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*NO SECURITIES REGULATORY AUTHORITY HAS EXPRESSED AN OPINION ABOUT THESE SECURITIES AND IT IS AN OFFENCE TO CLAIM OTHERWISE.*

## **PRELIMINARY PROSPECTUS**

New Issue

September 20, 2021

### **BIG RED MINING CORP.**

#### **4,879,500 UNITS ISSUABLE UPON THE EXERCISE OF 4,879,500 PREVIOUSLY ISSUED SPECIAL WARRANTS**

This non offering prospectus (the “Prospectus”) is being filed to qualify the distribution in British Columbia and Ontario of a total of 4,879,500 units (each, a “Unit”) of Big Red Mining Corp. (the “Company”) issuable by the Company to the holders of 4,879,500 previously issued special warrants of the Company (“Special Warrants”) upon the exercise or deemed exercise by such holders of their right to acquire, without additional payment, one Unit for each Special Warrant held by them. Each Unit consists of one common share of the Company (a “Share”) and one non-transferable share purchase warrant, whereby each warrant (the “Warrant”) be exercisable to purchase one fully-paid and non-assessable common share of the Company at an exercise price of \$0.25 per Share until expiration of the Warrants at 4:00 p.m. (Vancouver time) on the first business day after the date that is three years from the date of exercise or deemed exercise of the Special Warrant. See “Plan of Distribution”.

Each Special Warrant may be exchanged by the holder for one Unit at any time until the first to occur (“Exchange Date”) of: (i) the business day following the day (“Qualification Date”) on which a receipt for a final prospectus has been issued by or on behalf of the last of the securities regulatory authorities in the Province of British Columbia and such other jurisdictions as may be determined by the Company qualifying the distribution of the securities to be issued upon exercise of the Special Warrants (the issuance of such receipt being hereinafter referred to as the “Qualification”); and (ii) the tenth anniversary of the date of the Special Warrant certificates. Any Special Warrants not exercised prior to 4:00 p.m. (Vancouver Time) on the Exchange Date shall be deemed to have been exercised immediately prior to that time without any further action on the part of the holder.

The Special Warrants were issued pursuant to subscription agreements between the Company and each of the subscribers as follows:

	Number of Special Warrants	Price to Subscribers	Proceeds to the Company <sup>(1)</sup>
Per Special Warrant	1	\$0.20	\$0.20
Total	4,879,500		\$975,900

<sup>(1)</sup> Before deduction of finder’s fees of \$34,370.

The Special Warrants were issued in series as follows:

Series	Number of Special Warrants	Date of Issuance	Proceeds to the Company
Series A Special Warrants	1,163,000	July 5, 2021	\$226,360 <sup>(1)</sup>
Series B Special Warrants	503,500	July 23, 2021	\$97,450 <sup>(2)</sup>
Series C Special Warrants	1,024,000	August 18, 2021	\$192,400 <sup>(3)</sup>
Series D Special Warrants	733,500	August 20, 2021	\$135,340 <sup>(4)</sup>
Series E Special Warrants	1,455,500	August 31, 2021	\$289,980 <sup>(5)</sup>
Total:	4,879,500		\$941,530 <sup>(6)</sup>

<sup>(1)</sup> Net of finder's fees totaling \$6,240.

<sup>(2)</sup> Net of finder's fees totaling \$3,250.

<sup>(3)</sup> Net of finder's fees totaling \$12,400.

<sup>(4)</sup> Net of finder's fees totaling \$11,360.

<sup>(5)</sup> Net of finder's fees totaling \$1,120.

<sup>(6)</sup> Net of finder's fees totaling \$34,370.

In the event that Special Warrants are exercised prior to the Qualification Date, or the Qualification Date does not occur, the underlying securities obtained upon such exercise will be subject to resale restrictions. See "Plan of Distribution."

Unless otherwise indicated, all currency amounts herein are stated in Canadian Dollars.

An application has been made to list the Company's common shares on the Canadian Securities Exchange (the "CSE"). Listing is subject to the Company fulfilling all of the listing requirements of the CSE, which include becoming a reporting issuer.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

**An investment in the securities of the Company is subject to a number of risk factors, which should be reviewed carefully by prospective purchasers. Investments in start-up issuers such as the Company involve a significant degree of risk. An investment in these securities should only be made by persons who can afford the total loss of their investment. See "Risk Factors".**

**No underwriter has been involved in the preparation of this Prospectus or performed any review or independent due diligence of the contents of this Prospectus.**

In this Prospectus, "we", "us", "our", "Big Red" and the "Company" refers to Big Red Mining Corp., a corporation incorporated under the *Business Corporations Act* (British Columbia).

**BIG RED MINING CORP.**

101 – 17565 58 Avenue  
Surrey, BC V3S 4E3

## TABLE OF CONTENTS

SUMMARY OF PROSPECTUS.....	5
Principal Business of the Company .....	5
The Special Warrant Issuances .....	5
Use of Available Funds.....	5
Risk Factors .....	6
Summary Financial Information.....	6
Cautionary Note Regarding Forward-Looking Information.....	7
CORPORATE STRUCTURE .....	9
Name and Incorporation .....	9
Intercorporate Relationships .....	9
GENERAL DEVELOPMENT OF THE BUSINESS.....	9
Property Acquisition .....	9
Trends .....	10
NARRATIVE DESCRIPTION OF THE BUSINESS.....	10
Stated Business Objectives .....	10
Milestones .....	10
Mineral Project.....	11
Accessibility, Climate, Local Resources, Infrastructure And Physiography.....	16
History.....	17
Geological Setting And Mineralization .....	26
Deposit Types .....	34
Exploration.....	36
Drilling.....	39
Sampling Preparation, Analyses And Security.....	39
Data Verification.....	40
Mineral Processing And Metallurgical Testing .....	42
Mineral Resource Estimates .....	42
Adjacent Properties.....	42
Other Relevant Data And Information.....	44
Interpretation And Conclusions .....	44
Recommendations.....	45
USE OF AVAILABLE FUNDS.....	46
Proceeds .....	46
Total Funds Available.....	46
Principal Purposes.....	47
SELECTED FINANCIAL INFORMATION AND MANAGEMENT’S DISCUSSION AND ANALYSIS.....	48
Selected Financial Information .....	48
Dividends .....	49
Management’s Discussion and Analysis .....	49
DESCRIPTION OF THE SECURITIES DISTRIBUTED.....	61
CONSOLIDATED CAPITALIZATION.....	61
OPTIONS TO PURCHASE SECURITIES.....	61
Stock Option Plan .....	61
PRIOR SALES.....	62

ESCROWED SECURITIES .....	64
PRINCIPAL SHAREHOLDERS AND SELLING SECURITY HOLDERS .....	65
DIRECTORS AND EXECUTIVE OFFICERS.....	65
Name, Address, Occupation and Security Holding .....	65
Corporate Cease Trade Orders or Bankruptcies .....	66
Penalties or Sanctions .....	66
Personal Bankruptcies.....	66
Conflicts of Interest.....	67
Management of Junior Issuers .....	67
EXECUTIVE COMPENSATION.....	68
Compensation Discussion and Analysis .....	68
Summary Compensation Table.....	69
Incentive Plan Awards .....	69
Termination and Change of Control Benefits .....	69
Director Compensation .....	70
Share-based awards, option-based awards and non-equity incentive plan compensation ....	70
Intended Material Changes to Executive Compensation .....	70
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS.....	70
AUDIT COMMITTEE .....	70
CORPORATE GOVERNANCE.....	76
PLAN OF DISTRIBUTION.....	78
RISK FACTORS .....	79
PROMOTER.....	82
LEGAL PROCEEDINGS .....	82
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS .....	82
AUDITORS, TRANSFER AGENTS AND REGISTRARS .....	82
Auditor .....	82
Transfer Agent and Registrar.....	83
MATERIAL CONTRACTS .....	83
EXPERTS .....	83
OTHER MATERIAL FACTS .....	84
PURCHASER’S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION.....	84
FINANCIAL STATEMENTS .....	84
FINANCIAL STATEMENTS .....	85
CERTIFICATE OF THE COMPANY .....	86
CERTIFICATE OF THE PROMOTER .....	87

## SUMMARY OF PROSPECTUS

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

### **Principal Business of the Company**

The Company holds an option to acquire a 100% interest in 131 mineral claims comprising the Dobie Lake Property in Ontario, Canada subject to a 2.0% net smelter returns royalty. The Company's objective is to explore and develop the Property (as hereinafter defined). See: "Narrative Description of the Business".

### **The Special Warrant Issuances**

This Prospectus is being filed to qualify the distribution in British Columbia and Ontario of a total of 4,879,500 Units issuable by the Company to the holders of 4,879,500 previously issued Special Warrants upon the exercise or deemed exercise by such holders of their right to acquire, without additional payment, one Unit for each Special Warrant held by them.

The Special Warrants were issued at a price of \$0.20 per Special Warrant pursuant to prospectus and registration exemptions under applicable securities legislation as follows:

- on July 5, 2021 the Company completed a private placement of 1,163,000 Series A Special Warrants for aggregate subscription proceeds of \$232,600 before deduction of finder's fees totaling \$6,240.
- on July 23, 2021 the Company completed a private placement of 503,500 Series B Special Warrants for aggregate subscription proceeds of \$100,700 before deduction of finder's fees totaling \$3,250.
- on August 18, 2021 the Company completed a private placement of 1,024,000 Series C Special Warrants for aggregate subscription proceeds of \$204,800 before deduction of finder's fees totaling \$12,400.
- on August 20, 2021 the Company completed a private placement of 733,500 Series D Special Warrants for aggregate subscription proceeds of \$146,700 before deduction of finder's fees totaling \$11,360.
- on August 31, 2021 the Company completed a private placement of 1,455,500 Series E Special Warrants for aggregate subscription proceeds of \$291,100 before deduction of finder's fees totaling \$1,120.

Each Special Warrant may be exchanged by the holder, without additional payment or consideration, for one Unit at any time until the Exchange Date. Any Special Warrants not exercised prior to 4:00 p.m. (Vancouver Time) on the Exchange Date shall be deemed to have been exercised immediately prior to that time without any further action on the part of the holder.

Subject to satisfaction of certain conditions, at the Exchange Date, the Special Warrants will be deemed to be exercised by the Company on behalf of the holders thereof. In the event that Special Warrants are exercised prior to the Qualification Date or Qualification does not occur, the underlying Units obtained upon such exercise will be subject to resale restrictions of the province(s) in respect of which such securities commission has not issued a final receipt. See "Plan of Distribution." The Special Warrants were sold by the Company on a private placement basis to the subscribers pursuant to exemptions from the prospectus and registration requirements of the applicable jurisdictions.

### **Use of Available Funds**

As at August 31, 2021, we had estimated funds available of \$1,452,342 comprised of our working capital as at that date, which we intend to use, in order of priority, as follows:

	<b>Description</b>	<b>Amount</b>
1.	To pay the estimated remaining costs of the Prospectus filing and intended stock exchange listing including legal, accounting, auditing and regulatory fees	\$60,000
2.	Estimated accounting, auditing, legal, regulatory and transfer agent fees and administrative expenses (12 months)	\$85,000
3.	Estimated management fees (12 months) <sup>(1)</sup>	\$180,000
4.	To pay for the recommended Phase I work program expenditures on the Property including drilling and data review and compilation	\$164,600
5.	To pay for the recommended Phase II work program expenditures on the Property including drilling	\$177,500
6.	To pay for property investigation	\$50,000
7.	To pay for the acquisition of additional properties (including legal fees) if the Company identifies and agrees to acquire suitable additional properties	\$100,000
8.	To provide general working capital	\$635,242
	<b>Total:</b>	<b>\$1,452,342</b>

<sup>(1)</sup> Management fees are expected to be paid to Jag Sandhu, President, CEO and a director of the Company, as to \$120,000 and to Paul Grewal, CFO of the Company, as to \$60,000.

The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary.

### **Risk Factors**

**An investment in securities of the Company should be considered highly speculative and investors may incur a loss on their investment. The Company has no history of earnings and to date has not defined any commercial quantities of mineral reserves on the Property. The offer or sale of a large number common shares at any price may cause a significant adverse effect on the market price of the shares.** The Company and its assets may also become subject to uninsurable risks. The Company's activities may require permits or licenses which may not be granted to the Company. The Company competes with other companies with greater financial resources and technical facilities. Competitive pressures may adversely affect the Company. The Company may be affected by political, economic, environmental and regulatory risks beyond its control. The Company is currently largely dependent on the performance of its directors and officers and there is no assurance the Company can retain their services. In recent years, both metal prices and publicly traded securities prices have fluctuated widely. The Company may be required to incur significant expenses to comply with new or more stringent governmental regulation. See the section entitled "Risk Factors" for details of these and other risks relating to the Company's business.

### **Summary Financial Information**

The following selected financial information is subject to the detailed information contained in the financial statements of the Company and notes thereto appearing elsewhere in the Prospectus. The selected financial information is derived from audited financial information for the Company. The Company has established August 31 as its fiscal year end.

	Audited for the period from October 18, 2020 (date of incorporation) to August 31, 2021
Revenues	\$Nil
Net Income (loss)	\$(32,058)
Basic and diluted loss per share	\$Nil
Total assets	\$1,631,197
Long term debt	\$Nil
Total liabilities	\$61,175
Cash dividends per share	\$Nil
Share Capital	\$599,461
Number of Common shares	20,410,000
Retained earnings (deficit)	\$(32,058)

See “Selected Financial Information and Management’s Discussion and Analysis”.

### Cautionary Note Regarding Forward-Looking Information

This Prospectus contains forward-looking statements that relate to the Company’s current expectations and views of future events. The forward-looking statements are contained principally in the sections entitled “Prospectus Summary”, “Description of the Business”, “Selected Financial Information and Management’s Discussion and Analysis” and “Risk Factors”.

In some cases, these forward-looking statements can be identified by words or phrases such as “may”, “might”, “will”, “expect”, “anticipate”, “estimate”, “intend”, “plan”, “indicate”, “seek”, “believe”, “predict” or “likely”, or the negative of these terms, or other similar expressions intended to identify forward-looking statements. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to:

- the Company’s intention to complete the listing of its common shares on the Canadian Securities Exchange;
- the Company’s business plans focussed on the exploration and development of the Dobie Lake Property;
- compliance with the Option Agreement;
- the proposed work program on the Dobie Lake Property;
- costs and timing of future exploration and development activities;
- timing and receipt of approvals, consents and permits under applicable legislation;
- use of available funds
- business objectives and milestones;
- the Company’s executive compensation; and
- adequacy of financial resources.

Such forward-looking statements are based on a number of material factors and assumptions, including, but not limited in any manner to, those disclosed elsewhere herein and any other of the Company's concurrent public filings, and include the availability and final receipt of required approvals, licenses and permits, sufficient working capital to develop and operate any proposed mine, access to adequate services and supplies, economic conditions, commodity prices, interest rates, access to equity and debt markets and associated costs of funds, availability of a qualified work force, and the ultimate ability to mine, process and sell mineral products on economically favourable terms, that the Company is able to procure equipment and supplies in sufficient quantities and on a timely basis, that engineering and exploration timetables and capital costs for the Company's exploration plans are not incorrectly estimated or affected by unforeseen circumstances or adverse weather conditions, that any environmental and other proceedings or disputes are satisfactorily resolved, and that the Company maintains its ongoing relations with its business partners and governmental authorities. While the Company considers these material factors and assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in this Prospectus. See "Risk Factors".

For the reasons set forth above, investors should not place undue reliance on forward looking statements. This Prospectus includes many cautionary statements, including those stated under the heading "Risk Factors". You should read these cautionary statements as being applicable to all related forward-looking statements wherever they appear in this Prospectus. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws.



## CORPORATE STRUCTURE

### Name and Incorporation

Big Red Mining Corp. was incorporated under the *Business Corporations Act* (British Columbia) on October 18, 2020 as Nava Capital Corp. On February 22, 2021 the Company changed its name to Big Red Mining Corp. The Company's head office is located at 101 – 17565 58 Avenue, Surrey, BC V3S 4E3 and its registered office is located at 101 – 17565 58 Avenue, Surrey, BC V3S 4E3.

### Intercorporate Relationships

The Company does not have any subsidiaries.

## GENERAL DEVELOPMENT OF THE BUSINESS

Since the Company's incorporation on October 18, 2020, it has been in the business of acquiring and exploring mineral properties. The Company holds an option to acquire a 100% interest in 131 mineral claims comprising the Dobie Lake Property (the "Property") in Ontario, Canada subject to a 2.0% net smelter returns royalty. The Property is in a preliminary stage of exploration and does not have a known commercial body of ore or minerals. See "Narrative Description of the Business".

### Property Acquisition

The Company holds an option to acquire a 100% interest in the Property pursuant to an option agreement dated February 25, 2021 as amended June 3, 2021 (the "Option Agreement") between the Company and Rich Copper Exploration Corp., (the "Optionor" or "Rich Copper"), subject to a 2.0% net smelter returns royalty. On September 13, 2021 (i.e. subsequent to the Company entering into the Option Agreement), James Atkinson, a director and Vice President Exploration of Rich Copper, became a director of the Company.

Pursuant to the Option Agreement, as amended, the Company can exercise the Option by:

- (a) Paying \$5,000 to the Optionor within 30 days of signing of the Option Agreement (paid);
- (b) Issuing a total of 350,000 common shares in its capital to the Optionor as follows:
  - (i) 50,000 shares within 90 days of signing of the Option Agreement (issued);
  - (ii) 100,000 shares on or before the first anniversary of the date of the Option Agreement;
  - (iii) 100,000 shares on or before the second anniversary of the date of the Option Agreement;
  - (iv) 100,000 shares on or before the third anniversary of the date of the Option Agreement; and
- (c) Incurring exploration expenditures totaling \$830,000 on the Property as follows:
  - (i) \$80,000 on or before the first anniversary of the date of the Option Agreement;
  - (ii) A further \$150,000 on or before the second anniversary of the date of the Option Agreement;
  - (iii) A further \$250,000 on or before the third anniversary of the date of the Option Agreement;
  - (iv) A further \$350,000 on or before the fourth anniversary of the date of the Option Agreement.

In the event that the Company incurs exploration expenditures, in any of the above periods, less than the specified sum, it may pay to the Optionor the difference between the amount it actually spent and the specified sum before the expiry of that period in full satisfaction of the exploration expenditures to be

incurred. In the event that the Company incurs exploration expenditures in any period, more than the specified sum, the excess shall be carried forward and applied to the exploration expenditures to be incurred in succeeding periods.

The Property is subject to a 2.0% net smelter returns royalty (“NSR”) to the Optionor. The Company has the right to purchase at any time one-half of the NSR (i.e. 1.0%) for a purchase price of \$1,000,000.

As at the date of this Prospectus, a total of \$110,180 in exploration costs has been incurred, which is comprised of \$1,547 in field expenses, \$92,324 in geological consulting fees and \$16,309 in geophysical expenses. This means that the Company has incurred the required exploration expenditures to comply with the requirement under the Option Agreement to incur \$80,000 in exploration expenditures on or before the first anniversary of the date of the Option Agreement.

As at the date hereof, the Company has sufficient funds to incur

- an additional \$150,000 in exploration expenditures, which, pursuant to the Option Agreement, is required to be incurred on or before February 25, 2023; and
- an additional \$250,000 in exploration expenditures, which, pursuant to the Option Agreement, is required to be incurred on or before February 25, 2024.

The Company will need additional funds to meet its fourth year exploration expenditures required under the Option Agreement. The Company plans to raise the funds required by way of equity financing(s). There is no guarantee that the Company will be able to continue to raise the funds needed.

## **Trends**

We do not know of any trends, commitments, events or uncertainties that are expected to have a material effect on our business, financial condition or results of operations other than as disclosed herein under “Risk Factors”.

## **NARRATIVE DESCRIPTION OF THE BUSINESS**

### **Stated Business Objectives**

The Company is in the business of acquiring and exploring natural resource properties. The Company holds an option to acquire a 100% interest in the Property, subject to a 2.0% NSR to the Optionor. The Company intends to explore for copper and other mineralization on the Property. The Company’s business objectives for the next 12 months are to list the Company’s shares on the CSE, which is estimated to cost \$60,000 (including costs related to the prospectus filing) and which is expected to be completed in the next two months, to complete the Phase I work program recommended by the Technical Report and a Phase II work program (see “Narrative Description of the Business – ‘Mineral Project’”). The recommended Phase I work program consists of data review and compilation and drilling at an estimated cost of \$164,600. The Phase II work program as recommended by the Technical Report is not contingent upon successful results being obtained from the recommended Phase I work program and consists of drilling at an estimated cost of \$177,500. The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary. See “Use of Proceeds”.

### **Milestones**

The recommended Phase I work program is expected to commence upon obtaining any required permits, the availability of contractors and satisfactory weather conditions and is estimated to be completed within

four to five months of commencement. The recommended Phase II work program is expected to commence upon completion of the Phase I work program, obtaining any required permits, the availability of contractors and satisfactory weather conditions and is estimated to be completed within four months of commencement.

Additional work on the Property will be contingent upon successful results being obtained from the recommended Phase I and Phase II work programs. If successful results are obtained from the recommended Phase I and Phase II work programs, the Company intends to proceed with a further work program and will need to raise additional funds to carry out further exploration work on the Property. There is no guarantee that the Company will be able to raise the funds needed.

## **Mineral Project**

The Company commissioned and received an independent technical report on the Property, in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“NI 43-101”). The “NI 43-101 Technical Report on the Dobie Lake Copper Property, Algoma, Ontario” dated August 15, 2021 was prepared by Brian H. Newton, P.Geo. and Mark P. Wellstead, P.Geo. of Minroc Management Ltd. (the “Technical Report”). Mr. Newton and Mr. Wellstead are each independent of the Company and a “Qualified Person” for purposes of NI 43-101. Mr. Newton has been involved in mineral exploration as a consulting geologist for the past 37 years. Mr. Wellstead has been involved in mineral exploration as a consulting geologist for the past 11 years. Mr. Newton visited the Property on August 1, 2021. Mr. Newton and Mr. Wellstead are also referred to herein as the “Authors”.

The following information and figures were taken from the Report. All figures and table from the Report are included in this Prospectus except for Tables 1 and 2. The remaining Tables are contained in the Report which is expected to be made available under the Company’s profile on the SEDAR website at [www.sedar.com](http://www.sedar.com). A copy of the Report will be held at the records office of the Company, 101 – 17565 58 Avenue, Surrey, BC, where it may be examined during normal business hours. The following information has been revised in respect to certain references.

## **Property Description and Location**

### Area

The Dobie Lake Property consists of one hundred and thirty one (131) single-cell Mining Claims with a combined area of 2,619 Ha. The claims are staked in one contiguous block but *de facto* include two small areas separated from the main claim block by the Little White River Provincial Park.

### Location

The Property is located in the Algoma District of Ontario, approximately 55 kilometres west by road from Elliot Lake and 45 km north by road (Highway 546) from Iron Bridge, Ontario (Figure 1). Iron Bridge, Ontario is the nearest settlement, with an approximate population of 1,600 and is located along Ontario Highway 17. The city of Sault Ste. Marie is located 150 km west (by road) of the Property. The Property lies approximately 19 km north of the boundary of the Mississauga First Nation Mississagi River 8 Reserve.

The Property lies within NTS map sheets 41J/10 and 41J/11 in Albanel, Kamichisitit and Nicholas Townships in the Sault Ste. Marie Mining District of Ontario.

The historic drillhole 65-11 in the Canamiska area is approximately located at 345,486 mE, 5,157,339 mN (Zone 17T, NAD83).

### Description of Mineral Tenure

The Dobie Lake Property consists of one hundred and thirty one (131) single-cell Mining Claims (see Table 2). The claims are staked in one contiguous block but *de facto* include two small areas separated from the main claim block by the Little White River Provincial Park.

The Claim group abuts the Little White River and Blind River Provincial Parks. Exploration and mineral development is prohibited in Provincial Parks as outlined in the Provincial Parks and Conservation Reserves Act (2006).

The claim group also abuts three mining Patents (the Jentina / White River Lead property), in which surface and subsurface rights are retained by private third parties. The claim group also abuts a parcel of private surface rights which covers a riverfront cottage property in the southwest of the Property. Claim 643566 would also envelop a similar surface rights parcel (CK153) were it not truncated by the Little White River Provincial Park.

### Nature of Issuer's Title

The Dobie Lake Property consists entirely of mining claims. In northern Ontario, mining claims can be acquired by any person or entity possessing a Prospector's Licence on provincially owned Crown Land as well as land for which third party surface rights exist, subject to limits as per the Ontario Mining Act and to the discretion of the Provincial Mining Recorder and Minister for Northern Development and Mines. Possession of a mining claim confers upon the holder the exclusive right to explore for all minerals, which in the context of the Ontario Mining Act refers to base and precious metals, coal, salt and "quarry and pit material", but does not include unconsolidated aggregate material, peat or oil and gas. A mineral claim does not confer any surface rights; the holder of a claim is required to notify any surface rights holders and come to arrangements regarding such factors as access and surface disturbance. A mineral claim does not confer the right to mine minerals; this requires a mining lease.

Since 2018, mining claims in Ontario have been acquired by map-staking using the online MLAS system. Claims are typically 16 hectares in area and square in shape. Claims endure for two years and can be renewed following the filing of reports of exploration work meeting the required value for assessment credits. At the time of writing, this value is set at \$400 per claim.

For further information, the reader is directed to review the Ontario Mining Act and the publications of the Ministry of Northern Development and Mines.

### Ownership Details

The Dobie Lake claims are held 100% by Rich Copper Exploration Corp.

According to the option agreement dated the 25<sup>th</sup> day of February 2021, as amended the 3<sup>rd</sup> day of June 2021 (the "Agreement"), Big Red has been granted an option by Rich Copper Exploration Corp. to acquire a 100% undivided interest in and to the Dobie Lake claims from Rich Copper Exploration Corp, by:

- Paying \$5,000 to Rich Copper within 30 days of signing the Agreement;
- Issuing 50,000 shares to Rich Copper within 90 days of the date of the Agreement;
- Issuing 100,000 shares to Rich Copper on or before each of the first, second and third anniversaries of the date of the Agreement;
- Incurring \$80,000 in exploration expenditures on the Property on or before the first

- anniversary of the date of the Agreement;
- Incurring an additional \$150,000 in exploration expenditures on or before the second anniversary of the date of the Agreement;
- Incurring an additional \$250,000 in exploration expenditures on or before the third anniversary of the date of the Agreement;
- Incurring an additional \$350,000 in exploration expenditures on or before the fourth anniversary of the date of the Agreement.

At that point, Big Red's tenure will be subject to a Royalty equal to 2% of Net Smelter Returns, half of which (i.e. 1%) may be purchased for \$1,000,000.

#### Environmental Liabilities

To the best of the Authors' knowledge, there are no environmental liabilities which would affect the Issuer's title upon the Property or ability to perform work upon it.

#### Permits Required

An Exploration Permit is required should the holder wish to complete any mechanized or invasive exploration (including drilling, stripping, trenching, significant line cutting, and ground geophysical surveys requiring generators). To acquire an Exploration Permit, the holder must:

- Submit an Exploration Plan to the ENDM outlining the proposed work.
- Notify and consult with the Mississauga First Nation and any and all other First Nations or Metis groups who have Treaty rights or traditional land uses (e.g. hunting, trapping, fishing) in the areas in question, so as to avoid conflicts regarding exploration activities, traditional land uses and significant sites.
- Notify any surface rights holders of the intent to file an Exploration Plan.

Any anticipated or potential impacts to fish habitat must be approved at the federal level by the Department of Fisheries and Oceans (DFO) via the Fisheries Act. Liaison may also be required with the Ministry of Natural Resources, local conservation authorities and First Nations.

Bridges, culverts and winter ice roads for the mobilization of mechanized equipment across bodies or courses of water require Ministry of Natural Resources approval, regardless of the surface rights status. Approval may be acquired in the form of a work permit under the Public Lands Act ("PLA") or approvals under the Lakes and Rivers Improvement Act ("LRIA").

Any exploration or development work which requires the pumping of 50,000 litres or more of water per day must be approved by the Ministry of the Environment via the Ontario Water Resources Act. If approved, the MOE will issue a Permit to Take Water.

#### Other Factors

The Property lies within the traditional lands of the Mississauga First Nation. The Authors recommend that Big Red proactively engage with the Mississauga First Nation so as to build trust and avoid conflicts regarding land use and disturbance.



Figure 1 Property Location

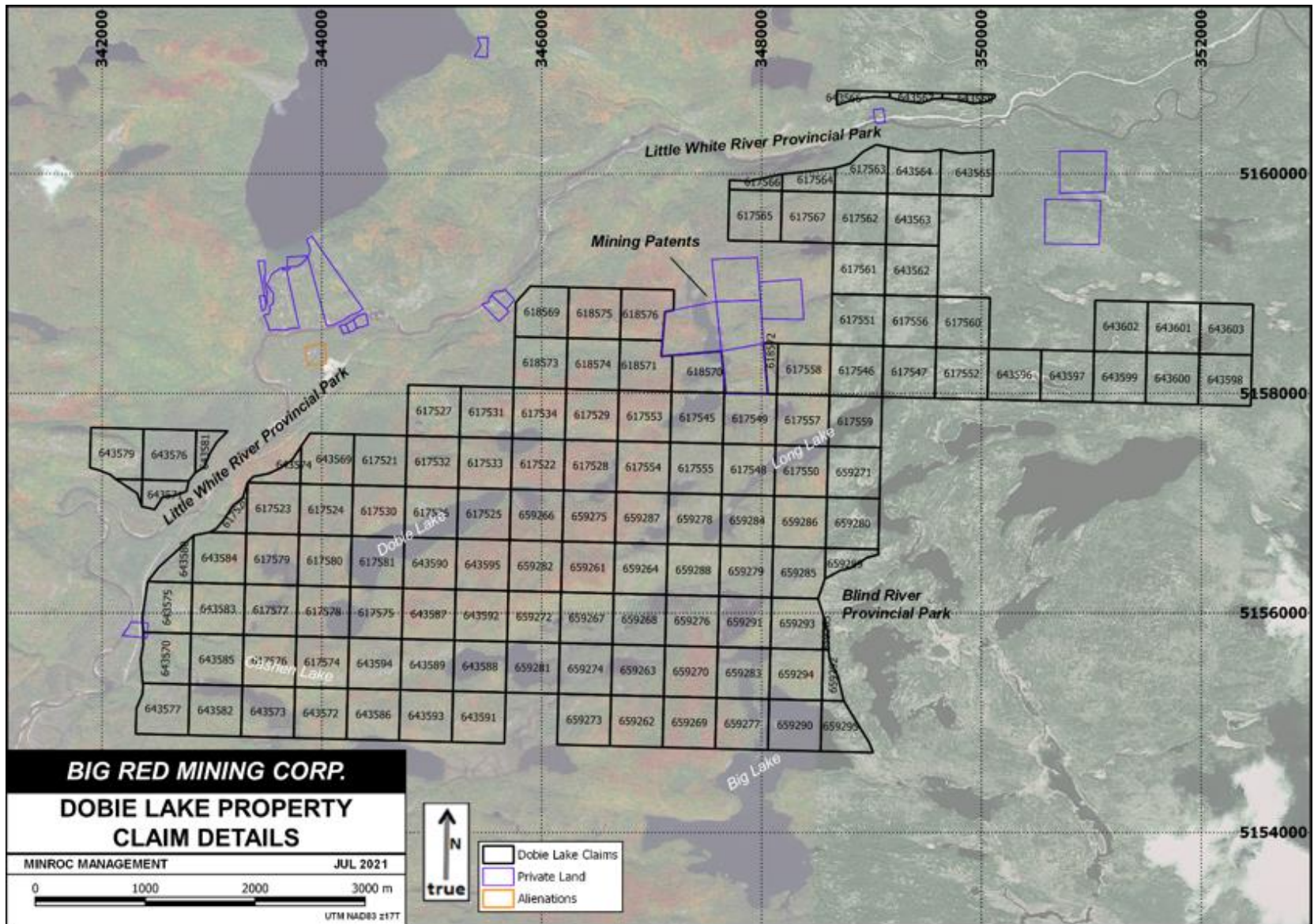


Figure 2 Claim Details

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

### Topography, Elevation and Vegetation

The region is very rugged with steep ridges oriented roughly east-northeast and controlled largely by the distribution of Nipissing diabases. Elevation varies from a low of 275 m near the Little White River to a high of 457 m to highs of about 480 m on the ridgetops east of Dobie Lake and north of Long Lake.

Vegetation cover is relatively undisturbed and is dominated by mixed forest stands typical of the forests north of Lake Huron. Spruce and tamarack occupy low-lying areas while poplar, maple, birch and pine are primarily found along drier ridges. There are areas of moderate to good bedrock exposure especially along the ridges and overall bedrock exposure appears to be plentiful.

Lakes wholly or partly on the Property include Dobie Lake, Cashen Lake, Windy Lake, Big Lake, Scarbo Lake and Long Lake as well as a number of smaller lakes. Smaller lakes are given names including Lost Lake and Sometimes Lake in some historic assessment files (e.g. Anthony & Willoughby 1988). The majority of the Property area drains northward into the Little White River (which runs through the northern part of the claims); a small area in the southeast drains southeastward into the Blind River. Both rivers run southward and eventually drain into Lake Huron.

Overburden thickness, as recorded in historic drilling, is in the order of 3 to 15 drilling feet (up to 3 m vertical), with occasional thicker overburden in wetland areas in the west (e.g. Canamiska DDH 17B with 30 vertical metres).

Water for drilling is readily available from small ponds and lakes located within the claim block and from several creeks that transverse the Property.

### Accessibility

The Property can be reached by traveling north on Highway 546 from Highway 17 at Iron Bridge. Highway 546 passes through the northern edge of the Property in two locations.

Access to the western part of the Property is possible using an ATV trail which leaves Highway 546 opposite a gravel pit at UTM 344,230 mE, 5,158,300 mN and runs east-west past the north shore of Dobie Lake. The northern and eastern parts of the Property can be reached using an ATV trail which leaves Highway 546 behind a cottage at 345,590 mE, 5,158,820 mN. This trail splits in two, one fork arcs east then south and west around a ridge, while the other continues southeast along the shore of Scarbo Lake before continuing east (leaving and then passing back onto the Property).

### Proximity to Infrastructure

The closest community is Iron Bridge with a population of approximately 1,600. Sault Ste. Marie is the closest community of substantial size and lies 110 km west of Iron Bridge along Highway 17 with a population of 75,000. The regional city of Sudbury lies about 175 km east. Sudbury has a population of about 160,000 and has a large mining and exploration industry, with a workforce and contractors well accustomed to exploration requirements.

A hydroelectric power line runs past the Property about 6.5 km to the south. The Huron Central Railway is located south of the Property along the north shore of Lake Huron. Ontario Highway 17 is also located 45 km south, by road, of the Property. This highway is also federally designated as the Trans-Canada Highway.



The Property is at an early stage of exploration. However, the Property area provides ample space for the sufficiency of surface rights for mining operations, potential tailings storage areas, potential waste disposal areas, heap leach pad areas, potential processing plant sites and other mining and development infrastructure. The Issuer must be granted a Mining Lease before mining or development infrastructure can be established on the Property.

### Climate

The Dobie Lake area has a humid continental climate (Köppen Dfb). Summers generally reach highs of 30°C and winter lows of -20°C are common. At Sault Ste. Marie, average annual rainfall is in the order of 650 mm, peaking in September and October, while average annual snowfall is roughly 300 mm, peaking in January. The Dobie Lake area may vary slightly from this.

The climate and terrain put some limits on exploration. The operating season can be considered year round save for spring thaw and late autumn freeze-up periods.

### **History**

#### Prior Ownership

The claims comprising the Dobie Lake property were map-staked by Rich Copper Exploration Corp. in 2020-21. Prior to the Ontario claim system restructuring in 2018, much of the Dobie Lake property area was covered by two claims staked by Patrick Len Gryba and Clayton Lucien Larche in June 2017. These were converted to cell claims in April 2018 before expiring in 2019.

#### Discussion of Work

##### *Regional Context*

The earliest recorded exploration on the Dobie Project dates back to 1955. Prospecting and exploration for copper may have occurred long before this, based on the fact that the nearby 'Bruce Mines' was the first recorded copper mine in North America dating back to 1846. The town of Bruce Mines is situated 65 km southwest of the Dobie Project. In 1847 the first shipment of ore grading 10% copper was shipped to Boston and sold for \$25 per ton. Mining flourished from 1847 to 1876. Records are vague but production from the three copper mines that made up 'Bruce Mines' totaled between 400-500,000 tons of ore grading between 2.5-4.0% Cu and 0.5 g/t Au (Graham, 1971). Flooding and cave-ins in 1876 ended the 30-year period of active mining history. Several attempts to re-open the mines in the early 1900's saw only limited success. The mines were decommissioned in 1944.

Production at Bruce Mines was obtained from three quartz vein systems in a diabase sill. The veins were characterized by their persistent lengths of 350 m to over 2,400 m. Mining widths were commonly 1.5 to 2 m wide but reported up to 7 m wide in places. The origin of the veins were thought to be related to hydrothermal fluids evolving along a conduit that produced the diabase sill and structurally related to the Worthington and Palideau Fault systems (Graham, 1971).

##### *Overview of Exploration History at Dobie Lake*

Note: Some of this work was focused on targets outside the current Property but has at least some overlap with the Dobie Lake Property. Some of the historic work at the No. 1 Zone may lie within the boundary of the Little White River Provincial Park. Work must be completed on the Property to verify the location of known mineralization with respect to the Property boundary.

**1955:** A.E. Rosen completed 7 diamond drill holes totaling 1,578.5 m in the vicinity of the Property. The location of the drilling could not be reliably confirmed from the assessment file although the Ontario Drillhole Database identifies DDH No. 1 as lying within the Property (see Table 3). No assays were reported (Rosen 1995a,b).

**1965:** Canamiska Copper Mines completed trenching, soil geochemistry, magnetic and ground EM surveys over what is now called the Canamiska Zone. Highlights of the trenching were 0.8% Cu over 9-feet, 3-inches (2.73 m; Schlanka 1969) and grab values including 5.18% Cu (Walker 1965). They also completed diamond drilling in 22 diamond drill holes (3 lost in overburden) totaling 4,478 feet (1,447.1 m). The locations of many of these drillholes, according to the Ontario Drillhole Database, are displayed on Figure 3, and an example drill section is shown in Figure 4.

Highlights include:

- 0.10% Cu over 65 feet (18.81 m) in hole 65-1
- 3.6% Cu over 1.5 feet (0.46 m) in hole 65-2
- 0.53% Cu over 25 feet (7.62 m) in hole 65-6
- 1.44% Cu over 19.5 feet (5.94 m) in hole 65-7
- 0.42% Cu over 12.5 feet (3.81 m) in hole 65-9
- 2.29% Cu over 10 feet (3.05 m) in hole 65-11
- 0.17% Cu over 30 feet (9.14 m) in hole 65-12

(Walker 1965 and Boniwell 1965).

The Canamiska assessment files include crude sketch drill plans, and the drillhole locations can only be reconstructed with a low degree of accuracy.

**1967:** Canadian Aero Mineral Surveys Ltd. completed an airborne magnetic survey over a portion of the Property for Consolidated Morrison Exploration Ltd. The same year and same outline of the survey is recorded for GoldRay Mines Ltd (Schoor 1967a, b)

**1968:** Triller Explorations Ltd. drilled two vertical diamond drill holes totaling 4,577 feet (1,395 m). The intent appears to have been to test deeper portions of the Huronian sediments for uranium mineralization. Exact locations of the drilling cannot be confirmed but it appears to be along the trail to the No. 2 Zone. This may be one of the vertical holes mentioned by Hanna Mining Company in 1969 (Duff 1968 and Wharton 1968).

**1968:** Seigel Associates Ltd. flew a magnetic, electromagnetic and radiometric airborne survey that covered the claim group as part of a large airborne survey flown for Atlantic Richfield Company (Seigel Associates Ltd 1968).

**1968:** G. E. Parsons completed a geological mapping over a small portion of the Property. The only evidence of mineralization was a trace of chalcopyrite and copper staining in a siliceous rock outcrop in historic claim 86223 (south of the No. 1 Zone; Parsons 1968).

**1969:** Atlantic Richfield Canada Ltd. completed an airborne VLF, magnetic and radiometric survey over a portion of the Property (Klein 1968,1969 and Zahn 1969).

**1969:** Hanna Mining Company drilled one vertical drill hole totaling 3,003 feet (915.3 m) on their (historic) claim 106940. The historic location from their assessment report does not provide an accurate location. Big Red report that a vertical collar was identified on the Property at UTM 349146E, 5158953N; this may

represent this drillhole though it is not clear. The highlights of the drill hole was 0.06% U<sub>3</sub>O<sub>8</sub> over 3.3 ft (1 m) from 643.3 feet downhole (Hogg 1969 and Parsons 1969).

**1974:** Fort Norman Exploration Inc. drilled 4 diamond drill holes totaling 632.3 feet (192.7 m). Exact locations are not confirmed but from the claim map appears to have been drilled on the No. 1 Structure. Highlights include **0.93% Cu over 15 feet (4.51 m)** in hole 74-1 and **0.62% Cu over 13.5 feet (4.11 m)** in hole 74-4 (Rupert 1974). Note: These drillhole collars are located within the Little White River Provincial Park. It is not clear whether or not the mineralized intervals likewise lie within the Provincial Park boundaries.

**1975:** Ram Petroleum Ltd. flew an airborne EM and magnetic survey over a portion of the Property (Stemp 1975).

**1986:** A. Roy carried out linecutting and a ground VLF-EM-16 survey over a portion of the Property (Roy 1986). Grab samples from the No. 1 Zone “Main Trench” included values of 7.84% Cu. The Authors caution that this mineralization may lie a short distance outside the Property.

**1988:** United Reef Petroleums Ltd. completed geological mapping and soil and humus geochemical surveys over a portion of the Property. Highlights of the sampling program at the Main Showing (the No. 1 Zone) was a chip channel that returned **5.233% Cu over 23-feet (7.01 m)** that included 13-feet (3.96 m) averaging **8.761% Cu and 0.019 oz/ton Au (0.59 g/t Au)**. The Authors caution that this mineralization may lie up to a few tens of metres outside the Dobie Lake Property but that this must be confirmed.

The soil and humus surveys failed to show any continuity between mineralized outcrops possibly reflecting widely spaced grid lines and sample locations (Anthony & Willoughby 1988). United Reef also performed a ground magnetometer survey completed by MPH Consulting Ltd. totaling 21 km. The magnetic data, when combined with careful topographic notes and previous geological mapping, clearly define the extent of the sedimentary units, interpreted from northeast to southwest as:

- (i) Mississagi Formation feldspathic sandstones of minimal magnetic expression;
- (ii) Bruce Formation polymictic conglomerate (0-6 m wide) which has no magnetic expression; and
- (iii) Espanola Formation limestones, dolomites and siltstones within which the magnetite-rich limestone beds are clearly evident but do not necessarily explain all the magnetic features.

The response patterns of the latter two formations broadly outline the folding about the Little White River Anticline which has an east-northeast orientation. (Bate 1988)

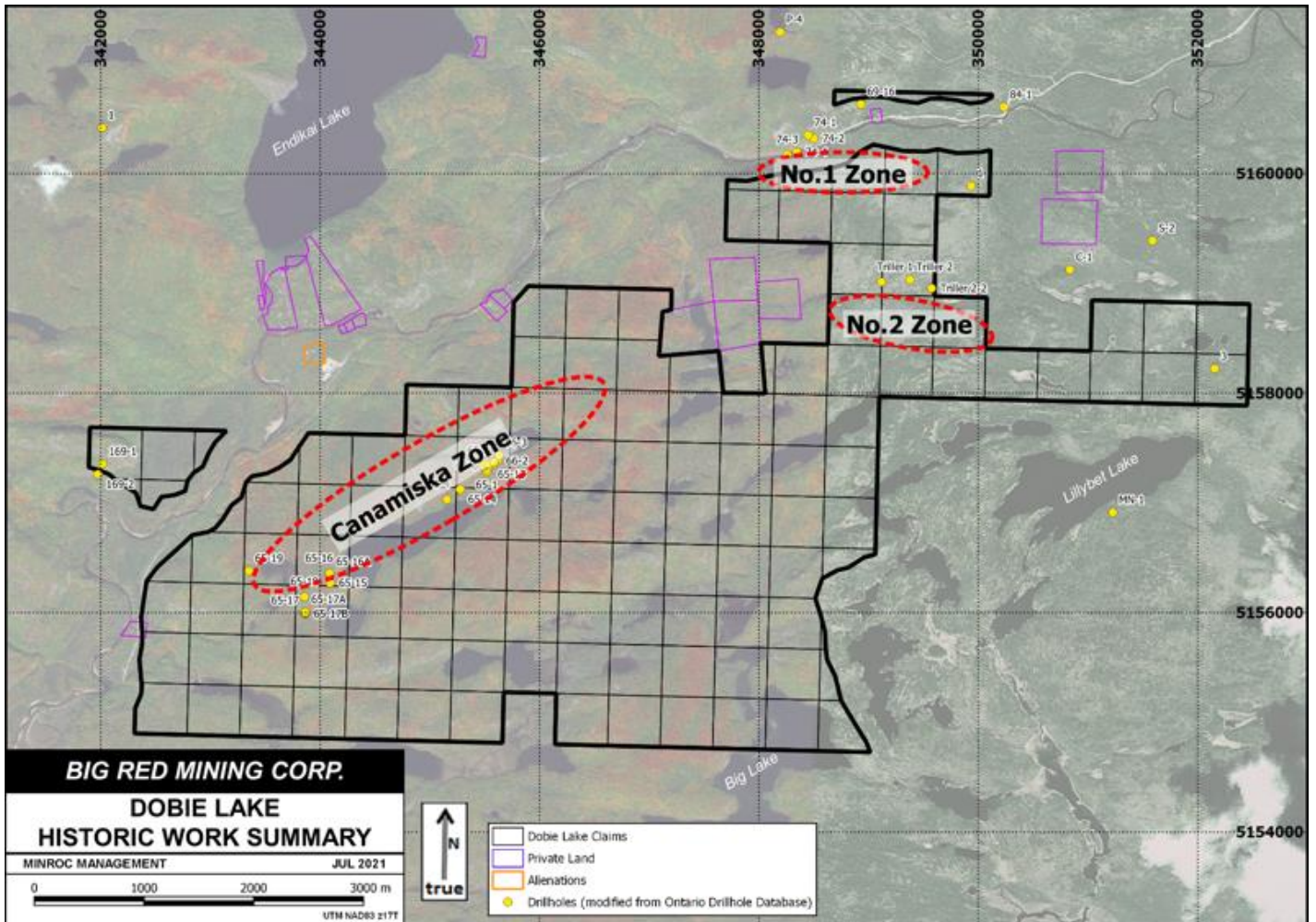
**1989:** United Reef Petroleums Ltd. completed a ground horizontal loop EM survey over a portion of the Property (Bate 1989).

**1994:** MR&J Resource Associates performed geological mapping and prospecting for A.J. Roy on what they called the Jentina Mine Property. The worked claims were east and west of the former White River Lead mine patents and have significant overlap with the Dobie Lake Property in both areas. Highlights of the sampling and mapping program include an 8-foot (2.43 m) channel sample that reported **6.78% Cu and 1.90 oz/ton Ag (59.1 g/t Ag)** on the No. 1 Zone structure. Gold values up to 0.03 oz/ton Au (0.933 g/t Au) were also recorded. This may be taken from the trench identified by Parent (2021) in which visible chalcopyrite and malachite mineralization was reportedly seen; if so then this trench straddles the boundary of the Provincial Park and therefore also the Property. The “No. 2 Copper Structure” (No. 2 Zone) returned **1.83% Cu over 4 feet (1.22 m)** from a trench, and a grab sample returned **13% Cu** (Willoughby 1994).

Figure 5 shows some of the trenching and sampling in the No. 2 Zone area. These results appear to be within claim 617560. The Willoughby report also contains a detailed compilation of historic work, also covering the Canamiska area.

**2007:** Carina Energy Inc. completed a heliborne AeroTEM electromagnetic and magnetic survey over the Property (Area 1) as a part of a larger regional survey (Smith 2007). They also completed a high resolution magnetic and radiometric survey (Elliot Lake Project) that covered the Property (MPX Geophysics 2007)

**2008:** Carina Energy Inc. provides an interpretation of the AeroTEM electromagnetic and magnetic survey in Smith (2007). They concluded that ‘the magnetic patterns over Areas 1 and 2 outline the intrusive Nippising diabase, that may occur as dykes and as more like the classical intrusive bodies. Anomalies I1 and I2 show buried intrusives; the form of I2 is suggestive of a possible kimberlite and should be investigated on the ground. The weak conductor C2 deserves a brief field check’. The aforementioned C2 conductor is not within the Property. Anomaly I1 is not within the Property, however I2 may be partially (Jagodits 2008).



**Figure 3 Summary of Historic Work on the Dobe Lake Property.** Drillhole locations are modified from Ontario Drillhole Database after an assessment file review

**Table 3 Table of Drillholes on the Dobie Lake Property**

Note: Canamiska DDH intervals are from Willoughby (1994). Collar UTM's from ODD; Canamiska UTM's are modified based upon an assessment file map review. All require field verification.

DDH	Company	Year	Dip	Az	Length m	UTM E	UTM N	Reference (AFRI)	Mineralization notes
<b>1</b>	A E Rosen	1955	-45	360	122.56	349936.7	5159888	41J10SW0108	
<b>Triller 1</b>	Triller Expl Ltd	1968	-90	0	470.43	349116.5	5159012	41J10SW0100	
<b>Triller 2</b>	Triller Expl Ltd	1968	-90	0	925	349378.2	5159034	41J10SW0100	
<b>3</b>	A E Rosen	1955	-60	360	146.34	352155.7	5158223	41J10SW0053	
<b>65-1</b>	Canamiska Copper Mines Ltd	1965	-45	360	76.22	345518.1	5157304	41J11SE0003	0.10% Cu over 65ft (18.81m)
<b>65-2</b>	Canamiska Copper Mines Ltd	1965	-45	360	138.41	345518.3	5157282	41J11SE0003	3.6% Cu over 1.5ft (0.46m)
<b>65-3</b>	Canamiska Copper Mines Ltd	1965	-45	360	106.71	345531	5157348	41J11SE0003	
<b>65-4</b>	Canamiska Copper Mines Ltd	1965	-45	360	106.71	345156.4	5157032	41J11SE0003	
<b>65-5</b>	Canamiska Copper Mines Ltd	1965	-45	180	4.57	345512.3	5157317	41J11SE0003	
<b>65-6</b>	Canamiska Copper Mines Ltd	1965	-45	180	27.44	345516	5157340	41J11SE0003	0.53% Cu over 25ft (7.62m)
<b>65-7</b>	Canamiska Copper Mines Ltd	1962	-30	180	28.96	345515.7	5157339	41J11SE0003	1.44% Cu over 19.5ft (5.94m)
<b>65-8</b>	Canamiska Copper Mines Ltd	1965	-45	180	27.44	345500.9	5157340	41J11SE0003	
<b>65-9</b>	Canamiska Copper Mines Ltd	1965	-30	180	24.7	345500.9	5157341	41J11SE0003	0.42% Cu over 12.5ft (3.81m)
<b>65-10</b>	Canamiska Copper Mines Ltd	1965	-45	180	27.74	345486.1	5157340	41J11SE0003	
<b>65-11</b>	Canamiska Copper Mines Ltd	1965	-45	180	29.57	345486.2	5157339	41J11SE0003	2.29% Cu over 10ft (3.05m)
<b>65-12</b>	Canamiska Copper Mines Ltd	1965	-45	180	76.22	345516.2	5157357	41J11SE0003	0.17% Cu over 30ft (9.14m)

DDH	Company	Year	Dip	Az	Length m	UTM E	UTM N	Reference (AFRI)	Mineralization notes
65-13	Canamiska Copper Mines Ltd	1966	-45	180	39.33	345584.4	5157369	41J11SE0003	
65-14	Canamiska Copper Mines Ltd	1966	-45	180	62.2	345615.1	5157384	41J11SE0003	
65-15	Canamiska Copper Mines Ltd	1966	-45	40	92.38	345628.8	5157435	41J11SE0003	
74-1	Fort Norman Expl Inc	1974	-40	320	50.3	348448.9	5160351	41J10SW0090	0.93% Cu over 15ft (4.51m)
74-2	Fort Norman Expl Inc	1974	-90	0	33.9	348499.7	5160322	41J10SW0090	
74-3	Fort Norman Expl Inc	1974	-40	12	56.59	348257.6	5160173	41J10SW0090	
74-4	Fort Norman Expl Inc	1974	-65	5	51.98	348344.4	5160198	41J10SW0090	0.62% Cu over 13.5ft (4.11m)
169-1	Falconbridge Nickel Mines Ltd	1966	-90	0	225.3	342015.6	5157353	41J11SE0009	
169-2	Falconbridge Nickel Mines Ltd	1966	-90	0	473.78	341974.2	5157261	41J11SE0009	
65-13	Canamiska Copper Mines Ltd	1965	-45	180	38.11	345545.8	5157351	41J11SE0003	
65-14	Canamiska Copper Mines Ltd	1965	-45	360	91.46	345276.6	5157123	41J11SE0003	
65-15	Canamiska Copper Mines Ltd	1965	-45	360	121.95	344091.3	5156270	41J11SE0003	
65-16	Canamiska Copper Mines Ltd	1965	-45	360	10.98	344085.6	5156358	41J11SE0003	
65-16A	Canamiska Copper Mines Ltd	1965	-55	360	92.68	344088.2	5156349	41J11SE0003	
65-17	Canamiska Copper Mines Ltd	1965	0	360	12.2	343863	5155997	41J11SE0003	
65-17A	Canamiska Copper Mines Ltd	0	0	360	8.54	343862.3	5156005	41J11SE0003	
65-17B	Canamiska Copper Mines Ltd	1965	-60	360	106.71	343861.4	5155989	41J11SE0003	

<b>DDH</b>	<b>Company</b>	<b>Year</b>	<b>Dip</b>	<b>Az</b>	<b>Length m</b>	<b>UTM E</b>	<b>UTM N</b>	<b>Reference (AFRI)</b>	<b>Mineralization notes</b>
<b>65-18</b>	Canamiska Copper Mines Ltd	1965	-60	360	152.44	343856.6	5156144	41J11SE0003	
<b>65-19</b>	Canamiska Copper Mines Ltd	1965	-45	360	142.38	343348.8	5156379	41J11SE0003	
<b>69-16</b>	The Hanna Mining Co	1969	-85	360	915.24	348929.3	5160632	41J10SW0104	
<b>Triller 2- 2</b>	Atlantic Richfield Co / Triller Explorations	1968	-90	0	1398.5	349574.1	5158955	41J10SW0105	

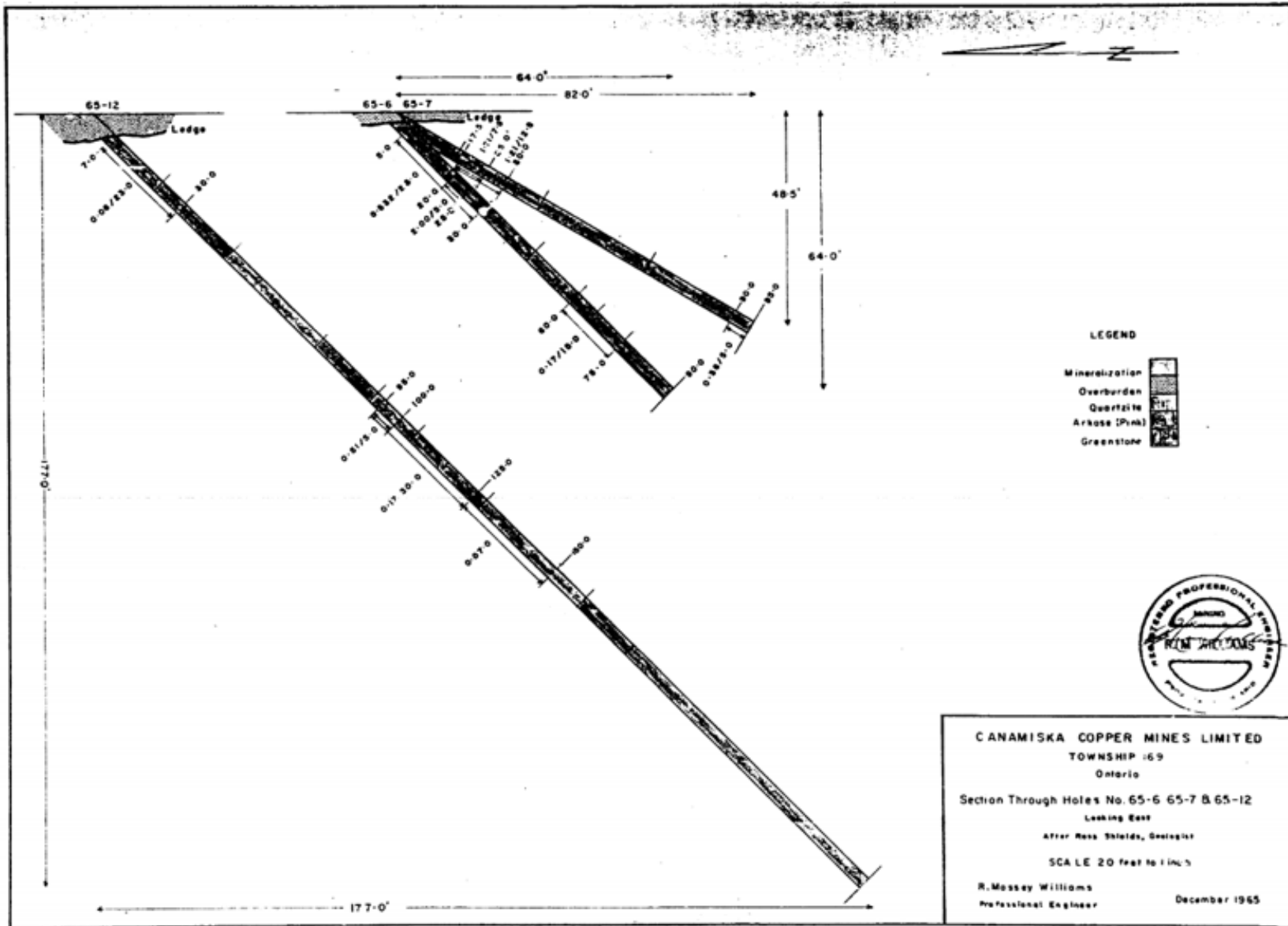


Figure 4 Historic section of DDH 65-6, 65-7 and 65-12 from Canamiska Copper Mines (Boniwell 1965)



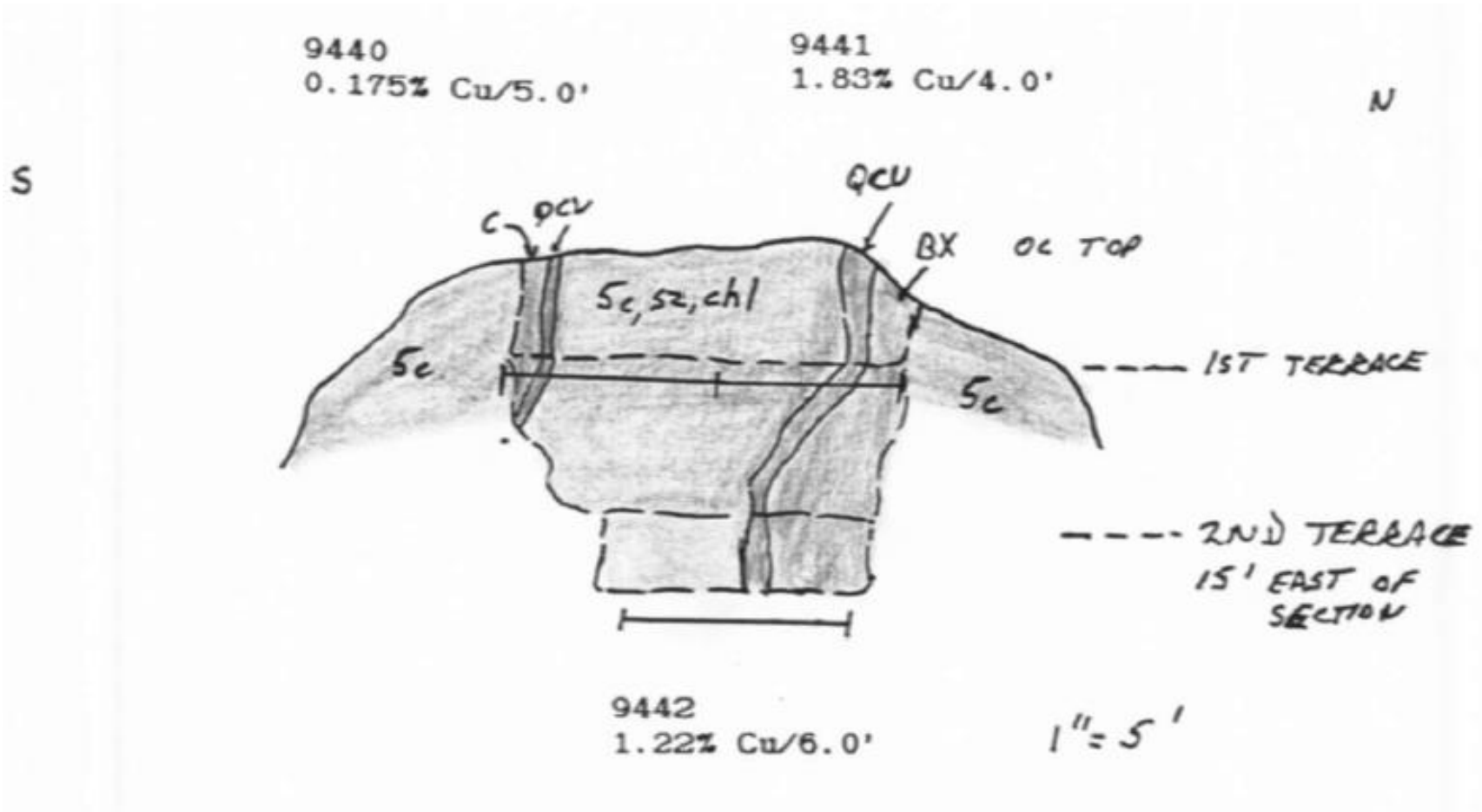


Figure 5 Diagram of trench in the No.2 Zone, from Willoughby (1994)

## Resources, Reserves and Production

The Property is an early-stage exploration property. There are no current Mineral Resources or Reserves on the Project as defined in the Definition Standards on Mineral Resources and Mineral Reserves published by the Canadian Institute of Mines, Minerals and Petroleum (CIM), JORC or any equivalent international code. The Authors are unaware of any records of any past production from the Property.

## **Geological Setting And Mineralization**

### Regional and Local Geology

The Dobie Lake Property lies within the Southern Province of the Canadian Shield. The Southern Province is comprised chiefly of early Proterozoic clastic sediments of the Huronian Supergroup which is early Proterozoic in age (2.45-2.115 Ga). The Huronian sequence hosts the Nipissing diabase sills which form a substantial intrusive complex across the region and are dated to 2.115 Ga. The Property is considered to be in the western extension of the Cobalt Embayment.

The Huronian sedimentary rocks lie unconformably atop the older (Archean) Superior Province, and windows of Archean (>2.45 Ga) metasediments, metavolcanics and granitic complexes are present in the region. The early Proterozoic Huronian Supergroup extends in a belt about 325 km long by 60 km wide stretching from Sault Ste. Marie, Ontario to Rouyn-Noranda, Quebec. The Huronian sediments are interpreted to be deposited during a period of marine transgression from south to north in south to southeasterly drainage patterns both in non-marine and paralic environments. Dominant coarse clastic materials for the most part alluvial, compose a complex suite of sedimentary rocks subdivided into four groups totaling 15 km in thickness. The predominant clastic material are the products from gradual uplift of the Archean Superior Province (Abitibi/Wawa subprovince) foreland to the north. The unconformity with the basement rocks is sharply defined in some places and at others is represented by several meters of regolith. The Huronian sequence is up to 6,000 ft (1.8 km) thick in the centre of the basin (Roscoe 1995).

The primary intrusive event affecting the region was the intrusion of the Nipissing diabase sills and dykes in the early Proterozoic. The Nipissing diabase is primarily found as voluminous intrusions in the Huronian sediments, but smaller bodies of diabase are also found in the underlying Archean rocks. Being the most erosion-resistant units in the region, the Nipissing sills have a strong influence on topography and drainage.

The above units were subjected to broadly east-west deformation and greenschist grade metamorphism during the Penokean Orogeny in the mid-Proterozoic (about 1.85-1.75 Ga). Dykes relating to the Sudbury impact event were intruded around 1.2 Ga.

The major structural event that has deformed the Huronian sediments is the Penokean Orogeny, which affected the region between about 1.850 Ga and 1.750 Ga (Van Schmus, 1975b). The deformation caused by the Penokean Orogeny resulted in slight to intense folding and have been affected by numerous reverse and normal faults. Folding in the Huronian terrane is moderate for most part (Frarey, 1977).

The dominant structures in the Bruce Mines-Elliot Lake corridor are: a set of faults belonging to the Flack Lake Fault System; the Little White River Fault; the Quirke Syncline; and the Chiblow anticline (Figures 6, 7, 8). Movement along these faults resulted in the formation of a series of fault bounded rotated blocks (Siemiatkowska, 1978). Huronian rocks in the Bruce Mines-Elliot Lake corridor are also folded and form a shallow westward plunging, gently folded syncline and anticline structures. On the north, the limbs of the Quirke syncline generally dip from 20° to 40° south and, on the south, the limbs dip from 15° to 30° north. The depth to the centre of the syncline from the present surface is estimated to be approximately 1,500m.

The axis of the syncline plunges gently west at approximately 15°. Minor offsets and drag folds are mapped locally (Lang, 1962).

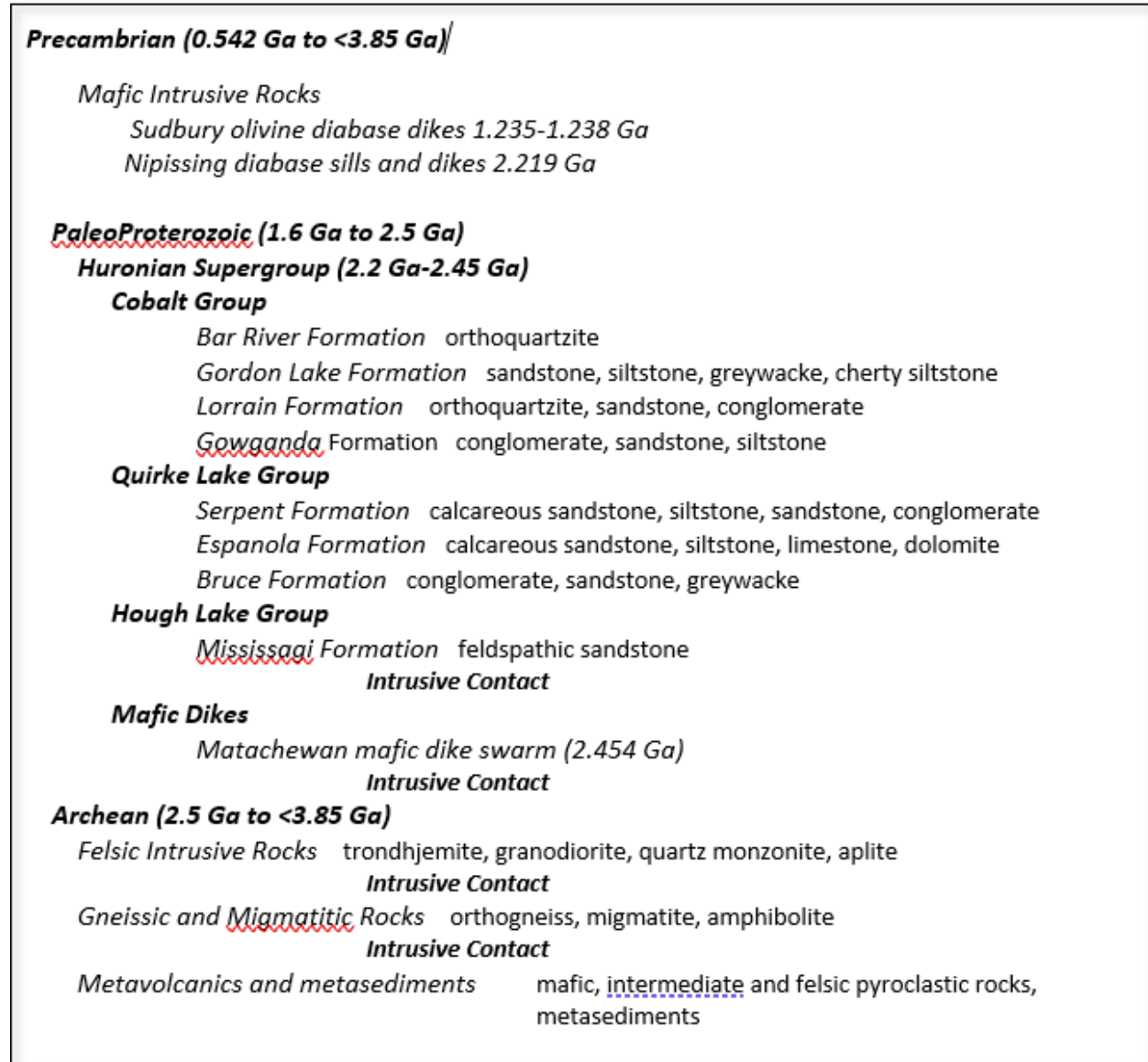


Figure 6 Stratigraphy in the Dobie Lake project area (from Siemiatkowska 1978)

### Property Geology

The Dobie Lake Project is covered by Paleoproterozoic sediments of the Huronian Supergroup and a large Nipissing diabase sill. These lie unconformably on top of Archean basement metavolcanic and metasedimentary rocks.

The following is largely taken from Siemiatkowska, K.M. 1978, Ontario Geological Survey Open File Report 178.

### *Hough Lake Group-Mississagi Formation*

The Mississagi Formation unconformably overlies the granitic rocks of the Early Precambrian basement.

The sandstone lies directly on the Precambrian basement forming a narrow east-trending wedge. The lithology of the sandstone reflects the lithology of the underlying granitic rocks. The basal Mississagi sandstone is poorly sorted, contains angular clasts of pink feldspar, granite, and white quartz averaging 7.5 cm in diameter set in a green sericite-rich matrix. The overlying sandstone is finer grained and is pinkish green. Bedding ranging from 0.6 to 1.2 m (2 to 4 feet), is laminated with laminae 2 to 5 cm (0.8 inch to 2 inches) thick and contains greenish fine sandy siltstone interbeds approximately 30 cm (1 foot) thick. Away from the unconformity, the sandstone becomes coarser grained with less pronounced laminations. Minor pyrite occurs throughout the whole sequence.

### *Quirke Lake Group- Bruce Formation*

The Bruce Formation, considered by Young and Chandler (1968) to be of possible glacial origin, is a massive, polymictic, matrix-supported conglomerate consisting of scattered coarse clasts of igneous rock in a muddy feldspathic sandstone matrix. On a regional scale, local interbeds of sandstone and siltstone, ripples, and crossbedding are the only structures found.

At the contact with the Mississagi Formation, the Bruce Formation consists of interbedded sandstone and conglomerate which is 1.5 m thickness. The Bruce Formation varies from 0 to 6 m in thickness in the Little White River Anticline. In places where the Mississagi Formation does not occur, the Bruce Formation is difficult to distinguish from the Gowganda Formation. The predominant rock type is a polymictic, matrix-to clast-supported conglomerate containing 10 to 25 percent predominantly white plutonic clasts in a pyrite-bearing greywacke to mudstone matrix. The clasts, ranging in size from 1 mm to 46 cm (18 inches), are angular to subrounded, and consist of 85 percent white granite, and 15 percent of the following: smokey quartz, metavolcanics, metasandstone, metasiltstone, chert, and occasional pink granitic rock.

### *Quirke Lake Group- Espanola Formation*

The Espanola Formation consists of calcareous siltstone and sandstone, limestone, and dolomite. It is the only formation in the area that has a limestone member, and therefore is very useful as a marker horizon. Ripples, desiccation cracks, flame structures, ball and pillow structures, intraformational breccias, slump balls, and clastic dikes have been interpreted as indicative of deposition in an unstable, shallow water, possibly tidal mud flat environment (Card et al. 1972).

In the Property, three stratigraphic units have been observed in the Espanola Formation. From the base these units are: 1) laminated to massive limestone and dolomite; 2) laminated to massive siltstone; and 3) calcareous sandstone with siltstone interbeds.

### *Quirke Lake Group- Serpent Formation*

The Serpent Formation, a uniform wedge of coarse, immature, feldspathic sandstone, is characterized by abundant crossbedding and parallel laminations. Like the Mississagi Formation, a fluvial or fluvial-deltaic depositional environment has been proposed by many workers (Card et al. 1972). An erosional disconformity has been proposed to exist at the base of this formation, because the Serpent Formation is missing in many areas (Frarey, 1977) and the Lower Gowganda Formation rests directly on the Espanola Formation.

East of Scarbo Lake on the Property, the Serpent Formation consists of a pink, medium grained feldspathic sandstone with rusty brown pyrite-bearing spots and is interbedded with fine-grained grey coloured dirty sandstone with parallel laminations. Minor siltstone interbeds are present. West of Scarbo Lake on the Property, the Serpent Formation consists of fine-grained laminated grey sandstone with sparse white, well rounded and sorted granitic clasts ranging in size from 5 cm to 15 cm across. The pebble bands are 15 cm thick and occur at base the of the lower beds.

#### *Cobalt Group-Gowganda Formation*

The Gowganda Formation is the basal formation of the Cobalt Group, the thickest and most widespread of the Huronian groups. The Gowganda Formation, 200 to 2,700 m thick, is a heterogeneous assemblage of paraconglomerate, orthoconglomerate, greywacke, feldspathic sandstone, and laminated argillite exposed from Sault Ste. Marie to the Cobalt-Gowganda area (Card et al. 1972).

The base of the Gowganda Formation consists of massive clast-supported to matrix-supported polymictic conglomerate in a predominantly sandy matrix. The conglomerate consists of 50 to 70 percent clasts with about 70 percent of the total clast content consisting of pink to red, and in some areas, white granitic rocks; 10 percent quartz; and up to 20 percent metavolcanic, metasedimentary, and gneissic rocks; sandstone; and argillite. The clasts range in size from pebble to boulder, 1 to 26 cm (0.4 to 10 inches). The conglomeratic lenses the clasts on the average are fairly well sorted with the degree of roundness ranging from rounded to angular. The matrix in these lenses is predominantly arkosic, and well sorted. In the thicker conglomeratic units, the matrix is poorly sorted with angular grains and clasts reflecting the same features as in the thinner conglomeratic lenses. Scour and fill channels are abundant. The non-conglomeratic rocks of the Lower Gowganda Formation consist of sandstone, siltstone, and mudstone, and occur predominantly as interbeds in the conglomeratic rocks.

#### *Nipissing Diabase*

One of the more prominent and widespread rock types on the Property are the Nipissing diabase intrusions. Their abundance is strongly emphasized in topography because they are relatively erosion-resistant, occupying large outcrop areas and forming prominent ridges, scarps, and hills. In addition to the large intrusions appearing on the various geological maps, many more small occurrences exist. Such small intrusions are particularly numerous in the Archean terranes. This abundance is probably due, as to the relative competency and resulting widespread fracturing of the basement rocks during tectonism. On the other hand, large diabase masses are relatively scarce in the Archean rocks as compared to the Huronian rocks. This suggests that such large masses and their feeders may have been emplaced in the basement rocks farther south beneath thicker Huronian cover, or, more likely, that during the emplacement process the bulk of the mafic magma passed through the granitic basement via narrow conduits. On entering the Huronian column, the magma was able to pervade the section laterally along flat or gently inclined bedding planes and fractures (Frarey, 1977).

#### *Property Structural Elements*

The dominant fault structure on the Property is the east-west Flack Lake Fault System. The faults delineate a prominent east- and northwest-trending fracture pattern accentuated by diabase dikes and quartz stringers. The foliation and shearing foliation in the Huronian rocks shows the same predominant easterly trend. Movement along these faults, as well as numerous faults, resulted in the formation of a series of fault bounded rotated blocks.

The Flack Lake Fault, the most important fault in the region, was described by Robertson (1963) as a system of faults, rather than a single fault forming an east-trending curvilinear structure extending for

approximately 154 km. In the Property, the Flack Lake Fault consists of a curvilinear structure. Movement along the fault has produced considerable shearing and deformation in the rocks. Carbonate and hematite-bearing quartz veins are associated with this shearing.

Two prominent folds on the Property are Quirke Syncline and the Little White River Anticline. The Quirke Syncline is a major regional structure in the Sault Ste. Marie-Elliot Lake region. It is a variably plunging fold with the north limb dipping approximately 40° to 45° south and a south limb dipping about 100 north (Robertson, 1963). The westward extension of the trace of the fold axis cannot be accurately defined because of the lack of exposure, shearing, and lack of a distinctive marker unit in the Gowganda Formation. The Wakomata Lake Syncline may be the continuation of the Quirke Syncline. The Little White River Anticline has an inverted canoe shape, and its axial trace has been buckled in a north-south direction. The deformation associated with the formation of this anticline is well preserved in the limestone member of the Espanola Formation which shows numerous drag folds, stretching, and boudinaging of the more competent layers (Siemiakowska, 1978).

### Mineralization

Mineralization on the Property consists of copper bearing quartz veins and stockwork within the Huronian sediments. These systems generally strike east-west to northeast and have been traced for over 1 km long. Copper mineralization is accompanied by silver and gold albeit at lower tenors than copper. The vein systems are usually highlighted by a quartz-carbonate brecciated vein <1-3 m in width with blebby to coarse to locally semi-massive chalcopyrite dominant mineralization within a halo of quartz stockwork/stringer disseminated chalcopyrite mineralization that can attain widths of up to 10 m. Bornite, chalcocite and malachite are also subordinate copper minerals noted. Hematization of the country rock within the vein systems is common.

Two copper mineralized systems are present on the Property, namely the No. 2 Zone and the Canamiska Zone (see Figures 3-5, 8). A third, the No. 1 Zone, may lie partly within the Property, though this must be confirmed by future work. A fourth, the Jentina (White River Lead) polymetallic veins, is also discussed here on account of its proximity (a few hundred metres from the boundary).

According to the historic assessment work, the No. 1 Zone appears to carry appreciable gold and silver mineralization alongside copper, while there are fewer mentions of other mineralization besides copper at the No. 2 and Canamiska Zones.

Given the early stage of exploration on the Property, the widths, tenors and vertical and horizontal extents of mineralization are not accurately known and remain to be determined by future exploration programs.

#### *7.2.1 Canamiska Zone*

The following is taken from the Barringer Research Ltd. trenching efforts in 1965 for Canamiska Copper Mines (Walker 1965):

“The principal geological feature mapped in the trench is a mineralized fault zone extending 4 to 26 feet from the northern end of the trench. Within this zone the rocks comprise steeply dipping, ferruginous, cherty quartzites which have been sheared and brecciated in places. The faulting is almost vertical and strikes east-west. The unmineralized country rock, a grey feldspathic quartzite, was exposed on either side of the faulted zone. The dip is very shallow varying between 8° N and 10° S. The mineralization occurs within the sheared and fractured zone and consists of veins up to 1/2 inch wide, and blebs of sulphide. The main sulphides observed comprise pyrite, chalcopyrite, chalcocite and a little bornite. Malachite staining is abundant along fractures and shear planes.”

A review of the 1965 drilling efforts by Canamiska Copper Mines (see Boniwell 1965 and others) by the Authors reveal a wide zone of disseminated copper mineralization centered on higher grade veins. The diamond drill logs do an adequate job of describing rock types, but lack in detail describing the nature of the mineralization. Willoughby (1994) reports the best intersection from the drilling program of 1.44% over 19.5 feet (5.94 m), but this cannot be confirmed from the drill logs. Diamond drill cross sections (e.g. in Figure 4) reveal high grade intersections (3.6% over 0.46 m in hole 66-2) surrounded by wide downhole intervals commonly 200-1000 ppm Cu over intervals of 1 to 20 m wide. Schlanka (1969) reports that the Canamiska drill programs traced the mineralized zone over about 2000 ft (610 m) strike. Selected DDH intervals presented in the Canamiska assessment files are presented in Table 3.

### *7.2.2 No. 2 Zone*

According to Willoughby (1994), “The No. 2 Copper Structure consists of mainly quartz-carbonate veining hosted by sheared and chloritized Espanola Formation siltstone and Gowganda Formation conglomerate. To date, the zone measures 4,400 feet long (east-west). Due to poor exposure, the width is not well defined. The host structure is on a line with the former White River Lead Mine (Cu-Pb-Ag-Au-Zn-Co) 3,000 feet to the west. To the east, the zone was not prospected beyond a 250-foot long area of trenching, and is considered open in that direction. The Southeast Trench gave 1.83% copper over a 4-foot channel of chalcopyrite-rich quartz veining. A grab of semi-massive chalcopyrite from a pit 250 feet to the west assayed 13% copper”.

### *7.3.3 No. 1 Zone*

Based on a Minroc review, the mineralization at the No. 1 Zone, as historically sampled on surface and in drilling, may lie partly or entirely within the Little White River Provincial Park. This must be confirmed in the field by Big Red. Regardless, it is possible that strike extensions of this vein/breccia system may continue onto the Property. The following is largely taken from Willoughby (1994):

“The No. 1 Copper-Precious Metal Structure is delineated over a strike length of 3,500 feet and is hosted mainly by Espanola Formation limestone. Width varies from 60 feet on the west to 150 feet on the east. The showing consists of a chalcopyrite-bearing quartz-chlorite +/- albite breccia hosted by a chloritic shear. Extensive albite-silica alteration is associated and later subparallel and cross-cutting quartz-carbonate veins are also mineralized. Massive sulphide horizons in the No. 1 structure occur in Pit 1 at the Main Showing in the east. An 8-foot channel sample containing some massive sulphide assayed 6.782 copper and 1.90 oz silver per ton. Gold values of up to 0.03 oz per ton were returned from some samples. At the east end, channels from Trench 1 returned up to 0.63% copper over 4 feet and 0.445% copper over 10 feet. Grab samples of mineralized rock returned up to 1.25% copper and 0.029 oz gold per ton. A 5-foot channel from Trench 2, 300 feet east of Trench 1, ran 1.88% copper.”

Grab samples taken by Willoughby (1994) also returned elevated zinc values near the No. 1 Zone including a value of 0.402% Zn (sample 3968); this is on the Property within claim 617565.

### *7.3.4 Jentina*

While outside the Property, the Jentina mineralized zone is of relevance since similar mineralization may exist on the Property. The Jentina zone consists of a vein of up to 6 foot width, controlled by the Scarbo Lake Fault within, or adjacent to the north-south contact between a Nipissing dyke and the Huronian country rocks (Wilson 2013a). This vein hosts polymetallic massive sulphide mineralization consisting of pyrrhotite, chalcopyrite and galena, as well as sphalerite and arsenopyrite (Willoughby 1994). According to Schlanka (1969), historic underground work exposed a shoot 80ft x 7ft grading 7.6% Pb, 1% Cu and 2.3 oz/ton Ag.

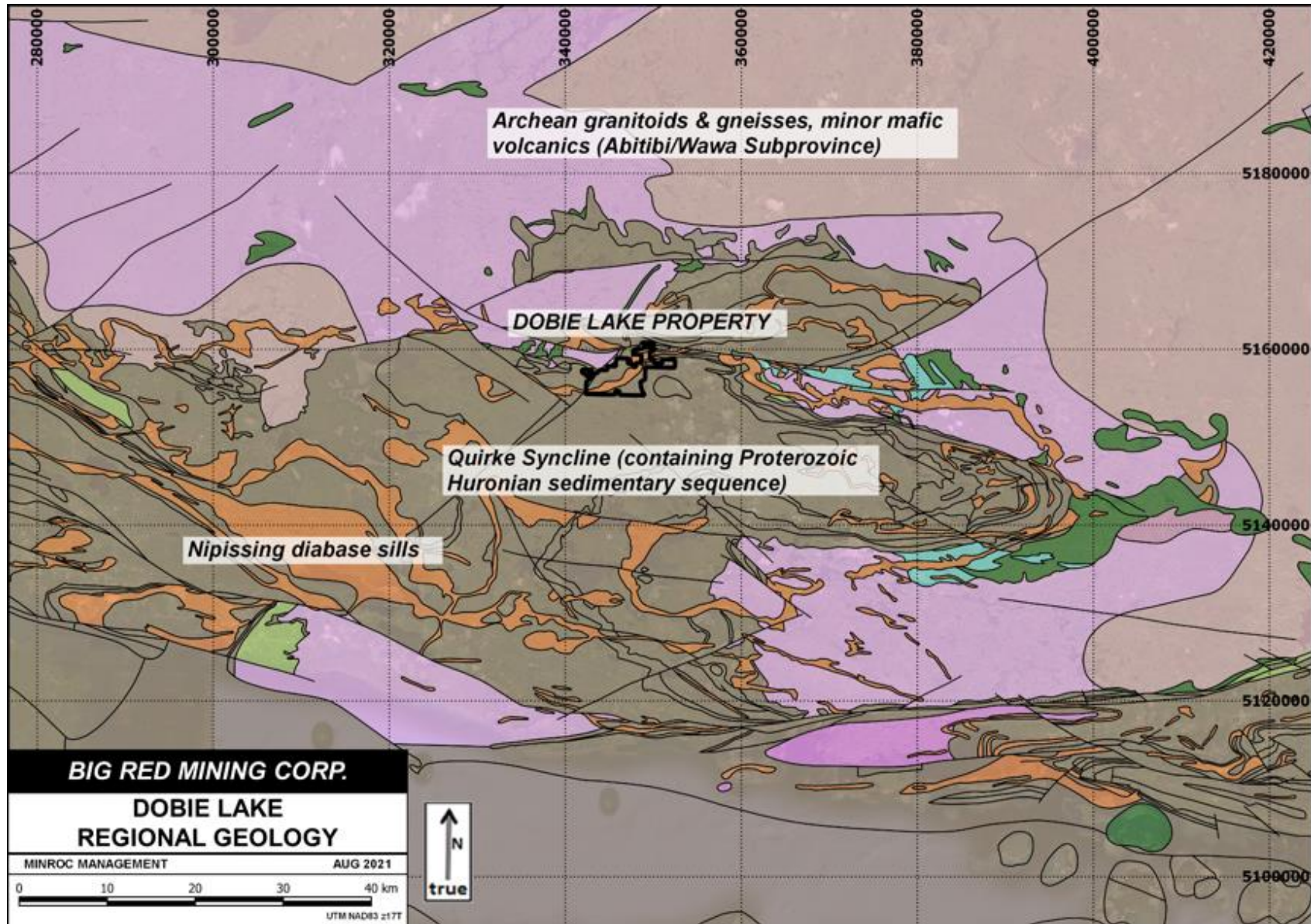


Figure 7 Regional Geology of the Huron North Shore



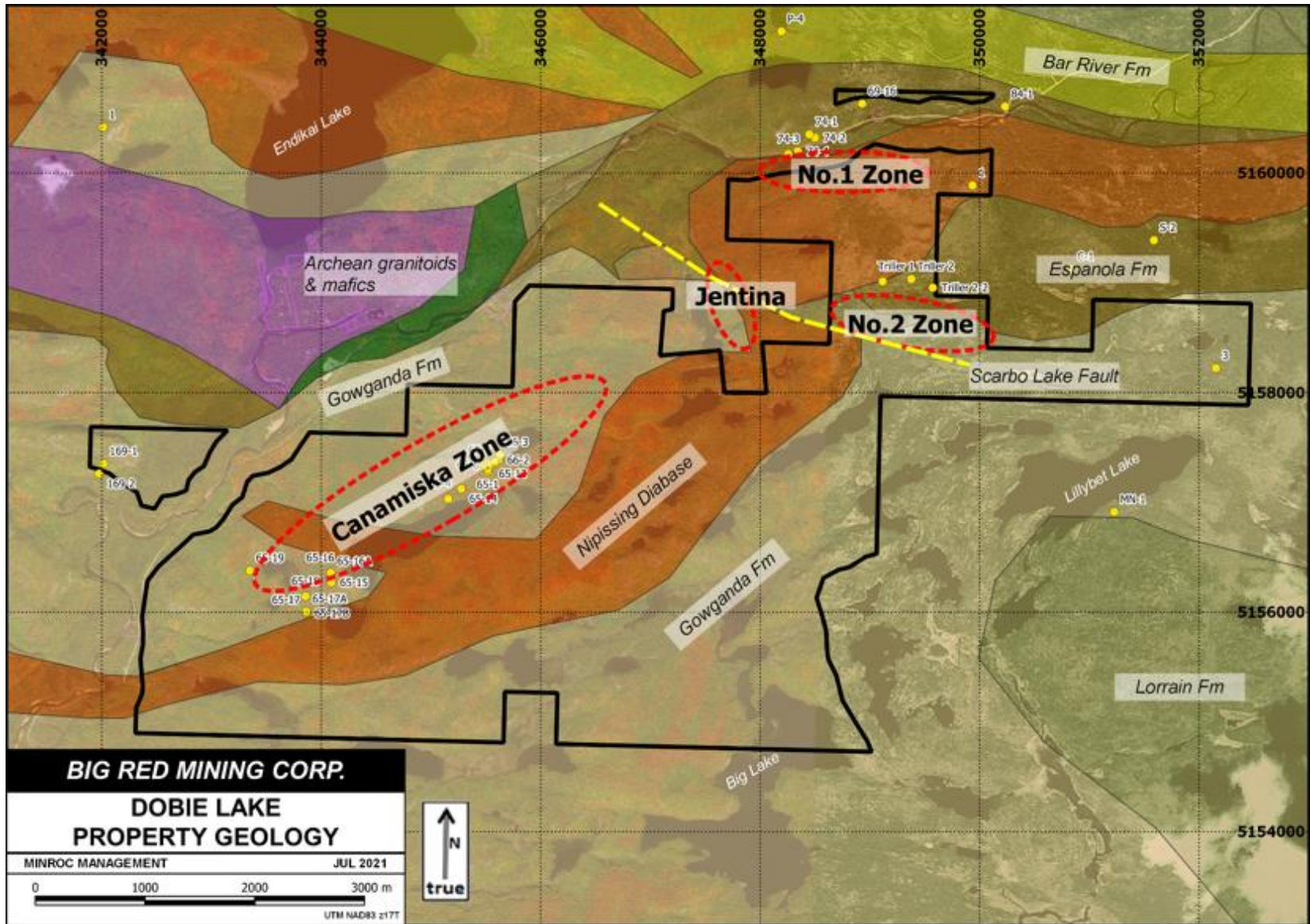


Figure 8 Property Geology. Using data from Siemiatkowska (1978), Robertson (1969). DDH from the Ontario Drillhole Database

## Deposit Types

### *Vein Copper*

The mineralization at the Dobie Lake Property is of a distinctive vein type common to the North Shore of Lake Huron in the region from Sault Ste. Marie to Espanola.

The North Shore vein copper occurrences consist of quartz or quartz-carbonate vein sheets or anastomosed or breccia-weld vein systems and are mineralized with pyrite, chalcopyrite, specularite and, occasionally, bornite, galena and sphalerite. Uranium and cobalt minerals are also, rarely, reported (Frarey 1977). Carbonate is generally calcite but can include ankerite and siderite. Quartz can be vuggy and is generally white but can be stained pink from minor hematite content. Veins have sharp contacts, a steep dip and, usually, a west-northwest strike. Veins often form loose swarms of parallel veins separated by tens of metres. Individual veins can be traced for several hundred metres, while packages of veins can be traced for several kilometres. The sulphide mineralization is disseminated irregularly throughout the vein material and are only very rarely emplaced within wallrocks. Assays from many of the occurrences in the region show that appreciable silver can be contained in the sulphides alongside copper, as well as modest gold values.

North Shore type veins are almost exclusively found within Huronian sediments but are known to occur within Nipissing diabase (Frarey 1977). However, when hosted by sediments, they are always “spatially related” to Nipissing intrusives. A genetic relation to the intrusives (and therefore to the Co-Ag deposits associated with them in the Cobalt and New Liskeard areas of Ontario) is suspected by many authors, but models of formation for vein type copper mineralization are relatively understudied. Kirkham and Sinclair (1976) suggest that the veins are genetically related to voluminous mafic intrusives and, like the intrusives, are emplaced in the same extensional tectonic regimen. Copper is suspected to have been leached from country rocks by hydrothermal fluids circulating in the crust, which is then deposited in brittle-deformed crust at cooler, higher levels. Others, including Willoughby (1994) consider them to post-date the Nipissing intrusives and attribute them to faulting during the Penokean Orogeny (~1.85 Ga).

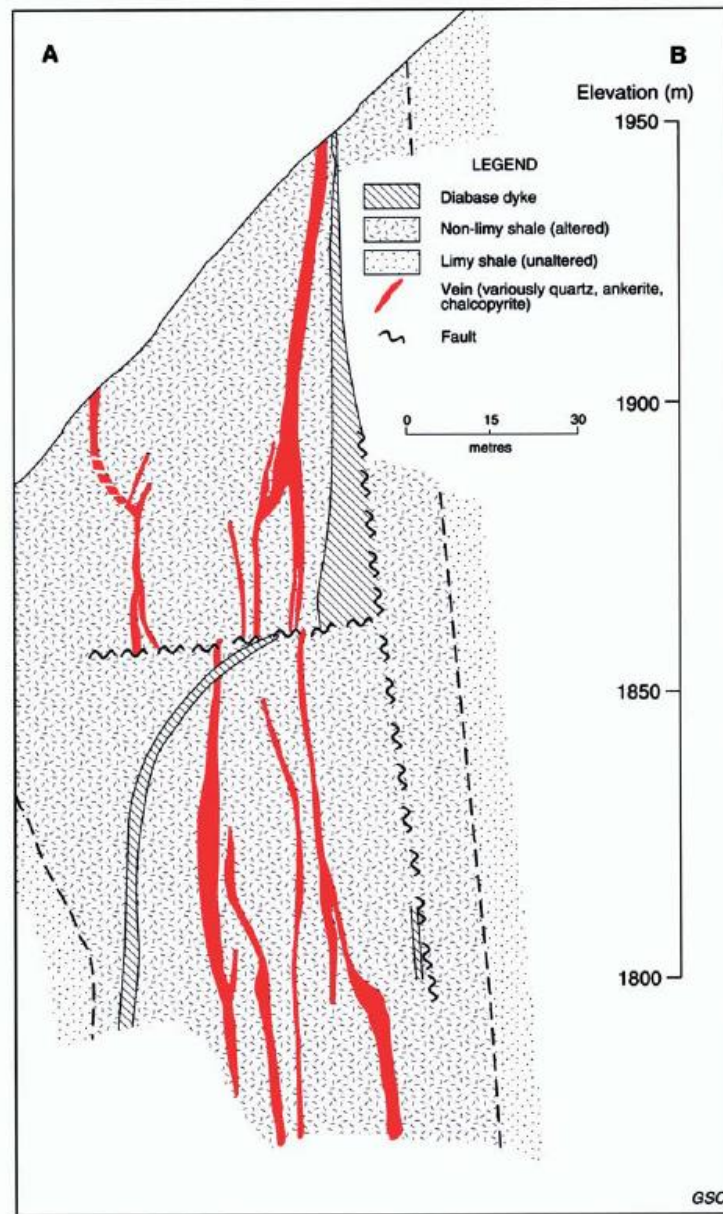
The earliest, and most extensive, production from a North Shore vein copper deposit was at Bruce Mines, from which copper and minor gold was produced from the 1840s to 1920s. Other vein systems saw some modest production from the 1920s to 1960s, including Bar-Fin, Hermina, Crownbridge and Copper Prince. Similar deposit types in Canada include the Opemiska diabase-hosted vein Cu-Au deposits near Chapais, Quebec, and the Churchill Copper deposit in British Columbia. Grouped together, these vein-hosted deposits can be referred to as “Churchill-type” (see Figure 9, Table 4). In general, where proven economic, this vein hosted deposit type has a relatively small tonnage and a grade between 1% and 3.5% Cu.

The Jentina polymetallic vein-hosted mineralization, on patented ground adjacent to the Dobie Lake Property, is generally considered a sister deposit style to the vein copper deposits of the region (Willoughby 1994).

**Table 4 Vein Style Copper Deposits in Canada (Kirkham & Sinclair 1996)**

Deposit	Production/ Resources (Mt)	Grade
Churchill Copper, BC	0.6	2.9% Cu
Davis-Keays, BC	1.9	3.65% Cu
Bull River, BC	0.5	1.5% Cu, 13.5 g/t Ag, 0.27 g/t Au
Copper Lamb, NT	0.05	"high grade bornite ore"

Deposit	Production/ Resources (Mt)	Grade
Susu Lake, NT	0.13	0.95% Cu
Bruce Mines, ON	0.4	3% Cu
Crownbridge, ON	0.4	2% Cu
Bilton, ON	0.5	1.7% Cu
Goulais River, ON	0.2	2.35% Cu, 0.26 g/t Ag
Ethel Copper, ON	0.077	1.2% Cu, 10 g/t Ag, 0.3 g/t Au
Icon-Sullivan, QC	1.4	2.9% Cu



**Figure 9** Vertical section of the Churchill Copper-bearing vein system, British Columbia (Kirkham & Sinclair 1996)

### *Paleo-placer uranium and gold*

Pyritic quartz pebble conglomerate horizons within the Huronian sediments (mostly the Matinenda Formation near the base of the Huronian sequence) have historically been economic sources of uranium in the Elliot Lake area. These deposits trace their origin to early Proterozoic erosion of the Superior Province, and the deposition of uraninite in river deltas following its weathering out of primary uranium sources in Archean granitoids. The Huronian sequence in the Dobie Lake Property area has been explored for uranium in the past and it is possible that uranium mineralization may exist within lower Huronian horizons at depth on the Property.

Paleo-placer gold occurrences are also known within the Huronian sequence, for example at the Pardo project northeast of Sudbury, where gold is found in pyritic pebble and cobble conglomerates proximal to the Archean paleosurface. There may be some potential for paleo-placer gold mineralization at Dobie Lake, particularly at depth close to the base of the Huronian sequence.

## **Exploration**

### VLF Survey

In June and July 2021, a series of ground VLF surveys were completed on the Dobie Lake Property on behalf of Big Red by Superior Exploration, Adventure & Climbing Co. Ltd. (Superior Exploration) of Batchewana Bay, Ontario. A total of 13.82 line km were surveyed on the Property in five separate areas, covering parts of the No. 1, No. 2 and Canamiska zones, using a VLF EM-16 unit and a Garmin GPS-60CSX (Parent 2021). Survey lines are oriented broadly north-south and were walked without the aid of a field grid. Two VLF naval transmitters were utilized: Cutler, Maine and Jim Creek, Washington (callsigns NAA and NLK respectively). The surveys were completed between the 10<sup>th</sup> June and 30<sup>th</sup> July, 2021 by Shaun Parent, P. Geo and Sandra Slater, both of Superior Exploration.

For each survey grid or line, Parent (2021) provides in-phase and quadrature response as well as resistivity contour plots (calculated using 2k $\Omega$  and 4k $\Omega$  mean resistances) and 2-D inversion sections for both the NAA and NLK VLF signals.

### Results and Interpretation

The five survey areas are disparate and cover only small target areas on the Property. Regardless, a number of anomalies can be interpreted. The data from the Canamiska grid (referred to by Parent as the Dobie East grid, referring to its position on Dobie Lake itself) shows linear in-phase and quadrature responses which appear to correspond to the historically explored area of veining; these fall within a broader zone of higher conductivity (see Figure 11). These structures appear to dip variously steeply northward (in the west of the grid) and southward (in the east of the grid; see Figure 12) according to the 2-D inversions and strike off of the east edge of the survey area, providing an obvious vector for follow-up work.

The remaining four exploration areas capture inferred strike extensions of the No. 1 and No. 2 Zones (though the single North Zone East survey line runs across a historic trench on the No. 1 Zone); all partly run beyond the Property. The “Scarbo West” lines (covering the west extension of the No. 1 Zone and/or Jentina zone) show a broad conductive zone at the north end of the survey lines.

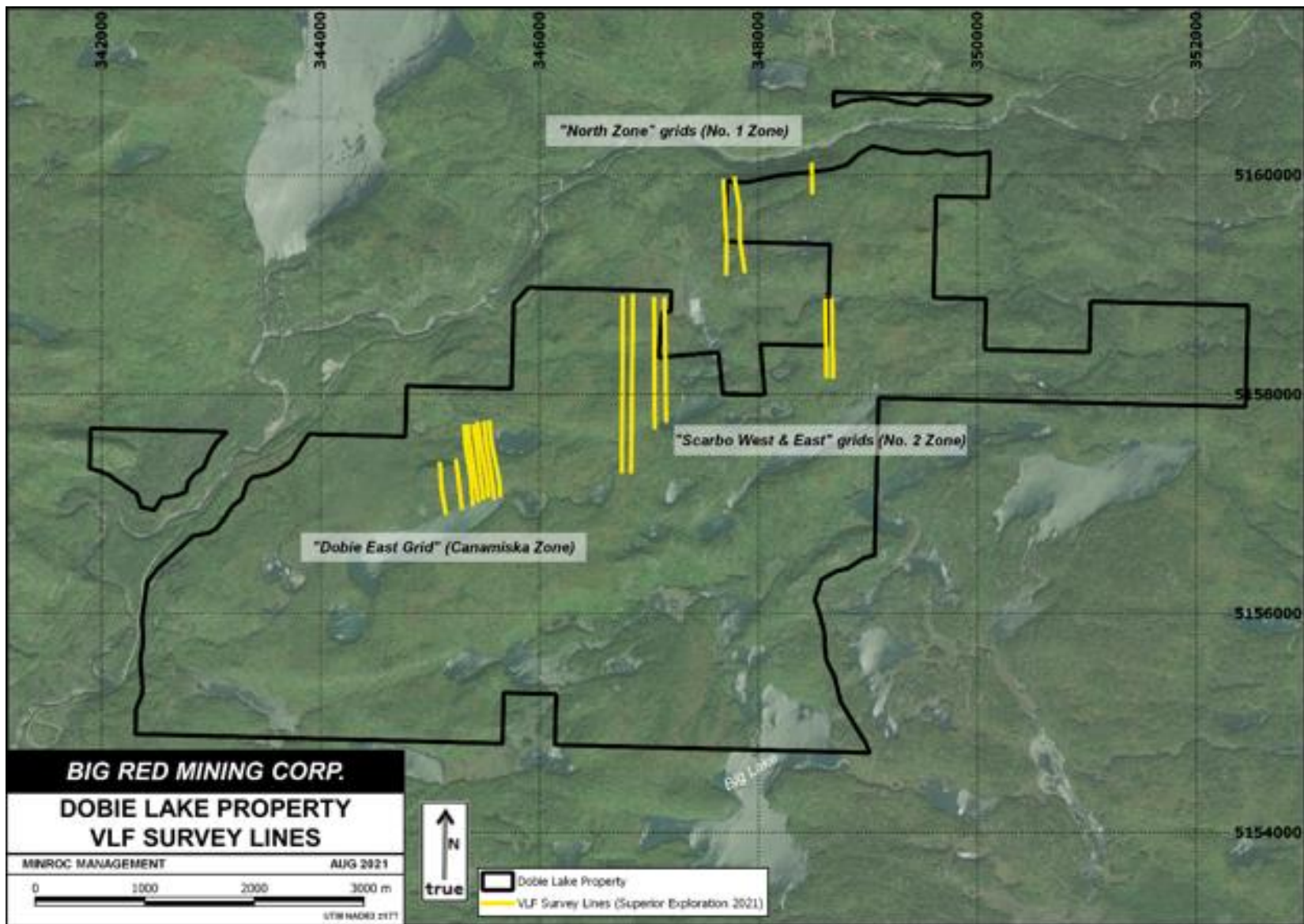


Figure 10 VLF Survey details

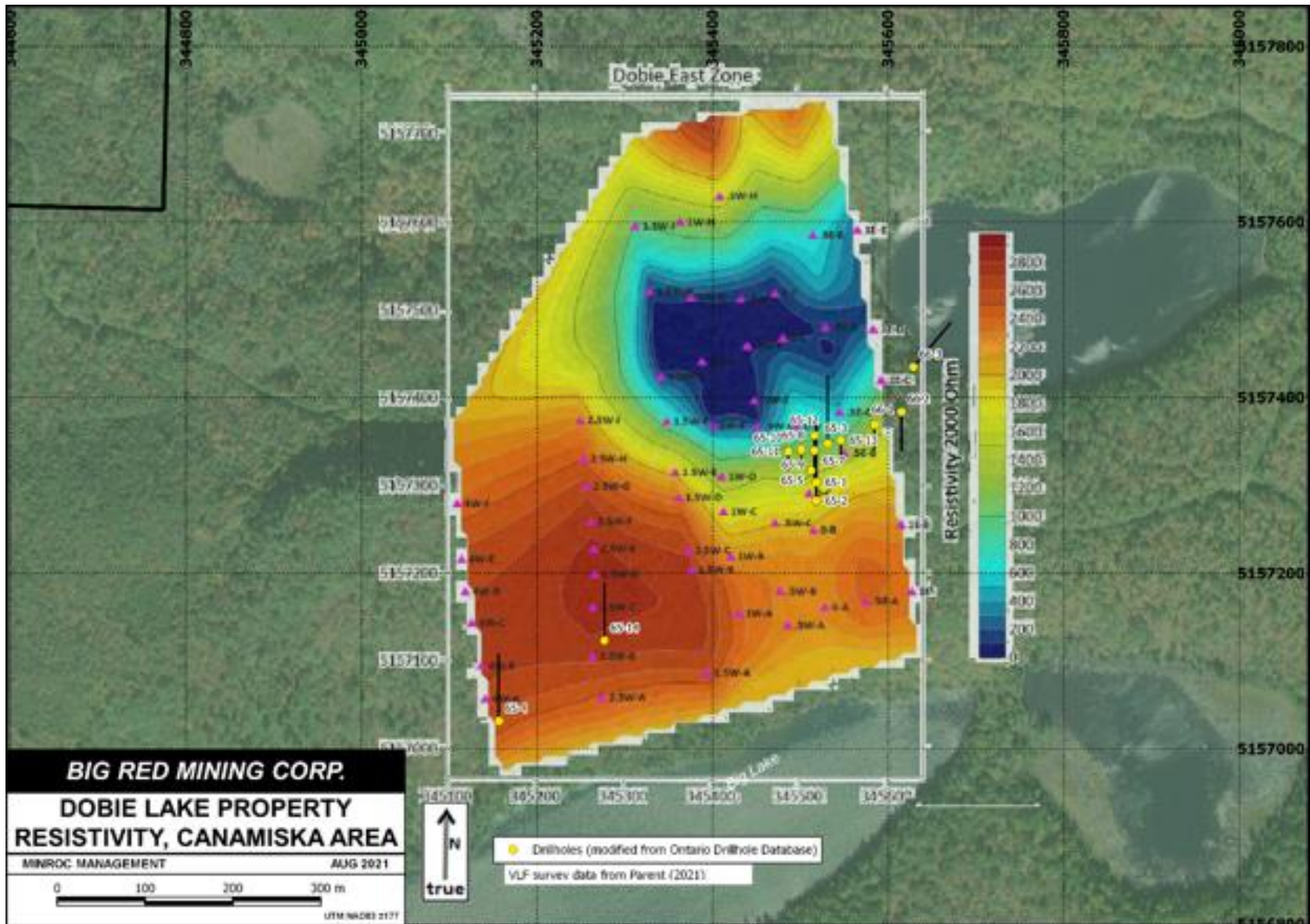
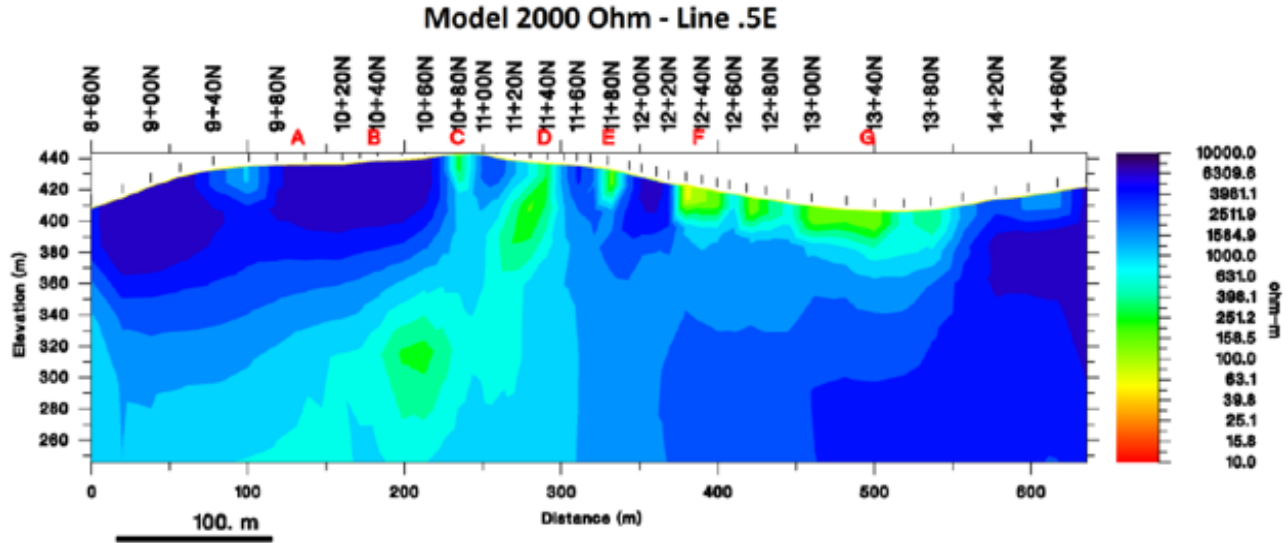


Figure 11 Resistivity heat map; Canamiska (Dobie East) survey grid



**Figure 12 VLF resistivity inverted pseudosection, Canamiska section line 0.5E.** From Parent (2021), showing south-dipping conductor beneath the Canamiska area.

## Drilling

No recent drilling has taken place on the Dobie Lake Property. Historic drilling is discussed under “*History – Discussion of Work*” above.

## Sampling Preparation, Analyses And Security

### Minroc Site Visit Samples

This section discusses the samples taken in the Minroc site visit discussed in detail under “*Data Verification – Site Visit*” above.

Two grab samples were taken during the visit on August 1<sup>st</sup>, 2021. Brian Newton, P. Geo. (PGO) performed the sampling. The Minroc samples were taken in the field using hand tools and sealed inside plastic bags alongside a unique identifying tag and recorded in field notes alongside UTM coordinates taken with a handheld GPS, according to standard best field practices. The samples were stored securely before being delivered by Minroc personnel to ALS Laboratories (ALS) in Sudbury, Ontario on the 9<sup>th</sup> August, 2021 for sample preparation. Sample analysis was then completed by ALS Minerals in their North Vancouver geochemical laboratory in British Columbia.

At ALS, the samples were crushed to 70% passing a 2 mm mesh and riffle-split, after which one split is pulverized to 85% passing a 75 µm mesh. The unpulverized split (the reject) were retained while the pulverized split (the pulp) were assayed by “ME-MS41” aqua regia digestion with ICP-MS analysis for a suite of 51 elements as well as “Au-AA23” gold fire assay on a 30 g sub-sample. Copper overlimits (>10,000 ppm) were retested following “OG46” ICP-AES after aqua regia digestion.

ALS ran a QA/QC regime internally alongside the sample assays, including two Standards (MRGeo8 and OREAS 905) and one Blank. Duplicates of the Cu overlimit value (249577) were also taken, returning 2.39 and 2.40%, indicating a satisfactory level of reproducibility. A variety of standards were also tested against the Cu-OG46 and Au-AA23 methods. All results were reviewed against the published values by Minroc and are considered satisfactory by the Authors.

ALS facilities conform to the requirements of the ISO/IEC 17025 Standard (General requirements for the competence of testing and calibration laboratories), and regularly take part in proficiency testing. Further, ALS facilities conform to CAN-P-1579 (Mineral Analysis/Geological Tests) as set out by the Standards Council of Canada. ALS is independent of Big Red, Minroc and all other interested parties.

### General Comments

The Authors are of the opinion that, while there are doubts regarding the historic sampling procedures and assay data integrity and completeness, it is beyond doubt that copper mineralization is present within several vein systems on the Property. There is some uncertainty regarding the exact location of the No. 1 Zone mineralization with respect to the Provincial Park boundary; the Authors recommend clarifying this at an early stage. The Authors consider that the available historic dataset is sufficient for planning future early stage exploration programs.

### **Data Verification**

#### Site Visit

The Property was visited by Brian H Newton, P. Geo of Minroc and Shaun Parent, P. Geo, of Superior Exploration on August 1<sup>st</sup>, 2021. The Property was accessed via an ATV trail which leaves Highway 546. The main quartz vein at the No. 2 occurrence was reviewed. The Author observed that this vein can be traced over about 1,500 m of strike on surface, from the boundary with the Jentina Patents eastward. The main vein is hosted by Huronian sandstones and pinches and swells with a thickness varying from a few centimetres to two metres. Chalcopyrite and malachite disseminations and clots were observed both within the vein quartz and along the vein contacts. No mineralization was observed in the wall rocks. Two grab samples were taken of mineralized vein material (see Table 5, Figure 13).

The Minroc samples confirmed the presence of copper mineralization. Silver and gold values are also presented in Table 5; the values of these precious metals were not notably elevated.

The No. 1 vein area and the Canamiska occurrence were not visited.

**Table 5 Samples from Minroc Site Visit**

<b>Sample</b>	<b>UTM E</b>	<b>UTM N</b>	<b>Notes</b>	<b>Cu ppm</b>	<b>Cu %</b>	<b>Ag ppm</b>	<b>Au ppm</b>
249576	348619	5158585	From “Vein A” location	8890		0.02	0.009
249577	348642	5158587	From “Vein C” location	>10000	2.39	0.03	0.005

#### Data Review

Minroc has reviewed the assessment files dating to previous exploration programs on the Property. Data from the historic drilling and surface programs is partial and/or poorly recorded and cannot be relied upon. For example, the Canamiska drillhole locations are difficult to reconstruct given the absence of any high quality surface plans in the Canamiska Copper Mines documents. Likewise, there is generally little if any documentation to verify historic drillhole intervals in the form of raw assay data or laboratory certificates for the Canamiska and other contemporary work. Assay certificates (from Technical Service Laboratories) are, however, provided for the Fort Norman drilling (Rupert 1974) and for the surface sampling in and around the No. 1 Zone (from Chemex Labs) from Willoughby (1994).

The Authors caution that, while the historic dataset is of great value as a guide for future exploration, the Issuer treat it in this respect only.



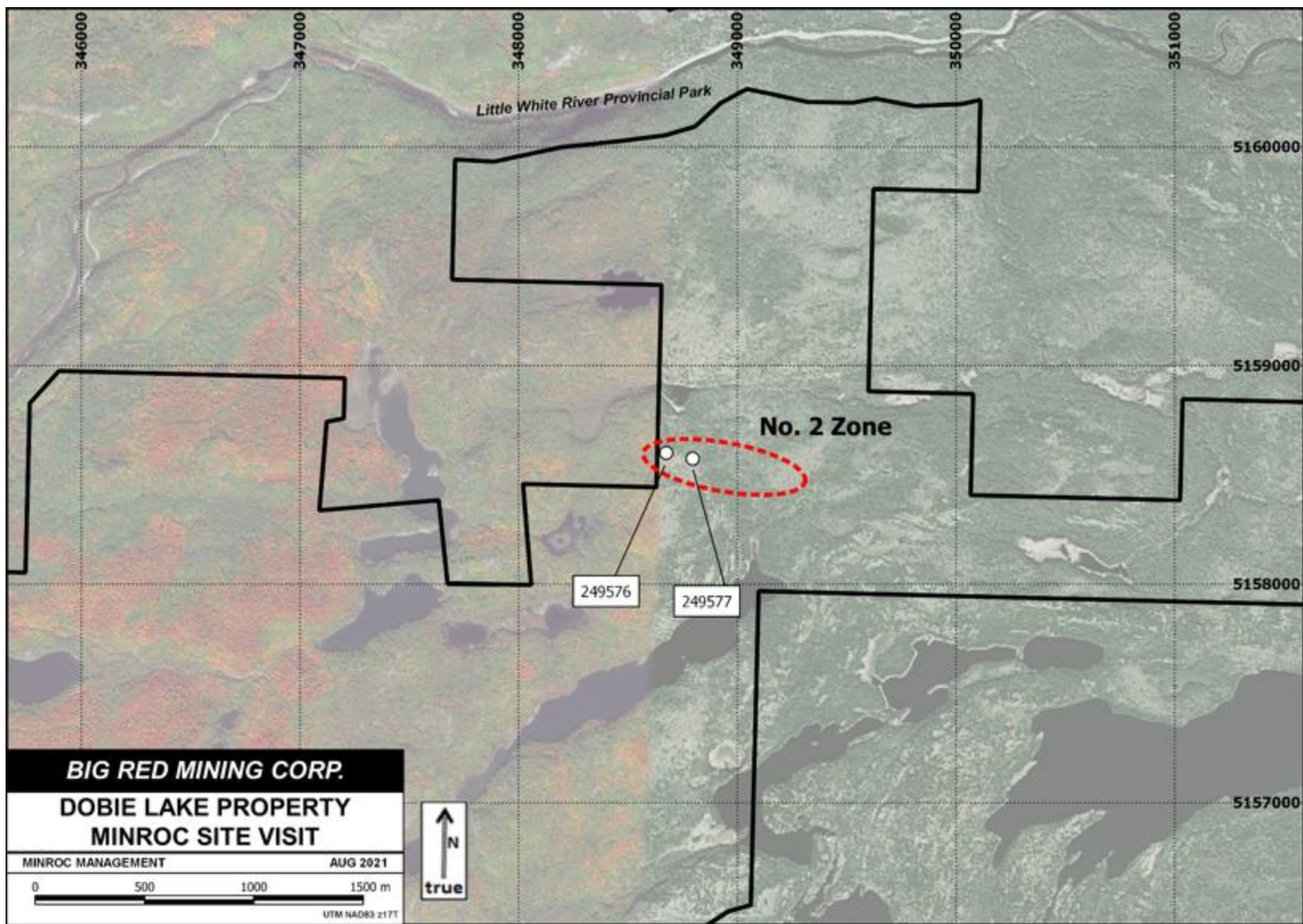


Figure 13 Locations of Confirmatory Minroc Samples

## **Mineral Processing And Metallurgical Testing**

The Authors are not aware of any mineral processing or metallurgical testing having been completed on any material from the Dobie Lake Property.

## **Mineral Resource Estimates**

To date, no mineral resource estimates, as defined in the CIM Definition Standards, or any equivalent international code, have been filed on any mineral occurrences within the Dobie Lake Property.

## **Adjacent Properties**

Note: the Authors are not in a position to verify any of the information given in this section regarding any adjacent properties. Information regarding adjacent properties is not necessarily indicative of the mineralization which is or may be present within the Dobie Lake Property.

### Jentina (White River) Lead Patents

The Dobie Lake property partly surrounds a block of five mining patents which cover much of the former Jentina, or White River, lead project. A fault-controlled north-south quartz vein with a steep eastward dip carries polymetallic massive sulphide mineralization and has been traced over 150 m (Wilson 2013a). Considerable surface work and some poorly documented underground work was completed here from 1927 to 1942 by Sudbury Basin Mines Ltd. (Willoughby, 1994). According to Schlanka (1969), a historic adit (presumably the Sudbury Basin workings) exposed a shoot 80ft x 7ft grading 7.6% Pb, 1% Cu and 2.3 oz/ton Ag. Willoughby (1994) states that he was unable to locate the adit during his work on the Property. The Authors were unable to ascertain the current owners of the Patents.

### Bruce-Pesto Patents

Two Patents cover the Bruce-Pesto occurrence which lies about 600 m east of the Dobie Lake property. An east-west shear-hosted vein was explored historically on these patents. Historic diamond drilling is reported to have returned assays of 0.7% Cu over 12.3ft and 1.96% Cu over 11.5 ft (Wilson, A. 2013b). The Authors were unable to ascertain the current owners of the Patents.

### Flack Lake Claim Block - 2683304 Ontario Inc

The Flack Lake claim block lies to the east of the Dobie Lake block, and stretches in an arc for 15 km to the southeast following the outcrop of the Quirke Lake Group. Most historic exploration appears to have consisted of vertical drillholes focused on exploration for deep uranium targets within the Quirke syncline similar to those known in the Elliot Lake area. The MDI lists five uranium occurrences within the claim group. 2683304 Ontario Inc also holds claim blocks to the north of the Dobie Lake property around Endikai Lake.

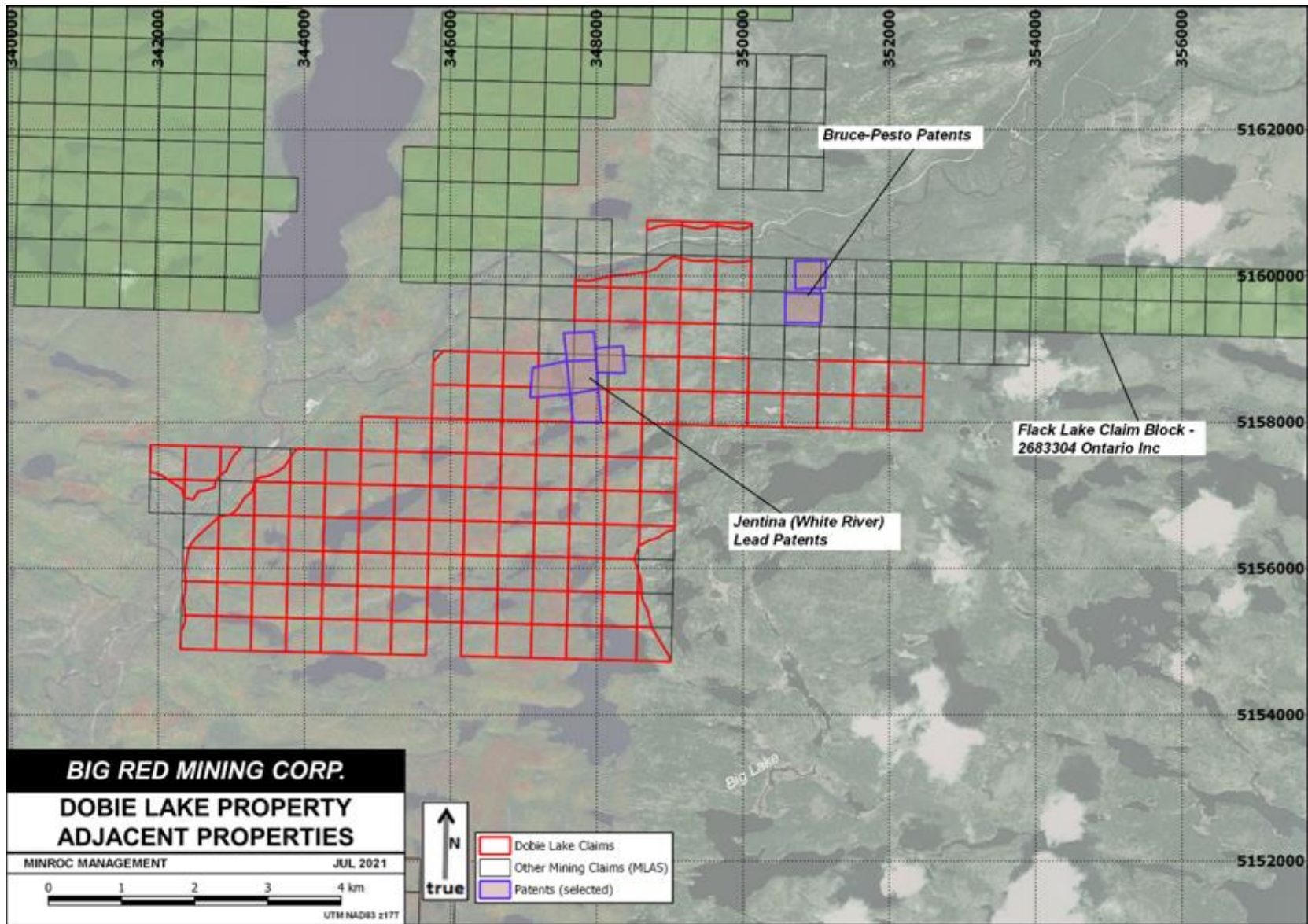


Figure 14 Adjacent Properties. Claim details from MLAS

## Other Relevant Data And Information

To the Authors' knowledge, all relevant information has been included in the other sections of this report.

## Interpretation And Conclusions

The Dobie Lake property lies within the Southern Subprovince of the Canadian Shield and is underlain by Huronian sediments and Nipissing diabases, cut by east-west structures and containing quartz vein systems which host gold and copper mineralization in several locations on the Property. This type of vein hosted mineralization is common throughout the north shore of Lake Huron and has been historically developed in several producing mines, the earliest of which was Bruce Mines in the 1840s. This local mineralization type can be taken alongside similar economic mineralization styles across Canada as part of the "Churchill-type" vein-hosted deposit type, and there are several examples of historically productive mines of this type including Churchill in British Columbia and in the Chapais area of Quebec.

The best-explored vein systems on the Property are the No. 2 Zone and the Canamiska Zone, while the No. 1 Zone may lie partly within the Property. All of these mineralized vein systems were explored on surface and by drilling from the 1950s to 1980s. This historic work, while a valuable source of information to direct future exploration, must be "ground truthed" in the field, notably in terms of accurately georeferencing the locations of surface showings and drillholes. Furthermore, the grades, widths, and vertical and lateral extents of the mineralization documented in historic programs have not been well documented in recent times and must be confirmed by future exploration work.

Recent geophysical work has tentatively suggested the presence of untested eastward strike continuations of the Canamiska Zone as well as highlighted steeply dipping conductive structures which may represent down-dip extensions. The 2021 site visit confirmed the presence of copper mineralization on surface at the No. 2 Zone.

The Authors believe that the Dobie Lake Property is highly prospective for copper mineralization, and that there is also potential for gold, silver and lead mineralization. There remains great potential for mineralization to be discovered beyond the historically-explored areas along strike, to depth, and in potential parallel vein systems.

**Table 6 Risks and Opportunities to the Dobie Lake Property**

<b>Risk</b>	<b>Potential Impact</b>	<b>Possible Mitigation</b>
Poor social acceptability	Difficulty in undertaking work on the Property or enhancing its value	Maintain good relationships with First Nations communities and other local stakeholders, including landowners, hunters, fishers and trappers both on the Property and along access routes
Logistic Issues	Difficulty in accessing part of the Property due to ground conditions	Winter conditions will likely improve access in lower lying areas.
Environmental Issues	Permits to complete part or all of work programs (e.g. drilling) may be denied	Minimize potential environmental impact at all stages of exploration planning and execution (e.g. area and intensity of surface disturbance).

<b>Opportunity</b>	<b>Potential Impact</b>	<b>Explanation</b>
Successful exploration results	Value of property enhanced	Discovery of notable copper mineralization would increase the Property value
Discovery of secondary economic minerals	Value of property enhanced	Silver, gold or other potentially economic metals may be discovered alongside copper mineralization
Successful exploration in region	Value of property enhanced	Successful exploration by third parties on nearby projects may increase market interest in the Property

## **Recommendations**

The Authors recommend that Big Red complete a two stage program to advance the Property. A Phase 1 program is outlined here consisting of data review and compilation, and initial confirmation drilling (see Table 7). This is to be followed by a subsequent Phase 2 exploration program. The exact nature of Phase 2 will depend on findings from Phase 1 but the implementation of Phase 2 will not depend on any specific outcome from Phase 1.

Drilling as part of the Phase 1 program would require that Big Red submit an Exploration Plan with details on proposed drill pads, trails and water sources.

Phase 1 shall consist of the following:

- A compilation, review and interpretation of all available data including historic drilling and surface work, and recent geophysics and site visit findings. This interpretation work should result in the drafting of a detailed compilation map and/or GIS workspace, and the selection of targets for exploration or confirmation. The compilation should include historic work from the Jentina patents and other adjacent properties, such that potential strike extensions may be factored into exploration targeting. A priority should also be accurately delineating the Property Boundary with respect to the Provincial Parks and known mineralization;
- 
- 600 m initial diamond drilling program based on targets selected from the interpretation. These may include confirmation of the Canamiska, No. 1 and/or No. 2 mineralization and/or testing of these zones along depth and strike.

All core sampling should routinely incorporate multi-element sampling and gold fire assaying in order to detect gold and other potentially economic metals. Given that vein copper deposits typically lack broad zones of halo or disseminated mineralization around veins, it may be possible to keep the number of samples relatively low in comparison to drill programs upon other deposit types.

Findings from this initial Phase 1 program can be used to plan more detailed Phase 2 exploration which should consist of further drilling along strike of holes drilled in Phase 1.

**Table 7 Recommendations for Phase 1 Program**

Item	Details	Units	Rate	Quantity	Total
Targeting		Days	\$ 800.00	5	\$ 4,000.00
Drilling	Six holes @ 100 m	Meters	\$ 150.00	600	\$ 90,000.00
Logging	Assumes 25 m per day	days	\$ 800.00	24	\$ 19,200.00
Assays	Assumes 25% of core	samples	\$ 50.00	150	\$ 7,500.00
Accommodation		Days	\$ 150.00	24	\$ 3,600.00
Transportation		Days	\$ 75.00	24	\$ 1,800.00
Report		Days	\$ 800.00	5	\$ 4,000.00
Management	15% of Total				\$ 19,500.00
Contingency	10%				\$ 15,000.00
<b>Total</b>					\$ 164,600.00

**Table 8 Recommendations for Phase 2 Program**

Item	Details	Units	Rate	Quantity	Total
Targeting		Days	\$ 800.00	5	\$ 4,000.00
Drilling	Six holes	Meters	\$ 150.00	650	\$ 97,500.00
Logging	Assumes 25 m per day	days	\$ 800.00	26	\$ 20,800.00
Assays	Assumes 25% of core	samples	\$ 50.00	160	\$ 8,000.00
Accommodation		Days	\$ 150.00	26	\$ 3,900.00
Transportation		Days	\$ 75.00	26	\$ 1,950.00
Report		Days	\$ 800.00	5	\$ 4,000.00
Management	15% of Total				\$ 21,000.00
Contingency	10%				\$ 16,000.00
<b>Total</b>					\$ 177,500.00

Note that these costs are estimates. Prior to execution a program proposal must be built out in detail based on RFPs from various contractors which will then be approved by the client.

### USE OF AVAILABLE FUNDS

#### Proceeds

As at the date of this Prospectus, the Company had raised \$670,050 net of finder's fees through the issuance of 20,360,000 common shares and \$941,530 net of finder's fees through the issuance of 4,879,500 Special Warrants. Management of the Company believes it has sufficient resources to continue operations for the next twelve months, in the absence of additional financing.

#### Total Funds Available

As at August 31, 2021, the Company had total funds available of \$1,452,342.

## Principal Purposes

The Company intends to use the funds available, in order of priority, as follows:

	Description	Amount
1.	To pay the estimated remaining costs of the Prospectus filing and intended stock exchange listing including legal, accounting, auditing and regulatory fees	\$60,000
2.	Estimated accounting, auditing, legal, regulatory and transfer agent fees and administrative expenses (12 months)	\$85,000
3.	Estimated management fees (12 months) <sup>(1)</sup>	\$180,000
4.	To pay for the recommended Phase I work program expenditures on the Property including drilling and data review and compilation	\$164,600
5.	To pay for the recommended Phase II work program expenditures on the Property including drilling	\$177,500
6.	To pay for property investigation	\$50,000
7.	To pay for the acquisition of additional properties (including legal fees) if the Company identifies and agrees to acquire suitable additional properties	\$100,000
8.	To provide general working capital	\$635,242
	<b>Total:</b>	<b>\$1,452,342</b>

<sup>(1)</sup> Management fees are expected to be paid to Jag Sandhu, President, CEO and a director of the Company, as to \$120,000 and to Paul Grewal, CFO of the Company, as to \$60,000.

A breakdown of the \$145,000 in estimated general and administrative expenses for the next 12 months is as follows:

Description	Amount
Accounting and audit	\$25,000
Legal fees	\$50,000
Exchange fees	\$12,500
Regulatory fees	\$7,000
Transfer agent fees	\$6,000
Administrative fees	\$44,500
<b>Total:</b>	<b>\$145,000</b>

The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary.

## Business Objectives and Milestones

The Company's business objectives for the next 12 months are to list the Company's shares on the CSE, which is estimated to cost \$60,000 (including costs related to the prospectus filing) and which is expected to be completed in the next two months, to complete the Phase I work program recommended by the Technical Report at an estimated cost of \$164,600, and to complete the Phase II work program at an estimated cost of \$177,500 (see "Narrative Description of the Business – 'Mineral Project'"). The Phase I work program is estimated to be completed in four to five months. The Phase II work program is estimated to be completed in four months. Milestones that must occur to complete the Phase I work program are obtaining any required permits, the availability of contractors and satisfactory weather conditions. Milestones that must occur to complete the Phase II work program are the completion of the Phase I work program, obtaining any required permits, the availability of contractors and satisfactory weather conditions.

Additional work on the Property will be contingent upon successful results being obtained from the Phase I and II work recommended by the Technical Report. If successful results are obtained from the recommended Phase I and II work programs, the Company intends to proceed with a further work program and will need to raise additional funds to carry out further exploration work on the Property. There is no guarantee that the Company will be able to raise the funds needed.

The Company intends to investigate other properties and, if warranted, acquire such property or properties.

### ***COVID-19 Pandemic***

The coronavirus (COVID-19) may affect the timing of the Company's work programs on the Property. COVID-19 work safety regulations including social distancing requirements may cause any work to be conducted on the Property to be slower and take longer to complete. The Company's employees, contractors and suppliers could be affected by COVID-19 which could result in a reduction in the Company's workforce due to illness or quarantine. See also "Risk Factors" below.

### **Negative Operating Cash Flow**

During the period from incorporation on October 18, 2020 to August 31, 2021, the Company had negative operating cash flow and incurred losses. The Company's negative operating cash flow and losses are expected to continue for the foreseeable future. The Company cannot predict when it will reach positive operating cash flow, if ever. Due to the expected continuation of negative operating cash flow, the Company will be reliant on future financings in order to meet its cash needs. To the extent the Company has negative cash flows in future periods, the Company may use a portion of its general working capital to fund such negative cash flow.

## **SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Selected Financial Information**

The following table sets forth financial information for the Company which has been derived from the Company's audited financial statements for the period from incorporation on October 18, 2020 to August 31, 2021. This summary should be read in conjunction with the Company's financial statements, including the notes thereto, included elsewhere in this Prospectus. The Company has established August 31 as its fiscal year-end.

	<b>Audited for the period from October 18, 2020 (date of incorporation) to August 31, 2021</b>
Revenues	\$Nil
Net Income (Loss)	\$(32,058)
Basic and Diluted Loss per Share	\$(0.00)
Total Assets	\$1,631,197
Long Term Debt	\$Nil
Total Liabilities	\$61,175
Cash Dividends per Share	\$Nil
Share Capital	\$599,461
Number of Common Shares	20,410,000
Retained Earnings (Deficit)	(\$32,058)



## Dividends

There are no restrictions that could prevent the Company from paying dividends. We have not paid dividends in the past and do not anticipate paying dividends in the near future. We expect to retain our earnings to finance future growth and, when appropriate, retire debt.

## Management’s Discussion and Analysis

The following management’s discussion and analysis is as of the date of this Prospectus.

### Overall Performance

#### *From Incorporation to August 31, 2021*

During the period from incorporation on October 18, 2020 to August 31, 2021, the Company raised \$137,500 through the issuance of 7,250,000 common shares, \$532,550 (net of finder’s fees of \$11,200) through the issuance of 13,110,000 units of its securities and \$941,530 (net of finder’s fees of \$34,370) through the issuance of 4,879,500 special warrants.

During this period, the Company entered into the Option Agreement to acquire a 100% interest in certain claims comprising the Dobie Lake Property located in Ontario, Canada, subject to a 2% net smelter returns royalty. (See: “General Development of the Business “Property Acquisition”).

### Selected Annual Information

Selected annual financial information for the operations of the Company for the period from incorporation on October 18, 2020 to August 31, 2021 is set out below:

<b>Statements of Loss</b>	<b>Period Ended August 31, 2021</b>
	\$
Total Revenue	Nil
Total Operating Expenses	32,058
Net Loss	(32,058)
Net Loss per Share – Basic and Diluted	(0.00)

<b>Statements of Financial Position Data</b>	<b>Period Ended August 31, 2021</b>
	\$
Cash and Cash Equivalents	1,498,296
Total Assets	1,631,197
Total Liabilities	61,175

<b>Shareholders’ Equity</b>	<b>Period Ended August 31, 2021</b>
	\$
Share Capital	599,461
Equity	1,570,022

### Discussion of Operations

The Company's net loss for the period ended August 31, 2021 was \$32,058 or \$0.00 per share.

During the period from incorporation on October 18, 2020 to August 31, 2021, the Company raised an aggregate cash amount of \$1,611,580 (net of finder's fees) through the sale of equity securities. As at August 31, 2021, the Company had \$1,498,296 in cash and cash equivalents and the Company's total assets totalled \$1,631,197. The Company has no long-term liabilities.

The Company's operating expenses for the period ended August 31, 2021 totalled \$32,058 and were comprised of professional fees of \$17,190, office and miscellaneous expenses of \$6,467, travel expenses of \$5,544 and consulting fees of \$2,857.

The Company incurred \$117,680 in exploration expenditures of which \$7,500 comprised acquisition costs and \$110,180 comprised exploration costs which included \$92,324 in geological consulting fees, \$16,309 in geophysical costs and \$1,547 in field expenses.

### Summary of Quarterly Results

The Company has only prepared financial statements for the period from incorporation on October 18, 2020 to August 31, 2021. The following is a summary of the Company's financial results for the four most recently completed quarters:

<u>Period Ending</u>	<u>Net Loss</u>	<u>Net Comprehensive Loss</u>	<u>Basic and Diluted Loss per Share</u>
	\$	\$	\$
August 31, 2021	(29,004)	(29,004)	(0.00)
May 31, 2021	(3,054)	(3,054)	(0.00)
February 28, 2021	-	-	-
From October 18, 2020 to November 30, 2020	-	-	-

### Liquidity

Since incorporation, the Company's capital resources have been limited. The Company has had to rely upon the sale of equity securities for the cash required for property acquisition payments, office and miscellaneous expenses and accounting, audit and legal fees, among other expenses.

During the period from incorporation to August 31, 2021, the Company raised \$1,611,580 (net of finder's fees totalling \$45,570) through the issuance of 7,250,000 common shares, 13,110,000 units and 4,879,500 special warrants. As at August 31, 2021, the Company's working capital totalled \$1,452,342.

The Company expects that its working capital of \$1,452,342 as at the most recent month end being August 31, 2021, will be sufficient for the Company to become operational to begin meeting its objectives and milestones. Once the Company is operational, it will require additional working capital in order to further its business objectives and may seek to raise additional funds via one or more private placements.

### Capital Resources

The Company will continue to require funds for exploration work on the Property, as well as to meet its ongoing day-to-day operating requirements and will have to continue to rely on equity and debt financing during such period. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company. The Company does not have any other commitments for material capital expenditures over either the near or long term and none are presently contemplated other than as disclosed above and/or over normal operating requirements.

The Company estimates that the remaining costs of the Prospectus filing and intended stock exchange listing (including legal, accounting, auditing and regulatory fees) will total about \$60,000.

The Company's ongoing legal, accounting, auditing, stock exchange, transfer agent, administration, and office expenses are estimated to cost about \$85,000 during the first 12 months after the intended listing of the Company's common shares on the CSE (about \$7,083 per month). The Company's management fees are estimated to cost about \$180,000 during the first 12 months after the intended listing of the Company's common shares on the CSE (about \$15,000 per month) and are expected to be paid to Jag Sandhu, President, CEO and a director of the Company, as to \$120,000 and to Paul Grewal, CFO of the Company, as to \$60,000.

In accordance with the recommendations of the Company's independent geologists, the Company has allocated \$342,100 of the available funds for the recommended Phase I and II exploration programs. If the results of the Phase I and II programs are successful, the Company intends to proceed with a further work program and the Company will need to raise additional funds to carry out further work on the Property. There is no guarantee that the Company will be able to raise the funds needed.

The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary.

### Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

### Transactions Between Related Parties

During the period ended August 31, 2021, the Company did not enter into any transactions with related parties other than the Company paid \$2,857 in consulting fees to Rodney Stevens, a director of the Company.

### Fourth Quarter

The period from incorporation on October 18, 2020 to August 31, 2021 does not include a fourth quarter.

### Proposed Transactions

If and when the Company's shares are accepted for listing on the CSE, the Company intends to grant incentive stock options to its Named Executive Officers, directors and consultants at a minimum exercise price of \$0.20 per share in accordance with the policies of the CSE.

### Changes in Accounting Policies Including Initial Adoption

As the Company began its operations on October 18, 2020 and the financial statements for the period ended August 31, 2021 are its first financial statements, all accounting policies were initially adopted during the financial period ended August 31, 2021.

#### ***Basis of Presentation***

##### **a) Statement of Compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. IFRS includes International Accounting Standards ("IAS") and interpretations issued by the IFRS Interpretations Committee ("IFRIC").

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

All amounts in these financial statements are presented in Canadian dollars, the functional currency of the Company. The accounting policies set out below have been applied consistently.

##### **b) *Functional and Presentation Currency***

The Company considers the primary and secondary indicators as part of its decision-making process. The financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

#### ***Summary of Significant Accounting Policies***

##### **a) Cash and cash equivalents**

Cash and cash equivalents are comprised of cash on hand and deposits in banks.

##### **b) Financial instruments**

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The following table shows the classification of the Company's financial instruments under IFRS 9:

<b>Financial assets</b>	
Cash and cash equivalents	FVTPL
<b>Financial liabilities</b>	
Accounts payable	Amortized cost

*Financial assets at FVTPL*

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

*Financial assets at FVTOCI*

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive loss. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

*Financial assets at amortized cost*

Cash and other receivables with fixed or determinable payments that are not quoted in an active market are classified as held at amortized cost. Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the statement of loss and comprehensive loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

*Financial liabilities at amortized cost*

Financial liabilities are recognized initially at fair value and subsequently measured at amortized cost and include accounts payable and accrued liabilities. Accounts payables and other payables are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, accounts payable, accrued and settlement liabilities are measured at amortized cost using the effective interest method. Loans are recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method.

*Impairment of financial instruments*

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured 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 loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized. Given the nature and balances of the Company's receivables, the Company has no material loss allowance as at August 31, 2021.

c) **Exploration and evaluation expenditures**

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of loss and comprehensive loss.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is classified as ‘mines under construction’. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

d) **Impairment of non-financial assets**

At each reporting date, 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 (“FVLCS”) and value in use (“VIU”). FVLCS 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 VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is established 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 period.

For the purposes of impairment testing, exploration and evaluation assets (mineral properties) and equipment are allocated to cash-generating units to which the exploration activity relates. 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 loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount 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.

e) **Share capital**

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

classified as equity instruments.

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash are valued based on their market value of the shares as of the date of issuance.

f) **Issuance of units**

When shares are issued together with a warrant (referred to as a unit), the warrant component of the unit is valued using the residual method. Under this method, any amount received for the unit in excess of the fair value of the share is attributed to the warrant.

g) **Share-based compensation**

The Company has a stock option plan under which it may grant stock options to directors, employees, consultants and service providers.

The Company records a share-based compensation expense for all options granted to employees, or to those providing similar services, at the fair value of the equity instruments over the vesting period, with a corresponding increase in share-based payments reserve. Each transfer of an award is considered separately with its own vesting date and grant date fair value. The Company uses the Black-Scholes Option Pricing Model to estimate the fair value of each stock option at the date of grant. For awards with vesting conditions, a forfeiture rate is recognized at the grant date and is adjusted to reflect the number of awards expected to vest. As the options are exercised, the consideration paid, together with the amount previously recognized in share-based payments reserve, is recorded as an increase in share capital. The initial fair values of options that expire unexercised remain in share-based payments reserve.

For equity-settled share-based compensation to non-employees, the Company measures the value of the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received. If the fair value cannot be estimated reliably, then the Company would use the Black-Scholes Option Pricing Model. The Company has no cash-settled share-based compensation transactions.

h) **Reserve**

The Company records stock option expense, equity component of convertible debenture, and contributed surplus within reserve on the Statement of Changes in Shareholders' Equity. When stock options or convertible debenture are exercised into common shares, the applicable amount under reserve will be transferred to share capital. For vested and expired conversion features or options, the applicable amount under the reserve account will be transferred to contributed surplus, also under the reserve account.

i) **Loss per share**

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated by adjusting the loss attributable to equity shareholders and the weighted average number of common shares outstanding for the effects of all potentially dilutive instruments. The calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year. In years where a loss is reported, diluted loss per

share is the same as basic loss per share because the effects of potentially dilutive common shares would be anti-dilutive.

**j) Income taxes**

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting or taxable profit; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to the offset of current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**k) Foreign currency translation**

Foreign currency transactions are translated into their functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive loss in the statement of comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive loss. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

**l) Restoration and environmental obligations**

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the



time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

Changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

**m) Significant accounting judgements and estimates**

The preparation of these financial statements in conformance with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

*Critical accounting estimates*

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

Recovery of deferred tax assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

Environmental rehabilitation obligation

The Company recognizes statutory, contractual or other legal obligations related to the retirement of its exploration and evaluation assets and its tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs are capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset.

### Fair-value of finders' warrants

The Company measures the cost of finders' warrants by reference to the fair value of the warrants at the date on which they are granted. Estimating the fair value of finder warrants requires applying the Black-Scholes valuation model to each grant based on the terms and conditions of such issuance.

### *Critical accounting judgements*

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses.

### n) **Flow-through Shares**

Any premium received by the Company on the issuance of flow-through shares is initially recorded as a liability ("flow-through tax liability"). Upon renouncement by the Company of the tax benefits associated with the related expenditures, a flow-through share premium liability is recognized, and the liability will be reversed as eligible expenditures are made. If such expenditures are capitalized, a deferred tax liability is recognized. To the extent that suitable deferred tax assets are available, the Company will reduce the deferred tax liability.

### *New Accounting Standards and Recent Pronouncements*

#### a) **Recent accounting pronouncements**

Certain other accounting pronouncements were issued but the Company anticipates that the application of these standards, amendments and interpretations in future periods will have no material impact on the results and financial position of the Company except for additional disclosures. The Company is assessing the impact of the new or revised IFRS standards on its financial position and financial performance.

### Financial Instruments And Risk Management

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

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

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

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

The Company’s financial instruments consist of cash, receivables, and accounts. The carrying values of these financial instruments approximate their respective fair values due to the term of these instruments.

As at August 31, 2021, the fair value of cash held by the Company was based on level 1 inputs of the fair value hierarchy.

The Company’s risk exposures and the impact on the Company’s financial instruments are summarized below:

#### *Credit risk*

The Company’s primary exposure to credit risk is its cash of \$1,498,296 at August 31, 2021. With cash on deposit with reputable financial institutions, it is management's opinion that the Company is not exposed to significant credit risks arising from the financial instruments.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at August 31, 2021, the Company had current liabilities totaling \$61,175 and cash and cash equivalents of \$1,498,296 and is not exposed to significant liquidity risk at this time. However, since the Company is in the exploration stage, it will periodically have to raise funds to continue operations and intends to raise further financing through private placements.

#### *Market risk*

Market risk is the risk that changes in market prices such as commodity prices, foreign exchange rates and interest rates will affect the Company’s income. The objective of market risk management is to manage and control market risk exposure within acceptable parameters. The Company does not use derivative instruments to reduce its insignificant exposure to market risks.

#### Additional Information

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com).

#### Disclosure of Outstanding Security Data

##### *Common Shares*

	Number of Shares
Balance, October 18, 2020 (incorporation)	-
Issued for cash	
Founder’s shares	5,000,000
Private placements	15,360,000
Property shares	50,000
Balance, August 31, 2021	20,410,000

*Special Warrants*

	Number of Special Warrants
Balance, October 18, 2020 (incorporation)	-
Issued for cash	
Private placement (Series A)	1,163,000
Private placement (Series B)	503,500
Private placement (Series C)	1,024,000
Private placement (Series D)	733,500
Private placement (Series E)	1,455,500
Balance, August 31, 2021	4,879,500

*Warrants*

	Number of Warrants
Balance, October 18, 2020 (incorporation)	-
Issued	
Private placements	7,035,000
Finder's warrants	216,650
Balance, August 31, 2021	7,251,650

Additional disclosure for venture issuers or IPO venture issuers without significant revenue

The Company has not had significant revenue from operations since its incorporation on October 18, 2020.

*Period From Incorporation to August 31, 2021*

During the period from incorporation on October 18, 2020 to August 31, 2021, the Company raised an aggregate net cash amount of \$1,611,580 through the sale of 7,250,000 common shares, 13,110,000 units and 4,879,500 special warrants. Expenses during this period totalled \$32,058 and were comprised of professional fees of \$17,190, office and miscellaneous expenses of \$6,467, travel expenses of \$5,544 and consulting fees of \$2,857. As at August 31, 2021 the Company had mineral property interests of \$117,680 which consisted of \$7,500 in acquisition costs and \$110,180 in exploration costs comprised of \$92,324 in geological consulting fees, \$16,309 in geophysical costs and \$1,547 in field expenses.

Additional disclosure for junior issuers

The Company expects that its available funds of \$1,452,342 as at August 31, 2021 will be sufficient to fund operations for at least 12 months from the date of this Prospectus. As set out under "Use of Available Funds" above, estimated total operating costs during the next 12 months are expected to total about \$145,000 in general and administrative expenses; \$180,000 in management fees; \$164,600 for the recommended Phase I work on program on the Property and \$177,500 for the recommended Phase II work on program on the Property. The Company has further budgeted \$50,000 for property investigation; \$100,000 for the acquisition of additional properties (if suitable properties are identified and the Company agrees to acquire them); and \$635,242 for general working capital. If the results of the recommended Phase I and II exploration programs are successful, the Company intends to proceed with a further work program and will need to raise additional funds to carry out further exploration work on the Property and to meet its requirement pursuant to the Option Agreement to incur a total of \$830,000 in exploration expenditures on

the Property on or before the fourth anniversary of the date of the Option Agreement. There is no guarantee that the Company will be able to raise the funds needed.

## DESCRIPTION OF THE SECURITIES DISTRIBUTED

### Common Shares

The Company has one class of shares outstanding: common shares. Our authorized share capital consists of an unlimited number of common shares without par value. As at the date of this Prospectus, we had a total of 20,410,000 common shares issued and outstanding.

All of the common shares of the Company rank equally as to voting rights, participation in a distribution of the assets of the Company on a liquidation, dissolution or winding-up of the Company and the entitlement to dividends. The holders of the common shares are entitled to receive notice of all meetings of shareholders and to attend and vote the shares at the meetings. Each common share carries with it the right to one vote.

In the event of the liquidation, dissolution or winding-up of the Company or other distribution of its assets, the holders of the common shares will be entitled to receive, on a pro rata basis, all of the assets remaining after the Company has paid out its liabilities. Distribution in the form of dividends, if any, will be set by the board of directors.

### Special Warrants

The Company has issued a total of 4,879,500 special warrants, which were all issued on the same terms. A summary of the terms is provided under “Plan of Distribution”.

## CONSOLIDATED CAPITALIZATION

The following table summarizes the changes to the consolidated share capital of the Company since August 31, 2021 and sets forth the pro forma consolidated capitalization of the Company after giving effect to the exercise of the Special Warrants. This table should be read in conjunction with the Company’s audited financial statements for the year ended August 31, 2021 contained in this Prospectus. Refer to “Prior Sales” below for further details on the prior issuances of securities.

Designation of Security	Number Authorized	Number Outstanding as at August 31, 2021 (audited)	Number Outstanding as at the Date of the Prospectus	Number Outstanding following exercise of the Special Warrants
Common Shares	unlimited	20,410,000	20,410,000	25,289,500
Special Warrants <sup>(1)</sup>	4,879,500	4,879,500	4,879,500	Nil

<sup>(1)</sup> Each Special Warrant entitles the holder to acquire on the exercise or deemed exercise of the Special Warrant and without further payment, one Unit of the Company.

## OPTIONS TO PURCHASE SECURITIES

### Stock Option Plan

We have adopted a Stock Option Plan (the “Stock Option Plan”) under which we may grant incentive stock options to our directors, officers, employees and consultants or any affiliate thereof. The Stock Option Plan has been prepared to comply with CSE requirements.

The purpose of the Stock Option Plan is to allow us to grant options to: (i) provide additional incentive and

compensation, (ii) provide an opportunity to participate in our success; and (iii) align the interests of option holders with those of our shareholders.

The material terms of the Stock Option Plan are as follows:

- The maximum number of shares issuable is 10% of our issued and outstanding Shares on each grant date, inclusive of all Shares currently reserved for issuance pursuant to previously granted stock options.
- The term of any options will be fixed by our directors at the grant date to a maximum term of ten years.
- The exercise price of any options will be determined by our directors in accordance with any applicable stock exchange policies.
- All options will be non-assignable and non-transferable.
- Options to acquire not more than (i) 5% of the issued and outstanding Shares may be granted to any one individual in any 12 month period; (ii) 2% of the issued and outstanding Shares may be granted to any one consultant; and (iii) 1% of the issued and outstanding Shares may be granted to all providers of investor relations activities, in any 12 month period.
- Vesting requirements with respect to options may be imposed by our directors; and a four month hold period will apply to all Shares issued on the exercise of an option, commencing from the grant date.
- If the option holder ceases to be an employee of the Company (other than by reason of death), then the option will expire on a date as determined by the directors at the time of the grant but no later than 90 days following the date that the option holder ceases to be an employee and no later than 30 days if the option holder was an employee engaged in investor relations activities.
- If the option holder ceases to be director or consultant of the Company (other than by reason of death), then the option will expire within a reasonable period following the date that the option holder ceases to be a director or consultant.
- Options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of our Shares.

As at the date of this Prospectus, we have not granted incentive stock options to purchase our securities to executive officers, directors, employees, consultants or any other person.

### PRIOR SALES

The following table outlines the number and prices at which our securities have been sold in the period from incorporation on October 18, 2020 to August 31, 2021:

Date	Number of Securities	Class of Securities	Price per security	Total Consideration
October 18, 2020	200	Common shares <sup>(1)</sup>	\$0.005	\$1
February 22, 2021	5,000,000	Common shares <sup>(2)</sup>	\$0.005	\$25,000
March 15, 2021	12,150,000	Common shares <sup>(3)</sup>	\$0.025 <sup>(3)</sup>	\$303,750
March 15, 2021	6,075,000	Warrants <sup>(3)</sup>		
March 30, 2021	2,250,000	Common shares <sup>(4)</sup>	\$0.05	\$112,500
April 5, 2021	50,000	Common shares <sup>(5)</sup>	\$0.05	\$2,500 <sup>(6)</sup>

Date	Number of Securities	Class of Securities	Price per security	Total Consideration
July 5, 2021	1,163,000	Special Warrants (Series A) <sup>(7)</sup>	\$0.20	\$889,200 <sup>(8)</sup>
July 5, 2021	31,200	Warrants <sup>(9)</sup>	(9)	(9)
July 23, 2021	503,500	Special Warrants (Series B) <sup>(7)</sup>	\$0.20	\$100,700 <sup>(10)</sup>
July 23, 2021	16,250	Warrants <sup>(11)</sup>	(11)	(11)
August 18, 2021	1,024,000	Special Warrants (Series C) <sup>(7)</sup>	\$0.20	\$204,800 <sup>(12)</sup>
August 18, 2021	62,000	Warrants <sup>(13)</sup>	(13)	(13)
August 18, 2021	960,000	Common shares <sup>(14)</sup>	\$0.25 <sup>(14)</sup>	\$240,000 <sup>(15)</sup>
August 18, 2021	960,000	Warrants <sup>(14)</sup>		
August 18, 2021	44,800	Warrants <sup>(16)</sup>	(16)	(16)
August 20, 2021	733,500	Special Warrants (Series D) <sup>(7)</sup>	\$0.20	\$146,700 <sup>(17)</sup>
August 20, 2021	56,800	Warrants <sup>(18)</sup>	(18)	(18)
August 31, 2021	1,455,500	Special Warrants (Series E) <sup>(7)</sup>	\$0.20	\$291,100 <sup>(19)</sup>
August 31, 2021	5,600	Warrants <sup>(20)</sup>	(20)	(20)

- (1) Repurchased by the Company and returned to treasury effective February 22, 2021.
- (2) These shares are subject to the provisions of an escrow agreement and will be released in accordance therewith (see “Escrowed Securities” below).
- (3) Unit financing at a price of \$0.025 per unit. Each unit consists of one common share and one-half of one common share purchase warrant whereby each whole warrant entitles the holder thereof to purchase one common share at a price of \$0.20 per common share on or before March 16, 2026. Of the 12,150,000 common shares, 3,200,000 common shares were issued on a flow-through basis. All units are subject to the provisions of an escrow agreement and will be released in accordance therewith (see “Escrowed Securities” below).
- (4) These shares are subject to trading restrictions and will vest in four equal tranches over a period of 18 months following listing of the Company’s shares and will be restricted from trading for four months and one day from the date the Company becomes a reporting issuer in any province or territory.
- (5) Shares issued as (part) consideration for the Property. These shares will be restricted from trading for four months and one day from the date the Company becomes a reporting issuer in any province or territory.
- (6) Deemed consideration.
- (7) Each special warrant entitles the holder to acquire, without payment of any additional consideration, one previously unissued unit in the capital of the Company. Each unit is comprised of one common share in the capital of the Company and one common share purchase warrant where each warrant entitles the holder to purchase one additional common share at an exercise price of \$0.25 per share until the first business day after the date that is three years from the date of exercise or deemed exercise of the special warrants. Any unexercised special warrants will be deemed to be exercised on that day which is the earlier of (a) the first business day following the day on which a receipt for a (final) prospectus has been issued by or on behalf of the last of the securities regulatory authorities in the Province of British Columbia and in such other jurisdictions as may be determined by the Company qualifying the distribution of the securities to be issued upon exercise of the special warrants; and (b) the tenth (10<sup>th</sup>) anniversary of the date of the special warrant certificate. All units will issued without trading restrictions when issued on the Qualification Date with the exception of 250,000 units to be issued to holders in Alberta and Quebec which will be restricted from trading for four months and one day from the date the Company becomes a reporting issuer in any province or territory.
- (8) Gross proceeds before deducting \$6,240 in finder’s fees.
- (9) Finder’s warrants issued in connection with the Series A special warrant financing. These warrants and any shares issued on exercise of the warrants will be restricted from trading for four months and one day from the date the Company becomes a reporting issuer in any province or territory.
- (10) Gross proceeds before deducting \$3,250 in finder’s fees.
- (11) Finder’s warrants issued in connection with the Series B special warrant financing. These warrants and any shares issued on exercise of the warrants will be restricted from trading for four months and one day from the date the Company becomes a reporting issuer in any province or territory.
- (12) Gross proceeds before deducting \$12,400 in finder’s fees.
- (13) Finder’s warrants issued in connection with the Series C special warrant financing. These warrants and any shares issued on exercise of the warrants will be restricted from trading for four months and one day from the date the Company becomes a reporting issuer in any province or territory.

- <sup>(14)</sup> Unit financing at a price of \$0.25 per unit. Each unit consists of one flow-through common share and one common share purchase warrant whereby each warrant entitles the holder thereof to purchase one common share at a price of \$0.30 per common share on or before August 21, 2023. These shares and warrants and any shares issued on exercise of the warrants will be restricted from trading for four months and one day from the date the Company becomes a reporting issuer in any province or territory.
- <sup>(15)</sup> Gross proceeds before deducting \$11,200 in finder's fees.
- <sup>(16)</sup> Finder's warrants issued in connection with the financing of 960,000 units issued on August 18, 2021. These warrants and any shares issued on exercise of the warrants will be restricted from trading for four months and one day from the date the Company becomes a reporting issuer in any province or territory.
- <sup>(17)</sup> Gross proceeds before deducting \$11,360 in finder's fees.
- <sup>(18)</sup> Finder's warrants issued in connection with the Series D special warrant financing. These warrants and any shares issued on exercise of the warrants will be restricted from trading for four months and one day from the date the Company becomes a reporting issuer in any province or territory.
- <sup>(19)</sup> Gross proceeds before deducting \$1,120 in finder's fees.
- <sup>(20)</sup> Finder's warrants issued in connection with the Series E special warrant financing. These warrants and any shares issued on exercise of the warrants will be restricted from trading for four months and one day from the date the Company becomes a reporting issuer in any province or territory.

### ESCROWED SECURITIES

Securities held by principals of the Company are held in escrow pursuant to National Policy 46-201 Escrow for Initial Public Offerings (the "Escrow Policy") for a period of time following the intended listing of the Company's common shares on the CSE as an incentive for the principals to devote their time and attention to the Company's business while they are securityholders. Principals include all persons or companies that, as at the date of this Prospectus, fall into one of the following categories:

- a) Directors and senior officers or the directors and senior officers of a material operating subsidiary;
- b) Promoters during the two years before the date of this Prospectus;
- c) Those who directly or indirectly own and/or control more than 10% of the Company's voting securities immediately before the date of this Prospectus and immediately after the exercise or deemed exercise of the Special Warrants if they also have appointed or have the right to appoint one or more of the Company's directors or senior officers or one or more of the directors or senior officers of a material operating subsidiary;
- d) Those who directly or indirectly own and/or control more than 20% of the Company's voting securities immediately before the date of this Prospectus and immediately after the exercise or deemed exercise of the Special Warrants; and
- e) Spouses of any of the above or their relatives who live at the same address as any of the above.

A company, trust, partnership or other entity where more than 50% of the voting securities are held by one or more principals will be treated as a principal. A principal's spouse and their relatives that live at the same address as the principal will also be treated as principals and any securities of the issuer they hold will be subject to escrow requirements. A principal that holds securities carrying less than 1% of the voting rights attached to an issuer's outstanding securities immediately after its IPO or an initial distribution by one or more of the issuer's securityholders is not subject to escrow requirements.

The principals' securities, together with 3,850,000 common shares and 1,925,000 warrants held by certain other shareholders, are being held in escrow pursuant to an escrow agreement dated September 9, 2021 among the Company, Olympia Trust Company and the principal shareholders and certain other shareholders.

The following table sets out the number of common shares of the Company that are being held in escrow:



Designation of class	Number of securities held in escrow <sup>(1)</sup>	Percentage of class <sup>(1)</sup>
Common shares	17,150,000	67.81%
Warrants	6,075,000	50.08%

<sup>(1)</sup> Assuming the exercise or deemed exercise of all 4,879,500 Special Warrants.

As the Company will be considered an ‘emerging issuer’ as that term is defined under the Escrow Policy, the escrowed securities will be released according to the following schedule:

On the date the Company’s securities are listed on a Canadian exchange (the listing date)	1/10 of the escrowed securities
6 months after the listing date	1/6 of the remaining escrowed securities
12 months after the listing date	1/5 of the remaining escrowed securities
18 months after the listing date	1/4 of the remaining escrowed securities
24 months after the listing date	1/3 of the remaining escrowed securities
30 months after the listing date	1/2 of the remaining escrowed securities
36 months after the listing date	the remaining escrowed securities

\* In the simplest case, where there are no changes to the escrow securities initially deposited and no additional escrow securities, the release schedule outlined above results in the escrow securities being released in equal tranches of 15% after completion of the release on the listing date.

## PRINCIPAL SHAREHOLDERS AND SELLING SECURITY HOLDERS

To the knowledge of the Company, the following table sets out the names of our principal shareholders (being those shareholders of the Company directly or indirectly holding 10% or more of the Company’s issued and outstanding shares), the number of common shares owned, controlled or directed by our principal shareholders as at the date of this Prospectus and immediately after the exercise or deemed exercise of the Special Warrants and the percentages of each class of securities owned, controlled or directed by our principal shareholders before and after the exercise or deemed exercise of the Special Warrants:

Name of Principal Shareholder	Before exercise or deemed exercise of the Special Warrants		After exercise or deemed exercise of the Special Warrants	
	Number and class of securities beneficially owned (directly or indirectly), controlled and directed	Percentage of class	Number and class of securities beneficially owned (directly or indirectly), controlled and directed <sup>(1)</sup>	Percentage of class <sup>(1)</sup>
Jag Sandhu	11,500,000 common shares <sup>(2)</sup>	56.34%	11,500,000 common shares <sup>(2)</sup>	44.82%
	3,250,000 warrants <sup>(2)</sup>	27.6%	3,250,000 warrants <sup>(2)</sup>	26.79%

<sup>(1)</sup> Assuming the exercise or deemed exercise of all 4,879,500 Special Warrants.

<sup>(2)</sup> Including 2,500,000 common shares and 1,250,000 warrants owned by Mr. Sandhu’s spouse.

## DIRECTORS AND EXECUTIVE OFFICERS

### Name, Address, Occupation and Security Holding

To the knowledge of the Company, the following table sets out information regarding each of our directors and executive officers, including the names, municipality of residence, the position and office held and the period of time served in this position, their principal occupation for the preceding five years, and the number and percentage of voting securities beneficially owned, directly or indirectly, or over which control or direction is exercised, as of the date hereof:

Name, Province or State and Country of Residence and Position(s) held	Period served as a Director <sup>(1)</sup>	Principal occupations within the five preceding years	Number and percentage of voting securities held
Jag Sandhu <sup>(2)</sup> BC, Canada President, CEO and Director	February 22, 2021 to date	President of JNS Capital Corp., a private consulting firm; President & CEO of NSJ Gold Corp. since October 18, 2020	11,500,000 <sup>(3)</sup> (56.34%)
Rodney Stevens <sup>(2)</sup> BC, Canada Director	March 29, 2021 to date	Chartered Financial Analyst	300,000 (1.47%)
James Atkinson <sup>(2)</sup> Ontario, Canada Director	September 13, 2021 to date	Exploration geologist; CEO of Advance United Holdings Inc. since Jan. 13, 2021; President and CEO of Talisker Gold Corp. since 2018; self-employed geological consultant with Atkinson Consulting and a director of Champagne Resources Corp. from March 2017 to March 2018; VP Exploration of Americas Silver Corp. and predecessors since 2011	Nil (Nil%)
Paul Grewal BC, Canada CFO	April 12, 2021 to date	Chartered Professional Accountant	200,000 (0.98%)
All directors and executive officers as a group			12,000,000 (58.79%)

<sup>(1)</sup> Directors hold office until the next annual meeting of shareholders or until their successors are appointed.

<sup>(2)</sup> Denotes a member of the audit committee of the Company.

<sup>(3)</sup> Including 2,500,000 common shares owned by Mr. Sandhu's spouse.

### Corporate Cease Trade Orders or Bankruptcies

Except for as disclosed herein, none of our directors, officers or principal shareholders are, or have been within the last 10 years, directors or officers of any other issuer that, while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days or 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 the assets of that issuer.

### Penalties or Sanctions

None of our directors, officers or principal shareholders are, or have been within the last 10 years, the subject of 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 or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

### Personal Bankruptcies

None of our directors, officers or principal shareholders, or personal holding company of such persons, has, within the last 10 years, become bankrupt or 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 his, her or its assets.

### **Conflicts of Interest**

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

To the best of the Company's knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest between the Company and its directors and officers except that certain of the directors and officers may serve as directors and/or officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

### **Management of Junior Issuers**

The persons forming our management team and our directors and officers are described briefly below.

#### *Jag Sandhu – Director, President and Chief Executive Officer of the Company*

Jag Sandhu, age 53, has been the President of JNS Capital Corp., a corporate development and advisory firm since January 7, 2007. Mr. Sandhu has held various senior level executive positions with, and has been a director of a number of listed companies. Mr. Sandhu has over 20 years' experience with publicly traded companies and has extensive knowledge of corporate development and providing investor relations services to public companies. Mr. Sandhu received his Bachelor of Economics degree from Simon Fraser University in 1990.

Mr. Sandhu will be devoting approximately 40% of his time to the affairs of the Company. Mr. Sandhu provides his services to the Company as an independent contractor. Mr. Sandhu has not entered into a non-competition or non-disclosure agreement with the Company.

#### *Rodney Stevens – Director of the Company*

Rodney Stevens, age 48, is a Chartered Financial Analyst (CFA), is Vice-President, interim CFO and a director of Discovery Harbour Resources Corp. as well as a director of several other TSX Venture Exchange listed mineral exploration companies. Previously, Mr. Stevens was a senior investment analyst with RCI Capital Group Inc., a portfolio manager with Wolverton Securities Ltd. and research analyst at Salman Partners Inc.

Mr. Stevens will be devoting approximately 10% of his time to the affairs of the Company. Mr. Stevens provides his services to the Company as an independent contractor. Mr. Stevens has not entered into a non-competition or non-disclosure agreement with the Company.

#### *James Atkinson – Director of the Company*

James Atkinson, age 71, is an exploration geologist and exploration manager with over 45 years of experience. Mr. Atkinson has been CEO of Advance United Holdings Inc., a CSE listed mineral resource Company, since January 13, 2021 and has been President and CEO of Talisker Gold Corp., a wholly-owned subsidiary of Advanced United Holdings Inc., since 2018. From March 2017 to March 2018 Mr. Atkinson

was self-employed as a geological consultant with Atkinson Consulting and served as a director of Champagne Resources Corp. Prior to March 2017 Mr. Atkinson served as VP Exploration of Americas Silver Corp. Mr. Atkinson spent his career in both mineral exploration and mining and in the environmental field as Vice President, Exploration Manager and Regional Manager with junior and major mining companies. Mr. Atkinson received his Bachelor of Science degree from Brock University in 1972, his Master of Science degree from the University of Toronto in 1992 and his P.Geo. designation from the Association of Professional Geoscientists of Ontario in 2004.

Mr. Atkinson will be devoting approximately 20% of his time to the affairs of the Company. Mr. Atkinson provides his services to the Company as an independent contractor. Mr. Atkinson has not entered into a non-competition or non-disclosure agreement with the Company.

*Paul Grewal – CFO of the Company*

Paul Grewal, age 47, is a Partner with HWG (formerly, Heming, Wyborn & Grewal), Chartered Professional Accountants in Surrey, BC. He received his Bachelor of Commerce from UNBC in 1998, received his CA designation in 2000 and has completed Parts I & II of the CICA In-Depth Tax Course. Mr. Grewal joined Heming, Wyborn & Grewal in 2005 and was promoted to Partner on January 1, 2009. Mr. Grewal has been the CFO of a number of publicly listed junior mining companies in Canada. He has extensive experience in the financial management of corporations that are doing business in a variety of industries.

Mr. Grewal will be devoting approximately 20% of his time to the affairs of the Company. Mr. Grewal provides his services to the Company as an independent contractor. Mr. Grewal has not entered into a non-competition or non-disclosure agreement with the Company.

## **EXECUTIVE COMPENSATION**

The Company was not a reporting issuer at any time during the period from incorporation until August 31, 2021. Accordingly, and in accordance with Form 51-102F6 *Statement of Executive Compensation*, the following is a discussion of all significant elements of compensation to be awarded to, earned by, paid to or payable to Named Executive Officers of the Company, once the Company becomes a reporting issuer, to the extent this compensation has been determined.

For the purposes hereof, the term Named Executive Officer, or NEO, means each Chief Executive Officer, each Chief Financial Officer and each of the Company's three most highly compensated executive officers, other than the Chief Executive Officer and the Chief Financial Officer, who were serving as executive officers during the period from incorporation until August 31, 2021, and whose total salary and bonus exceeds \$150,000 and any additional individuals for whom disclosure would have been provided except that the individual was not serving as an officer of the Company at the end of the Company's most recently completed financial year.

### **Compensation Discussion and Analysis**

At its present stage of development, the Company does not have any formal objectives, criteria and analysis for determining the compensation of its Named Executive Officers and primarily relies on the discussions and determinations of the board of directors. With a view to minimizing its cash expenditures not directed at the exploration of the Company's Property, compensation of Named Executive Officers is mainly expected to be through the grant of incentive stock options while some management fees are expected to be paid. The type and amount of future compensation to be paid to NEOs and directors has not been determined. The Company has budgeted \$180,000 for management fees for the next 12 months which

management fees are expected to be paid to Jag Sandhu, President, CEO and a director of the Company, as to \$120,000 and to Paul Grewal, CFO of the Company, as to \$60,000.

Cash compensation amounts to executive officers are determined solely by board discussion without any formal objectives, criteria or analysis. Option based awards to executive officers are determined by the board which considers both the past and future expected contributions of the individual officers, previous grants of stock options, and the number of available stock options.

### Summary Compensation Table

The following table sets out all compensation awarded to, earned by or paid to Named Executive Officers for the period from incorporation on October 18, 2020 to August 31, 2021, being the only completed fiscal year of the Company. No other executive officer's total salary and bonus during such periods exceeded \$150,000.

Name and principal position (a)	Year <sup>(1)</sup> (b)	Salary (\$) (c)	Share-based awards (\$) (d)	Option-based awards <sup>(2)</sup> (\$) (e)	Non-equity incentive plan compensation (\$) (f)		Pension value (\$) (g)	All other compensation (\$) (h)	Total compensation (\$) (i)
					Annual incentive plans (f1)	Long-term incentive plans (f2)			
Jag Sandhu CEO, President and director	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Paul Grewal CFO	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) Financial Year ended August 31.

(2) Value of option-based awards calculated using Black-Scholes model.

### Incentive Plan Awards

Management of the Company believes that awards of equity in the Company serve an important function in furnishing directors, officers, employees and consultants (collectively the "Eligible Parties") of the Company an opportunity to invest in the Company in a simple and effective manner and better aligning the interests of the Eligible Parties with those of the Company and its shareholders through ownership of shares in the Company.

No stock options and share based awards were granted or awarded to, earned by or paid to Named Executive Officers during the financial year ended August 31, 2021 and no stock options and share based awards were outstanding to Named Executive Officers at any time during the financial year or at the end of the most recently completed financial year.

### Termination and Change of Control Benefits

The Company does not have any contract, agreement, plan or arrangement that provides for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the company or a change in an NEO's responsibilities.

## **Director Compensation**

The Company does not have any arrangements, standard or otherwise, for cash or non-cash compensation pursuant to which directors were compensated by the Company for their attendance at board meetings or in their capacity as directors. The directors may be reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors. The Board intends to compensate directors primarily through the grant of stock options.

## **Share-based awards, option-based awards and non-equity incentive plan compensation**

### **Outstanding share-based awards and option-based awards**

No stock options and share based awards were granted or awarded to, earned by or paid to the directors during the financial year ended August 31, 2021 and no stock options and share based awards were outstanding to the directors at any time during the financial year or at the end of the most recently completed financial year.

### **Intended Material Changes to Executive Compensation**

If and when the Company's shares are accepted for listing on the CSE, the Company intends to grant incentive stock options to its Named Executive Officers, directors and consultants at a minimum exercise price of \$0.20 per share in accordance with the policies of the CSE. Other than the intended grant of stock options, the type and amount of future compensation to be paid to NEOs and directors has not been determined. The Company has budgeted \$180,000 for management fees for the 12 months after the intended listing of the Company's common shares on the CSE which management fees are expected to be paid to Jag Sandhu, President, CEO and a director of the Company, as to \$120,000 and to Paul Grewal, CFO of the Company, as to \$60,000.

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

At no time during the fiscal year ended August 31, 2021 and at no time from August 31, 2021 to the date of this Prospectus, was a director, executive officer, employee, proposed management nominee for election as a director of the Company or any associate of any such director, executive officer, or proposed management nominee of the Company or any former director, executive officer or employee of the Company or any of its subsidiaries indebted to the Company or any of its subsidiaries or was indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, other than routine indebtedness.

## **AUDIT COMMITTEE**

### ***The Audit Committee's Charter***

The directors of the Corporation have adopted a Charter for the Audit Committee, which sets out the Audit Committee's mandate, organization, powers and responsibilities. The following is the text of the Audit Committee's Charter:

#### **1. Overall Purpose / Objectives**

1.1 The Audit Committee will assist the Board of Directors in fulfilling its responsibilities. The Audit Committee will review the financial reporting process, the system of internal control and management of

financial risks and the audit process. In performing its duties, the committee will maintain effective working relationships with the Board of Directors, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each committee member will obtain an understanding of the responsibilities of committee membership as well as the Company's business, operations and risks.

## **2 Authority**

2.1 The Board authorizes the audit committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice, to set and pay the compensation for any advisors employed by the Audit Committee, to ensure the attendance of Company officers at meetings as appropriate and to communicate directly with the Company's external auditors.

## **3. Organization**

### Membership

3.1 The Audit Committee will be comprised of at least three members, all of whom shall be Directors of the Company. Whenever reasonably feasible a majority of the members of the audit committee shall have no direct or indirect material relationship with the Company. If less than a majority of the Board of Directors are independent, then a majority of the members of the audit committee may be made up of members that are not independent of the Company, provided that there is an exemption in the applicable securities law, rule, regulation, policy or instrument (if any).

3.2 The chairman of the Audit Committee (if any) will, if feasible, be nominated by the Audit Committee from the members of the Audit Committee which are not officers or employees of the Company, or a company associated or affiliated with the Company, from time to time.

3.3 A quorum for any meeting will be two members.

3.4 The secretary of the Audit Committee will be the Company secretary, or such person as nominated by the Chairman of the Audit Committee, if there is one, or by the members of the Audit Committee.

### Attendance at Meetings

3.5 The Audit Committee may invite such other persons (e.g. the President or Chief Financial Officer) to its meetings, as it deems appropriate.

3.6 The Audit Committee shall meet from time to time. Special meetings shall be convened as required. External auditors may convene a meeting if they consider that it is necessary.

3.7 The proceedings of all meetings will be minuted.

## **4. Roles and Responsibilities**

The Audit Committee will:

4.1 Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

4.2 Gain an understanding of the current areas of greatest financial risk and whether management is

managing these effectively.

4.3 Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.

4.4 Review any legal matters which could significantly impact the financial statements as reported on by the general counsel and meet with outside counsel whenever deemed appropriate.

4.5 Review the annual and quarterly financial statements including Management's Discussion and Analysis and annual and interim earnings press releases prior to public dissemination, including any certification, report, opinion, or review rendered by the external auditors and determine whether they are complete and consistent with the information known to committee members; determine that the auditors are satisfied that the financial statements have been prepared in accordance with generally accepted accounting principles.

4.6 Pay particular attention to complex and/or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure thereof.

4.7 Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.

4.8 Review audit issues related to the Company's material associated and affiliated companies (if any) that may have a significant impact on the Company's equity investment.

4.9 Meet with management and the external auditors to review the annual financial statements and the results of the audit.

4.10 Review the interim financial statements and disclosures, and obtain explanations from management on whether:

- (a) actual financial results for the interim period varied significantly from budgeted or projected results;
- (b) generally accepted accounting principles have been consistently applied;
- (c) there are any actual or proposed changes in accounting or financial reporting practices;
- (d) there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure; and
- (e) review the external auditors' proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.

4.11 Review the performance of the external auditors and approve in advance provision of services other than auditing. Consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the company. The Board authorizes the Chairman of the Audit Committee to pre-approve any non-audit or additional audit work which the Chairman deems as necessary and to notify the other members of the Audit Committee of such non-audit or additional work.

4.12 Make recommendations to the Board regarding the reappointment of the external auditors and the compensation to be paid to the external auditor.



4.13 Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.

4.14 Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

4.15 Establish procedures for:

- (a) the receipt, retention and treatment of complaints received by the Company regarding questionable accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Company and of concerns regarding questionable accounting or auditing matters.

To comply with the above, the Audit Committee shall ensure the Company advises all employees of the Company, by way of a written code of business conduct and ethics (the "Code"), or if such Code has not yet been adopted by the Board of Directors, by way of a written or electronic notice, that any employee who reasonably believes that questionable accounting, internal accounting controls, or auditing matters have been employed by the Company or its external auditors is strongly encouraged to report such concerns by way of written communication directly to the Chair or any other member of the Audit Committee. Matters referred to a member of the Audit Committee, may be done so anonymously and in confidence.

***The Company shall not take or allow any reprisal against any employee for, in good faith, reporting questionable accounting, internal accounting, or auditing matters. Any such reprisal shall itself be considered a very serious breach of this policy.***

All reported violations shall be investigated by the Audit Committee following rules of procedure and process as shall be recommended by outside counsel.

4.16 Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.

4.17 Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.

4.18 Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.

4.19 Perform other functions as requested by the full Board.

4.20 If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist, and set the compensation to be paid to such special counsel or other experts.

4.21 Review and recommend updates to the charter; receive approval of changes from the Board.

## **5. Reference Date.**

5.1 This 2021 Charter of the Audit Committee was first adopted and approved by the directors of the Company on August 16, 2021.

### ***Composition of the Audit Committee***

The following directors are the members of the Audit Committee:

Jag Sandhu	Not independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Rodney Stevens	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
James Atkinson	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>

- <sup>(1)</sup> A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company's Board of Directors, be reasonably expected to interfere with the exercise of a member's independent judgment. Executive officers, employees, family members of executive officers, and individuals who accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Company (other than as remuneration for acting as a Board member) are considered to have a material relationship with the Company.
- <sup>(2)</sup> An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

### ***Relevant Education and Experience***

The education and experience of each audit committee member that is relevant to the performance of his responsibilities as an audit committee member is as follows:

#### *Jag Sandhu*

Mr. Sandhu has been involved in public companies for over 20 years. Through his involvement with public companies, Mr. Sandhu has developed an understanding of financial reporting sufficient to enable him to act as a member of the audit committee. Mr. Sandhu holds a B.A. (Economics) degree from Simon Fraser University. Mr. Sandhu's education, business, board and management experience has enabled him to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. Mr. Sandhu is financially literate.

#### *Rodney Stevens*

Mr. Stevens is a Chartered Financial Analyst (CFA), is Vice-President, interim CFO and a director of Discovery Harbour Resources Corp. as well as a director of several other TSX Venture Exchange listed mineral exploration companies. Previously, Mr. Stevens was a senior investment analyst with RCI Capital Group Inc., a portfolio manager with Wolverson Securities Ltd. and research analyst at Salman Partners Inc. Mr. Stevens' education, work, board and audit committee experience has enabled him to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. Mr. Stevens is financially literate.

#### *James Atkinson*

Mr. Atkinson is an exploration geologist and project manager with over 45 years of experience and has been involved in public and private companies for over 10 years. Mr. Atkinson holds a B.Sc. degree from Brock University and a M.Sc. degree from the University of Toronto. Mr. Atkinson's education, board,

management and industry experience has enabled him to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. Mr. Atkinson is financially literate.

### ***Audit Committee Oversight***

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

### ***Reliance on Certain Exemptions***

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of National Instrument 52-110 (*De Minimis* Non-audit Services), or an exemption from National Instrument 52-110, in whole or in part, granted under Part 8 of National Instrument 52-110.

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

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

### ***External Auditor Service Fees (By Category)***

In the following table, "audit fees" are billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The fees billed by the Company's auditor in the last fiscal year, and for auditing the Company's annual financial statements for the last fiscal year, being the only completed fiscal year of the Company, by category, are as follows:

<b>Financial Year Ending August 31</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
2021	\$7,000	\$Nil	\$Nil	\$Nil

The breakdown of the fees billed by the Company's external auditors between Audit Fees, Tax Fees and All Other Fees is based on an estimate of the amount of work carried out by the external auditors in each area.

**Exemption**

The Company has relied upon the exemption provided by section 6.1 of National Instrument 52-110 which exempts venture issuers from the requirement to comply with the restrictions on the composition of its audit committee and the disclosure requirements of its audit committee in an annual information form as prescribed by National Instrument 52-110.

**CORPORATE GOVERNANCE**

Pursuant to National Instrument 58-101 Disclosure of Corporate Governance Practices, the Company discloses its corporate governance practices as follows:

**1. Board of Directors**

The Board of Directors of the Company facilitates its exercise of independent supervision over the Company's management through meetings of the Board.

Rodney Stevens and James Atkinson are considered "independent" as defined by National Policy 58-101. Jag Sandhu is not considered "independent" as defined by this policy. Mr. Sandhu is President and CEO of the Company.

**2. Directorships**

The following table sets out the directors who are currently directors of other reporting issuers in all Canadian and foreign jurisdictions:

<b>Name of Director</b>	<b>Name of Other Reporting Issuer</b>	<b>Exchange Traded On</b>
James Atkinson	Advance United Holdings Inc.	CSE
Rodney Stevens	Canada One Mining Corp.	TSX-V
	Ceylon Graphite Corp.	TSX-V
	Discovery Harbour Resources Corp.	TSX-V
	Guyana Goldstrike Inc.	TSX-V
	Inca One Gold Corp.	TSX-V
	Kesselrun Resources Ltd.	TSX-V
	Nexus Gold Corp.	TSX-V
	NSJ Gold Corp.	CSE
	Red Metal Resources Ltd.	OTC
	Solis Minerals Ltd.	TSX-V
Jag Sandhu	NSJ Gold Corp.	CSE

**3. Orientation and Continuing Education**

The Board of Directors of the Company briefs all new directors with respect to the policies and guidelines of the Board of Directors and other relevant corporate and business information. New Board members are also provided with copies of the Company's audit committee charter, corporate governance guidelines and published insider trading policies, access to all of the publicly filed documents of the Company and complete access to management, the Company's records and the Company's professional advisors including auditor and legal counsel.

Board members are encouraged to communicate with management and auditors, to keep themselves current with industry trends and developments and changes in legislation with the Company's assistance, to attend industry seminars and to visit the Company's operations.

The Board does not provide any continuing education.

#### **4. Ethical Business Conduct**

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. The Board monitors the ethical conduct of the Company and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges but, to date, has not adopted a formal written Code of Business Conduct and Ethics.

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. Further, the Company's auditor has full and unrestricted access to the audit committee at all times to discuss the audit of the Company's financial statements and any related findings as to the integrity of the financial reporting process. The current limited size of the Company's operations and the small number of officers and consultants allow the independent members of the Board to monitor on an ongoing basis the activities of management and to ensure that the highest standard of ethical conduct is maintained. As the Company grows in size and scope, the Board anticipates that it will formulate and implement a formal Code of Business Conduct and Ethics.

#### **5. Nomination of Directors**

The Board has responsibility for identifying and assessing potential Board candidates and recommending new director nominees for the next annual meeting of shareholders. Recruitment of new directors has generally resulted from recommendations made by directors, management and shareholders. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. The Company nominates Board members it considers to be ethical.

Generally, the Board of Directors seeks nominees that have the following characteristics: a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the required time, support for the Company's mission and strategic objectives, and a willingness to serve.

#### **6. Compensation**

The Board of Directors reviews the compensation of the directors and the Chief Executive Officer once a year. To make its recommendations on such compensation, the Board of Directors takes into account the types of compensation and the amounts paid to directors and officers of comparable publicly traded Canadian companies, as well as the success of the directors and officers in helping the Company to achieve its objectives and the Company's financial resources.

#### **7. Other Board Committees**

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

## 8. Assessments

The Board does not consider that formal assessments would be useful at this stage of the Company's development. The Board conducts informal periodic assessments of the effectiveness of the Board, its committees and the individual directors to satisfy itself that they are performing effectively. The assessment of the Board relates to the ongoing governance and operation of the Board and its effectiveness in discharging its responsibilities. The assessment of individual directors is comprised of an examination of each individual director's ability to contribute to the effective decision-making of the Board.

### PLAN OF DISTRIBUTION

Since incorporation on October 18, 2020, the Company has completed several special warrant private placements for a total of 4,879,500 special warrants ("Special Warrants"). The Special Warrants were issued at a price of \$0.20 per Special Warrant pursuant to prospectus and registration exemptions under applicable securities legislation for aggregate gross subscription proceeds of \$975,900. All Special Warrants were issued on the same terms, a summary of which is provided herein.

Each Special Warrant entitles the holder thereof, upon exercise or deemed exercise, to acquire without additional payment or consideration, one underlying unit of the Company, subject to adjustment as described below. Each unit (a "Unit") consists of one common share of the Company (a "Share") and one non-transferable share purchase warrant, whereby each warrant (the "Warrant") be exercisable to purchase one fully-paid and non-assessable common share of the Company at an exercise price of \$0.25 per Share until expiration of the Warrants at 4:00 p.m. (Vancouver time) on the first business day after the date that is three years from the date of exercise or deemed exercise of the Special Warrant.

Each Special Warrant may be exchanged by the holder for one Unit at any time until the first to occur ("Exchange Date") of: (i) the business day following the day ("Qualification Date") on which a receipt for a (final) prospectus has been issued by or on behalf of the last of the securities regulatory authorities in the Province of British Columbia and such other jurisdictions as may be determined by the Company qualifying the distribution of the Units to be issued upon exercise of the Special Warrants (the issuance of such receipt being hereinafter referred to as the "Qualification"); and (ii) the tenth (10th) anniversary of the date of the Special Warrant certificates. Any Special Warrants not exercised prior to 4:00 p.m. (Vancouver Time) on the Exchange Date shall be deemed to have been exercised at that time without any further action on the part of the holder.

The price for the Special Warrants, being \$0.20, was based on various factors, including without limitation, the estimated value of our tangible and intangible assets, the estimated value of our future cash flows, readily discernable market values of comparable companies, and our financial condition, past and projected operating results, capital structure, and business prospects, and other relevant factors such as the absence of a trading market for our stock.

The Special Warrants were issued in series as follows:

Series	Number of Special Warrants	Date of Issuance	Proceeds to the Company
Series A Special Warrants	1,163,000	July 5, 2021	\$226,360 <sup>(1)</sup>
Series B Special Warrants	503,500	July 23, 2021	\$97,450 <sup>(2)</sup>
Series C Special Warrants	1,024,000	August 18, 2021	\$192,400 <sup>(3)</sup>
Series D Special Warrants	733,500	August 20, 2021	\$135,340 <sup>(4)</sup>
Series E Special Warrants	1,455,500	August 31, 2021	\$289,980 <sup>(5)</sup>
<b>Total:</b>	<b>4,879,500</b>		<b>\$941,530<sup>(6)</sup></b>

- (1) Net of finder's fees totaling \$6,240.
- (2) Net of finder's fees totaling \$3,250.
- (3) Net of finder's fees totaling \$12,400.
- (4) Net of finder's fees totaling \$11,360.
- (5) Net of finder's fees totaling \$1,120.
- (6) Net of finder's fees totaling \$34,370.

We will not receive any additional proceeds with respect to the Units distributed on exercise of the Special Warrants.

The number of underlying Units issuable pursuant to any exercise of the Special Warrants will be adjusted upon the occurrence of certain events, including any capital reorganization, reclassification, subdivision or consolidation of the capital stock of the Company, or any merger, amalgamation or other corporate combination of the Company with one or more other entities, or of any other events in which new securities of any nature are delivered in exchange for the issued Shares.

The distribution of the Units is qualified under this prospectus. In the event that Special Warrants are exercised prior to the Qualification Date, or if Qualification does not occur, the underlying Units obtained upon such exercise will be subject to resale restrictions.

An application has been made to list the Company's common shares on the CSE. Listing is subject to the Company fulfilling all of the listing requirements of the CSE, which include becoming a reporting issuer.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

## **RISK FACTORS**

The securities of the Company should be considered a highly speculative investment and investors should carefully consider all of the information disclosed in this Prospectus prior to making an investment in our securities. In addition to the other information presented in this Prospectus, the following risk factors should be given special consideration when evaluating an investment in any of our securities.

### **Exploration and Development.**

The Property is in an exploration stage only and is without a known body of commercial ore. Development of the Property will only follow upon obtaining satisfactory results. Exploration and development of natural resources involve a high degree of risk and few properties which are explored are ultimately developed into producing properties. There is no assurance that the Company's exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that resources will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

**Title to Assets.**

While the Company has followed and intends to follow certain due diligence procedures with respect to title for any concessions in which it has or will acquire a material interest, there is no guarantee that title to such concessions will be not challenged or impugned. In some jurisdictions, the system for recording title to the rights to explore, develop and mine natural resources is such that a title opinion provides only minimal comfort that the holder has title. Also, in many countries, claims have been made and new claims are being made by aboriginal peoples that call into question the rights granted by the governments of those jurisdictions.

**Value of Company.**

The Company's assets are of indeterminate value. For further particulars see the financial statements scheduled hereto.

**Competitive pressures may adversely affect the Company.**

The resource industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself. Competition could adversely affect the Company's ability to acquire suitable properties for exploration in the future.

**The Company has no operating history and an evolving business model.**

The Company has a very limited operating history and its business model is still evolving. The Company has not earned any revenue and the development of its exploration and evaluation assets are still in an infancy stage. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain necessary financing to meet its obligations and repay its liabilities. There can be no assurance that the Company will achieve profitability or obtain future financing.

**Negative Cash Flow From Operating Activities.**

The Company has no history of earnings and had negative cash flow from operating activities for the period from incorporation to August 31, 2021. To the extent that the Company has negative cash flow in future periods, the Company may need to allocate a portion of its cash reserves to fund such negative cash flow. The Company's Property is in the exploration stage and there are no known mineral resources or reserves and the proposed exploration program on the Property is exploratory in nature. Significant capital investment will be required to achieve commercial production from the Company's existing project. There is no assurance that the Property will generate earnings, operate profitably or provide a return on investment in the future. Accordingly, the Company will be required to obtain additional financing in order to meet its future cash commitments.

**Dilution**

Common shares, including rights, warrants, special warrants, subscription receipts and other securities to purchase, to convert into or to exchange into common shares, may be created, issued, sold and delivered on such terms and conditions and at such times as the Board of Directors may determine. In addition, the Company will issue additional common shares from time to time pursuant to the options to purchase common shares issued from time to time by the Board. The issuance of these common shares will result in dilution to holders of common shares.

**Future Sales of Common Shares by Existing Shareholders**

Sales of a large number of common shares in the public markets, or the potential for such sales, could decrease the trading price of the common shares and could impair the Company's ability to raise capital through future sales of common shares. The Company has previously issued common shares at an effective price per share which is lower than the effective price of the common shares being qualified under this



Prospectus. Accordingly, a significant number of shareholders of the Company have an investment profit in the common shares that they may seek to liquidate.

**Operating Hazards and Risks May be Insurmountable and/or Uninsurable.**

Exploration for natural resources involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages, damage to persons or property and possible environmental damage. Although the Company has or will obtain liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable against, or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition.

**Fluctuating Prices of Raw Materials May Adversely Affect the Company.**

The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of gold. The price of commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of copper, and therefore the economic viability of the Company's exploration project, cannot accurately be predicted.

**Changing Environmental Regulations May Adversely Affect the Company.**

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

**Political and Economic Instability May Adversely Affect the Company.**

The Company may be affected by possible political or economic instability. The risks include, but are not limited to, terrorism, military repression and high rates of inflation. Changes in resource development or investment policies or shifts in political attitude in certain countries may adversely affect the Company's 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 property, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. The effect of these factors cannot be accurately predicted.

**Loss of Key Management Personnel Could Adversely Affect the Company.**

The Company is dependent on a relatively small number of key employees, the loss of any of whom could have an adverse effect on the Company.

**Requirement of New Capital.**

As an exploration company without revenues, the Company typically needs more capital than it has available to it or can expect to generate through the sale of any minerals that may be found on its mineral property. In the past, the Company has had to raise, by way of equity financings, considerable funds to meet its capital needs. There is no guarantee that the Company will be able to continue to raise funds needed for its business. Failure to raise the necessary funds in a timely fashion could limit the Company's growth.

**Lack of Dividends.**

The Company has not paid dividends in the past and does not anticipate paying dividends in the near future. The Company expects to retain its earnings to finance further growth and, when appropriate, retire debt.

**Lack of Liquidity.**

The common shares of the Company are subject to certain trade restrictions, which may include a hold period restricting the trading of the securities.

**COVID-19 Pandemic**

The coronavirus (COVID-19) outbreak could persist for a prolonged period. The global COVID-19 pandemic could result in adverse development results due to workforce reductions, supply and/or demand interruptions, travel restrictions and downturn in new equity and debt financings for mining projects. The Company's employees, contractors and suppliers could be affected by contagious diseases, including COVID-19, that could result in a reduction in the Company's workforce due to illness or quarantine, critical supply disruptions, transportation and travel restrictions, and other factors beyond the Company's control. These and other factors could negatively affect the Company's business in complex ways, which are difficult or impossible to predict. While the Company's operating activities have not been materially impacted by the COVID-19 pandemic to date, the pandemic may create uncertainty around the timing of exploration activities at the Property and available financing opportunities. The Company continues to closely monitor and assess the impact of COVID-19 on its planned exploration activities and available financing opportunities.

**PROMOTER**

Jag Sandhu took the initiative in substantially organizing the business of the Company and accordingly may be considered to be the promoter of the Company. See "Principal Shareholders and Selling Security Holders", "Directors and Officers" and "Executive Compensation". We do not have any written or verbal contracts or any other arrangement in effect with any person to provide promotional or investor relations services.

**LEGAL PROCEEDINGS**

There are no legal proceedings or pending legal proceedings to which we are or are likely to be a party to or of which our business is likely to be the subject of.

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

Except as set out above under Management's Discussion and Analysis 'Liquidity and Capital Resources' and 'Transactions with Related Parties', the directors, senior officers and principal shareholders of the Company or any associate or affiliate of the foregoing have had no material interest, direct or indirect, in any transactions in which the Company has participated within the three year period prior to the date of this Prospectus, or will have any material interest in any proposed transaction, which has materially affected or will materially affect the Company.

**AUDITORS, TRANSFER AGENTS AND REGISTRARS****Auditor**

The Company's auditor is Harbourside CPA, LLP, Chartered Professional Accountants, located at Suite 1140 – 1185 West Georgia Street, Vancouver, British Columbia, V6E 4E6.

### **Transfer Agent and Registrar**

The transfer agent and registrar of the Company's common shares is Olympia Trust Company, located at Suite 1900, 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2.

### **MATERIAL CONTRACTS**

The following are the material contracts entered into by the Company since incorporation:

1. Option Agreement dated February 25, 2021 between the Company and Rich Copper Exploration Corp.;
2. Option Amendment Agreement dated June 3, 2021 between the Company and Rich Copper Exploration Corp.
3. Transfer Agent, Registrar and Disbursing Agent Agreement dated September 8, 2021 between the Company and Olympia Trust Company.
4. Escrow Agreement dated September 9, 2021 between the Company, Olympia Trust Company and certain shareholders (see: "Escrowed Securities").
5. Stock Option Plan dated September 10, 2021 (see: "Stock Option Plan").

These material contracts can be inspected at our records office, 101 – 17565 58 Avenue, Surrey, British Columbia, during normal business hours during the distribution of the securities offered hereunder and for a period of thirty days thereafter.

### **EXPERTS**

#### **Names of Experts**

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

The information on the Property is summarized from the report titled the "NI 43-101 Technical Report on the Dobie Lake Copper Property, Algoma, Ontario" dated August 15, 2021 (the "Report"), prepared by Brian H. Newton, P.Geo. and Mark P. Wellstead, P.Geo. of Minroc Management Ltd. (the "Technical Report"). Each of Mr. Newton and Mr. Wellstead has informed the Company that he is a "Qualified Person" for the purposes of NI 43-101. A copy of the Report can be found on the Company's disclosure page on [www.sedar.com](http://www.sedar.com) after it has been posted. Neither Mr. Newton nor Mr. Wellstead has any direct or indirect interest in the Property and neither holds, directly or indirectly, any securities of the Company.

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

**Interests of Experts**

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

**OTHER MATERIAL FACTS**

There are no other material facts relating to the securities offered in this Prospectus that have not been disclosed elsewhere in this Prospectus.

**PURCHASER’S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

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

The Company has granted to each holder of a special warrant a contractual right of rescission of the prospectus-exempt transaction under which the special warrant was initially acquired. The contractual right of rescission provides that if a holder of a special warrant who acquires another security of the Company on exercise of the special warrant as provided in for in the prospectus, is or becomes entitled under the securities legislation of a jurisdiction to the remedy of rescission because of the prospectus or an amendment to the prospectus containing a misrepresentation,

- (a) the holder is entitled to rescission of both the holder's exercise of its special warrant and the private placement transaction under which the special warrant was initially acquired,
- (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Company on the acquisition of the special warrant, and
- (c) if the holder is a permitted assignee of the interest of the original special warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

**FINANCIAL STATEMENTS**

Attached to and forming a part of this Prospectus are the Company’s audited financial statements for the period from incorporation to August 31, 2021.

**BIG RED MINING CORP.**

**FINANCIAL STATEMENTS**

**BIG RED MINING CORP.  
FINANCIAL STATEMENTS**

**For the period from incorporation on October 18, 2020 to August 31, 2021**

**(Expressed in Canadian dollars)**

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## INDEPENDENT AUDITORS' REPORT

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To the Shareholders of Big Red Mining Corp.

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Big Red Mining Corp. (the "Company") which comprise the statement of financial position as at August 31, 2021 and the statement of loss and comprehensive loss, statement of changes in shareholders' equity and statement of cash flows for the period from incorporation on October 18, 2020 to August 31, 2021 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 August 31, 2021 and its financial performance and its cash flows for the period from incorporation on October 18, 2020 to August 31, 2021 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 other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to Note 1 to the financial statements which indicates the existence of a material uncertainty that may cast significant doubt about Big Red Mining Corp.'s ability to continue as a going concern.

#### Information other than the Consolidated Financial Statements and the Auditor's Report thereon

Management is responsible for the other information. The other information comprises the information, other than the consolidated financial statements and our auditor's report thereon, included in Management's discussion and analysis report.

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

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

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

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

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mickey Goldstein

Vancouver, British Columbia  
September XX, 2021

Harbourside CPA, LLP  
Chartered Professional Accountants



**BIG RED MINING CORP.**  
**Statement of Financial Position**  
**As at August 31, 2021**  
(Expressed in Canadian dollars)

	Note	2021
		\$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents		1,498,296
GST receivable		15,221
Total current assets		1,513,517
Exploration and evaluation asset	5	117,680
<b>Total assets</b>		<b>1,631,197</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	6	49,175
Flow-through liability	7	12,000
Total current liabilities		61,175
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	7	599,461
Special warrants	7	975,900
Reserves	7	26,719
Deficit		(32,058)
Total shareholders' equity		1,570,022
<b>Total liabilities and shareholders' equity</b>		<b>1,631,197</b>

Nature of operations and going concern (Note 1)

Approved on behalf of the Board of Directors on September 20, 2021:

<b><i>"Jag Sandhu"</i></b>	<b><i>"Rodney Stevens"</i></b>
Director	Director

**BIG RED MINING CORP.****Statement of Loss and Comprehensive Loss****For the period from incorporation on October 18, 2020 to August 31, 2021**

(Expressed in Canadian dollars, except number of shares)

	Note	2021
		\$
<b>Operating expenses</b>		
Consulting Fees	6	2,857
Office and Miscellaneous		6,467
Professional fees		17,190
Travel Expenses		5,544
<b>Total operating expenses</b>		<b>32,058</b>
<b>Net Loss</b>		<b>(32,058)</b>
<b>Loss per share:</b>		
Basic and diluted		<b>\$(0.00)</b>
<b>Weighted average number of shares outstanding:</b>		
Basic and diluted		<b>10,630,063</b>

The accompanying notes are an integral part of the financial statements

**BIG RED MINING CORP.****Statement of Changes in Shareholders' Equity****For the period from incorporation on October 18, 2020 to August 31, 2021**

(Expressed in Canadian Dollars, except number of shares)

	Share capital		Special warrants	Reserves	Deficit	Total
	Number of common shares	Amount				
<b>Balance at October 18, 2020 (Incorporation)</b>	-	\$ -	\$ -	\$ -	\$ -	\$ -
Founder shares (Note 7)	5,000,000	25,000	-	-	-	25,000
Private placements (Note 7)	11,200,000	336,250	-	-	-	336,250
Flow-through private placements (Note 7)	4,160,000	308,000	-	-	-	308,000
Special warrant private placements (Note 7)	-	-	975,900	-	-	975,900
Shares issued for property (Note 5, 7)	50,000	2,500	-	-	-	2,500
Share-issuance costs - cash (Note 7)	-	(45,570)	-	-	-	(45,570)
Share-issuance costs – agent warrants (Note 7)	-	(26,719)	-	26,719	-	-
Net Loss	-	-	-	-	(32,058)	(32,058)
<b>Balance at August 31, 2021</b>	<b>20,410,000</b>	<b>\$ 599,461</b>	<b>\$ 975,900</b>	<b>\$ 26,719</b>	<b>\$ (32,058)</b>	<b>\$ 1,570,022</b>

The accompanying notes are an integral part of the financial statements

**BIG RED MINING CORP.****Statement of Cash Flows****For the period from incorporation on October 18, 2020 to August 31, 2021**

(Expressed in Canadian dollars)

	Note	2021
		\$
<b>Operating activities</b>		
Net loss for the period		(32,058)
Changes in non-cash working capital		
GST receivable		(15,221)
Accounts payable and accrued liabilities		7,959
<b>Net cash flows used in operating activities</b>		<b>(39,320)</b>
<b>Investing activities</b>		
Exploration and evaluation asset		(85,724)
<b>Net cash flows used in investing activities</b>		<b>(85,724)</b>
<b>Financing activities</b>		
Cash received from private placements		681,250
Cash received from issuance of special warrants		975,900
Cash share issuance costs		(33,810)
<b>Net cash flows provided by financing activities</b>		<b>1,623,340</b>
<b>Increase in cash and cash equivalents</b>		<b>1,498,296</b>
<b>Cash and cash equivalents, beginning of year</b>		<b>-</b>
<b>Cash and cash equivalents, end of year</b>		<b>1,498,296</b>
<b>Non-cash transactions affecting cash flows from investing and financing activities:</b>		
Exploration and evaluation assets included in accounts payable		\$29,456
Share issuance costs include in accounts payable		\$11,760
Shares issued for property option payment		\$2,500
Cash paid for:		
Interest		\$-
Income taxes		\$-

The accompanying notes are an integral part of the financial statements

**BIG RED MINING CORP.**

**Notes to the Financial Statements**

**For the period from October 18, 2020 (date of incorporation) to August 31, 2021**

(Expressed in Canadian dollars – unless otherwise noted)

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

Big Red Mining Corp. (the “Company”) is in the business of the exploration and evaluation of mineral properties. The Company was incorporated under the *Business Corporations Act* of British Columbia on October 18, 2020. The address of the Company's registered and records office and principal place of business is Suite 100, 17565 58 Avenue, Surrey, British Columbia, V3S 4E3 Canada.

The Company's primary business is the acquisition and exploration of mineral properties. The Company's exploration and evaluation asset (Note 5) does not presently host any known mineral deposits nor, given the high degree of risk involved, can there be any assurance that its exploration activities will result in the definition of such deposits being located or, ultimately, a profitable mining operation in the future.

These financial statements (the “financial statements”) have been prepared on a going concern basis, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company incurred a loss of \$32,058 during the period ended August 31, 2021 and has an accumulated deficit as at August 31, 2021 of \$32,058. Further, the Company has no source of operating cash flows, and there is no assurance that sufficient funding (including adequate financing) will be available to conduct required exploration and development of its mineral property projects. These factors indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

The application of the going concern concept is dependent upon the Company's ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. These financial statements do not give effect to any adjustments that might be required should the Company be unable to continue as a going concern. These adjustments could be material.

In 2020, there was a global outbreak of coronavirus that has resulted in changes in global supply and demand of certain mineral and energy products. These changes, including a potential economic downturn and any potential resulting direct and indirect negative impact to the Company cannot be determined, but they could have a prospective material impact to the Company's project exploration activities, cash flows and liquidity. Various restrictions on gatherings, work and access to remote communities near the Company's project may also impact the Company's ability to perform exploration activities at the project.

**BIG RED MINING CORP.**

**Notes to the Financial Statements**

**For the period from October 18, 2020 (date of incorporation) to August 31, 2021**

(Expressed in Canadian dollars – unless otherwise noted)

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**2. BASIS OF PRESENTATION**

**a) Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. IFRS includes International Accounting Standards (“IAS”) and interpretations issued by the IFRS Interpretations Committee (“IFRIC”).

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

All amounts in these financial statements are presented in Canadian dollars, the functional currency of the Company. The accounting policies set out below have been applied consistently.

These financial statements were approved and authorized for issuance by the Company’s Board of Directors on September 20, 2021.

**b) Functional and presentation currency**

The Company considers the primary and secondary indicators as part of its decision-making process. The financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

**BIG RED MINING CORP.**

**Notes to the Financial Statements**

**For the period from October 18, 2020 (date of incorporation) to August 31, 2021**

(Expressed in Canadian dollars – unless otherwise noted)

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Cash and cash equivalents**

Cash and cash equivalents are comprised of cash on hand and deposits in banks.

**b) Financial instruments**

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The following table shows the classification of the Company's financial instruments under IFRS 9:

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<b>Financial assets</b>	
Cash and cash equivalents	FVTPL
<b>Financial liabilities</b>	
Accounts payable	Amortized cost

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*Financial assets at FVTPL*

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

*Financial assets at FVTOCI*

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive loss. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

*Financial assets at amortized cost*

Cash and other receivables with fixed or determinable payments that are not quoted in an active market are classified as held at amortized cost. Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the statement of loss and comprehensive loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

**BIG RED MINING CORP.**

**Notes to the Financial Statements**

**For the period from October 18, 2020 (date of incorporation) to August 31, 2021**

(Expressed in Canadian dollars – unless otherwise noted)

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Financial liabilities at amortized cost*

Financial liabilities are recognized initially at fair value and subsequently measured at amortized cost and include accounts payable and accrued liabilities. Accounts payables and other payables are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, accounts payable, accrued and settlement liabilities are measured at amortized cost using the effective interest method. Loans are recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method.

*Impairment of financial instruments*

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured 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 loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized. Given the nature and balances of the Company's receivables, the Company has no material loss allowance as at August 31, 2021.

**c) Exploration and evaluation expenditures**

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of loss and comprehensive loss.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is classified as 'mines under construction'. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.



**BIG RED MINING CORP.**

**Notes to the Financial Statements**

**For the period from October 18, 2020 (date of incorporation) to August 31, 2021**

(Expressed in Canadian dollars – unless otherwise noted)

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**d) Impairment of non-financial assets**

At each reporting date, 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 ("FVLCS") and value in use ("VIU"). FVLCS 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 VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is established 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 period.

For the purposes of impairment testing, exploration and evaluation assets (mineral properties) and equipment are allocated to cash-generating units to which the exploration activity relates. 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 loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount 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.

**e) Share capital**

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

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash are valued based on their market value of the shares as of the date of issuance.

**f) Issuance of units**

When shares are issued together with a warrant (referred to as a unit), the warrant component of the unit is valued using the residual method. Under this method, any amount received for the unit in excess of the fair value of the share is attributed to the warrant.

**BIG RED MINING CORP.**

**Notes to the Financial Statements**

**For the period from October 18, 2020 (date of incorporation) to August 31, 2021**

(Expressed in Canadian dollars – unless otherwise noted)

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**g) Share-based compensation**

The Company has a stock option plan under which it may grant stock options to directors, employees, consultants and service providers.

The Company records a share-based compensation expense for all options granted to employees, or to those providing similar services, at the fair value of the equity instruments over the vesting period, with a corresponding increase in share-based payments reserve. Each transfer of an award is considered separately with its own vesting date and grant date fair value. The Company uses the Black-Scholes Option Pricing Model to estimate the fair value of each stock option at the date of grant. For awards with vesting conditions, a forfeiture rate is recognized at the grant date and is adjusted to reflect the number of awards expected to vest. As the options are exercised, the consideration paid, together with the amount previously recognized in share-based payments reserve, is recorded as an increase in share capital. The initial fair values of options that expire unexercised remain in share-based payments reserve.

For equity-settled share-based compensation to non-employees, the Company measures the value of the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received. If the fair value cannot be estimated reliably, then the Company would use the Black-Scholes Option Pricing Model. The Company has no cash-settled share-based compensation transactions.

**h) Reserve**

The Company records stock option expense, equity component of convertible debenture, and contributed surplus within reserve on the Statement of Changes in Shareholders' Equity. When stock options or convertible debenture are exercised into common shares, the applicable amount under reserve will be transferred to share capital. For vested and expired conversion features or options, the applicable amount under the reserve account will be transferred to contributed surplus, also under the reserve account.

**i) Loss per share**

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated by adjusting the loss attributable to equity shareholders and the weighted average number of common shares outstanding for the effects of all potentially dilutive instruments. The calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year. In years where a loss is reported, diluted loss per share is the same as basic loss per share because the effects of potentially dilutive common shares would be anti-dilutive.

**BIG RED MINING CORP.**

**Notes to the Financial Statements**

**For the period from October 18, 2020 (date of incorporation) to August 31, 2021**

(Expressed in Canadian dollars – unless otherwise noted)

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**j) Income taxes**

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting or taxable profit; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to the offset of current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**k) Foreign currency translation**

Foreign currency transactions are translated into their functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive loss in the statement of comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive loss. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

**BIG RED MINING CORP.**

**Notes to the Financial Statements**

**For the period from October 18, 2020 (date of incorporation) to August 31, 2021**

(Expressed in Canadian dollars – unless otherwise noted)

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**l) Restoration and environmental obligations**

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

Changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

**m) Significant accounting judgements and estimates**

The preparation of these financial statements in conformance with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

*Critical accounting estimates*

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

Recovery of deferred tax assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

**BIG RED MINING CORP.**

**Notes to the Financial Statements**

**For the period from October 18, 2020 (date of incorporation) to August 31, 2021**

(Expressed in Canadian dollars – unless otherwise noted)

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**m) Significant accounting judgements and estimates (continued)**

*Critical accounting estimates (continued)*

Environmental rehabilitation obligation

The Company recognizes statutory, contractual or other legal obligations related to the retirement of its exploration and evaluation assets and its tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs are capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset.

Fair-value of finders' warrants

The Company measures the cost of finders' warrants by reference to the fair value of the warrants at the date on which they are granted. Estimating the fair value of finder warrants requires applying the Black-Scholes valuation model to each grant based on the terms and conditions of such issuance.

*Critical accounting judgements*

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses.

**n) Flow-through shares**

Any premium received by the Company on the issuance of flow-through shares is initially recorded as a liability ("flow-through tax liability"). Upon renouncement by the Company of the tax benefits associated with the related expenditures, a flow-through share premium liability is recognized, and the liability will be reversed as eligible expenditures are made. If such expenditures are capitalized, a deferred tax liability is recognized. To the extent that suitable deferred tax assets are available, the Company will reduce the deferred tax liability.

**BIG RED MINING CORP.**

**Notes to the Financial Statements**

**For the period from October 18, 2020 (date of incorporation) to August 31, 2021**

(Expressed in Canadian dollars – unless otherwise noted)

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**4. NEW ACCOUNTING STANDARDS AND RECENT PRONOUNCEMENTS**

**a) Recent accounting pronouncements**

Certain other accounting pronouncements were issued but the Company anticipates that the application of these standards, amendments and interpretations in future periods will have no material impact on the results and financial position of the Company except for additional disclosures. The Company is assessing the impact of the new or revised IFRS standards on its financial position and financial performance.

**5. EXPLORATION AND EVALUATION ASSET**

The Company entered into an option agreement with Rich Copper Exploration Corp. (the “Vendor”) dated February 25, 2021, as amended on June 3, 2021, (the “Option Agreement”) to acquire a 100% interest in certain claims comprising the Dobie Lake Property (the “Property”) located in Ontario, Canada, subject to a 2% net smelter returns royalty payable to the Vendor.

Pursuant to the Option Agreement, to exercise the option the Company is required to:

- a) make a cash payment of \$5,000 to the Vendor within 30 days of signing of the Option Agreement (paid)
- b) issue a total of 350,000 common shares in the capital of the Company (“Shares”) to the Vendor per the following schedule:
  - 50,000 Shares within 90 days of signing the Option Agreement (issued)
  - 100,000 Shares on or before the first anniversary date of the Option Agreement
  - 100,000 Shares on or before the second anniversary date of the Option Agreement
  - 100,000 Shares on or before the third anniversary date of the Option Agreement
- c) incur exploration expenditures totaling \$830,000 on the Property per the following schedule:
  - \$80,000 on or before the first anniversary date of the Option Agreement
  - a further \$150,000 on or before the second anniversary date of the Option Agreement
  - a further \$250,000 on or before the third anniversary date of the Option Agreement
  - a further \$350,000 on or before the fourth anniversary date of the Option Agreement

During the period ended August 31, 2021, the Company incurred a total of \$117,680 in exploration expenditures.

**BIG RED MINING CORP.****Notes to the Financial Statements****For the period from October 18, 2020 (date of incorporation) to August 31, 2021**

(Expressed in Canadian dollars – unless otherwise noted)

**5. EXPLORATION AND EVALUATION ASSET (continued)**

	October 18, 2020	Additions	August 31, 2021
	\$	\$	\$
<b>Acquisition costs</b>	-	7,500	<b>7,500</b>
<b>Exploration costs</b>			
Field expenses	-	1,547	<b>1,547</b>
Geological consulting	-	92,324	<b>92,324</b>
Geophysical	-	16,309	<b>16,309</b>
<b>Total exploration costs</b>	-	110,180	<b>110,180</b>
<b>Total</b>	-	117,680	<b>117,680</b>

**6. RELATED PARTY TRANSACTIONS**

During the period ended August 31, 2021, the Company paid \$2,857 in consulting fees to a director of the Company.

Amounts due to or from related parties are unsecured and non-interest bearing and measured at the amount of consideration established and agreed to by the related parties. The amounts due to or from related parties as at August 31, 2021 are included in accounts payable:

	August 31, 2021
	\$
Due to directors and officers of the Company	<b>233</b>
Other related parties	<b>716</b>
<b>Total</b>	<b>949</b>

**7. SHARE CAPITAL**

The Company is authorized to issue an unlimited number of common shares.

**Share transactions**

During the period ended August 31, 2021, the Company issued the following:

- On February 22, 2021 the Company issued 5,000,000 common shares at \$0.005 per share for gross proceeds of \$25,000.
- On March 15, 2021 the Company closed its \$0.025 flow-through unit offering issuing 3,200,000 flow-through units for gross proceeds of \$80,000. Each flow-through unit consists of one flow-through common share in the capital of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional share at an exercise price of \$0.20 per share on or before March 16, 2026. The warrants were valued at \$nil, using the residual value method and the Company recorded \$nil in flow-through liability in connection to the financing.

**BIG RED MINING CORP.****Notes to the Financial Statements****For the period from October 18, 2020 (date of incorporation) to August 31, 2021**

(Expressed in Canadian dollars – unless otherwise noted)

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**7. SHARE CAPITAL (CONTINUED)****Share transactions (continued)**

- c) On March 15, 2021 the Company closed its \$0.025 unit offering issuing 8,950,000 units for gross proceeds of \$223,750. Each unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional share at an exercise price of \$0.20 per share on or before March 16, 2026. The warrants were valued at \$nil, using the residual value method and the Company recorded \$nil in flow-through liability in connection to the financing.
- d) On March 30, 2021 the Company issued 2,250,000 common shares at \$0.05 per share for gross proceeds of \$112,500.
- e) On April 5, 2021 the Company issued 50,000 common shares at a fair value of \$0.05 per share, for a total value of \$2,500, in connection to the first option payment on the Dobie Lake Property.
- f) On August 18, 2021 the Company closed its \$0.25 flow-through unit offering issuing 960,000 flow-through units for gross proceeds of \$240,000. Each flow-through unit consist of one flow-through common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional share at an exercise price of \$0.30 per share on or before August 21, 2023. The warrants were valued at \$nil, using the residual value method and the Company recorded \$12,000 in flow-through liability in connection to the financing. In connection to the financing the Company paid a cash finder's fee of \$11,200 and issued 44,800 finder's warrants that were valued at \$6,087 using the Black Scholes model with an expected life of 2 years, volatility of 122% and a risk free rate of 0.40%. The finder's warrants are exercisable for a period of 2 years at a price \$0.30 per share.

**Special warrants**

During the period ended August 31, 2021, the Company issued a total of 4,879,500 special warrants (the "Special Warrants") at \$0.20 for gross proceeds of \$975,900. Each Special Warrant entitles the holder to acquire, without payment of any consideration in addition to that paid for the Special Warrant, one previously unissued unit in the capital of the Company. Each unit is comprised of one common share in the capital of the Company and one common share purchase warrant where each warrant entitles the holder to purchase one additional common share at an exercise price of \$0.25 per share for a period of 3 years from the date of the exercise of the special warrants.

The Special Warrants may be exercised by the subscriber, in whole or in part, at any time following the closing of the offering. Any unexercised Special Warrants will be deemed to be exercised on that day which is the earlier of:

- the first (1st) business day following the day on which a receipt for a (final) prospectus has been issued to the Company by or on behalf of the securities regulatory; and
- the tenth (10th) anniversary of the date of the Special Warrant certificate.



**BIG RED MINING CORP.****Notes to the Financial Statements****For the period from October 18, 2020 (date of incorporation) to August 31, 2021**

(Expressed in Canadian dollars – unless otherwise noted)

**7. SHARE CAPITAL (CONTINUED)****Special warrants (continued)**

The Company issued the special warrants in the following tranches:

- On July 5, 2021 the Company closed its first tranche issuing 1,163,000 special warrants for gross proceeds of \$232,600. In connection to the financing the Company paid a cash finder's fee of \$6,240 and issued 31,200 finder's warrants that were valued at \$2,965 using the Black Scholes model with an expected life of 2 years, volatility of 122% and a risk free rate of 0.46%. The finder's warrants are exercisable at a price \$0.40 per share until the earlier of (a) 2 years from the date of issuance of the finder's warrants and (b) 18 months from the first business day following the day on which a receipt for a (final) prospectus has been issued.
- On July 23, 2021 the Company closed its second tranche issuing 503,500 special warrants for gross proceeds of \$100,700. In connection to the financing the Company paid a cash finder's fee of \$3,250 and issued 16,250 finder's warrants that were valued at \$2,043 using the Black Scholes model with an expected life of 2 years, volatility of 122% and a risk free rate of 0.38%. The finder's warrants are exercisable at a price \$0.40 per share until the earlier of (a) 2 years from the date of issuance of the finder's warrants and (b) 18 months from the first business day following the day on which a receipt for a (final) prospectus has been issued.
- On August 18, 2021 the Company closed its third tranche issuing 1,024,000 special warrants for gross proceeds of \$204,800. In connection to the financing the Company paid a cash finder's fee of \$12,400 and issued 62,000 finder warrants that were valued at \$8,424 using the Black Scholes model with an expected life of 3 years, volatility of 122% and a risk free rate of 0.40%. The finder's warrants are exercisable for a period of 3 years at a price \$0.25 per share.
- On August 20, 2021 the Company closed its fourth tranche issuing 733,500 special warrants for gross proceeds of \$146,700. In connection to the financing the Company paid a cash finder's fee of \$11,360 and issued 56,800 finder's warrants that were valued at \$6,483 using the Black Scholes model with an expected life of 18 months, volatility of 122% and a risk free rate of 0.39%. The finder's warrants were issued on August 31, 2021 and are exercisable for a period of 18 months at a price \$0.25 per share.
- On August 31, 2021 the Company closed its fifth and final tranche issuing 1,455,500 special warrants for gross proceeds of \$291,100. In connection to the financing the Company paid cash finder's fees of \$1,120 and issued 5,600 finder's warrants that were valued at \$717 using the Black Scholes model with an expected life of 2 years, volatility of 122% and a risk free rate of 0.39%. Of the finder's warrants, 3,600 warrants are exercisable for a period of 3 years at a price \$0.25 per share and 2,000 warrants are exercisable for a period of 18 months at a price \$0.25 per share.

**BIG RED MINING CORP.****Notes to the Financial Statements****For the period from October 18, 2020 (date of incorporation) to August 31, 2021**

(Expressed in Canadian dollars – unless otherwise noted)

**7. SHARE CAPITAL (CONTINUED)****Warrants**

Below is a summary of warrant activity during the period ended August 31, 2021:

	Amount Outstanding	Weighted Average Exercise Price
<b>Outstanding October 18, 2020 (Incorporation)</b>	-	\$-
Issued	7,251,650	\$0.22
<b>Balance at August 31, 2021</b>	<b>7,251,650</b>	<b>\$0.22</b>

The following table summarizes information about the warrants outstanding as at August 31, 2021:

Number of warrants outstanding	Exercise price	Remaining life (years)	Expiry date
58,800 <sup>(1)</sup>	\$0.25	1.5	March 1, 2023
31,200 <sup>(1)</sup>	\$0.40	1.84	July 5, 2023 <sup>(2)</sup>
16,250 <sup>(1)</sup>	\$0.40	1.89	July 23, 2023 <sup>(3)</sup>
44,800 <sup>(1)</sup>	\$0.30	1.96	August 21, 2023
960,000	\$0.30	1.96	August 18, 2023
62,000 <sup>(1)</sup>	\$0.25	2.97	August 19, 2024
3,600 <sup>(1)</sup>	\$0.25	3	August 31, 2024
6,075,000	\$0.20	4.54	March 16, 2026
7,251,650	\$0.22	4.13	

<sup>(1)</sup>Agent warrants<sup>(2)</sup> These warrants expire on the date that is the earlier of (a) July 5, 2023 and (b) 18 months from the first business day following the day on which a receipt for a (final) prospectus has been issued by or on behalf of the last of the securities regulatory authorities in the Province of British Columbia and in such other jurisdictions as may be determined by the Company qualifying the distribution of the shares to be issued upon exercise of the special warrants issued by the Company on July 5, 2021.<sup>(3)</sup> These warrants expire on the date that is the earlier of (a) July 23, 2023 and (b) 18 months from the first business day following the day on which a receipt for a (final) prospectus has been issued by or on behalf of the last of the securities regulatory authorities in the Province of British Columbia and in such other jurisdictions as may be determined by the Company qualifying the distribution of the shares to be issued upon exercise of the special warrants issued by the Company on July 23, 2021.

For the period ended August 31, 2021, no stock options were granted.

**BIG RED MINING CORP.**

**Notes to the Financial Statements**

**For the period from October 18, 2020 (date of incorporation) to August 31, 2021**

(Expressed in Canadian dollars – unless otherwise noted)

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**8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

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

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

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

The Company's financial instruments consist of cash, receivables, and accounts. The carrying values of these financial instruments approximate their respective fair values due to the term of these instruments.

As at August 31, 2021, the fair value of cash held by the Company was based on level 1 inputs of the fair value hierarchy.

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

*Credit risk*

The Company's primary exposure to credit risk is its cash of \$1,498,296 at August 31, 2021. With cash on deposit with reputable financial institutions, it is management's opinion that the Company is not exposed to significant credit risks arising from the financial instruments.

*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at August 31, 2021, the Company had current liabilities totaling \$61,175 and cash and cash equivalents of \$1,498,296 and is not exposed to significant liquidity risk at this time. However, since the Company is in the exploration stage, it will periodically have to raise funds to continue operations and intends to raise further financing through private placements.

*Market risk*

Market risk is the risk that changes in market prices such as commodity prices, foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposure within acceptable parameters. The Company does not use derivative instruments to reduce its insignificant exposure to market risks.

**BIG RED MINING CORP.****Notes to the Financial Statements****For the period from October 18, 2020 (date of incorporation) to August 31, 2021**

(Expressed in Canadian dollars – unless otherwise noted)

**9. CAPITAL MANAGEMENT**

The Company includes shareholders' equity and any debt it may issue, in the definition of capital. The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. 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 and consultants to sustain future development of the business.

The Company's property is in the exploration stage and as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds required.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company. The Company is not subject to any external covenants.

**10. INCOME TAX**

The following is a reconciliation of oncome taxes attributable to operations at the statutory rates to income tax expense (recovery):

	<b>August 31, 2021</b>
	\$
Loss before income taxes	<b>(32,058)</b>
Combined federal and provincial statutory income tax rates	<b>27%</b>
Income tax recovery at statutory rates	<b>(9,000)</b>
Share issuance costs	<b>(12,000)</b>
Change in unrecognized deductible temporary differences	<b>21,000</b>
Total income tax recovery	<b>-</b>

**BIG RED MINING CORP.****Notes to the Financial Statements****For the period from October 18, 2020 (date of incorporation) to August 31, 2021**

(Expressed in Canadian dollars – unless otherwise noted)

**10. INCOME TAX (CONTINUED)****Deferred tax balances**

The tax effects of temporary differences that give rise to future income tax assets are as follows:

	<b>August 31, 2021</b>
	\$
Non-capital losses carry forward	<b>11,000</b>
Share issuance costs	<b>10,000</b>
Total deferred tax assets	<b>21,000</b>
Less: unrecognised deferred tax assets	<b>(21,000)</b>
Net deferred tax assets	<b>-</b>

The significant components of the Company's unrecognized tax assets are as follows:

	<b>August 31, 2021</b>	<b>Expiry date range</b>
	\$	
Non-capital losses carry forward	<b>32,058</b>	<b>2041</b>
Share issuance costs	<b>36,456</b>	<b>2022 - 2025</b>

Tax attributes are subject to review and potential adjustment by tax authorities.

## CERTIFICATE OF THE COMPANY

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

DATED: September 20, 2021

*“Jag Sandhu”*

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Jag Sandhu  
Chief Executive Officer and Director

*“Paul Grewal”*

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Paul Grewal  
Chief Financial Officer

ON BEHALF OF THE BOARD

*“Rodney Stevens”*

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Rodney Stevens  
Director

*“James Atkinson”*

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James Atkinson  
Director

## **CERTIFICATE OF THE PROMOTER**

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

DATED: September 20, 2021

*“Jag Sandhu”*

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Jag Sandhu