, 2023		50,000		(***) 231,285	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

(*) An aggregate of $81,285 in deficient exploration expenditures were also added to the current commitment to be completed by February 13, 2023 ($231,285).

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 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 an 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, 2022:

		Chuchi South
Balance December 31, 2021	$	187,713
Acquisition costs:		
Cash		30,000
Shares		60,000
		90,000
Deferred exploration costs:		
Consulting		1,594
Total expenditures for the year		91,594
Balance March 31, 2022	**$**	**279,307**

Future Plans

In relation to the Property, the Company currently plans to broadly follow and expand on the recommendations made in the Technical Report, which suggested a two-phase exploration program. Phase 1 would consist of i) detailed compilation of historical soil geochemical and geophysical data; ii) additional mapping and prospecting; iii) lithogeochemistry and petrographic work; iv) additional soil surveying; and v) a 20-line kilometer IP survey over the Coho Zone. Some of the Phase 1 mapping and prospecting was completed in 2021; results suggest that this portion of the program should be expanded. Phase 1 would enable effective drill targeting by defining high priority IP chargeability anomalies spatially related to magnetic highs, soil geochemical anomalies and metal concentrations in rocks. Phase 2 would be dominated by up to 3,000 meters of diamond drilling, and possibly include a major expansion of the IP surveying.

The plan for 2022 is to finish the compilation of historical data, conduct detailed mapping and channel sampling at the Coho Zone and reconnaissance mapping and prospecting elsewhere, and collect additional soil samples. The objective is to be able to design the best possible survey area for the IP program to be conducted at a later time.

QUALIFIED PERSONS

James Walchuck P.Eng., the Company's President and Chief Executive Officer and a Director and a "Qualified Person" as defined by NI 43-101, has reviewed the scientific and technical information that forms the basis for the mineral property disclosure in this MDA and has approved the disclosure herein. Mr. Walchuck is not independent of the Company, as he is an Officer and Director of the Company.

SUMMARY OF QUARTERLY RESULTS

The following selected financial data have been prepared in accordance with IFRS and should be read in conjunction with the Company's financial statements. The following is a summary of selected financial data for the Company for its eight completed financial quarters ended March 31, 2022.

Quarter Ended Amounts in 000's	**Mar. 31, 2022**	**Dec. 31, 2021**	**Sept. 30, 2021**	**June 30, 2021**	**Mar. 31, 2021**	**Dec. 31, 2020**	**Sept. 30, 2020**	**June 30, 2020**
Net loss	(137)	(25)	(19)	(17)	(36)	(32)	(7)	(-)
Earnings (loss) per share – basic and diluted	(0.01)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)
Total assets	529	398	410	269	243	290	97	39
Working capital(deficit)	30	198	263	73	79	124	51	2

During the quarter ended March 31, 2022, the Company had general and administrative expenditures of $137,081 and incurred deferred transaction costs of $180,645.

During the quarter ended December 31, 2021, the Company had general and administrative expenditures of $24,285 and property expenditures of $41,112.

During the quarter ended September 30, 2021, the Company completed its initial public offering and received gross proceeds of $350,000 and had share issuance costs of $150,233 and had general and administrative expenditures of $18,747.

During the quarter ended June 30, 2021, the Company had general and administration expenditures of $17,396.

During the quarter ended March 31, 2021, the Company had general and administration expenditures of $41,223 including $32,020 in share-based compensation and exploration and evaluation expenditures of $25,000.

During the quarter ended December 31, 2020, the Company completed a private placement for gross proceeds of

$185,000 and had general and administration expenditures of $26,981 and exploration and evaluation expenditures of $81,151.

During the quarter ended September 30, 2020, the Company completed a private placement net of subscription receipts received of $65,500 and had general and administration expenditures of $6,759.

During the quarter ended June 30, 2020, the Company received subscription receipts $20,000.

Three Months ended March 31, 2022 compared to three months ended March 31, 2021

The Company's general and administrative costs were $137,081 (2021 - $47,670), and reviews of the major items are as follows:

- Consulting fees of $9,000 (2021 - $7,500) consisting of office administration;

- Professional fees of $28,242 (2021 - $11,635) consisting of legal of $28,242 (2021 - $1,635) and accounting and audit of $Nil (2021 - $10,000);

- Property investigation fees of $85,410 (2021 - $Nil) for expenditures spent on the Lordsburg property prior to acquisition; and

- Regulatory and transfer agent fees of $2,840 (2021 - $Nil) which consisted of regulatory of $2,250 (2021 - $Nil) for monthly maintenance fees and transfer agent fees of $590 (2021 - $Nil).

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2022, the Company had working capital of $29,738 (December 31, 2021 - $198,413).

Because of economic conditions, globally, there is uncertainty in capital markets and the Company anticipates that it and others in the mineral resource sector may have limited access to capital. Although the business and assets of the Company have not changed, investors have increased their risk premium and their overall equity investment has diminished. The Company continually monitors its financing alternatives and expects to increase its treasury through private placements to support and bolster its exploration activities.

The quantity of funds to be raised and the terms of any equity financing that may be undertaken will be negotiated by management as opportunities to raise funds arise. There can be no assurance that such funds will be available on favorable terms, or at all.

During fiscal 2022

On February 10, 2022, the Company issued 200,000 common shares for the acquisition of exploration and evaluation assets at a value of $60,000.

During fiscal 2021

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.

On July 26, 2021, the Company completed its Initial Public Offering and issued 3,500,000 common shares at a price of $0.10 per share for gross proceeds of $350,000. The Company paid cash finders fees of $35,000, issued 350,000 agent warrants valued at $18,311 and paid cash corporate finance fee of $30,000 and issued 100,000 common shares valued at $10,000. Each agent warrant is exercisable at an exercise price of $0.10 per agent warrant to July 26, 2023. Additional share issue costs of $75,233 were incurred in connection with this financing, and was recorded as an offset to share capital, as share issue costs.

The Company has no long-term debt obligations.

SHARE CAPITAL

(a) As of the date of the MDA the Company has 14,575,000 issued and outstanding common shares. The authorized share capital is unlimited no-par value common shares.

(b) As at the date of the MDA the Company has 1,000,000 incentive stock options outstanding.

(c) As at the date of the MDA the Company has 350,000 share purchase warrants.

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 $Nil (2021 - $27,217) with key management personnel during the period ended March 31, 2022.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

INVESTOR RELATIONS

The Company has no investor relations contracts and James Walchuck, CEO and President, handles any matters in regard to investor relations.

PROPOSED TRANSACTIONS

i. The Company has entered into an asset purchase agreement (the "APA") with Pyramid Peak Mining LLC., a wholly owned subsidiary of Waterton Precious Metals Fund II Cayman LP, ("PPM") and Mason Resources (US) Inc., a wholly owned subsidiary of Hudbay Minerals Inc. ("Mason", and collectively with PPM, the "Vendors"), whereby Cirrus would acquire from the vendors adjacent mineral property interests, located in the state of New Mexico (collectively the Lordsburg property) for the following consideration:

- the issuance, to Mason, 9,896,591 common shares of Cirrus and the granting of a 0.50 per cent NSR royalty on all minerals produced from the lands purchased from PPM (except for certain excluded claims subject to pre-existing royalties). Mason will also receive a 1.5 per cent NSR royalty on all minerals produced from the lands purchased from Mason.

- the issuance, to PPM or its designee 8,140,000 common shares of Cirrus, a cash payment of $2,331,500 and the granting of a 0.50 percent NSR royalty on all minerals produced from the lands purchased from Mason and a 1.5 per cent NSR royalty on all minerals produced from the lands purchased from PPM (except for certain excluded claims subject to pre-existing royalties). Cirrus will also make Milestone Payments by entering into a milestone payment rights agreement with PPM, or a designee of PPM (the "Milestone Agreement"), and pay PPM the transferable right to receive cash (or subject to the terms of the Milestone Agreement, Common Shares) according to the following payment schedule: (i) $1,000,000 on the date that is 12 months following the date of the Milestone Agreement, (ii) $1,500,000 on the date that is 24 months following the date of the Milestone Agreement, and (iii) $2,500,000 on the date that is 36 months following the date of the Milestone Agreement

ii. Name change

In connection with the closing of the APA, Cirrus will change its name to "American Copper Development Corporation" and will apply to trade under the ticker symbol "ACDX".

iii. Concurrent equity financing

In connection with the APA, Cirrus intends to complete a best-efforts private placement of approximately $10 million at a price of $0.25 per subscription receipt, each of which will automatically convert into Common Shares upon completion of certain escrow conditions, most notably the closing of the APA. Additional details concerning the terms of the Concurrent Financing will be provided in a subsequent news release.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of assets and liabilities at the date of the financial statements, and the reported amounts of expenses during the reporting year. Areas requiring the use of estimates in the preparation of the Company's financial statements the carrying value and the recoverability of the exploration and evaluation assets included in the Statement of Financial Position, the assumptions used to determine the fair value of share-based payments in the Statement of Comprehensive Loss, and the estimated amounts of reclamation and environmental obligations. Management believes the estimates used are reasonable; however, actual results could differ materially from those estimates and, if so, would impact future results of operations and cash flows.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

There were no changes in the Company's significant accounting policies during the period ended March 31, 2022, that had a material effect on its financial statements. The Company's significant accounting policies are disclosed in Note 2 to its audited annual financial statements for the year ended December 31, 2021.

NEW STANDARDS AND INTERPRETATIONS

Future changes in accounting policy

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended March 31, 2022, and have not been applied in preparing the financial statements. These new standards are either not applicable or are not expected to have a significant impact on the Company's financial statements.

RISKS AND UNCERTAINTIES

The Company's business is mineral exploration. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, mineral prices, political, and economic.

The Company will take steps to verify the title to any properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties. These procedures do not guarantee the Company's title. Property titles may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects or changes in government policy and regulations.

The Company has no significant sources of operating cash flow and no revenue from operations. Additional capital will be required to fund the Company's exploration program. The sources of funds available to the Company are the sale of equity capital or the offering of an interest in its project to another party. There is no assurance that it will be able to obtain adequate financing in the future or that such financing will be advantageous to the Company.

The property interests to be owned by the Company or in which it may acquire an option to earn an interest are in the exploration stages only, are without known bodies of commercial minerals and have no ongoing operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into production. If the Company's efforts do not result in any discovery of commercial minerals, the Company will be forced to look for other exploration projects or cease operations.

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. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties in which it previously had no interest. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liabilities to the Company.

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.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial risk factors

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 receivables, and 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 counter party'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 receivables is remote as they are due from the Government of Canada. The Company's cash is deposited in accounts held at a large financial institution in Canada. As such, the Company believes the credit risk with cash is remote. Receivables comprise input tax receivables due from the Government of Canada. The Company has no debt and considers the credit risk of receivables to be low.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have enough liquidity to meet liabilities when due. As of March 31, 2022, the Company had a cash balance of $50,756 (December 31, 2021 - $194,657) to settle current liabilities of $220,391 (December 31, 2021 - $12,214). All the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

The Company intends to raise additional equity financing in the coming fiscal year to meet its obligations.

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. The Company has no debt and is not subject to significant exposure to interest rate risk.

Foreign currency risk

The Company is not exposed to foreign currency risk on fluctuations related to assets and liabilities that are denominated in foreign currencies.

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, the ability to obtain financing, or the ability to obtain a public listing 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.

CAPITAL MANAGEMENT

The Company defines capital that it manages as shareholders' equity, consisting of issued common shares, stock options and warrants included in reserve, and subscriptions receivable.

The Company manages its capital structure and adjusts it, based on the funds available to the Company, to support the acquisition, exploration and development 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 properties in which the Company currently has an interest is in the exploration stage as such the Company has historically relied on the equity markets to fund its activities. The Company will also assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient economic potential and if it has, or as access to 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 we no changes to the Company's approach to capital management during the year.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian and U.S. securities legislation. These statements relate to future events or the future activities or performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. Information concerning mineral resource/reserve estimates and the economic analysis thereof contained in preliminary economic analyses or prefeasibility studies also may be deemed to be forward-looking statements in that they reflect a prediction of the mineralization that would be encountered, and the results of mining that mineralization, if a mineral deposit were developed and mined. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate, plans and similar expressions, or which by their nature refer to future events. These forward-looking statements include, but are not limited to, statements concerning:

- the Company's strategies and objectives, both generally and in respect of its specific mineral properties or exploration and evaluation assets;
- the timing of decisions regarding the timing and costs of exploration programs with respect to, and the issuance of the necessary permits and authorizations required for, the Company's exploration programs;
- the Company's estimates of the quality and quantity of the resources and reserves at its mineral properties;
- the timing and cost of planned exploration programs of the Company and the timing of the receipt of result thereof;
- general business and economic conditions;
- the Company's ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations; and

- the Company’s expectation that it will be able to add additional mineral projects of merit to its existing property portfolio.

Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Inherent in forward looking statements are risks and uncertainties beyond the Company’s ability to predict or control, including, but not limited to, risks related to the Company’s inability to raise the necessary capital to be able to continue in business and to implement its business strategies, to identify one or more economic deposits on its properties, variations in the nature, quality and quantity of any mineral deposits that may be located, variations in the market price of any mineral products the Company may produce or plan to produce, the Company’s inability to obtain any necessary permits, consents or authorizations required for its activities, to produce minerals from its properties successfully or profitably, to continue its projected growth, and other risks identified herein under “Risk Factors”.

The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results are likely to differ, and may differ materially, from those expressed or implied by forward looking statements contained in this MD&A. Such statements are based on several assumptions which may prove incorrect, including, but not limited to, assumptions about:

- the level and volatility of the price of commodities;
- general business and economic conditions;
- the timing of the receipt of regulatory and governmental approvals, permits and authorizations necessary to implement and carry on the Company’s planned exploration;
- conditions in the financial markets generally;
- the Company’s ability to attract and retain key staff;
- the nature and location of the Company’s mineral exploration projects, and the timing of the ability to commence and complete the planned exploration programs; and
- the ongoing relations of the Company with its regulators.

These forward-looking statements are made as of the date hereof and the Company does not intend and does not assume any obligation, to update these forward-looking statements, except as required by applicable law. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations. The current state of the global securities markets may cause significant reductions in the price of the Company’s securities and render it difficult or impossible for the Company to raise the funds necessary to sustain operations.

APPROVAL

The Board of Directors of the Company has approved the disclosures in this MDA.

ADDITIONAL SOURCES OF INFORMATION

Additional disclosures pertaining to the Company, including its most recent, financial statements, management information circular, material change reports, press releases and other information, are available on the SEDAR website at www.sedar.com. Readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.

Schedule C
Pro Forma Financial Statements

[Attached]

AMERICAN COPPER DEVELOPMENT CORP.

Pro Forma Financial Statements

For the three months ended March 31, 2022, and for the year ended December 31, 2021

(Unaudited)

(Expressed in Canadian Dollars)

AMERICAN COPPER DEVELOPMENT CORP.
PRO FORMA STATEMENT OF FINANCIAL POSITION
As at March 31, 2022
(Unaudited)
(Expressed in Canadian Dollars)

	American Copper Development Corp.	Pro Forma Adjustments	Notes	Pro Forma
Assets				
Current				
Cash	$ 50,756	$ (2,331,500)	2(a)	$
		10,003,960	2(b)	
		(99,194)	2(c)	
		(307,216)	2(a)	
		(104,229)	2(b)	7,212,577
Prepaid	6,014	-		6,014
Deferred transaction costs	180,645	(180,645)		-
Receivables	12,714	-		12,714
	250,129	6,981,176		7,231,305
Exploration and evaluation assets	279,307	2,331,500	2(a)	
		430,000	2(a)	
		307,216	2(a)	
		4,509,148	2(a)	7,857,171
	$ 529,436	$ 14,559,040		$ 15,088,476
Liabilities				
Current				
Accounts payable and accrued liabilities	$ 220,391	$ (180,645)		$ 39,746
	220,391	(180,645)		39,746
Shareholders' Deficiency				
Share capital	534,306	4,509,148	2(a)	
		10,003,960	2(b)	
		(104,229)	2(b)	
		430,000	2(a)	15,373,185
Reserves	80,331	-		80,331
Deficit	(305,592)	(99,194)	2(c)	(404,786)
	309,045	14,739,685		15,048,730
	$ 529,436	$ 14,559,040		$ 15,088,476

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

AMERICAN COPPER DEVELOPMENT CORP.
PRO FORMA INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS
For the three months ended March 31, 2022
(Unaudited)
(Expressed in Canadian Dollars)

	American Copper Development Corp.	Pro Forma Adjustments	Notes	Pro Forma
EXPENSES				
Consulting	$ 9,000	$ -		$ 9,000
Investor relations	6,265	-		6,265
Office	336	-		336
Professional fees	28,242	79,194	2(c)	107,436
Property investigation	85,410	-		85,410
Regulatory fees	2,840	20,000	2(c)	22,840
Rent	4,988	-		4,988
Loss and comprehensive loss	$ (137,081)	$ (99,194)		$ (236,275)
Loss per common share				
-Basic and diluted	$ (0.01)			$ (0.00)
Weighted average number of common shares outstanding				
-Basic and diluted	14,483,889			73,576,518

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

AMERICAN COPPER DEVELOPMENT CORP.
PRO FORMA STATEMENT OF LOSS AND COMPREHENSIVE LOSS
For the year ended December 31, 2021
(Unaudited)
(Expressed in Canadian Dollars)

	American Copper Development Corp.	Pro Forma Adjustments	Notes	Pro Forma
EXPENSES				
Consulting	$ 30,000	$ -		$ 30,000
Office	2,570	-		2,570
Professional fees	20,773	102,109	2(c)	122,882
Regulatory fees	10,288	20,000	2(c)	30,288
Rent	6,000	-		6,000
Share based compensation	32,020	-		32,020
Loss and comprehensive loss before income tax	$ (101,651)	$ (122,109)		$ (223,760)
Deferred income tax recovered	5,088	-		5,088
Loss and comprehensive loss	$ (96,563)	$ (122,109)		$ (218,672)
Loss per common share				
-Basic and diluted	$ (0.01)			$ (0.00)
Weighted average number of common shares outstanding				
-Basic and diluted	12,316,507			71,909,381

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

1. Basis of Presentation and Preparation

American Copper Development Corp. ("American Copper" or 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 2710 – 200 Granville Street, Vancouver, British Columbia, Canada. On May 18, 2022, the Company entered into a asset purchase agreement (the "APA") with Pyramid Peak Mining, LLC, a wholly owned subsidiary of Waterton Precious Metals Fund II Cayman, LP ("PPM") and Mason Resources (US) Inc., a wholly owned subsidiary of Hudbay Minerals Inc. ("Mason"), whereby American Copper will acquire a 100% interest in the Lordsburg Property ("Lordsburg"). As the identifiable net assets of the corporate entities acquired are expected to consist solely of the mineral rights comprising Lordsburg, the transaction is expected to comprise an asset acquisition, and all consideration will be applied to exploration and evaluation assets based on the estimated fair value of that consideration.

The unaudited pro forma financial statements have been prepared as if the Transaction and Financing had occurred on January 1, 2021, for the unaudited pro forma statement of loss and comprehensive loss for the year ended December 31, 2021, and January 1, 2022, for the unaudited pro forma interim statement of loss and comprehensive loss for the three months ended March 31, 2022. The unaudited pro forma statement of financial position as at March 31, 2022 has also been prepared as if the Transaction and Financing had occurred as of March 31, 2022. The Pro Forma is for illustrative purposes only and may not be indicative of the financial position of the Company on completion of the transaction.

The Pro Forma is derived from the information included in the financial statements of American Copper using the same accounting policies as described in the Company's audited financial statements for the year ended December 31, 2021 and the unaudited financial statements for the fiscal quarter ended March 31, 2022. They do not include all of the information required for annual or interim financial statements and should be read in conjunction with those financial statements already issued for the periods in question.

It is American Copper's management's opinion that the pro-forma statement of financial position includes all adjustments required for the fair presentation, in all material respects, of the transaction described in Note 2 in accordance with IFRS.

2. Summary of Proposed Transaction

Under the terms of the Lordsburg Property acquisition, American Copper will acquire a 100% interest in the Lordsburg Property for the following consideration:

a) Lordsburg Property

- Issue to Mason 9,896,591 common shares of American Copper and the granting of a 0.50 per cent NSR royalty on all minerals produced from the PPM Mining Claims except the Hat 1-57 mining claims. Hudbay will also receive a 1.5 per cent NSR royalty on all minerals produced from the Hudbay Mining Claims.
- Issue to PPM 8,140,000 common shares of American Copper, a cash payment of $2,331,500 and the granting of a 0.50 percent NSR royalty on all minerals produced from the Hudbay Mining Claims and a 1.5 per cent NSR royalty on all minerals produced from PPM Mining Claims except the Hat 1-7 mining claims.

The 18,036,591 shares to be issued have been assigned an estimated value of $4,509,148, being $0.25 per common share, for the purposes of this Pro Forma, based on the concurrent financing price and recorded within exploration and evaluation assets.

(Expressed in Canadian Dollars)

In connection with the property acquisition, the Company estimates $307,216 of costs to complete the property acquisition, consisting of legal fees and technical report. The Company will pay a finder's fee on the property by issuing 1,720,000 common shares valued at $430,000 and recorded within exploration and evaluation assets.

b) Concurrent equity financing

American Copper completed a best-efforts private placement of subscription receipts at a price of $0.25 per subscription receipt, for gross proceeds of $10,003,960 to finance American Copper's proposed acquisition and exploration activities on the Lordsburg Property, and for general administrative and working capital. Each subscription receipt will be automatically exchanged for one common share of American Copper in connection with the Lordsburg Property acquisition upon satisfaction of certain escrow release conditions.

In connection with the concurrent financing, the Company estimates costs of $104,229 to complete the financing, recorded as share issue costs.

c) Transaction expenses

In connection with the property acquisition and concurrent financing, the Company estimates $122,109 of additional transaction expenses including legal, audit and filing fees of which $22,915 was spent during the quarter ended March 31, 2022.

3. Share Capital

The number of common shares issued and outstanding after giving effect to the assumptions and pro forma adjustments discussed in Note 2 is as follows:

	March 31, 2022 Number of Shares	**Share Capital**
Issued:		
Share capital, March 31, 2022	14,575,000	$ 534,306
Adjustments to record the transactions:		
Shares issued pursuant to Transaction	18,036,591	4,509,148
Non-Brokered financing	40,015,840	10,003,960
Finders' fees – property	1,720,000	430,000
Financing costs	-	(104,229)
Pro Forma Share capital, March 31, 2022	74,347,431	$ 15,373,185

4. Pro Forma Effective Income Tax Rate

The Pro Forma effective Income Tax rate that will be applicable to the operations of the issuer.